

MICROCOPY

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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

RECORDS OF THE DEPARTMENT OF STATE

RELATING TO POLITICAL RELATIONS

BETWEEN CHINA AND JAPAN, 1930-1944

Roll 31

1930-39

793.94/7516-7780

Nov. 1935-Mar. 1936



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

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

TELEGRAM RECEIVED

1-1336

FROM

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

FS

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

Nanking

Dated December 12, 1935

Rec'd 7:40 a. m.

Secretary of State,
Washington.

CSF
Division of
FAR EASTERN AFFAIRS
DEC 12 1935
Department of State
ok
126

138, December 12, 2 p. m.

793.94

One. I am privately informed by a department
director of the Foreign Office that he does not con-
sider the new arrangement in the North to be in any
sense a diplomatic victory for China, as the Chinese
Government wishes to have public understand, but rather
"the beginning of the end" and his opinion is that the
Chinese should have refused to undertake any move toward
a special administration and to wait until the Japanese
tried force to attain their desires, which he believes
is what must happen in the end.

Section two by radio.

Repeated to Peiping.

HPD

ATCHESON

793.94/7516

FILED
DEC 14 1935

F.

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

TELEGRAM RECEIVED

FS

1-1336

FROM

COPIES SENT TO

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

SPECIAL GRAY AND GRAY

Nanking via N.R.

Dated December 12, 1935

Rec'd 10:10 a.m.

Secretary of State,
Washington.

138, December 12, 2 p.m. (SECTION TWO)

Two. He anticipates that, since there is and can be no formal written agreement with the Japanese concerning it, the new Commission will not succeed in functioning successfully either from the Chinese or the Japanese point of view and he does not see how the Commission can settle local questions with the Japanese if the direction of foreign affairs remains in Nanking or how Nanking's control over North China can be maintained if the Commission functions on its own in such matters. He stated that practically no one here has known the full details of the arrangement because Ho's reports have been going direct to Chiang without reference to any branch of the Government and he understands that completion of the arrangement has been delayed by an impasse probably in reference to finance. He described the new Commission as being (a) combination of the former Peiping political affairs readjustment and the branch military commissions

700

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

FS 2-No. 138, December 12, 2 p.m. from Nanking via N.R.

commissions with extended powers, (b) super-imposed upon the provincial governments and certain to cost a large sum to maintain.

Three. The resignation of Shang Chen as Chairman Hopei (?) but announcement as to his successor has not yet been made.

ATCHESON

HPD

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 138) of December 12, 1935, from the American Embassy at Nanking, reads substantially as follows:

A department director of the Chinese Foreign Office privately informed a member of the Embassy staff that he does not in any sense regard the new arrangement in North China as a diplomatic victory for China as the Nanking Government desires it to be publicly understood but rather "the beginning of the end". He believes that China should have refused to take any measures toward establishing a special administration and should have awaited until Japan tried to achieve its desires by force which is what must happen in the end in his opinion.

793.94/7516

pac
 FE:EC

CSR
 FE
 m.m. 14

XII-13-35

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

Fe

1~1330

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

Dated December 12, 1935

Rec'd., 11:
FAR EASTERN AFFAIRS
DEC 12 1935
Department of State

793.94/7517

14-00000 F
DEC 14 1935

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

TELEGRAM RECEIVED

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

JR

1-1336

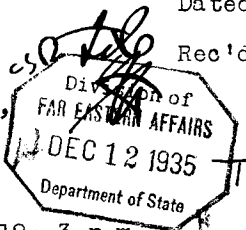
FROM PLAIN

Nanking via N.R.

Dated December 12, 1935

Rec'd., 11:50 a.m.

Secretary of State,
Washington.



139, December 12, 3 p.m.

My 137, December 12, noon; and 138, December 12, 1 p.m.

Following additional appointments are understood to
have been made this afternoon:

Sung Che Yuan, Hopei Chairman; Chang Tze Chung, Chahar
Chairman; Shiao Chen Ying, Mayor of Tientsin; Shang Chen,
Honorary Chairman; former Honan Chairman Liu Chih,
Pacification Commission for Honan and Anwei.

ATCHESON

HPD

793.94/7518

FILED
DEC 14 1935

1008

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

793.94

DOCUMENT FILE

NOTE

SEE 894.00 P.R./95 FOR #1542

FROM Japan (Neville) DATED Nov 11, 1935

TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Reported new Japanese policy in
North China; Visit of the Chinese Economic Mission to Japan.

FRG.

793.94/7519

7519

700

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

793.94

(1) Reported New Japanese Policy in North China.

While no official statements were issued during the month concerning the inauguration of a new policy for North China, the press reported that on October 8th the Cabinet had formally approved the much discussed "new" policy to be followed in that region. On the following day Major General Neiji Okamura, of the General Staff, departed for China, via Dairen, reportedly to acquaint the Japanese

* The Embassy's despatch No. 1537 of November 1, 1935.

- 4 -

Japanese military authorities in "Manchukuo" and China with this policy. Whatever the exact points in the new program may be, its significance would appear to lie in the fact that the civil and military heads of the Japanese Government have come to a definite agreement concerning a unified policy for North China. The JIJI of October 8th and the TOKYO NICHU NICHU of October 11th reported that, according to the decision arrived at by the Premier and the Ministers for War, Navy, Foreign Affairs, and Finance, force would be used, if necessary, to "rectify" the attitude of China toward Japan. The new policy, as reported by the Japanese newspapers, embodies the following points: the restoration of normal political and economic relations among Japan, China, and "Manchukuo" through a possible recognition of "Manchukuo" by China when opportunity offers; the complete eradication of anti-Japanese activities in North China; and the adoption of joint measures by Japan, China, and "Manchukuo", under the leadership of Japan, for the elimination of Communist activities in the Far East. The Nippon Dempo (news agency) of October 28th reported that the Chinese Ambassador to Japan, immediately prior to his departure for Nanking to attend the Sixth Plenary Session of the Kuomintang, had communicated to the Japanese Minister for Foreign Affairs the Nanking Government's acceptance in principle of the three-point program outlined above.

(2) Visit of the Chinese Economic Mission to Japan.

A Chinese Economic Mission consisting of bankers and industrial leaders arrived in Japan on October 7th for the reported purpose of preparing the way for a Sino-Japanese rapprochement through a practical discussion of specific problems.

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

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problems. In an interview with a representative of the JAPAN ADVERTISER, Mr. Wu Ting-chang, Chairman of the Mission, was reported by that newspaper to have stated in Tokyo on October 9th that the Mission was non-official and was interested in practical questions apart from the general principles of Sino-Japanese rapprochement. At a dinner given in honor of the Chinese Economic Mission by the Economic Federation of Japan and the Sino-Japanese Business Association on October 10th, Mr. Wu Ting-chang expressed the hope that there would be economic cooperation between China and Japan from the standpoint of the mutual prosperity of the two peoples and proposed the taking up of economic problems one by one, without political arrangements. The only concrete result of the Chinese Economic Mission's visit that has come to the Embassy's knowledge was the formation on October 22nd of an organization for the supervision of Sino-Japanese economic cooperation. It is understood that this ^{reorganization} will be called the Sino-Japanese Trade Society in this country and the Sino-Japanese Business Society in China; that the Chairmanship and Vice Chairmanship of the Society will alternate between Japanese and Chinese; that Mr. Kenji Kodama, President of the Yokohama Specie Bank, was chosen as the first Chairman of the Society and Mr. Wu Ting-chang as its first Vice Chairman.

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

TELEGRAM RECEIVED

AU

1-1336

FROM MAY

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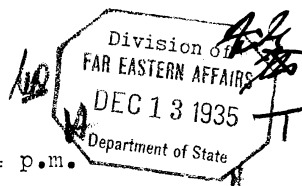
Peiping via N.R.

Dated December 13, 1935

Rec'd 9:30 a.m.

Secretary of State

Washington



224, December 13, 4 p.m.

Following telegram has been received from the
Consulate General at Shanghai.

"December 12, 5 p.m. According to reliable
source heads of seven local universities held a meeting
last night and decided to send a telegram to their
colleagues in Peiping supporting their manifesto
against autonomy movement and issue a circular telegram
to educational institutions throughout the country in
same tenor. Mailed to Nanking."

JOHNSON

WWC:CSB

793.94/7520

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DEC 14 1935

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

DOCUMENT FILE

NOTE

SEE 462.00 R 296 B.I.S./483 FOR tel. #1033, 11am

FROM France (Straus) DATED Dec. 10, 1935.
TO NAME 1-1127 ...

REGARDING:

From Cochran;
B.I.S. meeting held at Basle on December 8th and 9th.

Japanese representatives seemed worried over their
national outlook particularly because of prospective
heavy military expenditures in China.

793.94/7521

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

~~CONFIDENTIAL~~

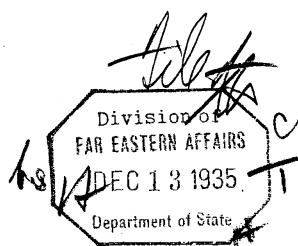
JAPAN'S PLAN TO CONQUER CHINA

Disclosure Made in Major - General
Tada's Statement

5
RECEIVED
DEPARTMENT OF STATE

1935 DEC 12 PM 1 35

DIVISION OF
COMMUNICATIONS
AND RECORDS



*Rec'd in the
Dept from
China from an
anonymous source*

793.94

793.94
522

FILED
DEC 21 1935

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

INTRODUCTION

The full significance of the statement recently made by Major-General Tada, the officer commanding the Japanese garrison in North China -- which was endorsed a little later by a conference attended by representatives of the Japanese War Office -- could hardly have been realized by those abroad whose attention was only momentarily arrested by brief cable reports. But the evidence supplied by General Tada's statement and by a pamphlet which he sponsored of Japan's determination to disrupt China certainly merits serious consideration, particularly by those nations which have voluntarily shouldered certain responsibilities by subscribing to the Nine Power Treaty of 1922.

Accordingly this Association, being convinced that it is in the interests of world peace that the facts should be fully known, has prepared a faithful translation of the pamphlet from the Japanese original. It speaks for itself, but a short analysis has been appended which may serve to direct notice to some of the salient points.

(1) The overthrow of the National Government of China, the (2) creation of a number of puppet regimes under the protection of Japan, and the (3) final disappearance of China as a sovereign entity -- which are clearly foreshadowed -- would constitute such a menace to the Western World that immediate and resolute preventive action is imperatively demanded. This Association which, as its name implies, was formed to aid in the preservation of China's territorial integrity, would be lacking in its duty if it failed to enlighten Europe and America in regard to the plans which the Japanese openly admit are in progress to (a) subjugate China, (b) head a racial war and to (c) establish the hegemony of Japan in Asia.

The Association for the Preservation of
China's Territory.

Shanghai, October 25, 1935.

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

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0015

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

BASIC CONCEPTION OF CHINA

I. FOREWORD

Ever since the Occidentals penetrated into the Orient, the attitude of the Powers towards China has been one aiming at her partition, or advocating international control, or attempting to enlarge their respective spheres of influence or struggling for concessions and market. All these even at the present time present a lively aspect. It is true that such measures of aggression have changed with the times, as far as their contents are concerned, but fundamentally the policy of the Powers has remained the same, always for promoting their own prosperity by exploiting China.

Despite this fact, our Japanese Empire alone has, in pursuance of her national policy, consistently adopted the view of respecting the territorial integrity of China and maintained the principle of friendship and co-operation with China for the sake of co-existence and mutual prosperity between the two countries.

It is true that not only was Japan sometimes disposed to follow the example of Europe and America, but some of her sons, on occasions, even loudly advocated the so-called "annexation" of China. These tendencies affected a section of the Japanese people with the result that their conception of China became diversified and inharmonious, which more than once obstructed the execution of our national policy. No small influence of evil nature was also exercised by such tendencies upon the masses of the Chinese people.

Nowadays when the Chinese sentiment towards Japan is aggravated, there is a need for us, the Japanese people, to examine carefully what have been the factors to cause this aggravation. In other words, it is necessary for us to return to our original national policy.

Let us observe the international situation that is changing before our eyes. The progressive change in the international situation may be regarded as a movement against the tyranny and

- 2 -

high-handedness of the white people, or as the beginning of a racial war for emancipating the coloured people, who form the greater part of the human inhabitants of the world, from the enslaving oppression by the whites and realizing equality and peace for all the human beings on earth. It may also be regarded as the beginning of a spiritual war for rectifying the material civilization of the West by the moral civilization of the East.

6 These two great missions from Heaven are the natural obligations which our Japanese Empire must bear. Japan has already taken the initial step towards the fulfilment of the obligations by assisting the new State of Manchukuo, withdrawing from the League of Nations and abrogating the Washington Naval Treaty.

7 In order to fulfil the great missions imposed by Heaven, our Japanese Empire must keep herself strong and upright. For, it will be impossible for her to care for others if she herself is weak and her perpetual expansion will be impossible if she does not properly employ the strength she has.

8 Viewed in this light, it is essential for the attitude of our Empire towards China to be in conformity with her national policy and the missions she has been charged with. In other words, the fundamental principle of the continental policy of our Empire must be to promote her own national expansion and at the same time emancipate the people of the Orient from oppression, give them an easy life and comfortable occupations, respect their independence, and thus promote harmony and co-operation with them, thereby establishing close and indivisible relations, political, economic and military, between her and these people. <

9 When our Empire pursues this policy, she is following the path of justice in the eyes of Heaven, which is true and infallible in all places. This is the firm belief we, the Japanese people, entertain with a clear conscience. We must, in accordance with this belief, make, with intrepidity and valour, straight for the fulfilment of the Imperial Rescript issued by Jimmu-tenno, the first

- 3 -

of our august Emperors, by helping our weak neighbours and bringing about real, everlasting peace in the Orient, in fulfilling the lofty missions imposed upon us by Heaven.

- 10 It is not too much to say that the success or failure of our efforts for a solution of the outstanding questions relative to China will prove the touchstone of success or failure of our endeavours for the fulfilment of the missions already referred to. The first stone has already been thrown in North China. We must not follow the old tendencies or resort to petty artifices. Instead, we must act fairly and justly, take measures that will convince all, hold aloft the justice of our cause, smash interference and injustice, and thus move ahead as the saviour of four hundred million people. Not in T

- 11 The conception of China, entertained by all those who are, either directly or indirectly, engaged in the fulfilment of the sacred missions, must be corrected and unified so that they may not tread on the wrong path in the execution of the policy of our Empire towards China. Not in T

II. THE BASIC CONCEPTION OF THE CHINA POLICY

12 This humble work was born of the ardent wishes the author desires to express for the fulfilment of the lofty missions from Heaven. Let not any one slight this work as a useless argument based on empty theories. Devotion to work is the secret of success. Not in T

13 Needless to say, the policy of our Empire toward China must be based on our national policy which has as its object the maintenance of permanent peace in the Orient as well as our lofty missions which command us to emancipate the people of the Orient who are groaning under the oppression brought to bear upon them by the white race. At the same time, the policy must be aimed at a proper diagnosis of the origin of the disease affecting China and the application of adequate treatment. Not in T

14 That the Chinese people have, for six thousand years past, been merely the objective of the "squeezing" policy of the Chinese

0018

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

- 4 -

statesmen, landlords and plutocrats is well illustrated by the facts in record. The ruling classes were merely absorbed in "squeezing" the masses without any intention of promoting their welfare. On the other hand, the masses had no confidence in the ruling classes and always regarded as a good government any regime under which the authorities did not interfere with their manner of life.

Since the beginning of the Chinese Republic, the Chinese masses have been subjected to "squeezing" by the warlords who never know a limit of greed or avarice and more recently to the increasing exaction by a new type of militarists made up of the Kuomintang faction led by General Chiang Kai-shek and the Che-kiang plutocrats. Thus the Chinese masses are now suffering from the trials and tribulations of life. To make matters worse, natural calamities and disturbances by troops and bandits have occurred one after another, with the result that the agricultural districts are now directly heading for ruin. If the farmers do not turn bandits, they will certainly become Communists.

16 It is by no means going too far to assert that General Chiang Kai-shek and his associates in the Nanking Government are responsible for the greater part of the hardships of the Chinese masses. The policy of the Nanking Government is aimed at nothing internally, except squeezing and destruction, and externally at the attainment of its ends by following the classical Chinese strategem of "bidding up one Power against another," which is equal to digging a grave for itself. Special mention must be made of the attitude of the Nanking Government towards Japan in this connection. Forgetting the fact that China has narrowly escaped its partition or joint control by the Powers only because of the imposing presence of Japan, the Nanking Government not only fails to feel grateful towards Japan but regards her as its enemy. It is singularly outrageous that the Nanking Government should not only infringe upon the legitimate rights and interests of our

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Empire but also go the length of intriguing, in direct or indirect conjunction with the Powers, against our Empire by taking advantage of the crisis confronting her.

17. Such action on the part of the Nanking Government is unpardonable on the ground of international ethics from the standpoint of its moral obligations towards its good neighbour, the Japanese Empire. At the same time, it is responsible for the untoward incidents which have occurred between Japan and China, especially the Chinese boycott of Japanese goods, which merely serve to increase the difficulties of the Chinese masses. *Not in T*

18. It is therefore no exaggeration to state that General Chiang Kai-shek and his associates may be regarded as the common enemy of our Empire and the Chinese masses as well as humanity, inasmuch as they not only have failed to realize the fact that China cannot exist without Japan but have always been absorbed in feathering their own nests by exploiting the Chinese masses.

19. Indeed, the salvation of the Chinese masses cannot be left to them. And the Chinese masses -- there are as many as four hundred millions of them -- are so badly in need of salvation that unless proper steps are taken at an early date, they may be thrown into irremediable plight. Then, it is clear that our Empire being in close relations with China will be affected to a great extent. This is the greatest of the roots of calamity to peace in the Orient and as such constitutes a matter for profound regret to both the Japanese and Chinese peoples.

20. From this point of view, the basic principle of the policy of our Empire towards China must be for a thorough eradication of these roots of calamity *(Kai-shek and his associates)* and for the salvation of the Chinese masses, with the ultimate aim of promoting co-existence and mutual prosperity between the two nations. *Not in T*

There may be some who are inclined to ask how Japan can spare her strength for others while she herself is facing so extraordinary a situation at home. To such a question, I would reply that it does

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not require heavy sacrifices to execute the policy of our Empire towards China if only proper means are employed. At the same time, we should not overlook the fact that the policies of our Empire towards Manchukuo and China produce immediate influences upon the situation in Japan.

III. JAPAN'S ATTITUDE TOWARD CHINA

1. It Should Be Fair And Just

The fundamental principle of the policy of our Japanese Empire towards China is, as already stated, for the salvation of the Chinese masses and the promotion of co-existence and mutual prosperity between Japan and China. Therefore we, the Japanese people, must always have a clear conscience, maintain a fair and just attitude and strictly refrain from taking any action that would arouse suspicion about our attitude internally and externally.

Instances are not lacking of some who, while criticising the Chinese for their Machiavellianism, fall unconsciously into these evil practices themselves. Foul play is incompatible with the attitude of those who follow the Kingly Way. Furthermore, the Japanese are no match for the Chinese in such practices. Machinations may sometimes be necessary as an inevitable or desirable expedient but should not be regarded as a normal course of action.

We must act openly in our efforts to eradicate the sources of evil. Justice needs permanency as well as strength. So, our attitude must be always based on the principle of happiness for the masses and in the execution of the missions of our Empire, we must not tolerate any obstruction, regardless of the nationality of those who produce it. Even in the case of our fellow countrymen, any unfair and unjust conduct must be strictly controlled.

A movement for the acquisition of concessions or rights, based on the so-called "snatching principle," the illicit manufacture and sale of narcotics, half-open smuggling by exporters and importers, even the travelling in trains through improper means -- any such irregularity, committed by our fellow countrymen, would be a great stain on the prestige of our Empire.

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Particularly, this must be regarded as an outrage for any of our fellow countrymen to misuse the prestige of our Empire and commit offences in broad daylight in defiance of the Chinese authorities. Such acts would compromise the reputation of our Empire as a staunch champion of justice and cause misunderstanding about the real motive of Japan's policy toward China; they would give rise to untoward incidents instead of preventing them. It is absolutely unpardonable for anyone to bring trouble upon our Imperial Army and our motherland.

27

Further, special care should be taken to avoid such action in a political movement as will be regarded as intentional intrigues by our Empire, for this would unduly arouse a feeling of unrest among the masses, impair their confidence in and cause suspicion even about the most lofty intentions of our Empire.

2. It Should Be Followed By Force.

28

In order to smash up wrong and injustice and punish stubborn ignorance, the employment of legitimate power is necessary. It is particularly so in the case of the so-called "intelligentsia" of China who being given to Machiavellianism, have misused their moral sense. Of course, power must be exercised with the utmost prudence lest it should be marred by errors.

29

Wrong doing and injustice, unreasonable, unilateral demands made through force for the purpose of carrying out a policy, would cause resentment among the masses, which in turn would lead to such racial strife as would prove a great obstacle to the fulfilment of the lofty missions of our Empire.

30

The demand for the abolition of the so-called unequal treaties and the movement for the overthrow of Imperialism are based on the egoistic ideas of Chinese statesmen who place wrong above right but in some sense they may be regarded as the reaction against the unwarranted oppression by the leading Powers of the world. As instances of such resistance are not far to seek, we must consider the matter carefully. The necessity for careful consideration of the

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matter is felt all the more keenly because the great missions our Empire has to fulfil are based on the lofty ideal of bringing about permanent peace in the world and the propriety of the methods of fulfilling these missions will immediately affect the trend of mind of the weak, small nations of the world.

31 In short, we must exercise our power just as we use the sacred sword against evil. Our power should not be exercised unless justice and a clear conscience commands us to do so. When our power needs to be exercised, we must exercise it in a decisive manner and without hesitation. *Not in T*

3. The Squeezing Principle Should Be

Replaced by the "Giving" Principle

32 As the ultimate aim of co-operation between our Empire and China is co-existence and mutual prosperity for the two nations, we must discard the "policy for squeezing" which is a legacy of European and American capitalism. The present standstill of Western material civilization shows the stupidity of retaining such a legacy. Moreover, our Empire must take its own course of action as her continental policy is to save the human race in accordance with the dictates of morality. What is that singular course of action to be followed by our Empire, then?

33 The answer is the adoption of the principle for "giving." It is necessary to give "medicine" and "nourishment" to save the exhausted, impoverished and starving Chinese masses. To be more plain, it is necessary to give the Chinese masses capital, technique and work so as to make their existence secure, and then give them reserve livelihood and purchasing power.

34 It is clear that the Chinese masses, given happiness in life, will spontaneously come into indivisible mental and economic relations with our Empire. Then, will it not be impossible for China to become a market of the products of Japan and a source of the supply of raw materials. This will promote the mutual well-being of the two nations and thus serve to realize the principle of co-existence and mutual prosperity between them.

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35 It would be a great anachronistic error, of which there are many instances, and a foolish act of one who is behind his times, to disregard the changing realities of the world and resort to the old-fashioned method of adopting the selfish principle for squeezing rights and concessions for one's own benefit. If on the other hand a country should proceed courageously in accordance with the principle as has been mentioned above, she would become the object of admiration for the weak races in the world and would be chosen the leader of an alliance without any effort on her own part. A country that may be called a great nation should take the principle of "giving" as a foundation to rid her of evils of selfishness. That is, she should act with grace from a high position and possess such a magnanimous quality as to respect and tolerate the races with which she deals. This is an indispensable condition upon which she can succeed in giving consolation to foreign races.

4. Independence and Honour of the
Races Should Be Maintained.

36 It is an instinct of the races to desire the maintenance of their honour and the realization of their independence. This is accountable for the fact that the Colonies of the European Powers that have reached economic maturity are seeking to shake off their yoke and become independent.

37 There are small countries which have declared independence since the Great War that now hope to be annexed on some reasonable basis owing to financial difficulties. On the other hand, there are others that after swallowing other countries or races have fallen into a disadvantageous situation because of their administrative and financial burden. From this point of view, it becomes clear that if the continental policy of our Empire confines itself to territorial expansion, her strength will be decreased. For the same reason, she adopted the new principle of "independence" when Manchukuo was about to be founded.

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38 It may be safe to state positively that all the thinking minds of our Empire are far away from such anachronistic ideas as advocacy for the annexation or invasion of China. However, we cannot overlook the fact that there were some among our ignorant fellow countrymen, whose speech and conduct indicating that Japan intended to make Manchuria a second Korea created suspicion among the inhabitants of Manchuria and produced bad effects upon the administration of that land.

39 We must be as cautious as possible against such reckless speech and conduct in view of the misunderstanding some of the Manchurians entertained for a time about the real intention of our Empire as well as the distorted propaganda certain Chinese statesmen have conducted among the ignorant people in China in order to aggravate their enmity toward Japan.

40 It should be especially noted that the Chinese are a nation who value their "face" to a great extent. In dealing with such a nation, we should be all the more cautious to make the utmost efforts to clarify the real intention and attitude of our Empire and thus give them to understand sufficiently the fairness and justice of the action Japan has been taking for the promotion of the welfare of the people and removal of all the common enemies that attempt to prevent us from realizing our object. Not in T

5. Personal Relationship Should Give Place
to the "Yea, Yea; Nay, Nay" Policy.

41 How much success has been achieved by employing the most convenient method of dealing with China through hypnotizing the leading personalities of the hour, when the Chinese military was at the zenith of its power? Failures in the past were all due to our overconfidence in personal elements and disregard of general welfare. It was very unwise to counteract one evil by aiding another, thereby giving rise to the resentment of the masses.

42 In the fulfilment of the great missions of our Japanese Empire, we must see to it that the principle for happiness and well-being

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of the masses is not compromised by consideration for individual personal gains. Otherwise we would prove disloyal to our principle and repeat our failures.

43 Too much consideration of friendship being their weakness, the Japanese people are wont to distinguish between the familiar and the unfamiliar and the good and the evil among those with whom they have been associated. The worst is that we have been played tricks upon by the Chinese warlords gifted with social diplomacy, or have served as their agents, have been utilized to do propaganda work to cover their evils, or have passed wrong judgments based upon wrong facts. Moreover, there has been no permanency in our personal relations with them for the reason that we have been subject to their whims and fancies. Nay, we have suffered from bad effects, which problem we should not overlook. Therefore, when we enforce our China policy, we should build it on the conception that the masses are our objective and that the ideas of individuals and the results of their deeds, but not the individuals themselves, should be regarded as our norm of adoption, and thus it will not in the least be affected by personal sentiments.

6. Old and New Warlords and Other

Squeezers Should Be Wiped Away

44 It is unanimously recognized that the old-fashioned warlords constituted a social evil because they never paid attention to the weal of the masses and what they did was to squeeze the people for selfish ends and personal feuds. In the course of time they have degenerated, and at present the majority of them has been crushed by the new militarist Chiang Kai-shek, the minority being a few who are barely maintaining their positions as such. Particularly, those in North China are surviving under the pressure and supervision of the Central Government and in obedience to its desires on the one hand, and on the other are wishing to prolong their numbered days in order to do a little more squeezing. Except in a very few cases, they have lost their former spirit which manifested

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itself in being daring enough to be independent in their respective areas in defiance of the central authority with the hope to rise to a commanding position at an opportune moment.

45 Outwardly it may seem as if the remnant of militarists and the new militarist clique are united in such a way as would give hopes for the achievement of a great task. The truth, however, is to the contrary. Indeed, as their generous feeling and courage have dropped to zero, it is impossible to expect the Chinese militarists with conflicting interests to unite themselves sincerely for the realization of a really worthy aim -- worthy in the matter of public welfare. Such a truth is proved by history and particularly by the behavior of the new militarist clique, which will soon meet its doom.

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46 That some of the Chinese militarists are submitting themselves to the prestige of our Empire and showing an ingratiatory attitude toward us must not be taken at its face value. In most, if not all cases, they are doing so because they consider it an expedient for maintaining their positions. It should be noted that they never act in accordance with a definite principle or belief, or enthusiasm.

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47 There appear to be some who still attempt to utilize the militarists by giving them arms and funds, thinking that it will make some contribution toward the promotion of the economic expansion of our Empire. Such an idea is entirely mistaken. Not only can it hardly be regarded as appropriate, it runs counter to the fair and just policy of our Empire.

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48 Since the remnant militarists are more than useless to us, what we must do now is to co-operate with the Chinese masses for the development of their country and guide them in such a way as will eventually do away with militaristic evils. It is impossible to wipe out the militarists all at once in this period of transition, so we should first let them continue their wretched life and follow the instructions of the Empire. But here we must strictly guard against errors that would enable them to extend their influence or help the new militarists to grow.

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7. The Professional Pro-Japanese

Clique Should Be Rejected.

49 Again, there is a group of Japanese-returned students who have mastered the Japanese language as a means of money-making and sustenance and who avow themselves friends of our Japanese Empire. They stand between the authorities of the National Government and Japan, professing eloquently to have the intention of helping promote friendship and co-operation between the two nations with a view to obtaining the favour of our officials. The fact, however, remains that they are "schemers for softening Japan" on account of their attempt to appease the Japanese attitude, if not secret agents whose duty it is to find out the inclinations and attitude of our authorities. If we should hypnotize them to carry out the view of our Empire, the result would likely do harm to our judgment. Worse than that, our views would be modified by their insinuations, their solicitations, their supplications so as to look like a buffer between the Chinese and ourselves. The cause is that their happy knowledge of the Japanese language and Japan is not for Japan, but for themselves. From the Japanese standpoint of view, their presence is not an asset.

50 How absurd it is that the Japanese, officials and people alike, should regard them highly as if they were saviours! It is a great mistake to call one group of the Chinese leaders a "pro-Japanese faction" and another an "American-European faction" because there is only one faction which is termed by some as the "Chinese faction for the Chinese."

51 As a matter of fact, those who have a true understanding of the general situation and feel the need for collaboration between the two countries are not necessarily limited to the pro-Japanese faction; some such persons may be found in the American-European faction. It is farcical to classify through coloured spectacles the pro-Japanese elements and the American-European into good and bad persons. As we are only their instruments, the result will

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not be favourable to us. To be brief, we should henceforth base our observations and dealings on facts and get rid of the idea that man is our unit of measure.

52 Moreover, the so-called pro-Japanese Chinese are much inferior even to the inferior element of the American-European faction as far as their power and financial standing are concerned. Under the present circumstance, Chiang Kai-shek is making use of them simply because of the necessity of such an expediency. Not in T

53 To sum up, it is most foolish to try to promote the desired Sino-Japanese co-operation through the "pro-Japanese professionals." Instead, we must deal directly with responsible persons in order to make a definite decision and know what is black and white. In other words, it is to be understood that at present the buffer, though a necessity to China, is a thing harmful to Japan. As these professionals are still very active in various places, the Japanese, who are not handy with a foreign language, are making use of them for the sake of convenience, but have unconsciously fallen into their tricks. Attention should be called to the immensity of such evil results.

8. Superiority Conception Should Be Discarded.

54 One of the grievances entertained by the Chinese is that some of the Japanese look down upon the Chinese with contempt and irritatingly display their sense of superiority. It goes without saying that in comparison with the Chinese we should uphold the sense of superiority, but it is not the way to hold the Chinese in submission by abusing that sense to the degree of contempt. Above all, it is not the proper attitude of our people as a great nation, -- and it will be frowned upon by any person, -- to despise and threaten the Chinese and to commit such irregularities as dealing in contraband and taking trains or cars without paying fares as some of our undesirable fellow-countrymen living in China are doing.

55 Those who display the sense of superiority in the presence of the Chinese show that they are not better than the Chinese. It is

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those persons with the genuine sense of superiority that elevate themselves and respect and protect the personality of the Chinese. In other words, it is proper and fitting that we should adopt the generous aims becoming of the citizen of a great nation. In this way, the Chinese will willingly treat us as elder brothers or teachers. It should be particularly noted that even in the administration of Manchukuo the superficial sense of superiority will prove an obstacle to the rapprochement of the two nations and the adoption of the continental policy.

56 Let us repeat that the basic principle of Japan's policy toward China, based as it is on the Empire's great missions which consist of the salvation of the world and humanity, is for the salvation of the Chinese people and the promotion of co-existence and mutual prosperity between the two countries. Under the conviction that this will bring about permanent peace in Eastern Asia, we must go ahead straight for the fulfilment of our great missions, firmly resolved to surmount whatever obstacles may lie in our path.

IV EXPOSURE OF THE KUOMINTANG
AND CHIANG KAI-SHEK

57 In carrying out the above-mentioned policy in China there is a great force of obstruction. It is the force created by the Kuomintang headquarters and the regime of Chiang Kai-shek. Reports have been circulating lately that Chiang Kai-shek has shown repentance and turned pro-Japanese, and those of the masses who consider these reports as possible to come to realization are mistaken in supposing that he has succeeded to a certain extent in the concentration of power and that with the attitude of the leading figure changed, all his associates and subordinates can follow suit. Is all this not a mixture of dreams and realities? As it is natural that no unanimous agreement is possible in all abstract discussions except in mathematics, so it follows that one should not force another to recognize the premises or conditions preceding a conclusion. But if these premises are well adjusted, their conclusion

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will naturally become unanimously accepted. We can not afford to overlook this important factor in connection with the unification of Japan's principle concerning China. For our reference, therefore, we should study and discuss the reason why Chiang Kai-shek and the Kuomintang cannot stand side by side with Japan.

58 We need not discuss here whether or not the motives behind "Abolish Unequal Treaties" and "Down with Imperialism" advocated since the inauguration of the Kuomintang are pure and proper. But when these slogans had succeeded in becoming a sort of belief, or creed in the minds of Chinese young men, (who are regarded as patriots,) during the period of more than ten years since their introduction, the "Manchurian Affair" broke out. A large piece of territory was lost. All the hopes for its recovery have encountered a sudden, severe check. These young men have completely lost their "face". The leadership and policy of the Tangpu (the organ of the Kuomintang) have received a deadly blow, which has caused resentment and hatred to the degree easily imaginable.

59 Besides, Chiang Kai-shek himself has repeatedly proved unfaithful to Japan. It is a fact that since the "Tsinan Incident" he has been in friction with the Japanese influence. The Kuomintang, after repeated party-purge movements, has become the party of Chiang Kai-shek. It is wrong to have the impression that Chiang and the Kuomintang are separated and separable.

60 As already revealed, the new militarists associating with the Kuomintang and the Chekiang capitalists have resorted to the worst extortion of the Chinese people ever experienced in China. It needs no explanation that these squeezers of the masses cannot work together with Japan, whose aim is to promote the welfare of the masses. Therefore, it may be considered as a futile observation that Chiang Kai-shek, being an opportunist, will change his attitude when the general situation becomes unfavorable. For such a change would spell submission, which act has the possibility of leaving behind a bad reputation for an indefinite period of time. X

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Simultaneously, it would result in a complete alteration of the principle that has been made a creed, and that would be as bad as suicide. Moreover, Chiang Kai-shek, T. V. Soong, H. H. Kung and Chen Kuo-fu are loyal members of the Chiang-Soong clique. Their relations with the Chekiang capitalists and with British and American interests and their personal deposits largely in the British and American banks, all these and other factors clearly indicate that this clique is unable to shake hands with Japan, whose interests run counter to its interests.

61

Then there are evidences showing that in spite of the mandate of the National Government calling for friendly relations with Japan at the conclusion of the North China incident, anti-Japanese work continues in the dark, such as the disturbances caused by the Tangpu and the remnants of the Blue Shirts, the anti-Manchukuo acts secretly carried out by the Branch of the Military Affairs Commission, and the work directed in secret by the Ministries of Industry, Railways, Finance, etc. of the Nanking Government to prevent Sino-Japanese co-operation. Both Chinese inhabitants and Japanese residents in North China are greatly disappointed in their hopes for a clarification of that part of the country. Granting that the responsible persons would alter their attitude, it is feared that they can hardly change their protection colour immediately. Nor is it easy for the lower social strata to uproot overnight the anti-Japanese ideas in which they have been steeped. Given a suitable length of time, they may be able to show better results. Yet it is regrettable that from the reliable evidences of their anti-Japanese actions in North China as have been given above, they have to be adjudged as entirely insincere.

62

Those friendly inclinations toward Japan will not reap any fruitful result unless they find expressions in facts or deeds. Moreover, they are, as is proved by those facts mentioned in the foregoing, only vague tactics to put off the existing difficulty. Therefore, even if the Chinese recognize Manchukuo and discuss a

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 certain number of outwardly vague tactics either under the pressure of Japan's force or on conditions mutually arrived at, they will, at a favourable moment, when the international situation undergoes some change, rely upon foreign influences to retaliate and attack us with slogans such as "Abrogate the Unequal Treaties" and "Restore the Lost Territory." Of all this we should be aware. The change or maintenance of their present attitude, being a matter of prediction, should not be forced upon them, but if we blindly pass those judgments that are profitable to us and hope for those things that are not to be hoped for, we shall fall into their tricks. In the event of a crisis, we shall be confronted with dangers which we can easily imagine.

53 Not in KNN
 In brief, the relation between Chiang Kai-shek and his clique on the one hand and Japan on the other stands like this: unless our Empire be brought to submission, the causes and effects of her incompatibility with Chiang Kai-shek should be removed.

V. THE COMMUNIST MOVEMENT IN CHINA

64 The Red menace in China began with the incorporation of the Communist elements in the Kuomintang. Chiang Kai-shek has repeatedly ordered party-purge movements since 1927 and succeeded in some measure, but Communist thoughts still prevail among the lower ranks of the Kuomintang. Although Chiang Kai-shek and his principal associates have degenerated into new militarists of a capitalistic character by joining hands with the Chekiang financiers, their organization, form, activities, etc., do not quite differ from those of the Communists. Consequently, Chiang Kai-shek has not obtained any result of importance after years of the anti-Red campaign. Complete suppression has become just as futile as pressing a rubber bladder half filled with the air, which will not break but swell up on one side when you apply pressure on the other. In fact the Red menace will become more serious, with the possible threat of the realisation of the north-western link of Szechwan, Tsinghai and Sinkiang, as desired by the Third International. It may not be too

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much to express the suspicion whether Chiang Kai-shek is conducting the anti-Red campaign in earnest or not.

65 Fundamentally, the Communist Party of China, especially what is known as Communist-bandits, is different from the Communist Party of Soviet Russia in purpose. Its chief characteristic being the fact that its members are largely peasants, it may just as well be regarded as an organized force formed in consequence of the maladministration of the Kuomintang, by poverty-stricken peasants and anti-Kuomintang elements with the object of finding the means of living with the aid from the real Communist Party. As for the Communist Party of Soviet Russia, naturally it is directing this force with a view to extending its influence. It is obvious that the longer the maladministration of the Kuomintang is allowed to continue, the poorer the peasants will be and the wider-spread will the Communist-bandits become.

66 Whether China should be bolshevized has been the subject of much discussion since the time of the advent of the Kuomintang. Apart from the rebellions for dynasty changes in the history of China, there is a general impression among the lower classes of the people that they are entitled to follow the troops in the division of the wealth of the rich (to say nothing of the powerful land-owners and corrupt gentry) in times of civil strife. This is tantamount to the initial idea of Communism. On the other hand, the Communist leaders of to-day, while directing their subordinates and the masses on lines of Communism of a primitive nature, are themselves enjoying a share of the spoils. This fact is sufficient to show that they are degenerating into a sort of militarists, and it may be further pointed out that if there is none of such spoils as their object, they may possibly become entirely degenerated. Communism in Russia is only possible under the strict pressure of the OGPU and the Red Army. In China, however, such controlling organs can not exist, the failure of the Blue Shirts of Chiang Kai-shek being an example. It is, therefore, doubtful whether a true

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Communist regime can be set up throughout China. Judging from the Chinese national character, even if Communism takes the whole of China by storm, it will of necessity die out like a storm. But the pain and sorrows to be inflicted upon the masses at the stage of chaos and the serious effects upon our Empire will not permit us to adopt the attitude of "watching a fire on the opposite bank of a river." Particularly, precaution should be taken against the tactics that Soviet Russia employs in using the Reds in China as tools in plotting against our Empire.

67 Since the rampancy of the Communist movement, especially of the Communist-bandits in China, is, as told above, the result of the maladministration of the Kuomintang, the remedy lies in reforming its corrupt government, that is, lightening the burdens of the people, saving them from further oppression, and at least safeguarding their means of living. It is the common object of the efforts of both the Japanese and Chinese peoples to check the Communist menace, relieve the masses of China, and effect a radical improvement of the existing administrative system. The organisation of the Kuomintang, as previously stated, is more or less similar to the Soviet system. China is, therefore, more likely to become pro-Russia than pro-Japan at the end of her resources, contrary to the anticipation of some Japanese people. Latest information indicates that symptoms to that effect are not lacking. Attention should be drawn to clear evidences that Chiang Kai-shek is seeking an alliance with the Soviet receiving the latter's assistance in an attempt to impair the policy of Japan.

68 In a word, though no worry need be attached to the Communist Party of China, the activities of Soviet Russia in making use of that party and thereby bringing pressure to bear upon the Japanese Empire should be watched carefully in order to avoid errors. To minimize the activities of Communism, it is necessary to enable the Chinese peasants to rid the masses of all the possibilities of being bolshevized, and the requisite condition of this is improvement of the administrative system.

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VI. IMPORTANCE OF THE NORTH CHINA POLICY

69 It has been stated previously that as long as Chiang Kai-shek and his clique continue to dominate China, there can be no hope of the adoption of a friendly policy toward Japan within their sphere of influence, even if Japan holds a fair and just policy. Therefore the Japanese Empire should act independently and disregard their pretenses by starting to create a paradise for co-existence and mutual prosperity between the two countries out of a zone where the China policy will be adopted. That paradise will be extended by degrees to such an extent that China will have to change her attitude sincerely or even they (Chiang and his clique) will not be permitted to exist. Not in T

70 North China at present is the district where the above-mentioned policy can be most easily and quickly carried out. At the same time, it undoubtedly constitutes the zone of necessity. So the first step to enforce the national policy is to make North China a land of peace where the Chinese and the Japanese can live in peace and enlightenment, a market where Chinese and Japanese commodities and capital will not be subject to jeopardy but circulated freely, -- a paradise for co-existence and mutual prosperity of the two nations. Such a step will help the healthy growth of Manchukuo in the north and demonstrate to that part of China lying to the south that the happy state of mutual dependence for existence and the cooperation among Japan, China and Manchukuo with the Empire as the centre of gravity can warrant peace in Eastern Asia. Such is the importance of the North China question, upon which depends the success of the outward expansion of the Japanese Empire. Not in T

VII. CONCLUSION

71 The Imperial Rescript issued by Jimmu-tenno, the first Emperor of Japan regarding his government reads as follows:- "In following the virtues conferred upon myself by the Heaven and the promptings for bringing up my subjects, I should embrace the universe and dominate the corners of the earth." This reveals that our Emperors

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have regarded the virtues of justice and righteousness as the basis of government. Acting upon these virtues, they have been internally building a righteous nation and externally hoping in earnest for the unification of moral forces in the world. It becomes evident that in this is embodied the spirit of our government and the belief of the Yamato race. In regard to the oversea expansion of our Empire, we may look back into history and find that in spite of a few instances of success in stepping upon the continent we have met for inevitable reasons many reverses and withdrawals, such as the conquest of Korea by the Japanese Empress Jingo (in A.D. 200), the establishment of the Nihon Fu in Mimana (in 32 B.C.), the invasion of Korea by Toyotomi Hideyoshi (in 1592) and, more recently, the attack on Tsingtao (in 1914) and the expedition to Siberia (in 1918). Should the present movements of expansion like the founding of Manchukuo and the development of North China fail, we would not only retreat from the continent, but the destiny of the nation and the people would hang in the balance. We should, therefore, study the causes of our past failures and not repeat our errors. Without going into details, we must take up the following as our motto:-

72 1. As an individual and as a nation we need to have a dauntless spirit to push forward under any circumstance. *

73 2. As an individual and as a nation we cannot realize co-existence and mutual prosperity unless we have acquired the magnanimous spirit of reflection and self-reproach.

74 3. The life of the Japanese nation should run as prosperously and everlastingly as the life of the earth and we should not be governed by immediate profits and losses to hasten our success. *

75 4. Regarding the expansion of the Japanese Empire we should stand firm on our ground and adopt the policy of "ascending step by step" (and sometimes a few steps at a stretch). Once ascending, we are bound not to fall down.

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

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We should not place ourselves in the position of one
who rides an elevator, descending as fast as ascending.

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To sum up, in order to carry out our belief in conformity
with the great spirit of our government we must possess these
factors: justice, patience and courage.

- 24 -

AN ANALYSIS

By Nugent Rugge

Major-General Hayao Tada, the officer commanding Japanese troops in North China, recently advocated a violation of China's territorial integrity when introducing a pamphlet which began with the text that Japan was the only country that respected China's territorial integrity! This remarkable paradox might appear to be a malicious perversion, but Gen. Tada's utterances have not been denied, and the pamphlet speaks for itself.

It may be recalled that Gen. Tada recommended that North China should become politically and economically independent of Nanking, that Generalissimo Chiang Kai-shek and the Kuomintang should be overthrown, and that the National Government should be compelled to abandon its dual policy of professing friendship for Japan while resisting Japan's overtures for friendship and relying upon distant nations.

In effect the Japanese military officer counselled the northern provinces of China to revolt from Nanking and form an "independent" administration under the protection of the Japanese army. The question naturally arises whether, in making such a proposal, Gen. Tada was committing a genuine or a calculated indiscretion. The point is well worth considering.

The apparent anxiety to minimize the shock of a high Japanese military officer counselling rebellion against the National Government of China would seem to give colour to the belief that he had, so to speak, exceeded his terms of reference. It will be remembered that in view of the furore that followed the publication of the reports of his speech and of the character of the pamphlet, it was explained:

1. That the Japanese journalists who were addressed by Gen. Tada had violated confidence.
2. That only the personal views of Gen. Tada had been expressed.

- 25 -

3. That a junior staff officer had drawn up the pamphlet, with which Gen. Tada did not altogether agree and that it had been issued to the journalists merely for their guidance as indicating what Japan's future policy might be.

Naturally, as the explanations were contradictory, and had apparently been rapidly evolved in succession to meet a developing situation, it might be assumed that Gen. Tada recognized that he had been indiscreet. On the other hand the theory that Gen. Tada was merely releasing a trial balloon cannot be excluded. A precedent for this can be found in the Amau statement of April 17, 1934, which caused so much resentment in America and Europe that Foreign Minister Hirota begged at a later stage that it should be considered "officially non-existent." Certainly it is by no means incredible that Gen. Tada was simply endeavouring to ascertain the force and direction of the international political wind.

Whatever the truth may be in this regard, it is significant that a conference of staff officers of the Imperial General Staff at Tokyo, the Kwantung Army and the Japanese garrison in North China held at Dairen about two or three weeks later came to important decisions that crossed the Ts and dotted the Is of Gen. Tada's pronouncement. These decisions were reliably reported to be:

1. That plans should be pushed for the conversion of North China into a "Sino-Japanese co-operation area," and that at the same time the Chinese Government should be presented with a demand that all causes of trouble in the north be uprooted.

2. That, in the event of the Chinese Government failing to satisfy this demand, the Japanese Army should insist on the "divorce of North China from Nanking, including the withdrawal of Central Government troops and complete severance of financial relations with Nanking."

3. That, inasmuch as the Central Government at Nanking was recognized by the Powers, Japan should deal with that

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

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administration, but only on condition that its dual diplomacy -- co-operation with Japan on the one hand, and resistance on the other -- should be abandoned.

The conclusion that might be drawn from the above is that the Japanese army openly claims the right to speak for Japan, quite independently of the Japanese Foreign Office, and that Gen. Tada's utterance of September 25 was a preliminary intimation of a policy already decided upon by the Japanese military party. There can be little doubt that when the requests, recommendations, or whatever euphemistic appellation is given to Japan's demands, are presented they will be in accordance with the decisions of the conference of military men.

Before analyzing the pamphlet, it would be as well to re-emphasize the contention that Japan's foreign policy is dictated by the military party and not by the Foreign Office. The necessity of thus stressing the domination of the Japanese militarists, arises from the alacrity shown in some quarters to seize upon reassuring statements made by Japanese diplomats as a proof that Japan has no malevolent designs. To go back no further than 1931, it was clearly shown that, regarding Manchuria, while the Foreign Office repeatedly made promises the army as repeatedly ignored them. A recent instance of the absolute domination of the army and navy ministers over their civil colleagues was supplied when these ministers threatened to wreck the Government unless their views on a question of imperial status were adopted. Their civil colleagues obediently came to heel.

The foreword of the pamphlet opens with a vicious attack upon all Occidental nations. It is declared that they desired the partition of China, the extension of spheres of influence and the acquisition of concessions and markets. Although methods had changed, fundamentally the policy of the Powers, it was claimed, remains the same -- the exploitation of China to promote their own prosperity. In striking contrast was the attitude of Japan. She

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alone had consistently respected the territorial integrity of China and maintained the principle of friendship with her.

Publication of facts so clearly contrary to fact and so easily refuted is proof of the singular mentality of Japanese militarists. The writer of the pamphlet shares with the whole world the knowledge that China appealed in 1931 against a violation of her territorial integrity by Japan and over forty Occidental nations came to the decision that Japan had indeed committed that offence. He knows, and everyone else knows, that China is studded by Japanese concessions and that Japan has steadily refused to follow the example of Russia, Great Britain and Belgium in returning some or all of their concessions to China. He knows, and everyone else knows, that of recent years Japan alone has treated China with marked unfriendliness.

It would be unprofitable to discuss further the glaring perversions of fact with which the pamphlet opens. To do so would be to insult the intelligence of the most ill-informed reader. Let us proceed to a consideration of the "two great missions from Heaven" which we are told are the "natural obligations which our Japanese Empire must bear." The first of these missions, apparently, is to⁽¹⁾ head a "movement against the tyranny and highhandedness of the white people" and a "racial war for emancipating the coloured people, who form the greater part of the human inhabitants of the world, from the enslaving oppression of the whites." The second mission is less bellicose and concerns the⁽²⁾ rectification of the "material civilization of the West by the moral civilization of the East." The pamphlet mentions that "Japan has already taken the initial step toward the fulfilment of the obligations by assisting the new State of Manchukuo, withdrawing from the League of Nations and abrogating the Washington Navy Treaty."

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The citation of these three steps, which the writer undoubtedly believes to have divine approval, is another illustration of the impossibility of following Japanese reasoning. Over forty nations have condemned Japan's action in regard to the establishment of the new State as immoral and indefensible; over fifty nations regard the League as a potent factor in preserving world peace, and Japan was the only signatory of the Washington Naval Treaty -- which has secured peace in the Pacific for a decade and a half -- that desired its abrogation. Yet the Japanese militarists genuinely believe that the three steps which jeopardize world peace that Japan has taken are approved by Heaven!

It would be unwise to minimize the danger to the world when a nation sincerely believes that it has divine approval of actions that are in deliberate violation of solemn engagements and are contrary to the principles of morality adopted by the other civilized races of the world. History shows that fanaticism of this kind invariably leads to a firm belief that the end justifies the means. The Japanese, or a majority of them, undoubtedly believe that they are the Chosen Race. This belief, by the way, is no new thing. It sprang into existence over two thousand years ago when the emperor Jimmu claimed to have a divine mandate, but it was first put into concrete form in 1858 by Lord Hotta, prime minister of the Shogun's Government. Japan at that time had a dual form of government, that of the Emperor at Kyoto and that of the Shogun at Tokyo. Lord Hotta, while endeavouring to persuade the Imperial Government to abandon the policy of seclusion, pointed out that if this was done Japan would in the future become "ruler over the whole world and the national prestige and power would be so enhanced that the nations of the world will come to look up to our Emperor as the great ruler of all the nations and they will come to follow our policy and submit themselves to our judgment." No direct reference to divine inspiration seems to have been made, but it was implied. The writer of the pamphlet re-echoes the beliefs of Lord Hotta when he says: "Our

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✓ empire must take its own course of action as her continental policy is to save the human race in accordance with the dictates of morality." What the "dictates of morality" may be of course Japan would determine. It is of interest to note that elsewhere he said that the "fundamental principle of our continental policy must be to promote our own national expansion." The emancipation of oppressed races would seem to be a secondary consideration.

The world then has to face the fact that a powerful nation has the fanatical belief that it has been chosen by Heaven to reform the rest of the world. Just as Charles I of England deemed that there was nothing immoral in breaking promises to his parliament, as it was an inferior body while he was the Lord's anointed, so does Japan believe that there is nothing immoral in breaking international treaties to which she is a party if her "divine mission" can be thereby more rapidly fulfilled. Indeed the writer of the pamphlet hints as much when he says: "Machinations may sometimes be necessary as an inevitable or desirable expedient, but should not be regarded as a normal course of action." It is not an unfair conclusion that the firm conviction of the Japanese that they are divinely inspired saves them from any sense of shame when they are condemned by world opinion. As they are divinely inspired it is for them to decide what is right or wrong. And a natural extension is that what would be wrong in the rest of the world is right in Japan.

A realization that Japan really does hold the views outlined above will help to explain much that would otherwise seem inexplicable. It explains why Gen. Tada could advocate a violation of China's territorial integrity and in the same breath declare that Japan had consistently respected China's territorial integrity. It explains why Japan immediately after her seizure of Mukden, and repeatedly thereafter, promised to withdraw her troops to the railway zone while she was engaged in sending them further and further from the railway zone. It explains why she promised not

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to bomb Chinchow and a little later subjected that city to aerial bombardment. These broken promises were merely some of the "machinations" that the writer of the pamphlet holds "may sometimes be necessary as an inevitable or desirable expedient."

The reader is counselled carefully to study the pamphlet if he thinks that the description of Japan's beliefs and aims is too preposterous to be accurate. He will find that references to the lofty missions from Heaven are numerous. One of these missions, as already pointed out, is the conquest of the white races. Among other statements on similar lines, the pamphlet declares "in the execution of the missions of our empire we must not tolerate any obstruction, regardless of the nationality of those who produce it."

The policy advocated by the all-powerful Japanese military party with the, perhaps, reluctant acquiescence of the Japanese Foreign Office, has been described as "new." Of course it is nothing of the kind. It is simply the consistent development of the policy that changed Korea from a tributary state of China's to an independent nation and subsequently into a Japanese colony; the policy that detached Manchuria from China and made it an "independent state" functioning under the direction of a Japanese army of occupation. In a word the policy is that of progressively weakening China territorially and financially and thus rendering easier her final conquest.

Reference must be made to the ferocious attacks made in the pamphlet upon the National Government of China and upon Generalissimo Chiang Kai-shek in particular. The Kuomintang is also painted in the darkest colours. After studying these attacks the conclusion is inevitable that the excuses that will be forthcoming to justify "positive action" have already been carefully prepared. Quite evidently the Japanese have become alarmed at the success of the New Life Movement and the evidences that are forthcoming of the rapid growth of a genuine national sentiment in China. Japan

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recognizes that the development of national consciousness amongst the Chinese will doom her grandiose aspirations for expansion to failure and she is determined to prevent it by every means within her reach. The sixth section of the pamphlet openly advocates the opening of successive "paradises" under Japanese control and the elimination of "Chiang and his clique."

Foreign countries are not likely to overlook the results which will certainly follow the carrying out of the Japanese military program of detaching North China from the Republic. The security of loans based upon the Customs and salt revenues will be further materially lessened. The revenues from Manchuria have already passed out of China's hands, and if another independent state is created by Japan in North China the National Treasury's share in the revenues therefrom would be withheld and a situation might arise in which default upon foreign loans would become unavoidable.

Moreover foreign merchants in North China are well aware that when the Japanese come in they close the door of equal opportunity behind them. It is notorious that Japanese smuggled goods have been inundating North China. They are smuggled in from the puppet state and sold at prices with which honest traders, including Japanese firms, cannot compete. This smuggling is mostly conducted by low-class Japanese and Koreans who are protected by their extra-territorial status. Should another puppet administration come into existence, Japanese goods will be smuggled further afield -- into Shantung, Hunan and even Kiangsu. What is threatened, in brief, is the entire destruction of American and European commercial interests in the whole of China. Their political interests have already been sapped by the Japanese declarations -- made with ever-increasing vehemence -- that Japan has a special position in China, and that she will not permit Europe and America to treat with China except through Tokyo.

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

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From the Japanese point of view the moment is opportune for the resumption of the forward movement. America is still grappling with the depression. Europe is obsessed by the Italo-Abyssinian conflict which may develop into a world war. Consequently Japan assumes that she can carry out her positive policy without fear of obstruction. But she has miscalculated before this. In 1915 she thought that the other interested Powers would allow her to establish a protectorate over China. She was speedily undeceived and compelled to beat a retreat that was more hasty than dignified. History, as it is held to have a habit of doing, may repeat itself. It is quite possible, however, that the obstruction to Japan's policy will come from a quarter that she does not seem to have taken into account.

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

TELEGRAM RECEIVED

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

1-1336
AU
This telegram must be
carefully paraphrased
before being communicated
to anyone. (A)

FROM Nanking

Dated December 13, 1935

Rec'd 4:30 a.m.

Secretary of State
Washington

Division of
FAR EASTERN AFFAIRS
DEC 14 1935
Department of State

793.94

140, December 13, 11 a.m. (Section one)

One. I am informed by Kung's confidential
assistant (Section two by radio)

ATCHESON

CSE

793.94/7523

FILED
DEC 17 1935

F

1049

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

TELEGRAM RECEIVED

JR

1-1826

FROM

GRAY & SPECIAL GRAY

Nanking via NR

Dated December 13, 1935

Rec'd. 3:05 p.m.

Secretary of State,
Washington.

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

140, December 13, 11 a.m.

Reference my 137, December 12, 1 p.m.; and 138, December 12, 2 p.m., section 2. That the solution of the North China crisis was attained not only by negotiation with Japanese military officers but also by conversations with Tokyo which resulted in the exercise by the Japanese Government of sufficient restraint over the Japanese military that Chinese were able to arrange for a special administration more or less along their own lines for two instead of a larger number of provinces.

Two. He states that the disagreement over finances which delayed the announcement of the new commission's formation was settled by allocating to the commission control over consolidated wine and tobacco, and various local taxes, the Central Government to retain salt, customs and railway revenues. He said that all National Government functions in Hopei and Chahar would continue to be in

actual

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

JR -2- 140, December 13, 11 a.m. from Nanking via NR

actual control of the National Government with the exception of Foreign Affairs which, while nominally under Nanking's direction, would probably be conducted by the commissioner at its discretion with confirmation of its acts by Nanking.

Three. Sections one and two to Department and Peiping. Section three to Department by radio and to Peiping by mail.

ATCHESON

CSB

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

TELEGRAM RECEIVED

REP

GRAY

1-1826

FROM

Nanking via N. R.

Dated December 13, 1935

Rec'd 4:28 p. m.

Secretary of State,
 Washington.

140, December 13, 11 a. m. (SECTION THREE)

Four. The new Commission includes several members of former Anfu Party, but these are considered not antagonistic to the National Government ^{TEB} ~~and~~ Wang I. Tang who has been considered for government office; Chia ~~Chia~~ Yao, Vice Minister of War in Tuan Chi Jui's Government; and Wang Keh Ming. Kao Lin Wei is of the former Chihli Party, and was Prime Minister in 1923. Meng Chih Chung is an adherent of Yen Ksi Shan and Sung Che Yuan. Shih Chih Ting is a former Kuominchun commander. Hu Yu Kun is a former ^{NORTHEASTERN} ~~northern~~ army leader. Liu Che was a member of the Peiping Political Affairs Readjustment Commission. Leng Chia Chi is Chairman of the Peiping Chamber of Commerce.

ATCHESON

CSB

LMD
 DCR

LMD
 DCR

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 140) of December 13, 1935, from the American Embassy at Nanking, reads substantially as follows:

The confidential assistant of H. H. Kung (Minister of Finance) informed a member of the Embassy staff

793.94/7523

FE:EGC ^{EGC.}

FE

XII-16-35

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

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TELEGRAM RECEIVED

DI

COPIES SENT TO
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AU

1-1336

FROM GRAY

Peiping via N.R.

Dated December 13, 1935

Rec'd 1:40 p.m.

Secretary of State
 Washington

Division
 FAR EASTERN AFFAIRS
 DEC 13 1935
 Department of State

223, December 13, 3 p.m.

Embassy's telegram 221, December 12, 1 p.m.

According to a report of the Central News Agency which a local official substantiates Sung Che Yuan has been appointed chairman of Hopei; Shang Chen chairman of Honan; Hsiao Chen Ying mayor of Tientsin; and Chang Tzu Chung a divisional commander under Sung chairman of Chahar. It is also reported but not confirmed that Ch'en Chueh Sheng who is half Japanese and who has conducted important negotiations for Sung will be made managing director of the Peiping-Mukden Railway. (Section two follows.)

793.94/7524

JOHNSON

CSB

FILED
 DEC 17 1935

F/G

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

TELEGRAM RECEIVED

FS

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

FROM

Peiping

Dated December 13, 1935

Rec'd 10:05 a. m.

Secretary of State,
Washington.

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

223, December 13, 3 p. m. (SECTION TWO)

The departure last night from Peiping of Ho Ying Chin as well as the departure of those who came north to assist him in negotiations indicates that the North China settlement is completed in so far as Nanking is concerned. The situation is now primarily, as far as the Chinese are concerned, in the hands of Sung Che Yuan and his adherents. They are strengthened by the impending departure of Shang Chen and his troops from Hopei and by the new appointments. The most influential man in the group appears to be Hsiao Chen Ying because of his close relations with the Japanese, his successful surrounding of Sung with his own men, and his new appointment. He faces three dangers, the mistrust of the Japanese, the dislike and suspicion of Sung's military followers, and the next phase of the Japanese program whatever that may be.

Two. The questions of the degree of autonomy of the

new

7050

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

FS 2- No. 223, December 13, 3 p. m. from Peiping

new Council and of the span of its existence still depends on the definition of its powers and the attitude of the Japanese military. Regulations governing the functions of the Council have not yet been made public.

Three. The advance into Chahar of Manchukuo troops appears to be for the purpose on the part of the Japanese military of turning over at least Eastern Chahar to the nominal control of certain Mongols. A Mongol leader near Dolonor was told some weeks ago by the Dolonor office of the Kwantung army (according to the Mongol concerned) that the Japanese would take for, and hand over to, him for administration the six hsien northeast of Kalgan. It seems probable that Sung's influence in Chahar will eventually be confined to the small area south of the Great Wall and that the area north of the Wall will be controlled by the Japanese military through manipulation of the Mongols.

Repeated to Nanking and Tokyo.

HPD

JOHNSON

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

(CONFIDENTIAL)

P A R A P H R A S E

Section two of a telegram (No. 223) of December 13, 1935, from the American Embassy at Peiping, reads substantially as follows:

On December 12 Ho Ying-chin and those who came to North China to participate in negotiations with him left Peiping indicating that so far as the Nanking Government is concerned settlement of the North China situation is completed. Primarily now, as far as the Chinese are concerned, the situation is in the hands of Sung Che-yuan and his followers, whose position is made stronger by the forthcoming departure from Hopei Province of Sheng Chen and his soldiers and by the new appointments. Hsiao Chen-ying, on account of his new appointment, his close relations with the Japanese, and his success in placing his own men around Sung, appears to be the most influential man in the group. Hsiao Chen-ying is confronted with three dangers, namely, the next phase of Japan's program whatever it may be, mistrust of the Japanese, and the suspicion and dislike of Sung Che-yuan's military adherents.

The matter of the span of the new Council's existence and the degree of its autonomy are dependent as yet on the Japanese military's attitude and the definition of the Council's powers. No public announcement has been made yet of the regulations governing the Council's functions.

Apparently the reason for the advance of "Manchukuo" soldiers into Chahar is the Japanese military's purpose of turning

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

- 2 -

turning over to the nominal control of certain Mongols at least Eastern Chahar. Some weeks ago the Dolonor office of the Kwantung army informed a Mongol leader near Dolonor, according to his (the Mongol's) statement, that the Japanese would take the six districts northeast of Kalgan and turn them over to him to administer. It appears likely that eventually the region north of the Great Wall will be under the control of the Japanese military through manipulation of the Mongols and that Sung's influence in Chahar will be limited to the small area south of the Wall.

793.94/7524

EGC-
 FE:EGC

ESR
 FE

1/11/72

XII-14-35

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

TELEGRAM RECEIVED

793.94

AU

1-1336

FROM GRAY

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

Peiping via N.R.

Dated December 13, 1935

Rec'd 1:40 p.m.

Secretary of State
Washington

Division of
FAR EASTERN AFFAIRS
DEC 13 1935
Department of State

226, December 13, 7 p.m.

The following telegram has been received from the
Consul General at Tientsin:

"December 13, 4 p.m. It is reliably reported that
the Japanese troops brought down to Shanhaikuan within
the last month were withdrawn yesterday with all their
equipment to either Chinchow or Hailar."

JOHNSON

WWC:CSB

793.94/7525

FILED
DEC 16 1935

F/G

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

793.94

DOCUMENT FILE

NOTE

SEE 893.515/927 FOR Tel#225, 6pm

FROM China (Johnson) DATED Dec 13, 1935
TO NAME 1-1127 ...

REGARDING: North China situation: Yin Ju Keng's autonomous Council-
None of the revenues of the area to be remitted to Nanking.
Further, no assurance that there would be an early decision
by the demilitarized zone autonomy with respect to submitting
to rule of the new Hopei Chahar Political Council.

793.94/ 7526

FRG.

7526

7060

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

FE

AU

GRAY

Peiping via N.R.

Dated December 13, 1935

Rec'd 2 p.m.

Secretary of State

Washington

225, December 13, 6 p.m.

Embassy's 170, November 22, 5 p.m.

NOTE
793.94

Yin Ju Keng's autonomous Council is reported to have issued orders that customs and salt revenues collected in the demilitarized zone shall be detained. A report is also current to the effect that banknotes of the Central Bank of China and other Shanghai banks will hereafter not (repeat not) be permitted to circulate in the zone. The Japanese military spokesman in Tientsin is quoted as yesterday stating that; (one), the Council would probably be able to collect annual revenues totalling about seven million dollars including the afore mentioned customs and salt revenues; (two), some arrangement would probably be effected for the allocation of a portion of the customs and salt revenues for the service of foreign loans; (three), none of the revenues of the area under the Council would be remitted to Nanking and "should an autonomous government be proclaimed throughout the whole of Hopei the revenue would amount to three times the sum anticipated by the East

Hopei

893.515/927

106
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

AU -2- #225, December 13, 6 p.m. from Peiping

Hopei Council". The spokesman said that it was not
(repeat not) certain that there would be an early decision
of the demilitarized zone with the territory controlled
by the new Hopei Chahar Political Council.

A Nippon Dempo despatch from Tokyo states that the
Nanking Government has designated Chang Kiang (?) as
Ministry representative to negotiate for the sale ten
million dollars worth of silver to Japan. ✓

Shanghai's despatch No. 3 of December 3 enclosed
a report from an official of the Ministry of Finance to
the effect that collections of silver in Shanghai by
the three government banks from November 4 to November 23
totalled only approximately \$4,400,000.

Leith-Ross left Peiping on December 10 en route
Shanghai.

By mail to Tokyo.

JOHNSON

HPD

WVC

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

TELEGRAM RECEIVED

MED

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

FROM

MOSCOW

Dated December 14, 1935

Received 2:45 p.m.

Secretary of State,

Washington

520, December 14, 1 p.m.

The Chinese Ambassador informed me yesterday that at the request of his Government he asked Litvinov several days ago what the attitude of the Soviet Government would be in case Japanese pressure in North China should assume such a form as to "threaten the peace of the Far East".

Although Litvinov was evasive he stated that if the Great Powers should take collective action to preserve peace in the Far East the Soviet Union would be willing to participate. Litvinov suggested China might push its case both with the signatories of the Nine Power Treaty and with the League of Nations but added that the chances for effective action would be better with the former since disinterested little states would not be hindrances. Litvinov said that it was unfortunate that the United States and the Soviet Union did not have a common basis for action since the United States was not a member of the League and the Soviet Union, in view of the absence of relations with

Portugal

793.94/7527

FILED

11

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

MED - 2 - #520 December 14, 1 p.m. from Moscow

Portugal and Holland, could not be an adherent to the ^{treaty} ~~(*)~~.
He did not indicate whether the Soviet Union if given
the opportunity would be willing to adhere to the treaty.

Yen stated that he also asked Litvinov what the
Soviet Government would do should Japan take armed
action against Mongolia. Litvinov replied that in his
opinion no such action would be taken in the near future
despite the threatening tone of the recent announcement
of the Minister for Foreign Affairs of Manchukuo. In
case of such action the policy of the Soviet Union would
be based upon the exigencies of the situation. Yen
said that he had not been able to ascertain precisely
what the Mongolian Mission in Moscow was doing. He
felt sure, however, that it was negotiating arrangements
whereby in case of attack it would receive assistance
from the Soviet Union.

A Soviet Official close to the Kremlin stated
recently to members of the staff that the Soviet
Government would regard any Japanese aggression in
Outer Mongolia as a "threat to the territorial integrity"
of the Soviet Union and would act accordingly. He
added that the Soviet Government did not believe that
aggression was likely at the present time and that in
his opinion if aggression would be postponed for one
month changed conditions would make it practically
impossible

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

MED - 3 - #520, December 14, 1 p.m. from Moscow

impossible for Japan to attack Mongolia. He declined to elaborate upon these statements.

A large Mongolian delegation headed by the Prime Minister and the Minister for War arrived in Moscow on December 12 and was given a demonstrative reception at the railway station by high Soviet military and civilian officials.

Sakoh, Counsellor of the Japanese Embassy, informed a member of the staff yesterday that he understood that following the arrival of the Mongolian Mission there were taking place in Moscow conferences of the leaders of all of the important Mongolian tribes of both the Soviet Union and of Outer Mongolia including Tuva. Sakoh thought the conferences might have one of the following results: First, the application of Mongolia and Tuva to become a constituent republic of the Soviet Union or, second, the conclusion of a defensive alliance between the Soviet Union and Mongolia against aggression from the East.

Sakoh also said that although he did not believe that the Kwantung armed forces would invade Mongolia during this season of the year "anything was possible in so far as the Kwantung army was concerned".

High Soviet military officials insist that the
 visit

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

MED - 4 - #520, December 14, 1 p.m. from Moscow

visit is of a routine nature similar in character to that made last year.

For the Soviet Government to annex what the world still considers as a part of China or to make commitments which would limit its maneuvering possibilities in the Far East would be a surprising reversal of policies hitherto followed.

HENDERSON

HPD

(*) ~~Apparent omission.~~

*Correction made
3/31/36
H.E. A.*

706

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

EJ

TELEGRAM RECEIVED

GRAY AND SPECIAL GRAY

PEIPING VIA N.R.

1-1338

Dated December 14, 1935

FROM St. Petersburg
Recd. 2.55 p.m.

Secretary of State

Washington

Division of
FAR EASTERN AFFAIRS
DEC 16 1935
Department of State

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

227. December 14, 2 p.m.

Embassy's 226, December 13, 7 p.m. / 7525

The Consulate General at Tientsin reports

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that according to two military sources withdrawal northward of Japanese forces to Shanhaikwan began December 11 and is still continuing; that the Japanese garrison there is nearly normal now; that of twenty planes ten remain; that war supplies have been removed; that of three armored trains two have gone north with troops.

Two. This withdrawal may well indicate a satisfaction on the part of the Japanese military with the situation in North China.

Three. In this connection a Router report of yesterday from Tokyo is of possible interest. According to this report the current conference at Tientsin of Japanese military officers including Kit(?) who has just arrived from Tokyo "is reported to have decided to regard the new regime as a self contained administrative body virtually independent

of

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DEC 17 1935

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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. Huatzen NARS, Date 12-18-75

- 2 -

No. 227 from Peiping Dec. 14, 2 p.m.
of the Nanking Government and 'consequently all
negotiations relating to North China affairs will
be conducted with the new North China Committee with
which negotiations will be opened forthwith to
expedite the establishment of a common front against
the advance of the Communist influence' ". The
report also states that important conclusions
were reached with respect to reorganization and
the probable strengthening of the Japanese garrison
in North China.

JOHNSON

HPD

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

DOCUMENT FILE

NOTE

SEE 841.00 P. R./416 FOR Despatch #1832

FROM Great Britain (Atherton) DATED Nov. 25, 1935
TO NAME 1-1127 ***

REGARDING: Relations between China and Japan. Latest developments in,-.

793.94/ 7529

fp

7529

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

Japan and China.

The DAILY MAIL's correspondent in Peking writes in this morning's paper that Sir Frederick Leith-Ross has suggested to him that it was almost impossible for any autonomous State of north China to have a successful

financial/

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

-11-

financial system, as any separate Government would be dependent on foreign finances and that it was unlikely that such a régime would obtain credit from Europe. This correspondent said that Sir Frederick had told him that Britain was not committed to a separate loan to China, and that he was still discussing the outlook with the Japanese.

Japanese policy toward China led the NEWS-CHRONICLE, of November 20, to say, "The one hope of staying a process full of peril for the future lies in united action to maintain a common policy by America and this country, and even that the betrayal of China in 1933 has made more difficult. Mr. Cordell Hull will not be as firm in his opposition to Japan's new aggression as Mr. Stimson was three years ago in his attempt to resist the old; for Mr. Stimson failed to find the energetic support without which effective resistance is impossible."

The leading editorial in THE TIMES, of November 22, makes the following rather interesting observations regarding both the United States and Sir Frederick Leith-Ross' mission: "The American Government, however great its concern at this new development, (autonomy in North China), is not likely to do more than defend the commercial interests of its subjects in the autonomous provinces. In these circumstances, all that this country could usefully do is to press for two requirements. One is that any seceding province should admit and assume liability for its fair share of the Chinese foreign debt. * * *

The second British requirement is equality of opportunity/

0071
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 31, 1935.

~~SECRET~~
MEM:

Tientsin's No. 73, November 19, 1935.

This despatch reports upon the statement made by Hsiao Cheng-chin, Chairman of the Chahar Provincial Government, to newspaper correspondents in Peiping on November 18 in regard to the autonomy movement in North China. Its substance was reported in Peiping's telegram No. 181, November 19, 6 p.m.

The despatch states that it is believed that the Japanese military prompted Mr. Hsiao to inform newspaper correspondents that an autonomous regime would be established on or before November 20 but that in his interview Mr. Hsiao gave out considerably more information than the Japanese military expected him to give out.

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MSM/VDM

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Division of
EASTERN AFFAIRS
DEC 17 1935
Department of State

Tientsin, China, November 19, 1935.

CONFIDENTIAL.

Adm.

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SECRETARY OF STATE
JUN 10 1964

Nelson Trusler Johnson,
American Ambassador
Peiping.

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

793.94/7530

DEPARTMENT OF STATE
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MAY 1966
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ASSISTANT SECRETARY

FILED
JAN 4 1951

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- 2 -

Suiyuan, be established in Peiping on or before November 20, 1935. Mr. Hsiao is also reported to have said that General Doihara intimated that the Japanese Army would invade North China if such an autonomous government was not established within the specified time. Furthermore, General Doihara is reported to have outlined the Japanese position in a four point program which he submitted to Mr. Hsiao. According to a Reuter's report from Peiping the four points are:

1. Japan will not interfere in the internal affairs of North China.
2. Japan will not invade Chinese territory.
3. North China will not necessarily sever completely relations with Nanking.
4. All Chinese offices in North China are to engage Japanese advisers.

The Chinese leaders are said to have succeeded in having the fourth point withdrawn. However, it seems almost certain that whether or not the fourth point is in the program and accepted by the Chinese, Japanese advisers will occupy key positions either in the new regime or as advisers to it.

The November 19th issue of the NORTH CHINA STAR, in a long and very interesting article on Mr. Hsiao's statement, presents a version of the four points that is quite different from that quoted above. Copies of the NORTH CHINA STAR article are not enclosed because it is known that the Embassy receives copies of that newspaper and

will

0074

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

- 3 -

will send the article in question to the Department if it considers it advisable to do so.

In his interview with the press Mr. Hsiao did not state, according to the available information in Tientsin, that the Chinese leaders concerned had accepted the four point plan of the Japanese military. But he is reported to have said that on November 20th a meeting will be held in Peiping at which the Chairmen of the five North China provinces mentioned above or their representatives will be present "to pass final approval on the plan and announce the formation of the new autonomous regime".

From other statements in the North China Star article referred to above the impression is gained that Mr. Hsiao and other Chinese leaders are submitting to the Japanese demands because, in the absence of large-scale military support from Chiang Kai-Shek, they see no other way to avoid an invasion of North China by the Japanese Army.

Japanese military officers in Tientsin are very displeased with the publication locally and the dissemination abroad of the statement appearing in today's North China Star regarding the Hsiao interview. This morning a spokesman of the Japanese North China Garrison told a foreign newspaper correspondent in Tientsin that it was difficult

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

- 4 -

to believe that General Doihara had threatened a Japanese military invasion of North China if an autonomous regime was not established on or before November 20, 1935. The spokesman added that if General Doihara had made such a statement, he had exceeded his authority and in addition had been mistaken because the Japanese Army would not take military action in North China unless troops of the Nanking Government were sent into that area.

It would be difficult to accept the spokesman's assertion at its face value. It is highly improbable that there would have been any movement at all for the establishment of an autonomous regime if it had not been for pressure from the Japanese, and such pressure is, in the final analysis, a threat to resort to military action.

The theory has been advanced, and is believed worthy of consideration, that the Japanese military prompted Mr. Hsiao to inform newspaper correspondents that an autonomous regime would be established on or before November 20th, in accordance with the four point program mentioned on a preceding page of this despatch; but that in his interview with the press Mr. Hsiao gave out considerably more information that the Japanese military expected him to give out.

The NORTH CHINA STAR article on the Hsiao interview contains information which, if it is true, clearly

1076

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

- 5 -

clearly indicates that the autonomous regime will come into existence only because of the threat of the Japanese military to resort to force if their demands are not complied with.

So far the available information in Tientsin indicates that the autonomous regime will be established without organized military resistance on the part of the Chinese in this area. In Tientsin the great majority of the native population is believed to be opposed to the establishment of an autonomous regime dominated by the Japanese military but at present it seems improbable that their opposition will lead to organized military resistance.

Further comment on the situation will be submitted in a despatch that is now being prepared.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
MH:JB, sfa

5 carbon copies

Received

Original to the Embassy, Peiping.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.
Copy to the Consul General, Shanghai.
Copy to the Consul General, Mukden.

A true copy of
the signed original.
JB

007

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 2, 1936

~~MSM~~
~~WTT~~
~~LMH~~

Tsinan's No. 126 of November 16, 1935, reports the visit of 10 Japanese military officers to Tsinan but attaches no importance to the visit, this being for pleasure and sightseeing only.

CSR
CSR

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

NO. 126

AMERICAN CONSULATE

Tsinan, China, November 16, 1935.

SUBJECT: Japanese Army Officers Visit Tsinan and Kufow.

1-1055

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

SIR:

I have the honor to submit herewith a copy of
this consulate's despatch No. 185 of November 16,
1935, to the American Embassy, Peiping, on the above
subject.

Respectfully yours,

H. E. Stevens,
American Consul.

Enclosure:

Copy of despatch No. 185
of November 16, 1935,
to American Embassy,
Peiping, China.

In quintuplicate.

800
HES:KCC

For Distribution Check			
Grade	M	Y	No
For	Stevens	In U.S.A.	✓
	ONI		✓
	MID		

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JAN 8 - 1936

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

No. 185

AMERICAN CONSULATE,
Tsinan, China, November 16, 1935.

Subject: Japanese Army Officers Visit
Tsinan and Kufow.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to inform the Embassy that a group of ten Japanese military officers arrived here from Tientsin at 3 o'clock on the morning of November 14th. Instead of coming by aeroplane as previously announced they came on the Shanghai-Peiping through express train.

The group found accommodation for the night at the Japanese owned King Shui Hotel. On the morning of the 15th they made obeisance before the Tsinan shrine to Japanese war heroes, called on and were entertained at luncheon by General Han Fu-chu, and departed in the afternoon for a sightseeing trip to Kufow and Taishan. They passed through Tsinan again on the evening of the 16th while returning to Tientsin.

The consulate believes that the principal object of this visit was sightseeing and pleasure, but if any

special

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

- 2 -

special military motive was attached to it, nothing of the kind was disclosed by their words and actions so far as known to the Chinese.

In this connection, I have been informed by Mr. Nishida, my Japanese colleague, that so far as he knows this group is not related to the much heralded visit here of General Tada. General Tada, I was informed, would probably not reach Tainan until the early part of next month and would stop here only for a day or two as he would merely be passing through on his way to Tsingtao where he has been called to inspect a class of Japanese cadets prior to their entrance into a Japanese military academy.

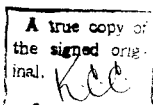
Respectfully yours,

H. E. Stevens,
 American Consul.

Copy in quintuplicate sent to Department
 by despatch No. 126 of November 16, 1935.

Copies to Nanking, Tsingtao, and Chefoo.

EOG
 HES:KCC



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

TELEGRAM RECEIVED

REP

1-1836

FROM

GRAY COPIES SENT TO
 U.N.I. AND M.I.D.

Peiping via N. R.

Dated December 16, 1935

Rec'd 3:32 p. m.

Secretary of State,
 Washington.

DIVISION of
 FAR EASTERN AFFAIRS
 DEC 17 1935
 Department of State

793.94

230, December 16, 4 p. m.

Embassy's 218, December 11, 4 p. m., paragraph two.

7511

Several thousand students of universities and lower schools have been demonstrating today in Peiping. Although several city gates were closed students from Tsinghwa and Yenching Universities succeeded in entering the city and joining the demonstrators. Several students are reported to have been injured in clashes with the police but not (repeat not) by gun fire as the police have fired over the heads of the students. Demonstrators are said to have behaved in unusually orderly fashion.

Two. The date of the inauguration of the Hopei-Chahar Political Council has not yet been decided on.

Three. Lieutenant Colonel Kita arrived yesterday at Peiping. (See Embassy's 209, December 8, 4 p. m., paragraph three).

Four. According to reports forces belonging to Yin Ju Keng's regime in the demilitarized zone clashed with troops

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 DEC 18 1935

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

REP

2-#230, From Peiping, Dec. 16, 4p.m.

troops of Shang Chen yesterday in or near Tangku. This seems to me to indicate that Yin and his supporters intend to include Tangku in the demilitarized zone, a development which would have considerable political significance. However, the situation is at present obscure.

Repeated to Nanking, by mail to Tokyo.

JOHNSON

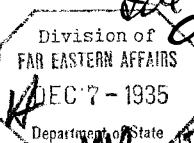
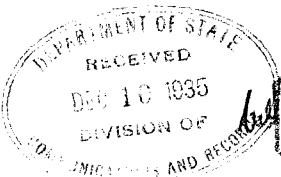
CSB

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

ROOM 1411
26 BROADWAY
NEW YORK

793.94

December 5, 1935.



December 9 1935

Dear Dr. Hornbeck:

The attached correspondence may prove of interest to you and your department. The first letter is the report of our Amoy Manager to our Hong Kong office, enclosing memorandum from Mr. G. R. Bass. I think all this is self-explanatory.

To me, it was an eye-opener, as I did not realize the Japanese had such elaborate plans for expansion into South China.

Very sincerely yours,

P. M. Parker

DEC 19 1935

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793.94/7533

Dr. Stanley K. Hornbeck,
Chief of Division of Far Eastern Affairs,
Department of State,
Washington,
D.C.

PWP:H
Enc

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

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Sept. 18, 1935.

Political Situation

Wing-Commander Bishop and Marine Captain Bramell, British officers presently stationed at Hongkong, are visiting Coast Ports presumably for the purpose of official observation. They have requested an expression of opinion from Mr. G. R. Bass (British subject, Secretary of the Kulangsu Municipal Council and concurrently Captain Superintendent of the Kulangsu Police Force during the course of the past 10 years), who is presenting same in the shape of a memorandum, copy attached, which please consider as being of a confidential nature.

Since Mr. Bass is in daily contact with various sources of information we feel that his report is worthy of consideration as fairly well reflecting the consensus of local opinion concerning the possible trend of events here in connection with impending European developments. His views are therefore being passed on to you as a matter of interest.

The report given you in our letter No. 1399 of May 25th, touching upon the then contemplated economic penetration of the Japanese, appears to be more or less substantiated by their subsequent political and naval activities in this area.

Of further interest in the above connection is the fact that the local French Consulate, which was definitely closed in October of last year, is being reopened at the end of the month by the return of Monsieur Roy from Foochow, where he has been stationed since his departure from Amoy.

793.94/7533

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

Copy

I am aware of reports emanating from fairly reliable sources to the effect that, in the event of war between Italy and Abyssinia, Japan will launch an attack on the South-Eastern Provinces in general and on the Canton Government in particular, the attack being prepared in Formosa, and that Amoy will be the forward base of such military operations.

It is obvious that plans have been prepared for such an operation, and for other operations against Hongkong and the Philippine Islands, that operation orders are in existence and all necessary data made available. In this case, however, extensive Naval maneuvers in Amoy and along the coast of South China show that the question has received more than serious thought. There is little doubt that the extent of such maneuvers were the occupation of Amoy, the blockade of South China ports and the instant despatch of units from the Naval base to enforce the blockade with considerable blockade drill.

The effect of submarine action and other questions were tested as far as Amoy is concerned.

If there is a war in Europe, or alternatively if the interested Powers in general, and France and Britain in particular, have to withdraw their sea forces, or their main sea forces become unmobilized by the situation in the Mediterranean, it would provide an opportunity for Japan which is worthy of her most careful consideration.

I am convinced that at the first opportunity Japan will occupy Amoy and its immediate neighborhood for use as a Naval base. This would be a local naval operation with landing parties.

In the near future the question of naval power in the Pacific will have to be faced and it is equally clear that Amoy would be a perfect and necessary naval base for Japan.

But a naval base cannot be occupied and be placed in service in a month or two, or a week or two as of old, but takes a year or two at least to build. In short, the base must be taken as a preliminary to its eventual construction for its primary use and not when its need is most felt.

The occupation of Amoy could be undertaken by Japan without serious repercussions if France and Great Britain are otherwise occupied. It would be a small operation, and above all would test diplomatic reactions with a fair chance of success.

Japan could then note the reaction in Canton and of the foreign Powers and until she was sure just sit tight. She would defend the naval base and as long as Canton did not attack her she would face foreign opinion. If the foreign opinion could not be supported by concerted action Japan would

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

- 2 -

give notice of blockade unless South China submitted to her terms and would obtain her terms by occupation or blockade of all South China ports.

The elimination of the Canton faction would certainly end all anti-Japanese agitation or Chinese resistance and result in the complete hegemony over that country by Japan. Given political hegemony and economic control over China, Japan is satisfied, as she cannot afford to place the country under military occupation.

In fact, it would be very unwise for her to seriously consider any large military operation in South China.

The military occupation of South China would be fraught with diplomatic complications and dangerous from a military point of view for America and France. Britain and Holland prefer to see the expansion of the Japanese Empire to the North and West.

The test of strength between Russia and Japan will obviously be the test of their military forces which are consequently tied down to their mutual frontier. Japan is, however, left with her naval force the majority of which she can use without detriment to her existing frontiers or those of her vassal.

Further, a concentration of a military force of sufficient strength to invade South China and its dispatch with all equipment could not be kept secret and would raise a diplomatic furor before the fact. The naval occupation of Amoy would be undertaken overnight and needs no open preparation.

In any case no military operations against the South would be based on Amoy but rather from a point nearer or very near to Canton and would be conducted in conjunction with the blockade.

Preoccupation by the Powers will give Japan her great chance and she will first take it in regard to Amoy. If she sees the diplomatic field is still clear she will blockade South China and dictate and get her terms. That's all she wants or could manage at present.

G.R.Bass

0087

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

DLR

December 9, 1935.

Dear Mr. Parker:

I acknowledge with thanks the receipt of your letter of December 5 enclosing copies of the report of your Amoy Manager to your Hong Kong office and of the memorandum from Mr. G. R. Bass in regard to Japanese plans for penetration into South China.

The information forwarded by you is, as you surmise, of definite interest to us and your courtesy and thoughtfulness in making it available are very much appreciated.

Sincerely yours,

Stanley K. Hornbeck

Mr. P. W. Parker,

Room 1411,

26 Broadway,

New York, New York.

793.94/7533

FE:MMH:REK

FE

1935
DEC 10 1935
V
12-18-75

0088

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Nov. 8, 1935.

~~CEHD~~

~~MSM~~

~~TPA~~

~~STH~~

A very interesting
resume of Japanese
aims and activities in
North China. Will
reply reading.

WTT.

1085

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

MILITARY INTELLIGENCE DIVISION, G-2

INTELLIGENCE BRANCH

193

From: Far Eastern Section
~~Room 605, Walker Johnson~~
~~Bldg.~~

To: THE A. C. OF S., G-2
EXECUTIVE OFFICER
ADMINISTRATIVE BRANCH
Chief Clerk
Finance Section
Record Section
Mail Room
M.A. & F.L. Section

INTELLIGENCE BRANCH

Latin America
British Empire
Eastern Europe
Central Europe
Western Europe
Balkans and Near East
Air Section

GEOGRAPHIC BRANCH

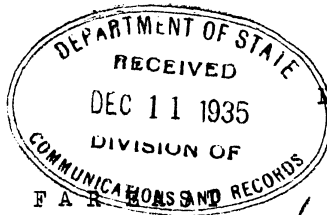
PUBLIC RELATIONS BRANCH

OPERATIONS BRANCH

For:
Information
Necessary action
Number and return
Note and return
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Remarks:

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



China:

Japan Consolidates Her Position in North China

793.94

Japanese expansion on the Asiatic mainland since September 1931, has moved in cycles, observers are noting. Following an aggressive advance, there has invariably been a period of consolidation of the gains made, after which a propaganda campaign prepares the way for new steps. Such a cycle is now about concluded, and current articles in the Japanese press and statements by various Japanese military officers indicate that a new one will shortly begin.

The coming developments in Sino--Japanese relations are being heralded by the so-called "new policy" which was worked out at a meeting of the War, Navy, Foreign, and Finance Ministers in Tokyo, and approved by the Okada Government as a whole. This policy was disclosed at the Dairen military conference of October 13-14 by Major General Neiji Okamura, special representative of the Tokyo War Office, and by General Okamura, Captain Honda of the Navy Office, and Mr. Morishima of the Foreign Office at the Shanghai conference of Japanese military, naval, and diplomatic officials a week later. The details were not published, but on October 22 General Okamura told the press that henceforth Japan would deal exclusively with the Nanking Government "in national affairs." His remark, if correctly reported, may indicate one of the few concessions the military were willing to make to the Foreign Office in formulating the new policy, but still is subject to qualification, as recent speeches and actions of Japanese Army officers in China clearly show.

On September 24 Major General Hayao Tada, who lately assumed command of the Japanese garrison in North China, issued a startling statement to a party of 20 Japanese journalists, some of whom traveled from Peiping to Tientsin (and return) in Japanese military planes for the momentous interview. The statement directly attacked Chiang Kai-shek, the Kuomintang, and the Nanking Government and added: "Use of power and authority by the Japanese Army for ousting from North China the Kuomintang and preventing the Chiang Kai-shek regime from interfering with the improvement of conditions [in North China] will be unavoidable." The North China policy of the Japanese Army was declared to be: (1) removal of anti-Manchoukuo and anti-Japanese elements from North China; (2) economic independence of North China; and (3) prevention of the spread of Soviet influences through military cooperation among the five North China provinces. The statement, in a vein reminiscent of early Japanese military claims for Manchuria, envisaged a rosy future for North China in which the Chinese people would be freed from the extortions and misgovernment of Chinese war lords, politicians, and capitalists and would become prosperous by the fair and impartial efforts of the Japanese. He said it would be best for Japan to establish such a "peaceful land" firmly with the expectation that the changed attitude of the Chinese people would permit its extension, adding "It is well known that at present North China is in a position to enable us to realize such a plan more easily and quickly than any other section of China. . . . I think it is necessary that we do realize this policy in North China." He also emphasized that if North China

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could be made a region in which Japanese and Chinese could live together peacefully and where products and materials of both countries could be exchanged freely, "then peace can be established in the Orient, through the cooperation of the three great Oriental nations, Japan, China, and Manchoukuo."

While some Japanese were reported to deprecate the Tada interview, the Japanese Military Attache, Major General Isogai, expressed emphatic agreement with it in a statement to the New York Times correspondent on October 2, declaring "Only two solutions are possible in the North China problem -- either the Nanking Government and Marshal Chiang Kai-shek must immediately institute fundamental changes of policy or the five northern provinces must be entirely alienated from the Central Government, establishing an independent administration." He is also reported to have said in the same interview: "When the so-called settlement was effected in North China last June, I feared just what has occurred, namely, Nanking's refusal to put a single strong administrator in power in Peiping and dividing authority in Hopei Province [in which Peiping and Tientsin are located] among four generals . . . all working at cross purposes." This idea of a single strong man in North China was also voiced on September 3 by Lieutenant Colonel Tan Takahasi, Japanese Assistant Military Attache at Peiping, when he said that such an official might solve Sino--Japanese economic problems in North China. His public statement that this administrator must have Nanking's authority to make decisions over the heads of other Chinese officials in the area is controverted, however, by a reliable report that the Japanese military had privately refused to consent to Sino--Japanese economic cooperation in North China if such cooperation was directed by Nanking.

On October 17 a spokesman of the Shanghai office of the Japanese Embassy in an interview with a United Press correspondent is reported to have said that Japan may find it necessary to separate the North China Provinces of Hopei, Shantung, Suiyuan, Chahar, and Shansi from Nanking Government administration, if Nanking refuses to cooperate with Japan in working for economic advancement and political stabilization in the area.

If a semiautonomous regime in North China as a field for Sino--Japanese cooperative experiment is indeed Japan's goal, the way is already well prepared.

Articles in the June 14 and July 12, 1935, issues of this Summary related the events which brought about pro-Japanese administrations first in Hopei Province and then in Chahar. It has since developed that the Japanese did not demand the dismissal of General Sung Che-yuan, Chairman of the Chahar provincial government, as punishment for his official responsibility for what, to the Japanese, were the offensive actions of some of his subordinates. The Nanking Government, having in an hour of panic and misinformation demoted Sung, was obliged to find a suitable post for him and therefore on September 21 it was arranged that he take office as commander of the Peiping--Tientsin garrison area, a post formerly held by General Shang Chen, now chairman of the Hopei provincial government. Since General Sung was one of the few Chinese commanders who made a commendable stand against the Japanese at the Great Wall in the 1933 fighting, his present appointment seems anomalous; but with truly Oriental facility both he and the

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Japanese seem to have accommodated themselves to the new relationship; and one of the numerous spokesmen of the Japanese military stated that Sung would undoubtedly be useful to them. Having twice, as a Kuomintang commander under the one-time "Christian General" Feng Yu-hsiang, participated in a revolt against Chiang Kai-shek, and having never rendered more than nominal allegiance to Nanking, General Sung is perhaps for these reasons more acceptable to the Japanese than he otherwise would have been. Some of his Chahar troops have been moved into the Peiping--Tientsin area, and as he has some ability he may become one of the key men in North China's future, but whether in China's best interest remains to be seen.

With a weak Chinese administration in Chahar, the Japanese are now pressing for the demilitarization of all of the province north of the Great Wall, or about four-fifths of its total area; and they are likely to win their point. A Japanese resident officer has for some time been stationed at Kalgan, capital of the province, and within the last year or two the Japanese have established a good aerodrome there. A recent report states that a Japanese resident officer, possibly adviser, has been stationed in adjoining Suiyuan Province, and even in Ninghsia, the third province to the west bordering on Outer Mongolia. The northern sections of these three provinces comprise Inner Mongolia, an important point to be considered when it is remembered that Japan is pressing the Inner Mongolian autonomous regime to join with the Mongolian section of Manchuria in forming a separate state under Japanese protection. The Mongolians have thus far successfully resisted the demand, but the pressure may increase, for the Japanese military seem bent upon securing a buffer state against Outer Mongolia where Russian influence predominates.

The Chinese failure to appoint a strong administrator in North China is probably due in part to difficulty in finding a suitable man willing to accept the post. It is also likely that the Japanese have not made it easy for such a man to be appointed. Comparable authority was formerly wielded through the Peiping Branch Military Council headed by General Ho Ying-ching, Minister of War, and by the Peiping Political Readjustment Commission of which General Huang Fu was once chairman. First Huang and then Ho abruptly left Peiping because of Sino--Japanese difficulties and thereafter the two organizations waned in importance. The Political Commission was abolished on August 29, and the Military Council may follow. In addition, North China is now practically free of Kuomintang influence, the governors of Suiyuan and Shantung Provinces having recently expelled the party, if not at Japanese demand, at least with the idea of avoiding trouble. Now the Japanese are urging the complete eradication of the "Blue Shirts," a secret society said to be headed by Marshal Chiang Kai-shek himself, to which they lay much of the anti-Japanese agitation of the past year or so. Their charge that the continued activities of this organization proves Chinese failure to carry out the North China agreement of last June may very well become the basis for fresh demands. In any event, these several withdrawals of Nanking's influence would leave slender national support for any Central Government appointee to North China.

As events are now shaping, it may be the Japanese who will appoint the "strong man" for North China. The one most talked of for such a post has been General Yen Hsi-shan, once known as the "Model Governor" of Shansi Province. He surrendered the governorship some

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years ago to another man, but he retains all the power with control reaching out into Chahar and Suiyuan. Like Sung Che-yuan, his participation in the 1930 revolt against Chiang Kai-shek and subsequent only nominal allegiance to Nanking have made him more persona grata than otherwise to the Japanese. Current press reports state, however, that General Yen has gone to Nanking after having reorganized the government of his province. Since this is his first visit to the national capital since early 1929, it undoubtedly presages important developments in North China.

A third outstanding Chinese in North China is General Shang Chen, previously mentioned. He is described as an exceptionally able and straightforward military man and administrator, loyal to Chiang Kai-shek, and highly regarded by foreigners. Just now he has the thankless task of trying to maintain order in the face of Japanese obstructions. Current press reports tell of a peasant revolt allegedly against increased land taxes which is creating widespread disorders in Hopei Province. The most serious rioting seems to be occurring within the demilitarized zone, but the Japanese have forbidden General Shang to send troops to quell the trouble, saying it would constitute violation of the Tangku Truce and the Boxer Protocol. He is therefore trying to effect a settlement by peaceful means, but charges that the riots are inspired and financed by the Japanese. This is undoubtedly true, for such incidents are accompaniments familiar to those who have followed Japanese expansion moves during recent years.

One of Japan's motives in seeking control in North China, aside from the imperialistic urge of the militarists, is understandably economic. The continuing deficits in the Japanese national budget and the even more chronically unfavorable trade balance are well known, as are the limited outlets for a rapidly growing population. Manchuria as a source of early profits has been dismissed by even the enthusiastic economists of the Kwantung Army. Despite these facts the defense services are demanding greater appropriations year by year, to offset which, plainly, they must produce something tangible. Then, where better to seek for relatively quick economic returns than North China? There is a teeming land with plentiful coal and iron, and where two acres of cotton can be made to flourish where one grew before. Responding to Japanese overtures (or pressure) a so-called economic inquiry group of Chinese bankers left North China in September for a visit to Japan, and another delegation of bankers and industrialists since then has left Shanghai on a similar mission. On the other hand, numerous Japanese groups of business men and experts of various kinds have been touring North China, and the press has reported the formation of a 10,000,000 yen corporation to handle mining, agriculture, and communications there.

There is good reason to believe, however, that no large-scale economic exploitation of North China will take place without permission of the Japanese military, and that the army means to retain control in that area even as it has in Manchuria. The South Manchuria Railway Company under its new president, the dynamic Yosuke Matsuoka, is likely to be an important channel for this exploitation, since this organization is largely under the Kwantung Army's control now, but no definite plans have been announced. The well-known General Doihara, head of the army Special Service Bureau in Manchuria, recently made a tour of North China, which bears more than the usual portent of impending Japanese action, in view of his many statements during the last

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few months on the desirability and necessity of Sino--Japanese economic cooperation. The "cooperation" so insistently voiced by the Japanese military is now being interpreted, however, to mean absolute surrender by the Chinese to Japanese wishes, and the charge of "insincerity" so frequently hurled by the Japanese is taken to mean Chinese unwillingness to make this surrender.

One of the economic objectives sought by the Japanese military in North China appears to be an agreement for Sino--Japanese cooperation in aviation matters. The Chinese are reported to be willing to allow Manchurian air lines to link up with those of the China National Aviation Corporation at the Great Wall, but the Japanese will be satisfied with nothing less than direct service to Peiping and Tientsin, which means eventual domination of air lines in North China. The Chinese have resisted Japanese pressure up to the present, but meanwhile Japanese military planes come and go freely, carrying passengers almost to a commercial extent.

Another objective is undoubtedly to reestablish Manchuria's trade with China proper, particularly now that there is a heavy soy bean crop ready for market. A study of China's purchases of this commodity from 1925 to the present shows that since 1931 Manchuria has sent south of the Great Wall only about one-sixth of the amount formerly sold there. During the same period foreign purchases of beans have fallen off considerably. For many years soy beans have been to Manchuria almost what silk is to Japan -- its economic life blood -- and Japanese efforts toward diversification of crops have not yet succeeded; hence agricultural conditions in the new state are much depressed with consequent loss of revenue and an added burden on Japanese resources. The oft-repeated Japanese arguments in favor of a Japan--China--Manchoukuo economic bloc clearly mean to remedy this situation.

From the foregoing discussion of incidents and trends it is obvious that the Japanese position in North China is being consolidated rapidly. Other incidents could be cited to show that Japan is pressing this conquest of China on several fronts. For instance, as this article is being concluded, a press dispatch reports that General Okamura, the special representative of the Tokyo War Office, previously mentioned, has arrived in South China for the purpose of interviewing leaders in Kwangtung and Kwangsi, some of whom have lately expressed determination to resist the Japanese, with the usual criticism of Nanking's conciliation policy. Since South China's opposition is not likely to develop anything tangible, even if General Okamura's mission is not successful, a new Japanese declaration of intentions may be expected shortly. Europe's preoccupation with the Italo--Ethiopian conflict is generally conceded to favor this.

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 4, 1935.

Conversation:

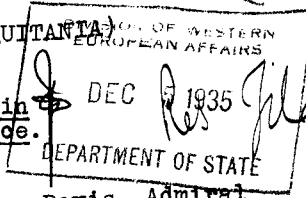
Mr. Dooman;

Mr. Hornbeck.

(By radio telephone from the S.S. AQUITANIA) DIVISION OF WESTERN EUROPEAN AFFAIRS

Subject: Situation in North China, in relation to Naval Conference.

CONFIDENTIAL



Mr. Dooman said that Mr. Phillips, Mr. Davis, Admiral

Standley and he wondered whether we had made or were going to make at Tokyo an inquiry similar to that which the British Government had made; and that they four thought that the making by us of such an inquiry would be helpful to the position of the Delegation when they take up their task at London. I said that we had not taken such action and did not expect to.

At that point the connection became bad and the operators undertook to improve it. While that was going on, our operator told me as from New York that "there is no privacy in relation to a ship to shore telephone conversation".

When the connection was renewed, I told Mr. Dooman what the operator had just said. I stated that in what I would next say I would have that point especially in mind. I then said that we greatly appreciated having the message stating

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stating the views of the Delegation; that for the past several days we have been living with and sweating over the problem; that it is the unanimous view of Tokyo, Peiping and the officers of the Department who are struggling with the question that we should not take action on the line of that which the British Government has taken; but that, having most carefully considered a half dozen possible courses, we probably will take action, the course chosen being that one which seems to us to offer most chance of meeting the demands of our situation with the minimum risk of inflaming the situation in the Far East. Dooman said that he was sure that we were not being neglectful. I said that it was very useful to us to have the point which he had reported about potential helpfulness to the position of the Delegation in relation to their work at London.

Dooman said that Mr. Davis wished to speak to me. Mr. Davis said that he wished to say "hello". I said that we were glad to hear from the Delegation and I appreciated personal word from him. I said that Dooman would report to him what I had just said as to what we are trying to do. I then inquired whether they had had news of the reported intention of a certain power to propose some kind of a four power treaty guaranteeing the peace of the Pacific. He said that they had not. I said
 that

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that it had been reported in the New York papers of yesterday. I added that I thought that the idea was one full of danger. Mr. Davis said that he quite agreed, but that he would not be surprised if within two or three weeks the Delegation were "cruising in the Mediterranean" (spoken with a chuckle and meaning that the Conference would be over). I said that it would not grieve me if such became the case. Mr. Davis asked me to give his cordial regards to the Secretary; I said that I would and [?]asked him to give mine to Mr. Phillips and Admiral Standley. Mr. Davis said "Yes, good-bye" -- and the conversation there ended.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 28, 1935.

~~MEM:~~
SKM:

BRITISH COLUMBIA PRESS COMMENT
UPON JAPANESE AGGRESSION IN NORTH CHINA,
a report of December 11, 1935, from
Consul General John K. Davis at Van-
couver, reports recent editorial opinion
in British Columbia newspapers with
regard to the situation in North China.

The principal opinions expressed
are that the continuance of Japanese
aggression in China must eventually
cause internal disruptions in Japan
and also bring Japan into conflict with
other nations, and that developments in
Ethiopia must lead to the League's
taking a similar stand against Japan.

cc
CG/VDM

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(Voluntary Report)

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ASSISTANT SECRETARY
OF STATE

BRITISH COLUMBIA PRESS COMMENT UPON
JAPANESE AGGRESSION IN NORTH CHINA.

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

From American Consul General

John K. Davis

Vancouver, B.C.

Date of completion:

December 11, 1935.

Canada.

Date of mailing:

December 11, 1935.

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Constituting as it does the gateway of Canada to the Far East, British Columbia is more directly and vitally affected by the various problems and trends in the Pacific area than is the remainder of the Dominion. The Province also has a domestic "oriental problem" in the appreciable percentage of its population made up by Japanese, Chinese and Indians. Consequently, all major developments in China and Japan are followed in the local press and are watched by the thinking elements in the population. However, even on the part of the more intelligent citizens, opinion is rather poorly founded upon accurate and comprehensive knowledge of the fundamental facts of the situation and usually takes the form of a somewhat vague and general apprehension, and an antipathy towards Japan. The main preoccupation is with the series of, thus far, minor encroachments by orientals in some of the local fields of occupation, and the disproportionate growth of the oriental -- mainly Japanese -- element in the population through its excessive birth-rate. Next to this is a somewhat hazy but growing feeling that what Japan is trying to do in China bodes ill for British Columbia's future trade in the Pacific area, coupled with a realization that should American and Japanese -- or British and Japanese -- differences ever come to war, Canada is very likely to become involved.

The editors of the majority of the local papers, however, have a better grasp of the situation, and their editorial comments tend to direct and crystalize local public opinion.

In this Consulate General's despatches of June 13th and June 19th, 1935, headed "COMMENT IN THE VANCOUVER, BRITISH COLUMBIA PRESS ON THE RECENT JAPANESE DEMANDS REGARDING NORTH CHINA", there were transmitted some of the editorial comments appearing at that time.

In the several editorial comments which have more recently appeared, the principal opinions expressed are that Japan is running true to form and is taking advantage of the preoccupation of the leading European nations with the Italian-Ethiopian conflict and its repercussions

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to seize more territory in North China; that the continuance of this policy can not but eventually cause internal disruptions in Japan itself -- where already the military are disregarding the warnings of the civilian leaders -- and bring Japan into conflict with other nations; that had the League of Nations taken a firm stand in 1931 over Manchuria, the present seizure would not have occurred; and that, having taken its present strong stand over Ethiopia, the League can not avoid later taking a similar stand with Japan.

THE VANCOUVER SUN, Liberal, in its issue of November 14th, in an editorial headed "And Japan Goes On", states:

"While the eyes of the world are focused on Africa, the Japanese continue to make their customary amount of hay in China."

"Mussolini strikes for a comparatively small slice of African jungle and rugged mountains and sets all Europe by the ears."

"The Japanese quietly carve out a tremendous empire in the Orient -- and nobody seems to worry about it."

"The dismembering of China appears to be going forward at a rate that must make Mussolini green with envy."

In its editorial column, in the November 19th issue, the SUN expresses the opinion that the seizure of North China will force the nations to move their embassies and legations from Peiping.

In its issue of November 23rd the SUN comments editorially, under the heading "Japan and Roosevelt" on the effect of Japan's latest advance upon the market for American Cotton as follows:

"When Japan steps in and makes a 'new nation' out of five provinces in North China, the bearing of that on the next United States election may not be at once apparent.

But it has a real bearing because Japan plans a new cotton empire, and Roosevelt depends largely on the cotton belt for his decisive vote in 1936.

United States grows 13 million bales of cotton a year and exports 7 million. Of this Japan has been taking 2 million bales.

Next year Japan will plant 2 million acres in cotton in the Chinese provinces of Hopei, Shantung, Kiangsu, Hunan and Shansi.

China next year will produce 3 million bales in addition to the new production of these five provinces.

When these two productions are added together, and Japan

extends

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extends her control over more of China, as she will, the cotton empire becomes more than a vision.

And similarly, President Roosevelt's cotton vote depends more and more on domestic economy, as the market abroad for U.S. cotton grows less and less."

The VICTORIA DAILY TIMES, Liberal, in its issue of October 19th, in an editorial headed "The League, Japan and Italy", comments upon the inconsistency of the League's attitude towards Japan's seizure of Manchuria and its attitude towards Italy's expedition to annex Ethiopia. It refers to Japan's fantastic explanation of its present steps in China and finds them on all fours with Mussolini's in Africa, and states:

"But when Japan tore Manchuria from China in defiance of the covenant of the League and numerous other treaties, the institution at Geneva, taking its cue from the most powerful nations in its membership, pussyfooted all around the incident, in spite of the report and recommendations of its own committee of investigation, and contented itself with the adoption of a resolution which amounted to nothing more than a slap on the Japanese wrist."

It continues, pointing out that the reason was that none of the vital interests of the more powerful members were then affected, and that now when in Ethiopia such interests are endangered, real action is being taken. It says that irrespective of the motivation of the present realistic action by the League, the significant point is that:

"it will commit the League to a future policy from which it can not escape without a grave reflection upon its good faith and future dissolution." **** "That is the real significance of Geneva's action in the present acute international situation".

In its issue of November 19th, the TIMES, under the heading "Looting China", comments upon the seizure that is seemingly taking place of China's five northern provinces, and points out that, were the Chinese as patriotic and warlike as the Ethiopians, such a step would be impossible, and continues:

"It seems likely, before long, that Japan will find herself in the same unenviable position Italy occupies in relation to the rest of the world, for the League is bound by its covenant

to

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to give to China, as a member, the same protection it is giving to Ethiopia, irrespective of Japan's withdrawal from Geneva. If the League had acted in relation to Manchuria as it has in the conflict between Italy and Ethiopia, the ruthless looting of Chinese territory now going on would not have occurred. Japan can not stand up under a world economic boycott; she would blow up instead."

In the leading editorial in the November 22nd issue of the TIMES, under the heading "Crisis in Japan", it comments upon the implications of the conflict of opinion between the civilian members of the Japanese cabinet and the Army leaders over the advance of Japan into North China, and finds this indeed serious. It states:

"There is, in the first place, the cost of military adventures to the aggressor country which, in this case, is much beyond the capacity of the Japanese people to bear. There is the effect upon the outside world, which is closely watching Japan's activities in northern China and which eventually would have to isolate her in the same way which it has isolated Italy, if they were continued. Hence, both at home and abroad the policy promoted by the military imperialists of Japan must have reactions of a nature which even nations of greater wealth, resources and power could not endure.

"These wider implications are realized by the statesmen and sagacious commercial leaders of Japan. They are not realized by the war leaders whose minds operate on a single track and, who, like the Bourbons of old, learn nothing from history, and do not want to learn."

"This kind of imperialism, without exception, always produces revolution in the long run, and the road to that lurid finale is much shorter in this modern age than it was a century ago."

THE DAILY COLONIST, Conservative, of Victoria, in its December 5th issue comments briefly under the heading "Japan in China", and is much more sympathetic with Japan's actions. It assumes that the autonomy movement is genuinely spontaneous but states that "in order that it shall spread, Japanese troops have penetrated that part of China". It explains Japan's action as arising from its resentment at the "dilatatory" efforts of China to suppress communism.

It gives it as its opinion that there will be no interference from without, owing to Europe's preoccupation with the Ethiopian crisis and America's unwillingness to act alone; also:

".....the realization that Japan can accomplish much for the civilization of China, and in the extension of her influence there is

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no reason to suppose that she wants anything in the nature of overlordship. What she is doing is consolidating interests which will not in the future prove hostile to her own well being."

THE DAILY PROVINCE, Conservative, of Vancouver, comments editorially in its November 16th issue under the heading "Japan in China", and states that Japan is "seizing her opportunity amid the preoccupation of Europe", as she has done before, and

"is now prepared to consolidate her self-appointed mandate and seizure on the Asiatic mainland with the boldest and most adroit stroke of all"

and to set up another puppet government comprising the northern provinces of China.

After recounting the alleged autonomous movement on the part of certain Chinese leaders it says:

"But the Japanese informants hardly trouble to maintain the fiction of a native revolt and uprising of the North Chinese people, and we are told, quite as a matter of course, that Japanese military commanders throughout all the area included in the new coup have been ordered to prevent the Nanking Government from any interference."

It concludes that the appetite for empire grows by what it feeds on, and that in this case it may well prove that Japan "has bitten off more than she can chew"; also that Japan's course will in the end bring it into conflict with "the aroused powers of the western civilization".

The PROVINCE, under the same title, in its issue of November 22nd, comments upon the temporary set-back in the plans of Japan.

It notes the 11 divisions of Japanese troops held ready, either to enforce the "autonomy" movement or to come down and protect it, if it actually materializes.

After recounting the seeming beginning of the partition of China which occurred towards the end of the last century, it finds that another partition is now taking place, but by a single power -- Japan.

It points out the excuses made by Japan in 1931 and believes these will again be brought forward by Japan now, and comments:

But

0105

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

- 7 -

"But the nations which have signed the treaty can hardly
per mit a second raid on Chinese territory and maintain the
pretence of standing by their guarantee."

File No. 800.
JKD/ms
Original to the Legation, Ottawa.
In quintuplicate to the Department.

✓

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

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

TELEGRAM RECEIVED

CA

1-1336

Gray

FROM

PEIPING VIA N.E.

Dated Dec. 18, 1935.

Rec'd 8:00 p.m.

Secretary of State,

Washington.

234, Dec. 18, 6 p.m.

The Consulate General at Tientsin reports by telephone that a parade of three thousand students took place in Tientsin this morning, that the number increased to approximately six thousand this afternoon, that there has been no police interference and that the demonstration has been orderly; that late this afternoon they intended to hold a mass meeting; that they had scattered handbills expressing sympathy for Peking students and protesting against "traitors in North China" and the "puppet council". Repeated to Nanking, by mail to Tokyo.

JOHNSON.

NPL

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FILED
DEC 21 1935

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

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ON LAND M.I.D.

TELEGRAM RECEIVED

AU

GRAY

1-1336

Tientsin via N.R.

FROM

Dated December 18, 1935

Rec'd 19th, 7:45 a.m.

Secretary of State

Washington

Division of
EASTERN AFFAIRS

DEC 19 1935

Department of State

December 18, 4 p.m.

6000 students representing 20 schools participated in orderly parade and demonstration in the Chinese city today in opposition to autonomous Council.

Tense situation reported at Tangku. Yin's paoantui there are said to be under orders to occupy peaceably Hsho and Yun Liang Cheng between Tangku and Tientsin but Sung's troops already at Hsinho.

True reading to the Embassy.

CALDWELL

CSB

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DEC 20 1935

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

TELEGRAM RECEIVED

LMS

FROM

COPIES SENT TO

C.N.I. AND M.I.D.

GRAY AND SPECIAL GRAY

Peiping via N. R.

Dated December 13, 1935

Rec'd 12:30 a. m. 19th

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 19 1935
Department of State

233, December 18, 4 p. m.

Embassy's 230, December 16, 4 p. m. /7532

793.94

There have been no (repeat no) student demonstra-
tions since December 16. However, students in a number
of institutions still refuse to attend classes. The
Japanese Assistant Military Attache is reliably reported
to have presented demands to the local authorities
December 16 containing the following:

One. Mei Yi Chi, President of Tsinghua and Chiang
Mon Lin, Chancellor of the National University of Pei-
ping having instigated the students should be punished
and forced to leave Peiping;

Two. The schools participating in the demonstra-
tions Peiping which includes the majority of schools
of middle school grade and above, should be closed;
and

Three. The police should be punished for their
inefficient handling of the situation.

Two.

793.94/7539

FILED
DEC 21 1935

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

LMS 2-No. 233 December 18, 4055 m. from Peiping

Two. The Hopei Chahar Political Council was inaugurated this morning with only Wang Keh Min, Chow Tso Min and Cheng Keh absent. Ko Ting Yuan, who has been Sung Che Yuan's representative at Nanking until recently, was appointed Secretary General of the Council. Liu Che, Wang I Tang, and Chin Teh Chun were made the standing committee.

Three. The situation at Tangku is obscure, but it would appear that the Japanese intend to extend the demilitarized zone to include that city so that they will control access to Tientsin from the sea. Observers in Tientsin anticipate that the zone will be extended possibly to Tientsin.

Repeated to Nanking; by mail to Tokyo.

CSB

JOHNSON

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 19, 1935.

The attached telegram from Tokyo (No. 245, December 19, 11 a.m.) reports the contents of a provisional draft of a telegram from the British Ambassador at Tokyo to the British Government regarding a conversation on December 17 between Shigemitsu, Japanese Vice Minister for Foreign Affairs, and the British Ambassador.

It will be noted that, in light of information possessed by the Department, some of the statements ascribed to Shigemitsu on the subject of Japan's relation to autonomy in north China should be classed as clever and evasive rather than frank. This comment particularly applies to paragraph two of the telegram: "Questioned in regard to the authenticity of the autonomy movement in North China and Japanese participation therein, Shigemitsu stated that some actions of the Japanese military had greatly embarrassed the Japanese Government but in fact the province of Hopei disliked the Kuomintang and desired the same degree of quasi-independence possessed by Shantung and Shansi. He added that of course a condition of autonomy could not be imposed on a province against the will of the people of that province without military occupation."

Although

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

- 2 -

Although the Chinese inhabitants of Hopei are known to harbor grievances against the Nanking Government there is nevertheless no evidence of spontaneous preference for a Japanese regime. That Japan was directly involved in such movement for autonomy as has thus far occurred can be directly inferred from the movement of Japanese troops into the area affected by the so-called autonomous movement. During the weeks of agitation of the movement several hundred Japanese troops arrived in Tientsin, Peiping, and points between, occupied the railway junction at Fengtai, and took over the international race course at Tientsin for military aviation uses. Concurrently there was a concentration of Japanese troops in Manchuria near the border of Hopei, ready for use if required. There was a display of Japanese army planes over Peiping in connection with demonstrations staged in that city.

It is true that the presence of Japanese troops in north China has not so far constituted a "military occupation." The number of troops has been relatively small. A military occupation has been unnecessary because an arrangement was made with China which successfully removed the danger of Chinese military resistance to the movement for autonomy and because Japan's threat to use force if required was effective.

The

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

- 3 -

The telegram quotes Shigemitsu as stating that it is certain that the general order prohibiting the Kwantung army from moving below the Great Wall without Imperial sanction will remain in force. In contradiction to this assertion see Tokyo's No. 223, November 28, 1 p.m. (copy attached hereto) reporting that Japanese military authorities informed the military attaché of the American Embassy at Tokyo that the Kwantung army has authority to move into the demilitarized zone without special orders from Tokyo but that movements beyond that zone require Imperial sanction.

Shigemitsu's certainty that Nanking has not instructed the Chinese Ambassador in London to lodge a protest on the basis of the Nine Power Treaty seems significant.

CC
CC/DLY
m.m.H.

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

72

TELEGRAM RECEIVED

AU _____ Tokyo
This telegram must be
carefully paraphrased
before being communicated ~~FROM~~ Dated December 19, 1935
to anyone. (C) Rec'd 9:25 a.m.

Secretary of State
Washington

245, December 19, 11 a.m.

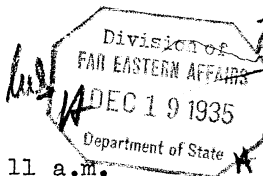
STRICTLY CONFIDENTIAL

My British colleague has shown me in strict confidence the provisional draft of a telegram to his Government reporting a conversation on December 17 with the Vice Minister for Foreign Affairs in which the following information and opinions concerning the situation in North China were elicited.

One. In response to leading questions, Shigemitsu stated that the Japanese Government was really able to control the Japanese military in North China; that it was certain that the general order prohibiting the Kwantung army from moving below the Great Wall without Imperial sanction would remain in force; and that it was likewise certain that there would be no occupation of North China by Japanese military forces.

Two. Questioned in regard to the authenticity of the autonomy movement in North China and Japanese participation therein, Shigemitsu stated that some actions of the Japanese military had greatly embarrassed the

Japanese



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

AU -2- #245, December 19, 11 a.m. from Tokyo

Japanese Government but in fact the province of Hopei (but not necessarily the other four provinces of North China) disliked the Kuomintang and desired the same degree of quasi-independence possessed by Shantung and Shansi. He added that of course a condition of autonomy could not be imposed on a province against the will of the people of that province without military occupation.

Three. In regard to the question of financing such an autonomous government, Shigemitsu said that he supposed that the customs receipts would be used but he believed that services on foreign debts would be continued in good faith as in other quasi-independent provinces in China.

Four. The Ambassador asked why, if this autonomous movement were genuine, the Chinese Ambassador in London had lodged a protest with the British Government on the basis of the Nine Power Treaty. The Vice Minister replied that he was convinced that the Chinese Ambassador in London had received no such instructions from Nanking and had acted either on his own initiative or on a request from the Kuomintang.

Five. In this connection, and with reference to Embassy's telegram 225, December 2, noon, Clive told me confidentially that although Wiggin, as Charge d' Affaires,

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

AU -3- #245, December 19, 11 a.m.. from Tokyo

affaires, had at that time been directed by the British Foreign Office to express the hope that nothing which might be done in North China would run counter to the provisions of the Nine Power Treaty, he had handled the matter with discretion and had avoided specific reference to that treaty by name, alluding only in general terms to "treaties and conventions to which both Japan and Great Britain were parties".

Repeated to Peiping.

GREW

CSB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 31, 1935.

[Handwritten signature]
MSH:

Tsinan's No. 127, November 19,
1935, entitled "Reports of Separatist
Movement in North China".

The enclosed despatch to Peiping
gives a translation of a news item
appearing in a Japanese-owned newspaper
in which are given interesting details
of the then proposed autonomous regime
in North China.

[Handwritten signature]
MSM/VDM

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

NO. 127

AMERICAN CONSULATE

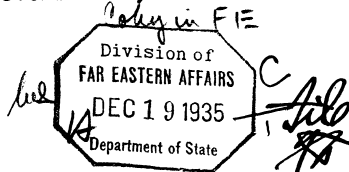
Tsinan, China, November 19, 1935.

793.94

RECEIVED
DEPARTMENT OF STATE

DEC 19 PM 12 40

DIVISION OF
COMMUNICATIONS
AND RECORDS



SUBJECT: Reports of Separatist Movement in North China.

Grade	For	Grade	For	No
For	<i>OK</i>	For	<i>OK</i>	
	<i>Stevens</i>		<i>OK</i>	
			<i>OK</i>	

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

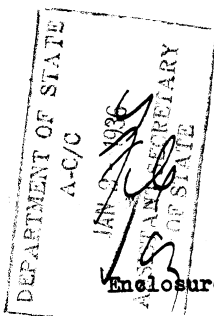
COPIES SENT TO
O.N.I. AND M.I.D.

SIR:

I have the honor to submit herewith a copy of this
consulate's despatch No. 186 of November 19, 1935, to the
American Embassy, Peiping, on the above subject.

Respectfully yours,

H. E. Stevens
H. E. Stevens,
American Consul.



Enclosure:

Copy of despatch No. 186
of November 19, 1935,
to American Embassy,
Peiping, China.

In quintuplicate.

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HES:KCC

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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. Quate NARS, Date 12-18-75

No. 186

AMERICAN CONSULATE,
Tsinan, China, November 19, 1935.

Subject: Reports of Separatist Movement
in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to cite below for the Embassy's information a translation of an article which appeared in today's issue of the Tsinan Jih Pao (Japanese owned but published locally in the Chinese language) allegedly quoting a telegram received from Peiping which definitely links the Shantung Chairman's name with other Chinese leaders who seek the economic and financial separation of five north China provinces from the Central Government at Nanking.

"According to a telegram from Peiping the 5 provinces in North China - Hopei, Shantung, Chahar, Shansi, and Suiyuan, will organize an autonomous administration on November 20th. The administration, to be based on the financial independence of North China, aims at secession from the National Government. The principles of the organization are stated as follows:

"1. Hopei, Shantung, Shansi, Chahar, and Suiyuan will organize an autonomous administration, and the administrative organs of the provinces mentioned will be modelled on the existing committee system.

"2.

- 2 -

"2. In the field of politics and diplomacy the administration will follow the example set by the Political Committee of the Southwest, that is, nominally an integral part of the National Government but actually independent of the latter's jurisdiction.

"3. In organization the administration will adopt the committee system, the members of the committee to be selected from the military and civil authorities and also the retired celebrities in North China.

"4. The administration will be established in Peiping and be divided into the following departments:

- a. Department of Civil Affairs,
- b. Department of Foreign Affairs,
- c. Department of Finance,
- d. Department of Military Affairs,
- e. Department of Justice,
- f. Department of Industries,
- g. Department of Railways,
- h. Department of Communications, and
- i. Department of Education.

"5. The administration will be independent of the National Government economically and financially and will detain, for uses in the promotion of the welfare of the people, all sorts of revenues including customs, salt, and consolidated taxes.

"The amounts of the revenues in North China will be approximately as follows:

Customs duties -----	\$100,000,000
Salt taxes -----	60,000,000
Consolidated taxes ----	100,000,000
Total -----	<u>\$260,000,000</u>

"The movement was authorized at a meeting held on the 17th by the representatives of Generals Sung Che-yuan, Han Fu-chu, Shang Chen, and others. Secret telegrams have been dispatched inviting General Han Fu-chu and General Shang Chen to come to Peiping for a conference. General Shang has decided to leave for Peiping on the 18th, but General Han's trip will be delayed until the 20th."

In an interview with General Han Fu-chu at Provincial Headquarters this afternoon the General informed me that he was not at liberty to confirm or to deny the

above

0120

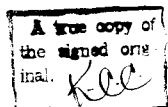
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

above report, the Chinese text of which was shown him, further than to say that he had no intention of leaving Tainan for Peiping either tomorrow or the next day, and that most of the rumors afloat concerning the situation in the north are without foundation. However, he definitely did not deny that a separatist movement was afloat in North China and that he would play a part in it. His reticence at this interview was very unusual and he gave me the impression that he was greatly worried over the situation, not so much from the Japanese angle as from his relations with the Central Government, particularly the Kuomintang.

In spite of repeated assurances from the Tainan municipal authorities that no untoward developments are expected here in the near future, the Chinese populace is viewing developments in North China with serious apprehension. Since American residents of this district have expressed their uneasiness over the situation any timely information thereon which the Embassy is in a position to give would be received with appreciation.

Respectfully yours,



H. E. Stevens,
American Consul.

Copy in quintuplicate sent
to Department by despatch No.
127 of November 19, 1935.

Copies to Nanking, Tsingtao, and Chefoo.

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HES:KCC

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Division of
EASTERN AFFAIRS
DEC 19 1935
Department of State

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Subject:
LITIGATION
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AND RECORD

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		In U.S.A.		

er Johnson,

Adm

DEPT. OF THE ARMY
 OFFICE OF THE CHIEF OF STAFF
 WASHINGTON, D. C.
 AUG 10 1945
 MAR 2 1946
 ASSISTANT CHIEF OF STAFF
 FOR PERSONNEL
 OFFICE OF THE CHIEF OF STAFF
 WASHINGTON, D. C.



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JAN 4 - 1936

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

- 2 -

attaching to the port. This, however, is minimized
by its lack of any rail communications.

The Embassy will be promptly informed of any
developments of significance that may occur.

Respectfully yours,

J. Hall Paxton,
American Consul.

800.
JHP:YGY

Original to Embassy, Peiping.
In quintuplicate to Department.
One copy to Embassy, Nanking.
One copy to Tsingtao, Tsinan
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, November 21, 1935.

No. 43.

Subject: Address of General Chiang Kai-shek
before the Fifth Kuomintang Congress.

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Division of
FAR EASTERN AFFAIRS
DEC 19 1935
Department of State

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

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Agency which formed the basis for the telegram under reference, but in their essential features the purport of General Chiang's remarks remains the same.

Respectfully yours,

For the Ambassador:


Willys R. Peck,
Counselor of Embassy.

Enclosure:

1/- As stated.

Original and four copies to Department.
Single copy to Embassy Peiping.
Single copy to Embassy, Tokyo.

800

GAjr/MCL

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

Enclosure No. 1

Full Translation of Generalissimo Chiang Kai-shek's
 Speech on China's Foreign Relations Delivered
 on November 19, 1935, before the Fifth
 National Congress of the Kuomintang.

It is most gratifying to observe that during the past few days the work before this Plenary Session of the Fifth National Congress of Kuomintang has been taken up in a spirit of unity and co-operation. Such a hearty atmosphere is indeed most fortunate for the future of the country. I take this opportunity to lay before you without reserve the status of our foreign relations during the past few years for your study and consideration.

There are three points which I wish to bring out this morning. First, ever since the incident of September 18, 1931, and subsequently the affairs at Shanghai and in North China, our people have been in a continuous state of distress and suffering. As one of the Members of the Standing Committee of the Kuomintang, I have been most painfully aware of the seriousness of my responsibility. Through these troublous times, however, I believe that the nation as a whole has come to realize that the "Nationalist Movement" as set forth in our late Leader's San Min Chu I, deals not only with our foreign policy but also with internal regeneration, the former being merely a part of the whole. In other words, while we must strive for equality and independence among nations, as our Leader had enjoined, we must also learn

to be

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

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circumstance or angle may find it seemingly impossible to be friends; but viewed from another angle and under another circumstance, there is no possibility of their becoming anything but friends. There are many instances of the above situation between the nations. Therefore international relations are relative; not absolute. In other words, in deciding upon the foreign policy of a nation be it friendly or hostile toward others, the welfare of the country and the interest of the people as a whole, and not the temporary sentiments and particular interests should be taken into consideration. It is a rule to be observed by responsible statesmen and revolutionary party members that to decide upon a foreign policy they must consider the relative urgency as well as the expediency of our needs.

For our suffering of repeated national humiliation, we should inquire within ourselves and constantly read the 5th Chapter of Dr. Sun Yat-sen's Principle of Democracy. Summarily, the late leader had warned us that there are more than one country that can destroy China; and this should give us a rude awakening. For we must realize that this unprecedented national crisis is by no means accidental. Mencius once said, "A man must first despise himself, and then others will despise him. A kingdom must first smite itself, and then others will smite it". This was often quoted to us by Dr. Sun. So, if we abuse ourselves and do not make efforts to be strong and self-reliant, then those nations friendly to us today might become our enemies to-morrow; and on the other hand, if we can become strong and self-reliant, it is not impossible that our foes of today

may

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

- 4 -

may become our friends to-morrow. The old adages "People help those who help themselves" and "welfare must be sought by oneself", state the same truth. What I wish to emphasize today is that during this national crisis we must do our utmost to help ourselves and seek our own salvation.

Thirdly, our national revolution is not yet complete. In a nation undergoing a transitional state in its revolution, clashes between the old order of things and the new, are unavoidable, and criticisms and obstacles are to be expected. This is true in both foreign and domestic affairs. During this period we should pay particular attention to two things. First, the completion of the ground-work of nation-building should be our common creed and undue attention needs not be paid to temporary expediency. This is what Confucious meant when he said, "Want of forbearance in small matters spoils great plans", for diplomacy in extraordinary times can never be conducted by ordinary procedure. Secondly, international relations are subject to constant changes, so when anything happens, we must decide speedily to meet the requirements of the occasion. Let us look back at the experience of the various European countries during the revolutionary period after the Great War. Their external and internal difficulties and obstacles were similar to ours during the past decade, but because their leaders and peoples were guided by common convictions and because their leaders had the authority to settle each problem as it arose, the crises were averted and the national foundations finally made safe.

The Chinese

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The Chinese race occupies one-fourth of the world's population so that the rise or fall of our nation must have a great effect on world peace as well as the welfare of mankind, a fact which must have been well realized by all statesmen of the friendly powers. It is natural, therefore, that our neighbour Japan should take a deeper interest in the peace of East Asia as well as the common weal of the two countries. What we have been striving for incessantly is nothing more than our existence as a nation and co-existence with other countries in the family of Nations.

I believe when we have achieved progress through our intensive reconstruction program, and deal with all friendly nations in full sincerity, we shall, some day, attain internal understanding and international goodwill.

From the three points mentioned above, we may draw the conclusion that if international developments do not menace our national existence or block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature. At the same time we should seek harmonious international relations provided there is no violation of our sovereignty. We should seek economic co-operation based upon the principle of equality and reciprocity. Otherwise, we should abide by the decision of the Party and the Nation and reach a resolute determination. As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last

extremity

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

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extremity which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing, for the life of an individual is finite while the life of a nation is infinite. Granted a limit to conditions for peace and a determination to make the supreme sacrifice, we should exert our best efforts to preserve peace with the determination to make the final sacrifice in order to consolidate and regenerate our nation. I believe this is the basic policy of our party for the salvation and upbuilding of our nation.

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

Dec 21, '35

~~Recd~~
 in file H

To quote Naubing's
 despatch ^{to our} of Nov 22, '35
 which supplements
 his telegram of even
 date (copy attached).
 No coming despatch
 & marked passage
 of the memo. of con-
 versation duly
 need be read.

let me.

013

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Nanking, November 22, 1935.

No. 44.

Subject: Sino-Japanese Relations.

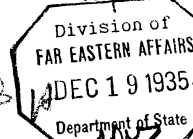
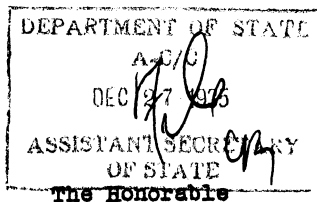
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The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to my telegram of today's date on the general subject of Sino-Japanese relations and to enclose a memorandum of a portion of my conversation with Mr. Y. Suma, Secretary of the Japanese Embassy, held on November 21.

The gist of Mr. Suma's observations in regard to the political situation in North China was that the disorderly conditions there were, of course, something for China to deal with as a matter of internal interest, nevertheless, since North China is so close to Japan, Japan feels

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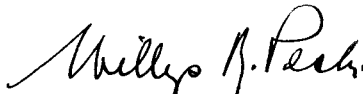
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

a legitimate concern over such conditions. Mr. Suma
was reticent in regard to the reported attempt to
promote an autonomous state in North China.

Respectfully yours,

For the Ambassador:


Willys R. Peck,
Counselor of Embassy.

Enclosure:

1/- Memorandum,
as stated.

Copy to the American Embassy at Peiping.
Copy to the American Embassy at Tokyo.
Copy to American Ambassador at Shanghai.
Original and four copies to the
Department of State.

800

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

MEMORANDUM OF CONVERSATION

Nanking, November 21, 1935

Subject: Sino-Japanese Relations.

Mr. Y. Suma, Secretary of the Japanese Embassy,
Mr. Peck.

Mr. Suma called in reference to another matter, and Mr. Peck took advantage of the opportunity to ask whether Mr. Suma thought that anything of importance would occur in North China in the next few days.

Mr. Suma said that he did not think that anything important would happen very soon. He said that the whole situation in North China was very obscure and confused. He remarked that there were too many independent organs of government; for example, there were the Peiping Branch of the Military Affairs Committee, the Provincial Government of Hopei, the Peiping-Tientsin Garrison Commander, and the Mayors of the independent municipalities of Peiping and Tientsin. He remarked that there was no big man in North China, only a number of leaders who were "equally small". Formerly the Peiping Political Affairs Readjustment Committee, under General Huang Fu, had united these various organs somewhat, but now that had been abolished and in addition to the independent and co-equal leaders he had mentioned, there were in Tientsin many ex-leaders, many of whom were anxiously scheming to get into the limelight again.

Mr. Suma

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

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Mr. Suma said that during the call of the Japanese Ambassador and himself on General Chiang Kai-shek on November 20, he, Mr. Suma, had called the attention of General Chiang Kai-shek to this undesirable state of affairs in North China and had suggested that a special organization for that area be set up, in order to do away with the confusion.

Mr. Suma remarked that such matters as the confused situation in North China were things for the internal control of China, but owing to the nearness of that area to Japan, Japan felt a legitimate concern over the disorderly conditions there, since Japan was bound to feel the reaction.

As an example of one of the things which should be corrected in the Peiping area, Mr. Suma said that the Province of Hopei monthly handed over to the Peiping Branch of the Military Affairs Committee some \$3,500,000., which sum was sent by the Committee to General Chang Hsueh-liang for the support of the former Northeast troops. Mr. Suma remarked that this use of the revenues of Hopei was very unhealthy.

Mr. Peck attempted to elicit some further comments by Mr. Suma on the much talked of "autonomy plan" for North China, but Mr. Suma seemed reluctant to discuss details.

Willys R. Peck,
Counselor of Embassy.

WRP:MM/MCL

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 3, 1936.

~~MEM:~~

~~WTT:~~

~~MMH:~~

Shanghai's No. 10453 of November 23, 1935, reports Shanghai opinion in regard to the North China situation.

Local pessimism with regard to North China developments lessened when the results of a conference between Chiang Kai-shek and Japanese Ambassador Ariyoshi became known. The local press at first optimistically stated that Japanese plans for autonomy had collapsed and that Doihara's attempted coup was a failure but later it referred to the situation as a lull in developments.

It was generally felt that although the situation had eased the future could not be viewed optimistically. It was stated by a Chinese official that the Government had taken certain steps as a result of a wish to cooperate with Ariyoshi as opposed to the military clique.

Press comments reflected the anti-Japanese or pro-Japanese bias, being critical of a pressure being brought to

bear

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

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bear on China or endeavoring to marshal
facts to show that the independence
move was well founded on differences
existing between North, Central and
South China.

CSR
CSR/VDM

013

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

No. 10453

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Division of
FAR EASTERN AFFAIRS
DEC 19 1935
Department of State

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, November 23, 1935.

Subject: Sino-Japanese Relations: Shanghai
Opinion Regarding North China Situation.

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1935 DEC 19

THE SECRETARY OF STATE
WASHINGTON.

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Davis *CSR*

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O.N.I. AND P.A.I.

I have the honor to report that local pessimism with regard to developments in North China lessened to a marked degree when the results of the conference on November 20, 1935, between General Chiang Kai-shek and Ambassador Ariyoshi became generally known. Reports had been current that Major General Doihara had given the Chinese authorities in the North until noon on that date to declare an autonomous regime, but with news of the National Government's counter move the local press went to the other extreme stating that Japanese plans for autonomy had collapsed.

Under the heading, "Doihara Coup in North is Failure as Support from Nippon Withheld", THE CHINA PRESS (American registered, Chinese owned) of November 21, 1935, published a Reuter despatch from Peiping stating that the "story of the collapse of Major General Doihara's apparently self-imposed mission in North China

is

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

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is slowly leaking out following the revelation that a hitch has occurred in the much heralded plans for ... autonomy." Later despatches were more restrained, however, and referred to the developments in question as a lull in negotiations.

Mr. Yu Ming, Officiating Director of the Shanghai Office of the Ministry of Foreign Affairs, stated to a member of my staff that the situation was very tense indeed a few days ago and that although it has eased to some extent Chinese officials here are not at all optimistic about affairs in the North. He said that a bold stroke had been necessary since the Northern leaders had been pressing for assurances of support and since the Government wished to cooperate with Ambassador Ariyoshi as opposed to the military clique. As to the latter it is mentioned as of interest in this connection that Major-General Rensuki Isogai, Japanese Military Attache, stated to the local correspondent of THE NEW YORK TIMES yesterday that North China would be entirely cut off and organized into an independent state if autonomy is not established immediately, or if it does not work after establishment because of pressure and interference from Nanking.

2/ THE NORTH CHINA DAILY NEWS (British) has adopted a distinctly critical attitude toward the Japanese in its discussions of the North China situation. It states in its issue of November 20, 1925, that Japanese comments do not err on the side of reticence, and that they are susceptible of the most sinister interpretation or can be made to conform to "inocuous versions of the rapprochement which Mr. Ariyoshi, with occasional vivid

obligatos

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- obligatos from Mr. Suma, is supposed to be commending to Nanking"; it points out that while the Chinese Government has put a stop to criticism of Japan in the Chinese press the Japanese authorities have apparently viewed with complacence "the sustained virulence with which certain Japanese organs assail the Chinese Government, the Chinese people and other nations engaged in their lawful occasions here." In its issue of November 3/ 21, this journal refers in a satirical vein to developments in the North, saying that General Chiang Kai-shek made a dignified statement accompanied by a "chorus obligingly supplied by the Kwangtung Army", that China's constant fear of Japanese pressure can hardly be conducive to friendship and that sincerity which is "a virtue reserved peculiarly for Chinese exercise and exclusively assessed by Japanese Major-Generals", and that Japanese diplomats deserve better treatment than to find their arduous labors in danger of stultification by the erratic intrusions of military mentors. There is also 4/ enclosed a cartoon bearing on the situation.

- THE SHANGHAI TIMES (British) discusses North China 5/ in its issue of November 20 and General Chiang Kai-shek's 6/ pronouncements in its issue of the following day. In the former this journal, which is frankly pro-Japanese, states that the movement in the North is a fairly strong one, it reminds the readers of the traditional differences between the people of the North and those of Central and South China, and prophesies that the former will become financially and economically independent. The hope is expressed, however, that whatever developments may come the country will be spared the wastage of a civil war and

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"a clash with powerful influences." The second article states that although General Chiang Kai-shek's speech was marked by guarded language it was an appeal for a united stand with regard to foreign affairs, and that he assumes the confidence of the Chinese people as a whole, a hypothesis it does not consider justified by the facts. The writer goes on to say that the real crux of the situation is that centralization of political power in China must run counter to both foreign and regional interests, because of age long differences among the Chinese people themselves and the degree to which internal politics have been bound up with foreign relations.

- 7/ THE CHINA PRESS states in its issue of November 21 that the sincere tone of General Chiang Kai-shek's pronouncements to the Fifth National Congress of the Kuomintang is a favorable factor which may lead to an improvement in
- 8/ Sino-Japanese relations. In its issue of November 23 this journal comments favorably upon the attitude of Mr. Ariyoshi as displayed toward the policy of the National Government, and commends the stand of some of the leading Chinese officials in North China during this period of suspense. It closes with the statement, which is no doubt more an expression of hope than of belief, that

"neither responsible Japanese officials nor Chinese statesmen are in the mood of creating more trouble in a region which has already had enough of it and which may become an asset to both only when freed from dubious practices and abuses. The desire for friendship is growing, not vanishing, and with it the prospect of peace is ever so much brighter than before."

Respectfully yours,

Edwin S. Cunningham
 Edwin S. Cunningham,
 American Consul General.

List

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List of Enclosures:

- 1/- Article from THE CHINA PRESS of November 21, 1935.
- 2/- Editorial from THE NORTH CHINA DAILY NEWS of November 20, 1935.
- 3/- Editorial from THE NORTH CHINA DAILY NEWS of November 21, 1935.
- 4/- Cartoon from THE NORTH CHINA DAILY NEWS of November 21, 1935.
- 5/- Editorial from THE SHANGHAI TIMES of November 20, 1935.
- 6/- Editorial from THE SHANGHAI TIMES of November 21, 1935.
- 7/- Editorial from THE CHINA PRESS of November 21, 1935.
- 8/- Editorial from THE CHINA PRESS of November 23, 1935.

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MBD MB

In Quintuplicate.

Copy to Embassy, Peiping and Nanking,

Copy to Embassy, Tokyo.

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Enclosure No. 1 to despatch No. 10453 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated November
 23, 1935, on the subject: "Sino-Japanese Relations: Shanghai
 Opinion Regarding North China Situation."

SOURCE: THE CHINA PRESS (American
 registered, Chinese owned),
 November 21, 1935.

Doihara Coup In North Is Failure As Support From Nippon Withheld

Sees Chiang



Ambassador Ariyoshi

Famed Intriguer Said
 To Have Planned
 Fait Accompli

**GENERALS FAIL
 TO ATTEND MEET**

**Nanking Told By Tokyo
 Japan Against Force
 To Gain Autonomy**

PEIPING, Nov. 20.—(Reuters).—The story of the collapse of Major-General Doihara's apparently self-imposed mission in North China is slowly leaking out following the revelation that a hitch has occurred in the much-heralded plans for declaring the partial autonomy of Hopei, Shantung and Chahar, which was to have been formally announced to the world today.

It is learned in the most reliable quarters that the Nanking Government was given to understand yesterday that Tokyo had no desire to bring pressure to bear on North China towards the formation of any form of autonomous or semi-independent government, much less to take military action to that end. Nanking thereupon promptly sent instructions to North China for the Chinese military authorities to cease all negotiations as the scope of the subject exceeded local powers.

Immediately, General Sung Cheh-yuan, Garrison Commander of Peiping and Tientsin, left here for Tientsin; General Han Fu-chu, Chairman of the Shantung Provincial Government, decided to remain in Tsinanfu instead of coming to the northern capital, and General Shang Chen, detained by a "diplomatic cold," abandoned his projected departure from Paotingfu.

Doihara Upset

These three officials were to have met in Peiping to discuss the so-called autonomy scheme.

Apparently much upset at this sudden turn of events, which transferred the scene of the negotiations to a sphere beyond his authority, Major-General Doihara left Peiping this morning for Tientsin, and he is not expected to return.

There will probably be no new move here pending the outcome of the interview in Nanking today between General Chiang Kai-shek, Chairman of the Military Affairs Commission, and Mr. Ariyoshi, the Japanese Ambassador.

It is generally felt that Nanking's timely action prevented General Doihara from presenting the Tokyo authorities with a *fait accompli* which even the War Office would not have welcomed very warmly.

It is also felt that an error of judgment was made by the instigators of the autonomy scheme in

**Ariyoshi Sees
 Chiang, Is Told
 Of North China**

(Continued from Page 1, Col. 8.)

government, and General Han Fu-chu, Chairman of the Shantung provincial government, will not take place.

General Shang has telegraphed to Nanking asking for sick leave, and is reported to have entered the hospital at Paotingfu. During his absence, Mr. Li Fei-chi, a member of the Hopei provincial government, will take charge of provincial affairs.

Messages from Tsinan state that General Han Fu-chu has indefinitely postponed his trip to Tientsin to meet General Sung Cheh-yuan, owing to "pressure of official duties."

Mr. Yin Tung, Managing Director of the Peiping-Liaoning Railway Administration, left Tientsin for Nanking at 10 o'clock this morning by plane following his resignation.

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It is generally felt that Nanking's timely action prevented General Doihara from presenting the Tokyo authorities with a fait accompli which even the War Office would not have welcomed very warmly.

It is also felt that an error of judgment was made by the instigators of the autonomy scheme in taking General Han Fu-chu's support too much for granted.

Lieut.-General Tada, commander of the Japanese garrison in North China, who has returned to Tientsin from Tsinanfu, is said to have found the attitude of General Han Fu-chu, Chairman of the Shantung Provincial Government, "distinctly cool" towards the plan.

Deny Ultimatum

News of the breakdown of the negotiations was accompanied by a formal denial by the Japanese military spokesman here that an ultimatum threatening the invasion of North China by Japanese troops unless the Chinese leaders in the North agreed to the "suggestions" advanced by General Doihara had been presented.

He added, however, that if the Chinese national troops were moving northward—and he had heard that they were concentrating along the Lunghai railway—they were infringing the Ho-Umetsu agreement.

"If that agreement is abused," he declared, "it will be necessary to use force."

(The so-called Ho-Umetsu agreement was that concluded last July between General Ho Ying-chin, the Chinese War Minister, and Major-General Umetsu, then Commander of the Japanese garrison in North China, liquidating the situation precipitated by Japanese demands for the elimination of certain alleged anti-Japanese officials and organizations in Hopei and Chahar.)

Shang Chen Enters Hospital

PEIPING, Nov. 20.—(Central).—Word received from Paoting states that Gen. Shang Chen, Chairman of the Hopei Provincial Government, contracted a severe cold yesterday. He is also suffering from stove poisoning and has entered the Ssu Lo Hospital in Paoting last night.

General Sung Cheh-yuan, Garrison Commander of Peiping and Tientsin, left Peiping secretly this afternoon by car for Tientsin, where he arrived early this evening.

Chinese Leaders Not To Meet

NANKING, Nov. 20.—(Reuters).—The expected meeting between General Sung Cheh-yuan, commander of the Peiping-Tientsin garrison forces; General Shang Chen, Chairman of the Hopei provincial

(Continued on Page 2, Col. 5.)

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

Enclosure No. 2 to despatch No. 10453 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated November
23, 1935, on the subject: "Sino-Japanese Relations:
Shanghai Opinion Regarding North China Situation."

SOURCE: THE NORTH CHINA DAILY NEWS
(British), November 20, 1935.

Editorial.

HELP OR HINDRANCE

The new arrangement in the North, as outlined by Japanese press messages, seems to comprise a satisfactory understanding between the Central Government and the local Chinese leaders and between those leaders and the Japanese authorities on the spot. Severance from the rest of China is not implied, but the asides of the Kwantung Army invite diffidence, if not scepticism, in accepting that comfortable view. Prophecy rather than a record of actual happenings is discernible in the messages. No official word has come from Nanking whence a different light may be thrown on the situation. The references to the South-West Council suggest that, following the recent changes in the personnel of Chinese administration in Hopei and the adjoining provinces and the abolition of the Peiping Political Council, the North is taking full advantage of the Central Government's declared policy of regional tolerance. The vital link which holds the various regional administrations in a loose kind of federate association with the Central Government is the Chinese Maritime Customs Service. There seems to be a desire to maintain its integrity and it has its obvious merits for thereby international complications might be avoided. If the Japanese reports are to be accepted as accurate and in no sense premature the proposed readjustment may make it easier to fulfil the requirements of the North's contiguity to the State of Manchoukuo, without precisely defining the problem of recognition. It were probably prudent to suspend judgment on the extent to which this development connotes an advancement of Japanese control. Japanese military advisers have for some months past been attached to the Northern military formations. Japanese economic assistance has been proffered for the cultivation of cotton crops in the demilitarized zone with the admitted object of ensuring to Japan a plentiful supply of raw material at cheap prices and so benefitting the Japanese textile industry which is apprehensive of a rise in world prices for raw cotton in the immediate future.

Japanese comments on the situation do not err on the side of reticence. They can be adapted to the most sinister interpretation of Japanese intentions. They can be made to conform to innocuous versions of the *rapprochement* which Mr. Ariyoshi, with occasionally vivid obligatos from Mr. Suma, is supposed to be commending to Nanking. Yet it is not inappropriate to salute these developments in the North with some kind of appreciation of the trends of Sino-Japanese relationships. Perhaps the curious feature of the situation is the dominance of Japanese-propagated views. In the

appreciated except by those who have had access to the Japanese newspapers and to the broadcast announcements made under Japanese auspices. Criticism of the anti-foreign attitude of Chinese newspapers which have now responded freely to their Government's urgent discipline in that respect, was expressly based on the argument that international amenities should be protected. It becomes a matter of surprise that that argument seems to be sadly neglected in the complaisance apparently shown by Japanese authorities toward the sustained virulence with which certain Japanese organs assail the Chinese Government, the Chinese people and other nations engaged in their lawful occasions here.

Japanese opinion has been canvassed to obtain endorsement of the view that China's difficulties can best be solved on the principle of self-help. Outside assistance being thus implicitly deprecated, it may well be asked whether outside hindrance is not to be equally condemned. Judging from the spate of admonition and destructive criticism which pours from certain Japanese organs either here or in Japan, it would seem that China is regarded as a pathological case on whom judgment can be passed with the blissful assurance that the patient will either ignore or be unable to hear the strictures so enunciated. Not otherwise can such an apparent breach of courtesy—to put the matter no higher—be explained. China is not the only country burdened with the responsibility of putting her house in order. She appears to be the only country where such a task has to be attempted to the accompaniment of the constant rattling of alien sabres on her shores. These observations are impelled not by any conviction that they merit or, indeed, will enjoy the favour of Japanese militarists. This journal, however, is reluctant to believe that Japanese statesmen who so frequently aver solicitude for China's stability and the furtherance of international concord in the Far East, will willingly allow their protestations to be belied or their efforts frustrated.

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Enclosure No. 3 to despatch No. 10453 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated November
 23, 1935, on the subject: "Sino-Japanese Relations:
 Shanghai Opinion Regarding North China Situation."

SOURCE: THE NORTH CHINA DAILY
 NEWS (British), November
 21, 1935.

Editorial.

NANKING CALM

It is late in the day to confess to bewilderment over the quaint procedure whereby Chinese intentions are blazoned to the world to the strains of a chorus obligingly supplied by the Kwantung Army. Not that Chinese intentions seem to matter much in the development of events in the North, for the statements of Major-General Doihara and of the General Staff of the Kwantung Army make it clear beyond the peradventure of a doubt that the threat of Japanese force inspires such decisions as may be locally taken to bring certain northern provinces more happily into accord with the general pattern of the Manchoukuo mosaic. First the world is presented with the definite announcement of an impending transformation of those provinces into an autonomous symphony to which a few graceful reservations will be attached. Then there is categorical mention of an ultimatum complete with terms and a time-limit. Casual reference is made to the presence of Japanese troops on the other side of the Great Wall. From Hsinking comes a delicate reminder that the Headquarters of the Kwantung Army is alert. After these essays in the puff preliminary, a lull occurs. It seems that the possible desirability of ascertaining the views of the Government of China regarding the disposition of its nominal authority jumps to the mind. Relief comes from the intimation that the situation is being discussed by the diplomatic representative of Japan with the appropriate Chinese minister in Nanking. General Chiang Kai-shek, charged with the duty of expounding the Government's foreign policy to his colleagues of the National Congress of the Kuomintang, makes a dignified statement and displays a sage restraint. Thereby it is deduced that the balm of a well-devised formula may eventually be applied to the crisis for the general satisfaction of all concerned.

Confronted by another difficult dilemma, General Chiang Kai-shek seems to have admirably preserved dignity and caution. He is fortified by the evident desire of the Foreign Office at Tokyo to bring the situation more comfortably within the scope of prosaic negotiation rather than to elevate it to the plane of epic adventure. He emphasizes his Government's desire to live on friendly terms with neighbours and associates. He makes no portentous claims for China's powers of endurance. He adheres to the policy of peace and does not conceal his conviction that abandonment of that policy, even in the face of grave provocation, would be inimical to China's interests. No statesman, especially if his profession be that of arms, can be enamoured with an over-enthusiastic endorsement of a

mic, the Japanese Government may find its declared policy of seeking China's friendship on the lines of sympathy and tolerance more readily acceptable to military minds.

Events in the North will presumably take their course, although the evident restraint of the Chinese Government will perhaps facilitate their being clothed in a garb of respectability. That may satisfy the requirements of China's *amour propre*, modestly as it has to be expressed in the fierce flashlight of General Doihara's pageantry. It will not deceive those who realize that the Japanese sword is still dictating the policy of the Japanese Foreign Office and wonder whether the process can be indefinitely continued with advantage to Japan. Japan's interests in China are great. They rest on the economic needs of both countries. A common bond of trading relationship may be profitably exploited to mutual benefit. Exploitation by force of arms has its obvious limitation; unless modified or moderated as the months pass, it has seldom proved a satisfactory agency for the development of trade. It can hardly be imagined that China's constant fear of Japanese pressure is conducive to the cultivation of friendship between the two countries. Sincerity,—a virtue reserved peculiarly for Chinese exercise and exclusively assessed by Japanese Major-Generals—seems to be an irrelevance in commentaries assiduously supplied to Tokyo from China by Japanese observers and from Tokyo to China by Japanese spokesmen. When this sincerity is unceasingly the subject of sceptical appraisal and contemptuous valuation it is liable to yield to less reputable emotions, in ultimate confusion of the admirable source of its inspiration. Perhaps, as time progresses, considerations of this kind may force themselves more specifically on the attention of the Japanese Government. Its policy of economic co-operation has been soundly conceived and impeccably expounded by its able diplomats. They deserve better treatment than to find their arduous labours complicated and in danger of stultification by the erratic intrusions of military mentors. In this sense it is to be hoped that the reasonable attitude of the Chinese Government may impel a more satisfactory handling of Sino-Japanese relations in the future.

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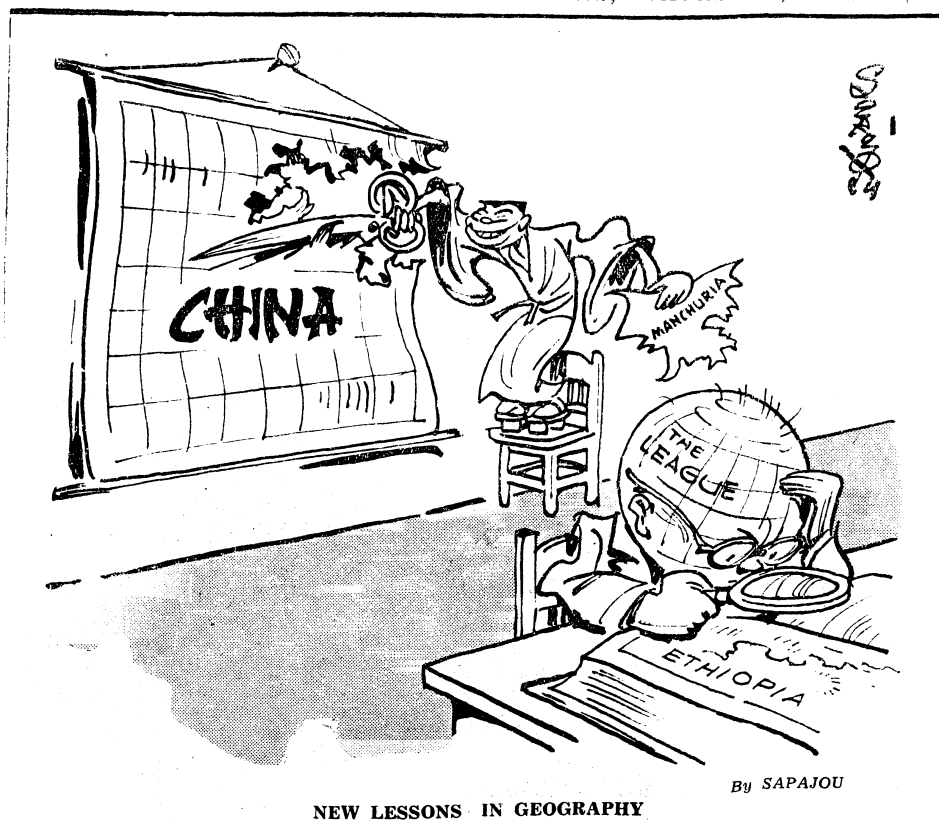
The management of the Calvary
 Francis in her first comedy picture.
 Brent and

0 1 4 8

SOURCE: THE NORTH CHINA DAILY NEWS (British),
November 21, 1935.

Cartoon.

THE NORTH-CHINA DAILY NEWS, THURSDAY, NOVEMBER



NEW LESSONS IN GEOGRAPHY

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

Enclosure No. 5 to despatch No. 10463 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated Shanghai,
 November 23, 1935, on the subject: "Sino-Japanese Relations:
 Shanghai Opinion Regarding North China Situation."

SOURCE: THE SHANGHAI TIMES (British),
 November 20, 1935.

Editorial.

Shanghai, Wednesday, November 20, 1935

NORTH CHINA

Exactly what manner of situation is going to develop in North China does not appear to be at all clear from the variety of reports which have so far come to hand, but it is not at all unlikely that we are on the eve of important developments which will possibly have far-reaching influences on the present structure of Government in China. If what has been hitherto reported from certain quarters proves to be correct then a movement for autonomy is in process of organization for the provinces of Hopei, Shantung and Chahar, with Suiyuan and Shansi likely to join in with that movement later on. It would be premature, we believe, at this stage to accept as factual all the detailed prognostications which have been made, but it cannot be unprofitable to remind ourselves of traditional differences—physical and psychological—which have always been manifest between the people of the North and those of Central and Southern China. Grouped around the ancient capital of Peking, the provinces of Hopei, Shantung and Chahar have never been wholeheartedly with the Central Government, regulated as it is by the Kuomintang. This party had its birth in the Revolution, has been dominated by the late Dr. Sun Yat-sen and his followers, can be regarded as being indigenous to the South but has always been a matter of super-imposition in the territory which formerly came so directly under the sway of the old Imperial Court. Ever since General Chiang Kai-shek led his victorious armies into North China in 1927 and succeeded in getting his own nominees in power in the various provinces there the hope has been engendered in Nanking that unification would prove to be lasting and that the benefits of unification would prove to be mutually shared.

But recent history has not run that way. Ever since the loss of Manchuria the North has suffered enormously. It was for a very long time cut off from communication and intercourse with its neighbour people on the other side of the Great Wall, it has been the scene of serious fighting in what is now the Demilitarized Zone, it has witnessed an almost bewildering succession of new officials, trade and commerce has suffered by reason of a general sense of insecurity, and, with Nanking on one side and with Manchoukuo on the other it has been hardly ground between those two forces. When one bears those things in mind, plus the fact that there are many out-of-work leaders of the Old School still irked by the idea of dominance on the part of a revolutionary

in control of Kwangtung and its associated provinces.

If the rumoured autonomy move in the North does crystallize into positive action it will undoubtedly be a serious blow to Nanking's prestige and political power. The names of those who are said to be leaders in the establishment of a new Northern administration show that the movement is a fairly strong one, capable of offering resistance to any attempt which might be made to frustrate it. It is said that there will still be allegiance to the Central Authorities, but that the Northern provinces will become financially and economically independent of Nanking, will assume local administrative autonomy, and will co-operate more with Manchoukuo in preventing the spread of Communism and in promoting mutual interests. The idea would be that there would exist a Northern group in charge of the North just as there is now a South-Western group in charge of the South-West. Whether Nanking would ever accept that in face of its avowed policy to weld the whole of China directly under one Central Authority having charge of all phases of administration and the power to make regional appointments remains to be seen, but one can only hope that whatever developments may come the country will be spared the wastage of civil war and a clash with powerful outside influences. Much has been argued along the lines that China as a whole is far too unwieldy to be centrally administered, even in face of the growing rapidity of communications, but this theme would take too long for development here. The one important point is that North China has suffered much from mal-administration, and the lack of sympathetic understanding on the part of Nanking, and it now appears that some of the old leaders are anxious to have their own control. Nanking remains calm in face of the reports and Chinese newspapers are ignoring the subject. Perhaps the threat is not so serious as was at first reported.

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Enclosure No. 6 to despatch No. 1043 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated November
 23, 1935, on the subject: "Sino-Japanese Relations: Shanghai
 Opinion Regarding North China Situation."

SOURCE: THE SHANGHAI TIMES (British),
 November 21, 1935.

Editorial.

Shanghai, Thursday, November 21, 1935

NATIONALISM AND FOREIGN POLICY

General Chiang Kai-shek's speech to the members of the fifth Congress of the Kuomintang on Tuesday morning, although marked by guarded language, was an appeal for a united stand with relation to foreign affairs. His speech contained, according to Central News summary, the following significant passage: "If international developments do not block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature. At the same time we should seek harmonious relations among nations, provided there is no violation of our sovereignty. We should seek economic co-operation based upon the principle of equality and reciprocity. Otherwise, we should abide by the decision of the Party and the nation and reach a resolute determination. As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable." This passage may be regarded as a formal although guarded statement of policy. It borrows a certain hypothesis which is that the present Chinese Government enjoys the general confidence of the Chinese people, that is to say that it is representative of the vast area called China as a whole. General Chiang Kai-shek, earlier in his speech, declared that there are two phases of nationalism, "one being external and the other being internal." But it is obvious that it is not possible in any way to separate the two. From the point of view of those who believe in nationalism for China—and there may be a difference of opinion as to whether "nationalism" of the virulent order known to the nations of modern Europe would confer a blessing upon an ethnic division of mankind numbering 450,000,000 or not—it has been unfortunate that the internal politics of China have been so closely and intricately bound up with the foreign relations of the country. This close connection continues and it is obvious that any such policy as has been pursued by the Nationalist Government in Nanking in recent years, with a view to the centralization of the administration and the economic and political power in China, must run counter to both foreign and regional interests.

This is the real crux of the situation in China. If we once adopt the hypothesis that a highly centralized national State of the modern European type is a desirable end for the Chinese people we not only encounter the

that she is in this position is due to the general judgment of other peoples, we might almost say the rest of the world, on certain events in the past. Those events are connected with—nay belong to—the internal conditions in this country. And, although the position has altered greatly, and continues to alter, nevertheless the principle remains—China must put her internal affairs in order before she can have that authority in her foreign relations which the Nationalists desire. A great deal has been done by the present Government in Nanking to improve the domestic conditions in China but we fear some serious mistakes have also been made and secret and arbitrary actions taken which have hindered the giving of full confidence by the Chinese people as a whole, and of foreigners also, to the authorities. Although we realize that it may have been necessary, we cannot help feeling that the recent decree with regard to silver stocks and currency notes ought not to have been promulgated without proper consultation with representatives of important sections of the Chinese people and with the foreign financial authorities. This is but one case in point—there are others. The unrepresentative character of the Chinese Government remains a fatal obstacle to its complete success. While the decision of one man, or of one group of men, may be promulgated without question as the law of the National Government of China, without the people who live under its rule having the slightest say in the matter or regional opinions being given the least consideration, so long will there be dissatisfaction and cause for resistance. And this will be found to hold good however able the men who hold the reins of power in Nanking. Of late, there have been signs that the Nanking Government has shown more recognition of the rights of people who live in distant provinces and who may have rather different conceptions of things than those that prevail in the capital and in Shanghai. But it is rather late in the day and a lot of harm has been done already. Propaganda and doctrinairism may be successful up to a certain point but there is apt to come a time when they must fail. In his speech, General Chiang remarked that the life of an individual is limited while the life of the nation is eternal. The latter part of this apothegm is hardly correct in all cases; for history relates many cases of nations which have completely disappeared from human ken but in the case of the Chinese if we substitute the word "people" for "nation" we may regard it as true enough. The Chinese people are too numerous and vigorous a stock to be likely to disappear from the face of the earth or perhaps ever to form one nation in the modern sense. These

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connection continues and it is obvious that any such policy as has been pursued by the Nationalist Government in Nanking in recent years, with a view to the centralization of the administration and the economic and political power in China, must run counter to both foreign and regional interests.

This is the real crux of the situation in China. If we once adopt the hypothesis that a highly centralized national State of the modern European type is a desirable end for the Chinese people we not only encounter the resistance set up by age-long divergences among the Chinese people themselves but with the results of the traditional loose framework of the Empire, and the special interests acquired by foreign and regional interests during the period when the Manchu authority was falling into decay and while the chaos of the earlier days of the Republic was being intensely felt. We know the serious results which have attended an aggravated sense of nationalism in Europe but it is not our purpose at the moment to challenge the soundness of the idea of nationalism in the modern sense for the Chinese people but rather to examine some of its implications. It might be mentioned in passing, however, that the Kuomintang, as indeed its name implies, is nationalist in the extreme sense and it even goes so far as to inculcate the ideas of nationalism in Chinese people living abroad under the protection of foreign Governments and has recently decided to intensify that form of propaganda. Now, when General Chiang Kai-shek declares that "we should seek harmonious relations, among nations, provided there is no violation of our sovereignty" it is possible to read more than one definite meaning into his words. There have already been violations of China's sovereignty in the modern nationalist sense of this word—we need only call to mind extra-territoriality, the "unequal" Treaties, and certain customary rights which the Foreign Powers exercise in this country. Although a Member of the League of Nations and possessing a Central Government recognized by the Powers, China is still in certain respects a *mi-souverain* State. And

his speech, General Chiang remarked that the life of an individual is limited while the life of the nation is eternal. The latter part of this apophthegm is hardly correct in all cases; for history relates many cases of nations which have completely disappeared from human ken but in the case of the Chinese if we substitute the word "people" for nation we may regard it as true enough. The Chinese people are too numerous and vigorous a stock to be likely to disappear from the face of the earth or perhaps ever to form one nation in the modern sense. Those who direct the foreign policy of the Republic of China might perhaps do well to keep this latter point in mind; it may save future disaster.

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 By Milton O. Huatagon NARS, Date 12-18-75

Enclosure No. 7 to despatch No. 10453 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated November
 23, 1935, on the subject: "Sino-Japanese Relations:
 Shanghai Opinion Regarding North China Situation."

SOURCE: THE CHINA PRESS (American
 registered, Chinese owned),
 November 21, 1935.

Editorial.

Shanghai, Thursday, Nov. 21, 1935

A SOUND VIEW

FOR the first time since February the nation is privileged to hear General Chiang Kai-shek expound the foreign policy of the Government. The opportunity is unique. Seldom before were so many national leaders assembled together; seldom did the leaders so assembled represent so many parts of the country. The address delivered by General Chiang before the Fifth National Congress of the Kuomintang should be doubly significant, and its value is enhanced even more by the decisive terms in which it was couched.

General Chiang has taken critics to task openly and candidly. He urges the public to draw a serious difference between individual relations and those between nations. The former may be built upon a permanent basis, but the latter are subject to "changing circumstances". It is highly illuminating to read of him that "there is no lasting enmity between nations." The foreign policy of a nation is, in other words, more opportunistic than hard and fast.

From this it may follow that, although the relations between two nations may be strained in the recent past, there is no valid reason for the same condition to obtain in the future. The international horizon is not unlike the atmospheric horizon, and like the thoroughly experienced sea dog, a competent statesman steers the ship of state, with every change of weather, in the best manner possible to avoid the relentless force of a storm.

The viewpoint which General Chiang has exemplified is a practical one indeed. No one perhaps loves China more than he does, and certainly none has more at stake. The confidence which the public owes him is rightly deserved. Unless the national leaders are free to act when there arises "the necessity for prompt and forceful decision," the destiny of the nation will be jeopardized more than the average man may fully realize. If, as reported by Chekiai News Agency, the Kuomintang should entrust the National Government with full powers in dealing with foreign affairs, the hands of the government may be strengthened to good profit.

program of reconstruction, should not lose sight of the final goal by indulging in pin-pricking abuses. It were better to overlook petty points and retain a long view than sacrifice the long view in order to relish the petty points. Wisdom justifies itself only in the end; it does not stand in full view halfway.

The second point which one may note in General Chiang's foreign policy is his insistence on sovereign rights. He is reported to have declared that "we should seek harmonious relations among nations provided there is no violation of our sovereignty." The policy of the Government should not become heir to exigencies but should be framed only on the fundamental principle of national independence. On this most vital point the nation is with General Chiang to a man.

Thirdly, General Chiang, in carrying out a definite foreign policy is not unaware of the well-being of the people. Like on many a previous occasion he has avowed his interest in the common weal. "As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope of peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing, for the life of an individual is limited, while the life of the nation is eternal." Sacrifice, if we interpret him aright, may be necessary at times, and yet it should not be unnecessarily made.

Finally, among the nations with which China should seek harmonious relations General Chiang has specifically addressed himself to Japan. It is no commonplace to be assured by him that "Japan should be deeply concerned with the peace of the Orient and the common good of both China and Japan. What we hope and seek for is simply self-preservation and co-existence with the members of the family of nations." The reception of this declaration by the Japanese has been cordial, and in certain quarters the entire address has been described as a "statesmanlike pronouncement."

The sincere tone in which General Chiang spoke to the National Congress has been accepted as a most favorable factor which may lead to an improvement in Sino-Japanese relations. The subsequent meeting between

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rightly deserved. Unless the national leaders are free to act when there arises "the necessity for prompt and forceful decision," the destiny of the nation will be jeopardised more than the average man may fully realise. If, as reported by Chekiai News Agency, the Kuomintang should entrust the National Government with full powers in dealing with foreign affairs, the hands of the government may be strengthened to good profit.

In asking for more authority General Chiang is merely assuming a greater responsibility. In such a crisis as confronts China today it takes genuine heroism to wish upon oneself responsibilities which a less-stout-hearted soul would be only too happy to shirk. It is probably because of this bold request that the Congress greeted General Chiang's address with universal applause and unanimous approval.

When one is initiated into the actual foreign policy for which General Chiang stands, there remains little ground for dissension. Even as he clearly deprecates the tendency to be "influenced by personal sentiment and temporary circumstances," so does he suggest that "if international developments do not block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature." In brief, a nation just embarking upon a

preservation and co-existence with the members of the family of nations." The reception of this declaration by the Japanese has been cordial, and in certain quarters the entire address has been described as a "statesmanlike pronouncement."

The sincere tone in which General Chiang spoke to the National Congress has been accepted as a most favorable factor which may lead to an improvement in Sino-Japanese relations. The subsequent meeting between him and Mr. Ariyoshi in Nanking to undertake "a frank discussion of the general situation and to clarify the troubled atmosphere" may stand a better chance of success as the result of General Chiang's unmistakable expression of a determined desire to co-operate with the Japanese.

With the reassurance so generously given by General Chiang the Japanese, we hope, will be more than gratified. The cloud of suspicion is slowly lifting itself; and all ill omens notwithstanding peace may yet triumph in the Far East.

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Enclosure No. 8 to despatch No. 10453 of Edwin S. Cunningham,
 American Consul General at Shanghai, China, dated November
 23, 1935, on the subject: "Sino-Japanese Relations:
 Shanghai Opinion Regarding North China Situation."

SOURCE: THE CHINA PRESS (American
 registered, Chinese owned),
 November 23, 1935.

Editorial.

ENCOURAGING

"It was ridiculous to talk about
 Japan appropriating North
 China." This statement was made in
 Hongkong by Sir Robert Clive, the
 British Ambassador to Tokyo. If
 correctly reported, it should be
 taken at its full face value. Com-
 ing as he did directly from Japan.

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 30, 1935.

MSM:
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Tokyo's despatch No. 1567,
November 29, 1935, JAPANESE ATTITUDE
TOWARD AUTONOMY IN NORTH CHINA, contains
considerable detailed information which
is useful as confirmation of the
Division's memorandum of December 28,
1935, on Evidence of Japanese Initiative
in the Autonomy Movement in North China.
As supplementing that memorandum the
quotation of the YOMIURI on page 7 of the
despatch is of interest, being an
utterance on November 20 of the Japanese
War Office on the North China situation.
This utterance, made ~~before~~ the declara-
tion of autonomy in eastern Hopeh, is a
very positive statement of the attitude
of the Japanese War Office toward the
still unborn regime.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, November 29, 1935.

No. 1567.

SUBJECT: JAPANESE ATTITUDE TOWARD AUTONOMY
IN NORTH CHINA.

793.94

Handwritten: Copy in FE (381)
Division of
FAR EASTERN AFFAIRS
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DIVISION OF
FAR EASTERN AFFAIRS

COPIES SENT TO
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793.94/7546

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to report that, although few
observers of the situation doubt that the Japanese
military are behind the alleged movement for autonomy
in North China, very little original information has
been available in Japan in regard to the movement,
its instigators and its objects. All of the news con-
cerning the progress of the movement came to Japan from
China, usually through Japanese news agencies, and as
such news has been available to the Department, perhaps
with

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with greater accuracy and in greater detail than that available to the Embassy, this despatch will not attempt to deal with that phase of the matter, but will deal only with the various Japanese pronouncements, official and unofficial, which may possibly serve to assist in arriving at an accurate estimate of the forces behind the movement.

Japanese Army officers in North China and Manchuria, such as General Tada (Embassy's despatch No. 1499, ^{of 7311} October 3, 1935), have occasionally voiced their opinions as to the future course which Japanese policy should take in North China, but such utterances were usually disclaimed in Tokyo and the impression given out that they were only the opinions of unduly enthusiastic and uninformed minor Army officers. Possibly with the purpose of counteracting such utterances, the Foreign, Finance, War and Navy Ministries in September last are reported to have formulated a "New China Policy", based on a demand for strict control of anti-Japanese activities throughout China, for positive Sino-Japanese cooperation for the economic development of North China and the adjustment of relations between Japan, China and "Manchukuo" and for joint Sino-Japanese defense against Communism in China. This policy was reportedly adopted by the Cabinet, and it was generally believed that it was intended as a means of checking the over-zealous Army officers in China. Mr. Goro Morishima, of the Bureau of Eastern Asiatic Affairs of the Foreign Office, and Major-General Y. Okamura, Chief of the Second Section of the Army

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General Staff, were sent to China to explain the Government's "New China Policy" to the officials of their respective departments stationed in China. Upon their return to Japan from their mission, however, both of these officers are reported to have expressed opinions in favor of the autonomy of North China.

According to the TOKYO ASAHI of November 8, 1935, "Mr. Morishima stated at Shimonoseki, on his return to Japan, that stability in North China required a regime which would not be directly controlled by Chiang Kai-shek, but which would nevertheless be linked with the Nanking Government and at the same time be friendly to Japan. He said that the Japanese officials in North China were carefully searching for a suitable man to head such a regime. Mr. Morishima expressed himself as not in favor of Marshal Feng Yu-hsiang for the post, but was inclined to favor General Sung Che-yuan."

Much the same theory of an appropriate regime for North China under the conditions existing was expressed to Mr. Dickover, of this Embassy, by Mr. Y. Suma, Japanese Consul General at Nanking, on November 4, 1935. Mr. Suma stated definitely that Japan did not desire an independent North China, but wished a reorganized government there, which would still be connected with Nanking but which would be friendly to Sino-Japanese economic cooperation in North China and which would work for the welfare of the people of North China.

Major-General Okamura was somewhat more outspoken on his return to Japan from his tour of China on November 16.

According

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According to the JAPAN TIMES AND MAIL of November 17,
General Okamura stated to newspaper reporters that

"The question of the independence of North China may not take a definite form in the near future, but it is certain that there will come a day when North China will be completely separated from the Nanking Government. As a practical matter, the people of the northern provinces are forced to pay military expenditures of 60,000,000 yuan annually, and thus are placed in a very difficult financial situation. Unless those provinces become independent, they will never be saved."

General Okamura also took advantage of the opportunity to berate Great Britain, claiming that Great Britain laid the foundation for the exploitation of the people of central southern China before the people realized it, and that the happiness of those people and the peace of the Orient could not be assured until the British power of exploitation was destroyed.

According to RENGO (news agency), the Japanese War Office sent the following instructions to Major-General Tada on November 13, when the situation in North China was becoming tense:

"The garrison is instructed to keep the situation in North China under constant watch and at the same time to keep in close touch with the Kwantung Army, so that prompt action may be taken should necessity arise. An attempt by the Chinese Central Government to enforce its silver program is not unlikely to occasion new disturbances in the demilitarized zone. Such disturbances will be dealt with by the army in a strong manner. The garrison is instructed to decide its own policy to deal with local incidents, and always to be guided by its consideration for the welfare of the Chinese population. The garrison is further instructed to refrain, in coping with the Chinese situation, from any indiscreet action."

Under

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Under date of November 17, NIPPON DEMPO and RENGO both reported the imminent coming of independence for North China, NIPPON DEMPO even giving the date of the proclamation of independence as November 21. On the same day NIPPON DEMPO reported from Tientsin that the officials of the Japanese garrison and the Kwantung Army, indignant over the reported intention of the Nanking Government to use troops to quell any independence movement in North China, declared that the Japanese military would use force if necessary to prevent the entry of the troops of General Chiang Kai-shek into North China, and that preparations for action were under way.

On November 18, in reply to questions asked by the foreign newspaper correspondents, Mr. Imau, the Foreign Office spokesman, stated that the Foreign Office had received little official news of the independence movement; that if the Nanking Government attempts to suppress the movement, it will mean a clash with the people of North China, which would create a dangerous situation; that he did not know, if such a clash occurred, whether or not the Japanese Army would take action; that he could not say, "until the baby is born", whether or not Japan would recognize the proposed independent state forthwith; and that Japan is not increasing its military forces in Shanghai and Tientsin.

The TOKYO NICHU-NICHU on November 18, 1935, reported that the attitude of the Minister for War, General Kawashima, toward the autonomy movement in North China was as follows:

"Japan

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"Japan must watch developments very carefully and act, if the need arises, on the basis of its fixed policy. Should the Nanking Government trample underfoot the North China military agreement with the Japanese army and resort to military action, Japan would have to take firm steps to uphold the agreement. For this purpose, it is essential that there be a complete understanding between the fighting services and the Finance Ministry and other Ministries concerned."

The ASAHI of November 19, 1935, attributed the following views to the Foreign Office:

"The movement for autonomy in North China has been started by influential Chinese in order to promote the general welfare and to maintain peace and order. It is purely an internal problem of China. With it, however, Japan has profound sympathy. As long as it remains an internal problem, Japan can only observe its declared principle of non-intervention."

"The Central Army of China is reportedly being concentrated. The Central Army, however, is not allowed to enter Hopei Province under the agreement reached by Lieutenant-General Yoshiji Umezu (former Commander of the Tientsin Garrison) and General Ho Ying-chin. If this agreement is violated, the Japanese Government will have to take appropriate and effective measures."

"Japan hopes that the Nanking Government will recognize actualities in North China and pursue a policy that will not hamper the desired cooperation between Japan, China and Manchukuo."

According to the JIJI of November 20, 1935, the Foreign Office view of the autonomy movement in North China is as follows:

"The autonomy movement which has arisen in North China is a purely domestic movement with the object of preventing bolshevization of the region and promoting the political and economic welfare of the people. It is not, as considered by the American Government, a movement for territorial or administrative independence and does not overstep the bounds of the autonomy enjoyed by the Southwestern faction or the Three Eastern Provinces under Marshal Chang Hsueh-liang prior to the Manchurian incident. Thus North China will remain Chinese territory and no question of treaties is involved."

"It is strange that Japanese aid in the autonomy movement should be objected to, for Japan merely desires to further friendly relations among Manchukuo, China and Japan. Such support is not different in nature from the aid given by European and American Powers to the Nanking Government in financial, postal and military administration."

The

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The YOMIURI of November 20, 1935, gave the views of the War Office on the North China situation as follows:

"1. The new government to be established in North China is the result of a popular autonomous movement which had its origin in ill-feeling against the Nanking Government's anti-Japanese policy, and its move to cooperate with the Soviets in disregard of the interests of the people, and which was spurred by the currency reform. The Japanese Army is ready to give full support to the movement on the condition that the new regime adopts a friendly policy toward Japan and Manchukuo and agrees to cooperate in stamping out Red activities.

"2. It is of no concern to the Japanese Army whether Nanking recognizes the new situation in the north, but if armies of the Central Government enter Hopei Province it will be regarded as a violation of the Umezo-Ho agreement, and if the Peiping-Tientsin railway is violated it will be regarded as a violation of the Boxer Treaty and 'no consideration will be given'. Even if a clash between the forces of the new regime and of the Central Government should take place in Shantung Province, 'protection by force' shall be carried out, as it has been before, in order to safeguard Japanese interests.

"3. Reports that the autonomy movement in North China is preliminary to establishment of a 'second Manchukuo' to be eventually merged with Manchukuo, are ridiculous figments of the imagination. The Army's chief desire is the establishment of peace in the Far East based on friendly relations among Japan, Manchukuo and China, and cooperation to check the bolshevization of East Asia and exploitation by the Kuomintang."

Under date of November 21, 1935, a NIPPON DEMPO news despatch from Peiping reported the moves made by the Nanking Government to check the autonomy movement in North China, and stated that

"The Japanese military authorities here were shocked at the results of General Chiang's alleged maneuvers to choke the popular movement for creation of an autonomous regime. They are watching the Chinese closely. If necessary, they will take definite and positive measures to help the leaders of North China in their attempt to organize a new government, holding to the view that the welfare and happiness of the populace make such a government imperative."

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On November 20, 1935, Mr. Ariyoshi, Japanese Ambassador in China, interviewed General Chiang Kai-shek. According to a REMGO news despatch from Nanking, Mr. Ariyoshi called the attention of General Chiang to the serious situation existing in the North and to the effect which developments might have upon Sino-Japanese relations in the future. He stated further that Japan had no intention whatever of interfering in China's domestic administration, but, due to North China's geographic features, the Japanese authorities cannot but be gravely concerned over the recent developments in that area, especially in regard to the maintenance of peace and order in North China. He pointed out that North China is adjacent to "Manchukuo" and that agreements exist which aim at the keeping of order in those districts. The ASAHI gave another version of the interview between Mr. Ariyoshi and General Chiang, which was translated by the ADVERTISER. According to this version, Mr. Ariyoshi stated:

"1. Japan is neither inciting nor giving support to the autonomy movement in North China, which is purely a spontaneous popular uprising. Such a movement could not succeed unless it represented the will of the people.

2. The matter would be purely a Chinese domestic affair if it were not for the fact that North China is adjacent to Manchukuo, so that if peace and order is disturbed in North China it may have dangerous effects in Manchukuo. The situation, therefore, has become of concern to Japan.

3. The Nanking Government is advised to recognize the special conditions existing in North China and avoid taking measures it would later have cause to regret. If the Nanking Government should resort to force to suppress the movement in North China it would have deplorable effects on Sino-Japanese relations.

To these representations General Chiang is reported to have replied:

"1.

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"1. We are in close touch with military leaders in North China and are in a position to decide what should be done. At present we have no intention of suppressing the autonomy movement by armed force.

2. In order to settle all problems of Sino-Japanese relations, I should like to propose that representatives with wide powers be appointed to discuss the North China situation and the scheme for readjustment of Sino-Japanese relations put forward by Japan. Later I would like to make concrete proposals for procedure."

It will be noted that Mr. Ariyoshi asserted, in his talk with General Chiang, that "Japan is neither inciting nor giving support to the autonomy movement in North China". On November 23, in an interview given at Shanghai to newspaper reporters, Mr. Ariyoshi is reported to have made much the same sort of statement. RENGO reported the statement as follows:

"Ambassador Ariyoshi dismissed as false and without foundation the current rumors that Japanese agents are behind the autonomy movement, remarking that Sino-Japanese relations would be placed in great difficulties if they were true."

As far as this Embassy is aware, no similar statement has been made officially by any member of the Japanese Government in Tokyo.

After the proclamation of autonomy in the demilitarized zone in North China on November 24, 1935, numerous attempts were made by newspaper correspondents and diplomatic officers to obtain official statements in regard to the Japanese attitude toward the new autonomous state. Perhaps the most authoritative statement was that made by Mr. Shigemitsu, the Vice Minister for Foreign Affairs, to Mr. Neville, the Counselor of this Embassy (Embassy's telegram No. 216, November 25, 6 p.m.). Mr. Shigemitsu ascribed the autonomy movement in North China primarily to the Chinese currency reform measures, and stated that the

movement

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

- 10 -

movement had placed Japan in an embarrassing position, because the Chinese leaders in North China are claiming, to their own Government, that the Japanese are pressing them to declare autonomy, and on the other hand are asserting to the Japanese that they desire autonomy but cannot declare it while negotiations are going on in Nanking in regard to North China affairs between the Japanese and Chinese officials. Mr. Shigemitsu said that the Japanese Government does not wish to be concerned in the autonomy movement, but on the other hand he stated that any domestic arrangement which might be made in regard to autonomy in North China must take into consideration not only the wishes of the people of North China but also the propinquity of "Manchukuo" and the large Japanese interests in the North China area. Mr. Shigemitsu claimed that the Japanese Government had not contemplated the use of armed force in connection with the recent events in North China, but admitted that such force might be necessary if Nanking troops were moved north.

In reply to questions propounded by the foreign newspaper correspondents on November 25, Mr. Amau, the Foreign Office spokesman, stated that the Foreign Office had received no official information in regard to the proclamation of autonomy in the demilitarized zone; that he thought that the leader of the movement, Mr. Yin Ju-keng, was a very clever man; that he did not think that the

movement

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

- 11 -

movement had the encouragement of the Japanese Army, although it took place in the demilitarized zone which had been created at the request of Japan; and that he did not believe that any obligation existed on Japan's part to arrest the movement, although General Chiang had assured Mr. Ariyoshi that he would not use armed force to deal with the autonomy movement.

As is usual, the Japanese Army was more outspoken than the Foreign Office in regard to the autonomy of North China. A RENGO news despatch from Shanghai quotes Major-General Isogai, Military Attaché to the Japanese Embassy in China, as follows:

"At present, autonomy extends over only the small area within the demilitarized zone, but as the people of North China have long been suffering from the maladministration of the National Government they will respond, if the present action proves successful, and in the end all five provinces will join in autonomy.

"The declaration of autonomy results from impatience on the part of the people of North China with the lack of faith of General Chiang Kai-shek, who has done nothing to execute his promises, made to Ambassador Ariyoshi, to 'take appropriate measures to settle the situation and reform political conditions, etc.' It thus seems to me that the desire for autonomy and independence in North China is a direct result of General Chiang's attitude.

"The negotiations between General Chiang and Ambassador Ariyoshi are bound to be accelerated by the realization of autonomy in North China. General Chiang is likely to seek another interview with Ambassador Ariyoshi.

"In the opinion of Japan, the happiness of the people of North China is what matters most in this business, and thus it should assist and support with goodwill the new regime. General Chiang is said to have promised Ambassador Ariyoshi not to try to suppress the movement by armed force, but if the military leaders in North China should oppress the people, Japan is resolved to step in and stop them in order to safeguard peace and order in the demilitarized zone and also for the sake of the happiness of the people."

It

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

- 12 -

It will be observed that the Foreign Office utterances in connection with the North China autonomy movement have generally been vague and mild in tone, expressing the belief that the question of autonomy is a domestic matter, that Japan should not interfere in the matter, that Japan nevertheless is interested in the subject because of the propinquity of "Manchukuo", and that a serious situation might arise if the Nanking Government attempts to suppress the movement by force. The inconsistency between the claim of Japan's non-interference in the autonomy movement and the statement that serious results might flow from any attempt by the Nanking Government to suppress the movement by force, does not seem to have occurred to the Japanese officials.

The Japanese Army authorities, however, have been more definite in their views. They state that, although the autonomy movement in North China is a domestic question, it has arisen from the desire of the people of North China to rid themselves of the Nanking Government and therefore deserves the sympathetic support of Japan, and that the Japanese Army will positively resist any movement of Nanking troops into North China for the purpose of suppressing the movement. The much stronger attitude adopted by the Army than that taken by the Foreign Office leads to the inevitable conclusion that the autonomy movement in North China is another problem foisted upon the civilian government of Japan by the Japanese military in China, and received by the civilian government with a very lukewarm welcome.

There

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

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There have been innumerable newspaper editorials in the Japanese press on the subject of autonomy in North China. The general tenor of the articles follows the lead of the Army and the Foreign Office, mentioning the oppression of the people of North China by the Nanking Government, the unanimous desire of the ninety million inhabitants of North China (one newspaper, undoubtedly with memories of the establishment of "Manchukuo" in mind, spoke of the "unanimous desire of the thirty million inhabitants of North China") for independence, and the just attitude of Japan in desiring, not territorial enrichment, but the welfare of the people of North China. Some newspapers urged the Government to proceed to do what was right; others advised caution because of the danger of international complications. Frequently, in discussing Chinese affairs, the editorials vilified Great Britain, principally because of the reported agreement between Leith-Ross and the Chinese Government for a British loan to China, and because of the suspicion that Leith-Ross was behind the recent currency reform measures in China, which have met with Japanese displeasure. The attacks on British policy in China have almost amounted to an anti-British campaign in the Japanese newspapers.

The Embassy will continue to watch the situation carefully and will report any developments which may seem to cast some light on the forces and influences behind the autonomy movement in North China.

Respectfully yours,



Edwin L. Neville
Chargé d'Affaires ad interim

710.
ERD:r
Copy to American Embassy, Peiping.

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

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

TELEGRAM RECEIVED

REP

GRAY

1-1336

FROM

Nanking via N.R.

Dated December 19, 1935

Rec'd 3:25 p. m.

Secretary of State,
Washington.

148, December 19, 11 a. m.

One. A *large number* representative of university and middle

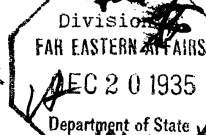
school students, reportedly between two and three thousand gathered late yesterday before the Executive Yuan carrying banners with slogans against autonomy in North China. Some 80 were admitted and of these five delegates were received by the Secretary to whom they are said to have presented five demands:

- (1) Release of students arrested in Peiping;
- (2) Protection of the student's patriotic movement;
- (3) Implementation of "the revolutionary foreign policy";
- (4) Recovery of the lost territories; and,
- (5) Punishment of Yin Yu Keng and other rebels.

The Secretary General is reported to have replied that:

- (1) Orders for the release of students under arrest in Peiping would be issued;

(2) If



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DEC 21 1935

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

REP

2-#148, From Nanking, Dec. 19, 11a.m.

(2) If student activities were patriotic they would be protected;

(3) The implementation of foreign policy would be self-evident;

(4) It was the duty of every Chinese to work for the recovery of the lost territories; and

(5) The Government had already issued orders for the arrest and punishment of the rebels.

Two. The students then proceeded to the National Government headquarters but found no one in authority there. They subsequently marched through streets of the business section with new slogans against "Japanese imperialism". No police interference has been reported.

PECK

KLP

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

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TELEGRAM RECEIVED

REP

GRAY

1-1336

FROM

Nanking via N.R.

Dated December 19, 1935

Rec'd 3:15 p. m.

Secretary of State,
Washington.

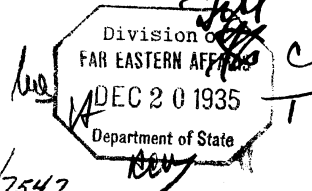
149, December 19, 3 p. m.

My 148, December 19, 11 a. m. /7547

One. There was another demonstration this morning.

At about 10 o'clock over two thousand students again gathered at the Executive Yuan and shouted anti-Japanese and anti-autonomy slogans. The Secretary General came out and addressed them, reportedly saying that: (1) the Government felt as they did; (2) the Government was attempting to maintain peace but not at the expense of sovereignty; (3) the Government did not now need the services of the students and expected them to pursue their studies quietly in order that they could serve their country in the future. The students then marched to National Government headquarters, the Executive Yuan and other Government offices, dispersing about 2:30 p.m. It is understood that no disorder occurred.

Two. The Embassy is reliably informed that the authorities are attempting to suppress details of the demonstrations



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

REP

2-#149, From Nanking, Dec.19,3p.m.

demonstrations and are asking news agencies to minimize the occurrences as much as possible.

Three. ^{*Suma*}~~Sung~~ is reliably reported to have lodged with the Foreign Office two oral protests against the student demonstrations in Peiping and Tientsin.

PECK

GW

CSB

*Correction
made 3/16/36
H. E. H.*

0174

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 90

Peiping, November 16, 1935.

Subject: The British Ambassador's views on
Japanese smuggling in North China
and Japanese intention toward China.

793.94

DEPARTMENT OF STATE
A-C/C
CHANDLER
ASSISTANT SECRETARY
OF STATE

STRICTLY CONFIDENTIAL

DEPARTMENT OF STATE
JAN 13 1936
DIVISION OF
NEAR EASTERN AFFAIRS

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Division of
FAR EASTERN AFFAIRS
DEC 20 1935
Department of State

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793.94/7549

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

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

Sir:

1/
I have the honor to enclose a copy of a memorandum of a conversation had on October 24 with Sir Alexander Cadogan, the British Ambassador to China, during which he described the extensive smuggling of goods into North China by Japanese, stated that, in so far as he was informed, the Japanese Government had never taken the British Government into its confidence with regard to the former's plans in China, and discussed the causes of the present policy of the Japanese military with respect to China.

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JAN 14 1936

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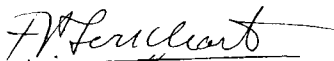
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

2/ There is also enclosed a copy of a memorandum of a conversation had on October 28 with Mr. Roy Howard, of the Scripps-Howard interests, during which Mr. Howard expressed the opinion that the Japanese might be forced to effect an autonomous North China by military means as a result of the apparent success of the League in handling the Italo-Abyssinian crisis.

Respectfully yours,

For the Ambassador:


F. P. Lockhart,
Counselor of Embassy.

Enclosures:

1. Copy of memorandum of conversation with Sir Alexander Cadogan;
2. Copy of memorandum of conversation with Mr. Roy Howard.

4 Carbon Copies

Received *[Signature]*

710 Sino-Japanese.

LES-SC

Original and four copies to Department.
Copy to American Embassy, Nanking.
Copy to American Embassy, Tokyo.

0176

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

ENCLOSURE No. 1
TO DESPATCH No. 90

CONFIDENTIAL.

Shanghai, October 24, 1935.

Memorandum of Conversation.

Sir Alexander Cadogan, British
Ambassador.

SUBJECT: Sino-Japanese Relations.

In a conversation which I had today with Sir Alexander Cadogan, the subject of the warning which, according to the press, was delivered to the local Chinese authorities at Tientsin and Peiping yesterday, by General Tada and the Japanese Consul General, Kawagoe, came up, and Sir Alexander expressed his inability to fathom the Japanese intentions and plans in regard to China. He remarked that our Japanese colleague seemed to be completely out of the picture, and that Japan apparently continued to make its wishes known to the Chinese through agents who were constantly calling upon Chinese officials and making statements. He thought probably that, at the basis of it all, was the statement issued by Anau on April 17th of last year. I stated that I was equally at a loss and that it seemed to me the Japanese policy, as frequently emanated by the military, is hardly likely to be

economically

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

-2-

economically profitable in the long run, although I foresaw eventually that Western merchants would find themselves blanketed by the crowd of Japanese merchants able to out- and under-sell them. Sir Alexander agreed, and stated that he had well-authenticated information to the effect that the Customs barrier at Shanhaikwan had practically been done away with; that smuggling was going on there on a very large scale; that anyone traveling through Chinwangtao and Shanhaikwan could see a stream of coolies carrying large bundles of silk and other wares, guarded by Koreans armed with staves and other weapons. He said that Sir Frederick Maze had confirmed this and had stated the Chinese Customs were completely unable to cope with it; that, even further down the railway at Tientsin, they were unable to examine these goods. I told Sir Alexander that in a conversation I had had with an American merchant yesterday, who had just returned from a vacation in Dairen, the latter had informed me that Dairen was full of Japanese merchants waiting for the signal to move into China and establish business, using the free port of Dairen as a base for supplies, and that I felt quite certain that if and when the Japanese military moved into

north

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

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north China, we would find that, insofar as Japanese merchants were concerned, the port of Tientsin would be just as open as was now the coast at Shanhaikwan, and, of course, this meant that the whole of China was open, for I thought it would be utterly impossible for the Chinese to establish customs barriers along any interior line south of Tientsin where it could be effective.

I asked Sir Alexander whether the Japanese government had ever taken the British government into its confidence in regard to its plans in China. I said that I had in mind the Four-Power understanding made at the time of the Nine-Power Treaty, whereby the four principal powers agreed to keep one another informed of measures considered by them necessary to protect their interests in China. Sir Alexander stated quite categorically (and repeated the statement) that insofar as he was informed -- and he thought that surely he would have been informed -- the Japanese government had never taken the British government into its confidence. He expressed the conviction that insofar as the Nine-Power Treaty was concerned, it was a dead letter; an agreement which the Japanese did not intend to take seriously in regard to any plans which they

might

237. After
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follow
down
M.H.

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

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might have regarding China. He agreed with me that there were probably two explanation for the policy which the Japanese military were now pursuing: (a) that they had put their national pride up to the point where they could not tolerate the idea of Western interests in an area which they looked upon as the particular field for realizing Japan's civilizing ambitions as a nation, and (b) a fear of Soviet Russia. With regard to "(a)", we agreed that while Western interests were bound to suffer, such interests were so large that it would take a long time to liquidate them, a process which could only be harmful to the Japanese; and with regard to "(b)", that the occupation of extended areas in China with a possible eye to the value of China as a source of raw materials to be used by their people, would, in case of a war, demobilize a very considerable amount of the Japanese striking power, because of the necessity of a large garrison to hold the people down.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg

0181

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

ENCLOSURE NO. 2
TO DESPATCH NO. 90

Shanghai, October 28, 1935.

Memorandum of Conversation.

Mr. Roy Howard.

SUBJECT: Sino-Japanese Relations.

In a conversation which I had with Mr. Roy Howard this morning, he stated that, as the result of conversations which he had had with various people in Japan, he was quite convinced Japan's aims included an autonomous state in north China. He believed that the Japanese originally hoped that this might be accomplished by gradual and peaceful means, with the help of Chinese and without the use of Japanese force, but that he thought that perhaps Japan's hand might be forced in this matter because of the apparent success of the League in handling the Italo-Abyssinian crisis. Japan, fearing that the League might be encouraged by this success, might feel that her present opportunity was fast slipping away from her and would accomplish by forceful means what she had originally intended might be accomplished without the use of force.

MR.

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

-2-

Mr. Howard stated that there was a belief in the United States of the possibility of an Angle-German-Japanese understanding, which may have grown out of England's understanding with Germany in naval matters. It was thought that such an understanding might have involved a guarantee to Japan of a free hand in north China.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg

0182

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

January 6, 1936.

My dear Mr. Ambassador:

In reading the very interesting memoranda of conversations forwarded to the Department as enclosures to the Embassy's strictly confidential despatch No. 90, November 16, 1935, on the subject "The British Ambassador's views on Japanese smuggling in North China and Japanese intention toward China", we in the Division have been somewhat puzzled by the statement contained on page 3 of the memorandum of your conversation of October 24 with the British Ambassador in regard to Sino-Japanese relations reading as follows:

"I asked Sir Alexander whether the Japanese government had ever taken the British government into its confidence in regard to its plans in China. I said that I had in mind the Four-Power understanding made at the time of the Nine-Power Treaty, whereby the four principal powers agreed to keep one another informed of measures considered by them necessary to protect their interests in China."

We assume -- perhaps erroneously -- that "the Four-Power understanding" mentioned in the memorandum refers to the Washington Conference Treaty between the United States, the

The Honorable

Nelson T. Johnson,

American Ambassador,

Peiping, China.

793.94/7549

0183

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

- 2 -

the British Empire, France and Japan. That Treaty, according to our understanding, does not apply to the interests in China of the powers signatory thereto but relates only to the interests of those powers in their insular possessions and insular dominions in the region of the Pacific Ocean.

If it is not too much trouble, we would appreciate it if you would be so good as to give us the benefit of your comment in regard to the matter.

With all best wishes, I am,

Yours sincerely,

m.m./l.

Approved by SKH & MSN.

MMH/REK

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 23, 1935.

~~WFF:~~
~~MMH:~~
~~ORH:~~

Peiping's No. 91 of November 16, 1935. Subject: "Conversation with the Japanese Ambassador on the attitude of the military toward American business in China".

According to the enclosed memorandum of conversation, Mr. Johnson, having in mind certain passages of the so-called Tada statement, remarked that it seemed to him that the Japanese military were hostile to American business in China and in this connection referred to the Tada statement. The Japanese Ambassador replied to the effect that General Tada had made no such statement, that the document was obviously written by two persons and that Mr. Johnson should not believe the statements made by Japanese soldiers who were very hard to control and who were constantly looking for and talking of "enemies". The Japanese Ambassador further stated that the ideas contained in this statement did not set forth the policy of the Japanese Government.


MSM/VDM

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 91

Peiping, November 16, 1935.

Subject: Conversation with the Japanese
Ambassador on the attitude of
the military toward American
business in China.

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Division of
FAR EASTERN AFFAIRS
DEC 20 1935
Department of State

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OFFICE OF ECONOMIC AFFAIRS
DEC 31 1935
DEPARTMENT OF STATE

The Honorable

The Secretary of State
Washington, D. C.

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

793.94/7550

Sir:

I have the honor to refer to despatch No. 49 of
October 9, 1935, addressed to the Embassy by the Con-
sulate General at Tientsin, with regard to the so-
called statement of General Tada, and to enclose a
memorandum of a conversation had on November 1 with
Mr. Akira Ariyoshi, the Japanese Ambassador to China,
during which I referred to General Tada's statement
and remarked that the Japanese military appeared to
be very hostile to American business in China. Mr.
Ariyoshi replied that such statements should not be

believed

DEPARTMENT OF STATE
A-C/C
JAN 3 1936
ASSISTANT SECRETARY
OF STATE

FILED
JAN 4 1936

F/FG


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

- 2 -

believed, saying that the ideas contained in the
 so-called Tada statement did not set forth the policy
 of the Japanese Government.

Respectfully yours,

For the Ambassador:


 F. P. Lockhart,
 Counselor of Embassy.

Enclosure:
 Copy of memorandum of
 conversation, dated
 November 1, 1935.

710 U.S.-Japan.
 LES-SC
 Original and four copies to Department.
 Copy to American Embassy, Tokyo.
 Copy to American Embassy, Nanking.

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

REF No. 1
 LISTS No. 91

Shanghai, November 1, 1935.

Memorandum of Conversation.

Akira Ariyoshi, Japanese Ambassador
 to China.

SUBJECT: Attitude of Japanese Military
 toward Western Business.

Ariyoshi, the Japanese Ambassador, came to return
 a call which I made some time ago.

After some desultory conversation, I remarked that
 it seemed to me that the Japanese military were very
 hostile to American business in China. The Japanese
 Ambassador showed some surprise, and asked what evi-
 dence I had of such hostility. I referred to various
 passages in the so-called Tada statement -- "Needless
 to say, the policy of our Empire towards China must be
 based on our national policy, which has as its object
 the maintenance of permanent peace in the Orient, as
 well as lofty messages which command us to emancipate
 the people of the Orient, who are groaning under
 the oppression brought to bear upon them by the
 white race", "We must discard the 'policy of
 squeezing' which is a legacy of European and American
 capitalism", "Moreover, Chiang Kai-shek, T. V. Soong,
 H. K. Kung, Chen Li-fu and Chen Kuo-fu are loyal mem-
 bers

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

-2-

bers of the Chiang-Soong clique", "Their relations with the Cheong capitalists and with British and American interests are quite clear", "It is not easy to see this clique shake hands with Japan, whose interests run counter to British and American interests."

I did not read the above to the Japanese Ambassador, but these were the statements I had in mind when I referred him to the so-called Tada statement.

The Japanese Ambassador laughed somewhat weakly and said that General Tada had made no such statement; that it was easy to see that the document to which I referred was written by two people; that the first part of it was very commendably kind in its attitude toward China, even cautioning the Japanese against interfering in Chinese domestic politics, but that toward the end a contradictory attitude was taken, for a direct attack was made against Chiang Kai-shek and others. He said that I must not believe the statements made by Japanese soldiers, who were very hard to control, and who were constantly looking for and talking of "enemies". I replied that, while I was prepared to accept the statement that the statement in question had not been written by General Tada, nevertheless it had emanated from the military apparently, and, unfortunately, from now on would be connected with General

Tada's

0189

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

-3-

Tada's name, and that I must assume that it expressed quite frankly the views held by the Japanese military. The Japanese Ambassador again urged me to entertain no belief in statements made by Japanese soldiers, and insisted that the ideas set forth in the so-called Tada statement, except insofar as they were indicative of a policy of non-interference in China's domestic affairs, as it did not, in any way, set forth the policy of the Japanese Government.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg

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

TELEGRAM RECEIVED

793.94
AU 1-1336
This telegram must be closely paraphrased before being communicated to anyone. (A)
FROM Peiping
Dated December 20, 1935
Rec'd 9:10 a.m.

Secretary of State
Washington

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

File
Division of
FAR EASTERN AFFAIRS
DEC 20 1935
Department of State
chc

236, December 20, 4 p.m.

According to an American, long resident in Peiping with close associations with Chinese, Tada who came to Peiping yesterday left for Tientsin this morning with Doihara having come to an agreement with Sung Che Yuan to let the new Political Council function for three months on trial. Two. This informant stated that Sung has told Yin Ju Keng that he should abandon his present position and return to his former work and that if Yin does not Sung will report it to Nanking following which if Nanking reaffirms the order for Yin's arrest Sung will carry out that order.

Repeated to Nanking, by mail to Tokyo.

JOHNSON

TPD

793.94/7551

FILED

DEC 24 1935

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

(CONFIDENTIAL)

P A R A P H R A S E

Telegram (No. 236) of December 20, 1935, from the American Embassy at Peiping, reads substantially as follows:

Information received from an American, who has lived for a long time in Peiping and who is closely associated with the Chinese, is to the effect that an agreement has been reached between Tada who came to Peiping on December 19 and left with Doihara for Tientsin on December 20 and Sung Che-yuan to allow the new Political Council to function on trial for three months. According to this American, Sung has informed Yin Ju-keng that he must give up his present position and go back to his former work and that if he (Yin) does not do this Sung will report the matter to the Nanking Government and, if the Nanking Government reaffirms the order for the arrest of Yin, Sung will make the arrest.

793.94/7551

FE:EGC

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

TELEGRAM RECEIVED

1-1336

FROM

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

LMS

GRAY

Nanking via H. R.

Dated December 20, 1935

Rec'd 10 a. m.

Secretary of State,
Washington.

150, December 20, 4 p. m.

My 149, December 19, 3 p. m. / 7548 No students demonstra-
tions were reported today. Detachments of unarmed sol-
diers in ~~fatigue~~ uniforms are marching about, presumably
as a precautionary measure, and additional police have
been unostentatiously placed in various parts of the city.
The Ministry of Education announced through the Central
News Agency last night that the Ministry in collaboration
with the authorities of the various educational institu-
tions would take appropriate steps to curb all strikes,
parades and petitions, presumably in any cities affected,
and at the instance of the party headquarters all Nanking
vernacular newspapers have issued an appeal to the stu-
dents to refrain from demonstrations.

Repeated to Department and Peiping.

CSB

PECK

*Correction made
3/26/36
H.C.F.*

793.94/7552

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

No. 66

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 12, 1935.

793.94

Copy in FE
 Division of
 FAR EASTERN AFFAIRS
 DEC 21 1935
 Department of State
C-22
h/s

CONFIDENTIAL

Subject: General Doihara's recent activities
in relation to North China autonomy
movement.

For *g*
Carroll, Hall
ONI
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The Honorable

Nelson Trusler Johnson,
 American Ambassador
 Peiping.

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

RECEIVED
 DEPARTMENT OF STATE
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ASSISTANT SECRETARY
 OF STATE
 JAN 8 1936
 A-2

I have the honor to transmit the following
 information in confirmation of the telephone
 conversation with Mr. Meyer of the Embassy last
 evening concerning the recent activities of
 General Doihara in connection with an autonomy
 movement in North China.

Mr. Pennell of the PEKING AND TIENTSIN TIMES
 told an officer of this Consulate General that
 General Doihara had asked Generals Shang Chen,
 Sung Che-yuan and representatives of the Shantung,
 Shansi, Chahar and Suiyuan provincial governments
 to attend a conference in Tientsin within a few

days

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

- 2 -

days, when General Doihara will do his utmost to overcome the reluctance of the attending Chinese leaders to take active steps toward the creation of an autonomous regime in North China. These Chinese leaders are said to be especially reluctant to take such steps before the conclusion of the Kuomintang conference in Nanking and the resolutions of the conference are made known. On the other hand, General Doihara is said to be very eager to have definite progress toward the creation of an autonomous regime made before the conclusion of the Kuomintang conference.

Mr. Pennell added that there is an unconfirmed rumor that Japanese troops have been concentrated inside the Great Wall. He also said that General Tada will go to Tsinan on November 17 to confer with Han Fu-chu. Incidentally, it may be noted that General Matsui, of the Japanese War Council, arrived in Tientsin a few days ago.

The following account of General Doihara's activities, which differs somewhat from that given above, was obtained from the United Press correspondent in Tientsin. According to this informant General Doihara, in the course of an interview with General Sung Che-yuan on November 7, demanded that General Sung cause the establishment of a separate North China government within three days.

In outlining the organization which this new government should have, General Doihara is alleged

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

- 3 -

^ to have stated that it must be based on a military council to take the place of the Branch Military Council, which must be abolished. General Doihara is represented as having indicated that General Sung should become the head of the new council, which would constitute the supreme organ of government in North China. This plan does not, according to the report, contemplate a complete break with Nanking, since the new council would maintain a relationship with the Central Government analogous to that of a Dominion to the Government of Great Britain.

General Sung is said to have replied that compliance with these demands in three days time was impracticable, and that he could not take any positive action in the direction desired by the Japanese military until the end of the Kuomintang Congress in Nanking, or until he was possessed of some plausible excuse for action.

Informed Chinese in Tientsin consider that, in view of the recent rapprochement between Generals Chiang Kai-shek and Feng Yu-hsiang, any genuine submission to the Japanese on the part of Sung Che-yuan is unlikely. In support of this opinion it is pointed out that Sung is one of Feng's old followers, and, in devotion to his army, is not unlike his former chief; that Sung spends all of his revenue, including his large opium revenue, on his army, and that his men repay him with complete fidelity; and that Sung is a man to whom loyalty is a most important virtue.

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However

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

- 4 -

However, it is quite clear that Sung is in a very difficult position, and it seems extremely improbable that he will oppose with arms the Japanese, with whom his relations appear to be most amicable and without whose approval he could hardly have achieved his present position.

The recent currency decree of the Chinese Government has resulted, it is believed, in the Japanese military demanding more strongly that active steps be taken toward the establishment of an autonomous regime in North China in the near future. They have become more suspicious of the "sincerity" of Nanking and are, of course, opposed to the removal of silver from North China, as this would decrease the bullion on which the note issue of a new regime might be based.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
JKC/MH:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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the signed original.
JB

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019

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 31, 1935.

~~MMH:~~

Tientsin's No. 74, November 20, 1935.

This despatch encloses memoranda of conversations between three intelligent and politically-aware Chinese -- a Journalist, a publisher and a Japanese-speaking Chinese official -- and Consul Ward in regard to the matter of an imminent change in the governmental regime in North China. The enclosed memoranda are worth glancing through; the more important passages have been marked.

MSM
MSM/VDM

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

Copy for the Department.

No. 74

AMERICAN CONSUL GENERAL,

Tientsin, China, November 20, 1935.

793.94



CONFIDENTIAL

Subject: Enclosing three memoranda of conversations between influential local Chinese and Consul Ward.

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 DIVISION OF
 COMMUNICATIONS
 AND RECORDS

For Distribution-Check			
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	V. G.		
	Ward	OVI	M 12

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

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

Sir:

I have the honor to refer to this Consulate General's despatch No. 73 of yesterday concerning the reports of an imminent change in the governmental regime in North China, and in that connection to enclose herewith three memoranda of conversations between various influential local Chinese and Consul Ward on that subject yesterday.

It is thought that these memoranda will be found interesting as representing a fair cross-section of the views of intelligent and politically-aware Chinese resident here. The first presents the views of a highly intelligent and patriotic Chinese

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 OF STATE

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Chinese journalist of perhaps national influence;
he was for some years the leader in North China of
the anti-Chiang intellectuals.

2/ The second relates the views expressed by a
leading North China publicist. This individual has
recently unquestionably been the object of attention
from the Japanese military concerned with the views
of public leaders in North China. His remarks
indicate that he has recently come to take a much
more friendly attitude toward the Japanese than he
has ever previously held.

3/ The third recounts in some detail the impressions
of a young Japanese-educated official of the Municipal
and Provincial Governments. He is the member of a
very influential North China family, and is connected
by blood and marriage to many of the men who are
probably actually participating in the negotiations
now in progress between representatives of the
Japanese military and Chinese leaders. It should
be noted, however, that his Japanese education
unquestionably affects his judgment in these
matters, and that he tends to view the situation
of North China in the light in which it would
probably appear to a well-educated and liberal
Japanese.

In connection with the new regime in North
China to which these memoranda refer, a member of
the Secretariat of the Hopei Provincial Government
today

0204

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

- 3 -

today informed the Consulate General that, to use the informant's words, "Tokyo has put on the brakes". It is his impression that General Doihara or some person concerned in the negotiations acted precipitately, and that although the Japanese government authorities in Tokyo are not opposed to the scheme for the establishment of a new government, they did not desire it to develop so quickly.

I am reliably informed that General Sung Che-yuan is now in Tientsin, and his presence here has given rise to as yet unconfirmed rumors that a conference is to be held here between him and General Han Fu-chu. The Consulate General is now attempting to confirm these reports, and will report further developments as soon as reliable information about them can be procured.

Respectfully yours,

✓
J. K. Caldwell,
American Consul General.

Enclosures:

1. Memorandum of conversation of Consul Ward with a Chinese journalist, November 19, 1935.
2. Memorandum of conversation of Consul Ward with a publisher of Chinese newspaper in Tientsin, November 19, 1935.
3. Memorandum of conversation of Consul Ward with an official of the Provincial Government, November 19, 1935.

800
RSW:JB

Original to the Embassy, Peiping.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed original.
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 74
dated Nov. 20, 1935, from the American
Consulate General, Tientsin, China, on
the subject of the new regime in
North China.

American Consulate General, Tientsin,

November 19, 1935.

CONFIDENTIAL

MEMORANDUM

Subject: Establishment of North China regime:
Conversation between Consul Ward and
an influential Chinese journalist.

In the course of a conversation this afternoon with a Chinese of my acquaintance who has for some time been an influential leftist journalist and publicist in North China, I asked him for his views on the imminent change in governments in North China.

It was his opinion that the semi-autonomous Northern regime described in today's Chinese and foreign press would in fact be set up within the next three days. He believes that either Han Fuchu or Sung Che-yuan will head it; that neither Hsiao nor any other third person was now being considered, although Tuan Ch'i-jui had been asked and had refused, as had also Wu P'ei-fu, the latter on the grounds of advanced age.

He holds, however, that the regime itself cannot last long no matter who is put at its head. It pleases, he says, neither the Japanese nor the Chinese, and is inevitably either a prelude to war or a further change which will put Huapei completely in Japanese hands. It is his opinion that all of
the

- 2 -

the Chinese leaders involved are playing a double game; as an instance he cited the presence of Yen Hsi-shan in Nanking while the Chairman of the Province of Shansi is in Peiping. The Northern leaders, he believes, would reject the demands and attempt some resistance if they felt that they had the support of Nanking in such a course; that they are now attempting to take a course which will make clear to the Chinese people that if Huapei is to be given up the responsibility is Chiang Kai-shek's and not theirs.

These northern leaders feel, he thinks, that even if they yield to the Japanese their days are numbered, but they also understand that resistance would be out of the question without the aid of the National Government, and that even with such aid their chances would be slight. In this dilemma my informant believes that, unless they receive orders within the next twenty-four hours to reject the demands, the several leaders of North China will be obliged to accept them.

He stated that Doihara was in Tientsin last night, and had returned to Peiping this morning. He interprets this fact (if it is a fact) to indicate that the Japanese themselves are not sure of Chiang's next move, and he adds that they have taken all necessary steps preparatory to immediate action if the temper of Sung Che-yuan and Han Fu-chu should stiffen as a result of word from Nanking.

He

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

- 3 -

He pointed out that the negotiations through which the establishment of the new government was arranged were not conducted on a basis of friendship nor were they accompanied by what to the Chinese leaders seemed convincing guarantees that they individually would really profit from the acceptance of Japanese demands. The Japanese, he says, simply offered the various individual Chairmen of Shantung, Hopei, Shansi, Chahar, and Suiyuan, respectively, the alternative of yielding or leaving their provinces. For three of them, Han, Sung, and Yen, this latter would mean the end of their public lives, since the Central Government has no means of compensating them for the loss of their positions even if it cared to do so.

Ultimately, however, Chiang will be forced to resist, the informant believes. He had four interviews with Chiang in Szechuan this autumn during which Chiang attempted to convince him of the sincerity of the National Government in safeguarding Chinese interests. Chiang stated, he alleges, that he had always planned to resist as soon as he found himself in a position which would make even brief warfare possible. The informant urged Chiang to give up fighting the communists and concentrate on saving the country from the Japanese. Chiang replied by adducing sound evidence that the communists would attack his rear if he attempted to fight Japan.

The

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

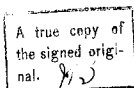
- 4 -

The informant stated however that a promise that there would be resistance had been made to Feng Yu-hsiang in order to prevail upon him to attend the present Kuomintang Congress in Nanking. He believes that Li Tsung-jen turned back from his trip to the capital on information that Chiang had not yet decided to fight.

It may be interesting to note in closing the informant's impression of Chiang: he describes him as being markedly less self-confident than he was five years ago, and says that he seems nervous and undecided.

Robert S. Ward,
American Consul.

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RSW:JB



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

Enclosure No. 2 to despatch No. 74
dated Nov. 20, 1935, from the American
Consulate General, Tientsin, China, on
the subject of the new regime in
North China.

American Consulate General, Tientsin,

November 19, 1935.

CONFIDENTIAL

MEMORANDUM

Subject: Establishment of new regime in North
China: conversation of Consul Ward
with publisher of one of the leading
Chinese newspapers in Tientsin.

In connection with the events now occurring in
North China I called on an influential local Chinese
who is considered one of the leading publishers in
this district to ask informally about the new North
China regime.

He believes that the newspaper reports of today's
date are accurate in the main, and that the new
government is to be implemented by the formation of
an Anti-Communist Commission. He considered that
this development portended nothing more grave for
North China than a return to the era of Huang Fu's
rule in the North.

It is his opinion that regardless of the manner
of their presentation, the new demands are essentially
much milder than might have been expected. He is
informed that Doihara himself suggested the promises
which have been made that the territorial integrity
of China be maintained and that there would be no
Japanese interference in the internal affairs of
North China.

He

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

- 2 -

He says that according to his information the Japanese military presented an ultimatum some weeks ago demanding the separation of Hopei and Chahar from China; that their temper then was much more belligerent, and that they had demanded the right to bring troops into both Hopei and Chahar "to cooperate with the Chinese in the extermination of Communist-bandits"; that the present arrangement obviated any such dangerous expedients, and represented a compromise which should be acceptable to the Nanking Government. In a word, he said, it saved the face of both Chinese and Japanese officials, and permitted the economic cooperation between North China and Japan which the younger Japanese military officers were so desirous of bringing about.

He stated that he had luncheon with Shih Ching (), the second in command of the Japanese garrison in Tientsin, yesterday, and that that official seemed most desirous of reaching an amicable solution of the present situation. The informant gave it as his opinion that only a relatively small but very active minority in the Kwantung Army are actually in favor of vigorous action in North China; that Tokyo is extremely hesitant; and that there is growing criticism among the Japanese people of the actions of the Japanese military in China. The informant pointed out that the very hopelessness of the Chinese situation engendered in the breasts
 of

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

- 3 -

of Chinese a real hatred of Japan and the Japanese, and that, as he had informed Shih Ching, the attitude and ambitions of the Kwantung Army were certainly not directed at lessening that feeling.

The informant believes that if the Japanese military should invade North China that there would reappear many of the forms of Chinese reaction seen after September 18, 1931. He thinks that a renewal of the boycott is possible but not probable; he feels that a very strong student movement would be inevitable; and he thinks that the Central Government would be forced in the end to a desperate but hopeless resistance.

Robert S. Ward,
American Consul.

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REW:JB

A true copy of
the signed original.
JB

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

Enclosure No. 3 to despatch No. 74
dated November 20, 1935, from the
American Consul General, Tientsin,
China, on the subject of the new
regime in North China.

American Consulate General, Tientsin,

November 19, 1935.

CONFIDENTIAL

MEMORANDUM

Subject: Establishment of new regime in North
China: conversation of Consul Ward
with Provincial Government official.

In a conversation which took place this evening during a private call at the Tientsin home of a Japanese-speaking official of the Provincial Government, I asked my host what he thought of the pending change in the government of North China. He referred to the article in this morning's NORTH CHINA STAR as presenting an accurate picture of the new "set-up", which he said would come about in two days' time.

He stated that certain changes in the organization of the so-called "Anti-Communist Commission" would probably have to be made. As an instance of these, he pointed out that the original plans called for 15 members, whereas it had now become clear that there would have to be as many as twenty-one.

There had as yet been no arrangement covering the retention in North China of the Maritime Customs revenues of the area, he said, but in practice the remission of those revenues to the National Government would certainly cease. He drew a parallel between the situation to be established in Huapei and that which has for some years existed in

Kwantung

- 2 -

Kwantung, where, as he states, the Customs revenues are deposited in the branch of the Central Bank there, but are in practice diverted to the use of the Kwantung authorities. Some such plan will certainly be used here, he believes.

In his opinion the best that North China can hope for is a situation similar to that obtaining in Kwantung in its relation to the Central Government, and in relation to Japan, that the Japanese military will keep the oral promises which they have made to respect the territorial integrity of China and to refrain from interference in the internal affairs of North China. These promises are only verbal, and he expressed strong doubts that they would in practice be adhered to.

If the changes are made strictly in line with the arrangements now made, the principal advantages which, in the informant's opinion, Japan will secure, are (1) the further weakening of Chiang Kai-shek, and (2) the economic control of the wealthy region of Huapei.

He does not view the present regime as being permanent. He thinks that it represents the first step toward the goal of a Huapeikuo ruled by P'u I.

He took occasion to state emphatically that Hsiao's remarks, quoted in the article in the NORTH CHINA STAR referred to above, concerning the pressure brought to bear on him by General Doihara, were false. He stated that Hsiao was a wily but altogether irresponsible individual given to reckless statements

- 3 -

statements, and that in this case he had completely misrepresented the situation, both to the public in this statement and, during the negotiations themselves, to his Chinese principals for whom he undertook to act as broker. The official quoted stated that he was convinced that it was not originally the intention of the Japanese military to precipitate a change in government at this time, but that Hsiao and Ch'en Chueh-sheng, acting together, had concocted the scheme, which is now to be followed, of establishing an anti-communist commission for North China. Hsiao can speak very little Japanese, and the actual negotiations with the Japanese were largely handled by Ch'en (who, it will be recalled, is half Japanese himself). Their object in taking the initiative upon themselves was to get, from the Chinese side, the credit for having been instrumental in forestalling the seizure of Huapei by Japanese armed force, and from the Japanese side whatever benefit would accrue to them for having been instrumental in establishing the new regime. The informant believes that had it not been for Hsiao and Ch'en, the Japanese would have waited for some turn to the worse in affairs in Europe, when they would have established what would virtually have amounted to a second "Manchukuo".

According to the official quoted, this state of affairs has never been correctly understood in Nanking, where Chiang was perhaps misled by Hsiao's telegrams. It may be noted in this connection that

it

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

- 4 -

it is the informant's understanding that General Chiang does not plan to attempt any defense north of the Yellow River. Nor does he believe that the Japanese army planned an armed invasion of Shantung, as Hsiao is reported to have informed his superiors. He added parenthetically that Hsiao would one day probably be Mayor of Tientsin.

He referred to the fact that Feng's trip had been interpreted as proof that General Chiang Kai-shek was considering opposition, and gave it as his view in that connection that Feng's trip to Nanking at this time was motivated entirely by his realization that the changes which were about to take place in Huapei would be such as to make it impossible for him to remain longer in safety in his mountain retreat, and a graceful exit having been offered him, he was shrewd enough to take it.

Asked about Yin Ju-keng's relation to the events of the last few days, the informant stated that it is that official's aim to become the Chairman of the Hopei Provincial Government, or at least to bring about the junction under his control of the Luan-Yu and Chi-Mi areas in the Demilitarized Zone. His recent circular telegram and other pro-Japanese acts are to be explained in the light of his ambitions, the informant believes. He added that he had known Yin for years, having met him in Japan, but that he joined most of his brother officials here in the disgust they feel at Yin's recent actions.

Turning

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

- 5 -

Turning to the attitude of the present Chairman of the Province, Shang Chen, the informant stated that he considered that official's greed for personal gain very reprehensible under the circumstances. He complained that Shang in this crisis of North China history thought of nothing but "squeeze", and had no purpose beyond that of enriching himself. Asked when Shang would go, he replied that he believed that he would continue in his present position as long as he is permitted to do so in order to make as much money as possible.

He then recounted an interesting and revealing incident which occurred last week at a private dinner at which the relations between Shang Chen and Sung Che-yuan came to be discussed. Hsiao Chen-ying, who was one of the guests, turned to the informant and said, "We (meaning Sung's group) have 70,000 troops; Shang has only 20,000. Do you mean to say that we couldn't beat him?" This was an instance, the informant pointed out, of the personal rivalries which even at this crucial time exist between various Chinese leaders.

In closing it may be noted that the whole attitude of the official with whom this conversation was held was pessimistic and bitter in the extreme.

Robert S. Ward,
American Consul.

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RSW:JB

A true copy of
the signed origi-
nal. *MB*

0213

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

No. 75

American Consulate General,
Tientsin, China, November 21, 1935.

Subject: Political Situation in North China.

793.94

Division of
FAR EASTERN AFFAIRS
DEC 21 1935

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

The Honorable

Nelson Trusler Johnson,

American Embassy,

Peiping.

For Distribution Check		Yes	No
Grade	To field		
For	In U.S.A.		
	ONI		
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RECEIVED
DEPARTMENT OF STATE

Sir:

I have the honor to refer to this Consulate General's despatch No. 74, dated November 20th, concerning the reports of the imminent creation of a new governmental regime in North China, and further in that connection to report that according to information given this Consulate General by an American journalist here, he has this afternoon received information from a source close to General Sung to the effect that the General received a telegram this morning from General Chiang Kai-shek instructing him to discontinue the negotiations which have been in progress between himself and representatives of the Japanese military in connection with the establishment of a separate regime in North China. An immediate effort was made by an officer of this Consulate General to get in touch with the source of that report, but the individual in question had left for Peiping.

This

ASSISTANT SECRETARY
OF STATE

793.94/7555

FILED
JAN 4 - 1936

F/FG

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

-2-

This statement is therefore transmitted to the Embassy with reservations, although in the light of the events of the last twenty-four hours it would not appear altogether improbable that such an instruction has been sent to General Sung by the Ranking Government.

It would now appear apparent that the rumors that a conference was to be held today between Generals Sung, Han Fu Chu, and Doihara, in Tientsin, were without foundation. General Doihara is believed to be here, as are Sung Che-yuan and Hsiao Chen Ying. Han Fu Chu has not left Tsinan, and his representative in Tientsin is not empowered to negotiate for him. A representative of General Yen Hsi-shan is present, but this is not an unusual circumstance. Information received from several sources indicates that these various leaders did not meet together today. General Sung is said to be denying himself to all but a few callers, and General Doihara's secretary told a caller that the General could not give out any statement, since the situation changed so frequently that what he said one minute would not be appropriate three minutes later.

A Chinese politician now resident in Tientsin asserts that sources on which he relies have informed him that the Japanese ministerial authorities in Tokio are opposed to the form which the autonomous movement took, and that both Chiang

Kai-shek

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

-3-

Kai-shek and the cooler minds among the Japanese military are strongly in favor of such arrangements as are to be made being effected through negotiations in Nanking rather than in North China.

Asked what he considers the present prospects for "autonomy" in "Hupei", he said that he believed that they were "busted". Pressed for an explanation of this statement, he would say only that information brought to him today has led him to believe that plans for an autonomous five-province government in the North have now been put aside. In the opinion of the Consulate General, this view should be accepted only with considerable reserve, since it would appear evident that some change in the governmental regime in North China will issue from the present conferences now being held in Nanking.

The informant just quoted reported that a small demonstration was staged today in the Hopei district of Tientsin urging the establishment in North China of an autonomous state. It is believed that this statement, if it is accurate, is of especial interest as indicating a return on the part of certain elements among the Japanese military to the "peasant uprising technique" tried with so little success at Hsiangho during October. In this same connection it may be pertinent to add that very wide-spread but as yet unconfirmed

reports

0218

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

-4-

reports allege the existence in the Japanese Concession in Tientsin of a growing gang, numbering now some four hundred, of Chinese and Japanese tramps, each of whom receives a dollar a day to hold himself in readiness to perform such tasks as the Japanese gendarmarie may require of him. The headquarters of this gang is said to be in the Ta T'ung Fan Tien in the Japanese Concession, the point at which the plain-clothesmen gathered in 1931.

In conclusion it may be noted that the impression is gaining ground here that some definite hitch has occurred in the plans of the Kuantung Army for North China.

Respectfully yours,

X

J. K. Caldwell,
 American Consul General.

800
 RSW:HK

Transmitted in duplicate.
 Copy to Embassy, Nanking.
 Five copies to Department with covering despatch.



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

TELEGRAM RECEIVED

KLP

Shanghai via N. R.

Dated December 20, 1935.

FROM

Rec'd. 4:25 p.m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 21 1935
Department of State

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

777, December 20, 4 p.m.

One. During the past two weeks local student group, merchant guilds and Chinese Chamber of Commerce have issued a number of appeals and statements indicative of the growing resentment felt by a considerable section of the local population towards recent developments in North China and Japanese activities in that region.

Two. This feeling, which while undoubtedly spontaneous to a considerable degree, is understood from information obtained from fairly reliable Chinese sources to be receiving the active support of the so-called National Salvation Group and the Blue Shirt organizations in Shanghai. Yesterday afternoon it flared into open activity as some three or four thousand students staged a demonstration along the Extra Settlement Roads of Shanghai. An officer of the Consulate General, who observed the parade, reports that it was orderly, that he observed no police accompanying it and that slogans borne were

"down

793.94/7556

FILED

F/FG

1218

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

- 2 -

777 from Shanghai

"down with the Japanese", "abolish the Japanese ^{concession} ~~controlling~~ interest", "down with the autonomous government",
"government" "release our fellow students". *Sfu*

Three. Seventeen hundred students appeared at the Civic Center yesterday afternoon and asked to see the Mayor. He appeared and while expressing understanding of their patriotic motives pointed out that nothing could be achieved by irresponsible action and urged them to support the Central Government. The Mayor further promised to transmit their request to Nanking and also to telegraph Peiping concerning release of the arrested students. The main body of students which demonstrated yesterday appeared early this morning at the Civic Center and made similar requests to which the Mayor made substantially the same replies. At 10 a.m. this morning there were still some three to four thousand students at the Civic Center with the rather confused notions of waiting there until their requests had been complied with and secondly of absenting themselves from classes.

Four. Local Japanese authorities understood to be watching situation closely and four days ago called Mayor's attention to various anti-Japanese statements being issued by student and other local government organizations.

Mayor

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

- 3 -

777 from Shanghai

Mayor understood to have reassured Japanese.

Repeated to the Department, mailed to Nanking.

DAVIS

KLP

SMS

(*) apparent omission

122

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

TELEGRAM RECEIVED

FS

1-1336

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

FROM

PEI TUNG

Dated December 21, 1935

Rec'd 7:12 a. m.

Secretary of State,
Washington.

240, December 21, 3 p. m.

Following from Nanking:

"December 20, 11 a. m. The Japanese Ambassador informed me this morning that he had his anticipated conversation with Chiang Kai Shek yesterday but that they did not go into the details of pending issues. The Ambassador said, however, that Chiang Kai Shek would continue the international policy announced by Wang Ching Wei in January last. From other sources I am reliably informed that the Ambassador expressed the disappointment of the Japanese Government that the good effect anticipated from the recent changes in North China had been marred by the action of the Chinese authorities in permitting recrudescence of student agitation and that the Ambassador said that while the Japanese Government intended to continue a policy of friendly cooperation with China it reserved liberty to act as circumstances might dictate."

CSB

JOHNSON

of Paraphrase
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Division of
FAR EASTERN AFFAIRS
DEC 21 1935
Department of State

793.94/7557

DEC 26 1935

F/G

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 240) of December 21, 1935, from the American Embassy at Peiping, quotes a telegram of December 20, from the office at Nanking, which reads substantially as follows:

On December 20, a member of the American Embassy staff at Nanking was informed by the Japanese Ambassador that his expected conversation with General Chiang Kai-shek had taken place on December 19 but that they did not discuss details of issues which are pending. However, Ariyoshi stated that General Chiang would keep on with the international policy announced in January, 1935, by Wang Ching-wei. It has been learned from other reliable sources that Ariyoshi expressed Japan's disappointment that the good effect expected as a result of recent changes in North China had been impaired by the Chinese authorities' action in allowing a revival of student agitation and stated that, although it was Japan's intention to pursue a policy of friendly cooperation with China, Japan reserved the liberty to take such measures as the circumstances might require.

793.94/7557

29.C.
 FE:EGC

FE

XII-23-35

793.94/7557

1222

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

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TELEGRAM RECEIVED

JS

SPECIAL GRAY

1-1336

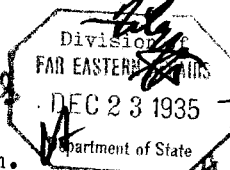
SHANGHAI VIA N R
FROM

Dated December 21, 1935

Rec'd 4:18 p.m.

Secretary of State,

Washington, D.C.



December 21, 1 p.m.

Referring to my telegram December 20, 4 p.m.

793.94

Reliably informed that Japanese Consul General
is pleased with manner in which Chinese authorities
are handling student demonstrations and that no protest
will be lodged unless anti-Japanese posters are dis-
tributed or Japanese lives and property are endangered.
Students remained at Civic Center all day yesterday but
dispersed during the night. No further demonstrations
have occurred this morning.

Repeated to the Department and Nanking.

DAVIS

KLP

793.94/7558

DEC 26 1935

FILED

F/FG

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

793.94

DOCUMENT FILE

NOTE

SEE 841.00 P.R./417 FOR #1838

FROM Great Britain (Atherton) DATED Dec. 2, 1935
 TO _____ NAME _____ 1-1127 ...

REGARDING: Japan and China. It is understood that the British Charge d'Affaires in Tokyo called on the Japanese Vice-Minister for Foreign Affairs and informed him that the British Government had received conflicting reports about the situation in North China and would be grateful for any clarification of state of affairs there by the Japanese Government.

mb

793.94 / 7559

7559

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

Japan and China.

It is understood that the British Chargé d'Affaires in Tokyo called on the Japanese Vice-Minister for Foreign Affairs last week and informed him that the British Government had received conflicting reports about the situation in North China and would be grateful for any clarification of the state of affairs there by the Japanese Government. The Vice-Minister apparently replied that the Japanese Government considered the movements in North China to be entirely spontaneous, and that the events in question related purely to the internal affairs of China.

The Peking correspondent of the SUNDAY TIMES wrote yesterday that subtle anti-British propaganda is rife there in connection with Sir Frederick Leith-Ross' activities. "He is accused of having prompted the Chinese measure of currency stabilization and withdrawal

of/

- 10 -

of silver, besides betraying Chinese who entrusted silver to British banks. The banks, it is complained, responding to the Order-in-Council, handed over silver bullion to the Chinese Government giving the depositors only doubtful national notes in exchange. Japanese banks on the other hand continue their previous policy."

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

TELEGRAM RECEIVED

FS

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

Secretary of State,
Washington.

243, December 23, 4 p. m.

Embassy's 236, December 20, 4 p. m.

One. It has been generally accepted here now that the Japanese military concerned have informed the local Chinese authorities that they will give the new Council a trial of three months. The additional Japanese troops mentioned in Embassy's No. 179, November 27, 10 a. m., have left together with about 180 from Tientsin. There still remain six Japanese soldiers at Fengtai checking movements of freight cars. The Japanese appear to have transferred from Peiping Counsellor of Embassy Wakasugi leaving the Embassy here in charge of First Secretary Muto who is overshadowed by the Japanese Assistant Military Attache and Japan's "unofficial" military representative General Doihara who is again in Peiping. A situation has therefore been created in which all Sino-Japanese matters here will probably be handled between Chinese military and Japanese officials and "unofficial" military principally the latter

who

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

Dated December 23, 1935

Rec'd 10:20 a. m.

Division of
FAR EASTERN AFFAIRS
DEC 23 1935
Department of State

793.94/7560

F/FG

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

FS 2-No. 243, December 23, 4 p. m. from Peiping

who will continue to exercise pressure of an uncertain and secret kind upon the local authorities. Chinese leaders here are understood to be wholly pessimistic of the future.

Two. Although confirmation is lacking all foreign and Chinese observers are of the opinion that official and unofficial Japanese military are now pressing for a solution of conditions in that part of Chahar which is north of Kalgan and extends into Inner Mongolia, which will result in separating that area from Chinese control.

By mail to Tokyo.

HPD

JOHNSON

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 243) of December 23, 1935, from the American Embassy at Peiping, reads substantially as follows:

In general in Peiping it is felt that the local Chinese authorities have been informed by the Japanese military concerned that they (the Japanese) will give the new Council a three months trial. Three hundred and fifty Japanese infantry troops which arrived in Peiping the last week in November, together with about 180 from Tientsin, have left. Six Japanese soldiers remain still at Fengtai checking freight car movements. It appears that Wakasugi, Counsellor of the Japanese Embassy has been transferred from Peiping, leaving the Embassy in Peiping in charge of Muto (First Secretary) who is overshadowed by the Assistant Military Attaché and General Doihara, Japan's "unofficial" military representative who is in Peiping again. A situation has been brought about, therefore, in which all Sino-Japanese affairs in Peiping will likely be handled between the Chinese military and Japanese official and "unofficial" military, mostly by the "unofficial" who will continue to exert upon local authorities pressure of a secret and uncertain kind. It is understood that Chinese leaders in Peiping are entirely pessimistic with regard to the future.

It is the opinion of all Chinese and foreign observers, although confirmation is lacking, that official and unofficial

0228

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

- 2 -

cial Japanese military are exerting pressure at the present time to bring about a solution of the situation in that part of Chahar Province north of Kalgan and extending into Inner Mongolia which will have the result of separating that area from the control of Chinese.

793.94/7580

^{29C.}
FE:EGC

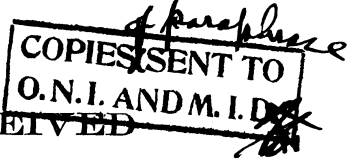
FE

and M. H.

XII-24-35

7221

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



TELEGRAM RECEIVED

FS 1-1336

FROM

Peiping

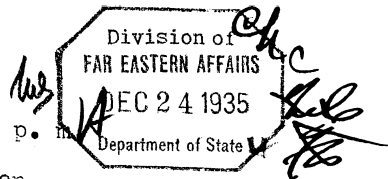
This telegram must be closely paraphrased before being communicated to anyone. (A)

Dated December 24, 1935

Rec'd 9:15 a. m.

Secretary of State,

Washington.



245, December 24, 5 p. m.

Following from Mukden.

"December 24, 10 a. m. According to a reliable source considerable numbers of Japanese troops were landed at Dairen last week and sent north, possibly to the vicinity of Tsitsihar, in special trains."

McL:HPD

JOHNSON

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793.94/7561

DEC 30 1935
FILLER

F/FG

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 245) of December 24, 1935, from the American Embassy at Peiping quotes a telegram from the Consul General at Mukden which reads substantially as follows:

It has been learned from a reliable source that during the week of December 15 a large number of Japanese soldiers were brought to Dairen and sent north in special trains, possibly to the region of Tsitsihar.

793.94/7561

290.
 FE:EGC

FE

XII-26-35

29 M. H.

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

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TELEGRAM RECEIVED

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

FS

1-1336

GRAY

FROM

Shanghai via N. R.

Dated December 24, 1935

Rec'd 10:45 a.m.

Secretary of State
Division of
EASTERN AFFAIRS
Washington
DEC 24 1935
Department of State

RUSH

788, December 24, noon.

Referring to my telegram December 21, 1 p. m.

One. Four hundred students took possession of

North Station yesterday afternoon demanding transportation to Nanking for the purpose of interviewing Government leaders. Railway authorities refused transportation and removed all available locomotives. However, students remained in coaches and refused to leave although strongly urged to do so by university authorities and representatives of City Government. According to local foreign press General Chiang Kai Shek also telegraphed students expressing understanding of their patriotic motives by which he stated he was also actuated and ~~above all~~ urged them to return to their schools. Chinese authorities cleared station of spectators and threw cordon of privates around North Station.

Other

793.94/7562

FILED
DEC 27 1935

793.94

LMP
DCA

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

FS 2-No. 788, December 24, noon from Shanghai

Other precautionary measures were also taken.

Two. However, students did not disperse during night and this morning a further group of five hundred clashed with Settlement police while attempting to distribute pamphlets which police describe as anti-imperialistic, slightly anti-Japanese but not communistic in tenor. Students groups now acting in coordinated manner and reported by Settlement police to be forming into three groups, one of which is to seize Shanghai South Station, another at North Station and third group to operate as needed. Chinese authorities appear to be reluctant to use force to disperse students but due to increasing activity of these elements' endeavor to bring about complete disruption of railway ^{*TRAFFIC} ~~leading~~ out of Shanghai they may be forced to employ more energetic methods and eject students from North Station by force.

Repeated to Department, Embassy at Peiping and Nanking.

HPD

DAVIS

LMD
DCR

123

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

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TELEGRAM RECEIVED

FS

SPECIAL GRAY

1-1336

FROM Shanghai via N. R.

Dated December 24, 1935

Rec'd 10:30 a. m.

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 24 1935
Department of State

RUSH

789

700, December 24, 3 p. m.

My telegram December 24, noon. /7562

Reliably informed through police channels that chief of staff Japanese naval landing force has stated to British military intelligence officer that they were taking a serious view of developments in Shanghai and that the time had come for the national army authorities to take a stronger stand. They felt he said that some Settlement police would be capable of coping with the situation but expressed lack of confidence in the ability of the Chinese authorities to do so in territory controlled by them. They are, therefore, holding themselves in readiness to take action if necessary. He added that the Japanese naval landing party would not act without consulting their consular authorities, but in the event they decide to use their forces they will act independently.

Repeated to Department and Nanking.

HPD

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793.94/7563

DEC 30 1935
FILED

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0234

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

CA

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

Gray

SHANGHAI VIA N.R.

TELEGRAM RECEIVED

Dated Dec. 24, 1935.

Rec'd 2:30 p.m.

1-1338
 Secretary of State,
 Washington.

FROM Division of
 FAR EASTERN AFFAIRS
 DEC 26 1935
 Department of State

790, Dec. 24, 5 p.m.

793 94
 One. The situation described in my Dec. 24, noon, and
 Dec. 24, 3 p.m. has not improved. Police sources say number
 of students at North Station has increased. Pamphlets thrown
 from trucks in front of barracks irritated Japanese landing
 forces and led Japanese Consul General to protest to Settle-
 ment and Chinese authorities. Students also demonstrated in
 Nanking and Range Roads areas in Settlement, resisting police
 A number of students, including some girls, reported injured

Two. Because of reports that communistic elements are
 active among the students, the Chinese authorities have let
 it be known that they are prepared to take forceful meas-
 ures if necessary. Agents of the Social Bureau of Chinese
 Municipality and presidents of various universities are said
 to be endeavoring to persuade the students to disperse. In
 the event of failure, it is reported the Chinese authorities
 will supply trains to take students out of Shanghai. About
 400 students held a meeting this afternoon in the Chinese
 Y. M. C. A. on Szechuan Road. The management has been warned
 by the police that such meetings must cease.

Three. CONFIDENTIAL. The Shanghai Municipal Police

have taken

793.94/7564

0234

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

CA

--2-- Shanghai 790, Dec. 24..

have taken special precautions to meet emergencies, reserves are on duty at the Hongkew Police Station and two platoons of the Russian detachment of the Shanghai Volunteer Corps have been (#) the Hongkew and West Hongkew stations, respectively while four platoons are being held in readiness for service. Reinforcements of Chinese troops at the North Station from the Peace Preservation Corps are prepared to include two hundred men armed with machine guns, rifles and Mausers. The troops already at the Station are understood to be armed with bamboo poles. The Japanese naval landing party have increased the strength of the police authorities this afternoon.

Repeated to the Department and Nanking.

DAVIS

(#) apparent omission

KLP
EMB

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

TELEGRAM RECEIVED

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FS

SPECIAL GRAY

1-1336

FROM Shanghai via N. R.

Dated December 24, 1935

Rec'd 6 p. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 26 1935
Department of State

792, December 24, 7 p. m.

One. My December 24, 3 p. m. and December 24,

5 p. m.

CONFIDENTIAL.

Efforts to disperse students by peaceful means exhausted. Police report that some 2,000 were permitted to board train and to leave Shanghai bound ostensibly for Nanking but more likely for some intermediate point.

Two. The Japanese Military Attache told NEW YORK TIMES correspondent for his information and not for public information that the Army, Navy and Foreign Office have agreed to permit student demonstrations to run their course resorting only to local protests until the first part of next week when they plan to make concerted demands which will precipitate a real crisis. He said that it was useless to deal with the present government because it will not cooperate with Japan and that the present student uprising may lead to its downfall because

the

793.94/7565

FILED
DEC 30 1935

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123

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

FS 2-No. 792, December 24, 7 p. m. from Shanghai

the Chinese who disapprove the usual course of force in putting it down on the one hand and the Japanese will not (?) the movements going development too far on the other. He said the Foreign Office Three Point Program was in the discard and that word had been sent to the Nanking Government that the development of another anti-Japanese boycott would not be tolerated.

Three. The TIMES correspondent says (?) are convinced that anti-Chiang Kai Shek elements in the Nationalist Party are at the bottom of these disturbances.

Repeated to Department and Nanking.

WSB

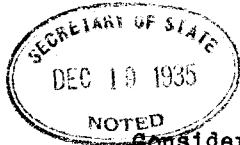
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1238

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

Division of
 DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

DEC 19 1935
 December 2, 1935.



THE NORTH CHINA SITUATION
Consideration of possible course of action.

In giving consideration to the question whether the American Government should at this time make some sort of diplomatic approach to the Japanese Government in regard to the situation in North China, it seems to this Division that there should be clarity of thought in regard to the objectives which the American Government should seek and those which it might expect to attain.

Our first objective should be the safeguarding of American interests, including persons, property, policy, influence, sanctity of treaties, and peace. We should do that which offers best hope of ameliorating the situation as contrasted with making it worse. We need to keep in mind the question of the record and of facilitating other action, if and when, in the future. We must keep in mind the fact that it is our constant policy to work for the safeguarding of the open door and the principle of respect for China's political, territorial and administrative integrity. In deciding upon any step (positive or negative) we should envisage the step to be taken next in case the step taken at the moment has unsatisfactory consequences.

793.94/7566

FILED

DEC 26 1935

Confidential File
 F/FG

The

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117

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

- 2 -

The situation is one in which the Japanese army is dictating Japan's course and is proceeding according to its own lights and toward its own objectives. That army will work its will in North China until and except as it encounters resistance of force to force. Protests, whether by the Chinese alone or by other powers or by both, will have little effect on the Japanese army's program unless and except as there stands behind those protests likelihood, in the Japanese estimate, of application of force in case the protests are not heeded.

This country has no intention of using force. Nor has any other of the occidental powers. The Chinese have some thought of resorting to force, but they are not likely to do so unless they get the impression that some one or more of the occidental powers will become embroiled and come in some manner to their assistance. Resort to force by the Chinese without the assistance of one or more foreign powers would probably result in political calamity to China and a much more extensive forward movement by the Japanese army than that army is likely to engage in in the near future if not thus challenged. Foreign governments should therefore be very careful to avoid giving the Chinese any ground for a false expectation of armed assistance or in any way encouraging them to resort to force as a gesture.

Mere

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

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Mere representations on our part at this point would not cause the Japanese army to halt. Nor would representations by this and several other governments. Effort on our part to bring about a concert of representations would do more harm than good.

The one useful purpose which might be served by our making, on our own initiative and without collaboration with other powers, some carefully formulated representation would lie in the fact of our keeping the record clear and complete and signifying to all concerned that the American Government has in no way abandoned its fundamental principles and is not indifferent to situations which threaten disregard by other powers of them. In connection with any step taken for that purpose, it is important that we choose the most opportune moment. A step taken for that purpose should be taken neither too early nor too late. It should be taken when it will tend to clarify rather than to confuse and to reduce rather than to increase the tension inherent in the situation to which it relates.

Representations were made last week by the British Government to the Japanese Government, in the form of an inquiry with an express reference to the Nine Power Pact. The Japanese Government is reported to have disclaimed, in reply, any association with or responsibility for the "autonomy" movement in North China and to have disregarded the reference to the Nine Power Pact.

From

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From point of view of the principle of cooperation and of parallel action among the interested powers, the American Government must consider whether or not it should follow suit. It should not, however, follow suit merely for the sake of keeping the record clear in that connection. Its decision should be made rather on the basis of the effect which it will have in regard to the situation in China and in Japan.

Any representation which we might make now should be so made, as to substance and method, as not to incite the Japanese army to increased vigor in the prosecution of its China policy and not to encourage the Chinese to armed resistance. It should be such as to be beyond the range of attack by those critics in this country who have charged the American Government in the past with "baiting" Japan. Unless we can make it such, it would probably be best for us for the time being to refrain from action.

The British Government has informed us of the action which it has taken, but it has not otherwise made any suggestion, express or implied, that we act. The Chinese Government has informed us of the protests which it has made to Japan and has asked for an indication of our attitude and, by intimation, of our intention. Except for these indications, it has in nowise been suggested from any quarter that the American Government ought at this moment

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moment and under existing circumstances to "do something". The American press correspondents have been inquiring with regard to our intentions, but have not indicated an expectation or desire that we act. The editorial writers in the American press have commented in great numbers and repeatedly on the recent developments in North China, have pointed to the renewed evidence of Japan's imperialistic trend, of the Japanese army's dominant position, of that army's indifference to treaty obligations, etc., and to the menace of all this to the interests of other powers and to the cause of peace; but, in practically no case have they advanced the view that action by the American Government is called for.

We thus are in a position to make our decision on the basis, substantially, of what seems to us most practical and expedient.

There are several possible courses which may well be given consideration, among which are: (a) to remain silent; (b) to make a statement to the Japanese Ambassador here; (c) to make an approach, in Tokyo, in the form of an inquiry, to the Japanese Foreign Office; (d) to make an approach in the form of an inquiry to several of the other interested governments, including, perhaps, Japan, China, Great Britain, and conceivably others; (e) to make a statement to the British Government; (f) make a public statement.

If

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Inquiry has already been made
 If we remain silent, we run the risk of there developing an impression that we are indifferent to the situation -- which we are not -- and of its being charged that there is inconsistency between our manifestation of concern in regard to the Italo-Ethiopian situation and our lack of manifestation of concern in regard to the Chinese-Japanese situation; and we make it possible for the charge to be made later that we have been neglectful.

If we make a statement to the Japanese Ambassador here, we have no assurance as to what the Ambassador will give to the press or report to his Government.

If we make an approach to the Japanese Foreign Office, we may be sure that the Japanese army will make use of the fact for its own ends, and we run the risk of a snub such as the British Government has received in Tokyo.

If we make an approach to several of the other interested governments, we run the risk of misinterpretation in China, misconstruction and misrepresentation in Japan, and a charge by critics in this country that we are "trying to start something".

2
 As the situation in North China is still highly fluid, it is believed that the moment has not yet arrived for making a statement in reservation of our rights; and it is believed that approaches in the form of an inquiry to any of the other governments would be essentially futile, might
 merely

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merely tend to inflame the situation, and might react to our embarrassment.

There remains among the possibilities indicated above one course of action which might be advantageous: that is, to make a statement to the British Government. At all times in deciding upon courses of action with regard to Far Eastern matters, we should keep in mind the fact that where common interests are involved cooperation or parallel action on the part of the American and the British Governments offers possibility of advantage. Experience has shown that it is difficult to have this cooperation. Both countries should, however, strive for it when and where possible. In the present instance, the British Government has acted, has informed us of its action, and has had a rebuff from the Japanese. It has not seen fit to inform us of the rebuff. We have given it no indication of our attitude. If now we were to inform the British Government of our view of the situation and our intention with regard to it, it is believed that several useful purposes would be served by our doing so: it would appear in the record that we have not been indifferent to the situation; it would be manifest to the British that we are sympathetic to the effort which they have made; it could not be charged later by the British Government that, at a moment when they have manifested concern, we have contented

ourselves

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ourselves with an attitude of stony silence.

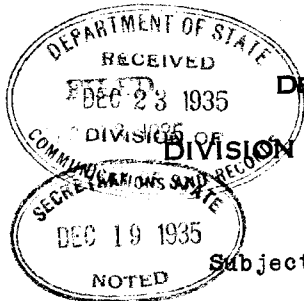
In the light of the above, it is recommended that we make a statement to the British Ambassador here and to the Foreign Office in London, with a memorandum, along lines indicated in the draft here attached.

Also, it is recommended that, in order to signify to our public and to interested governments and publics abroad that we are not indifferent to and not overlooking the situation, and to dispose of the inquiries which are being made by press correspondents here, the Secretary make to the press for publication a prepared statement. A draft of a possible such statement is here attached.

SKH

SKH:EJL

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



DEPARTMENT OF STATE

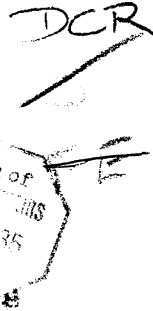
DIVISION OF FAR EASTERN AFFAIRS

December 16, 1935.

Subject: The North China Situation.

793.94

During the week just ended the situation in North China has crystallized to the extent of the appointment by the Central Government at Nanking of a special council or commission, called the Hopei-Chahar Political Council (Political Affairs Commission), for the purpose of administering Hopei and Chahar Provinces. This council was created in pursuance of an arrangement between Nanking and the Japanese. The arrangement, which according to information reported by the Embassy at Peiping and Nanking was the result of negotiations carried on with the Japanese military in North China (Ho Ying-chin, Minister of War, was sent north by the Nanking Government for this purpose) and at Tokyo, is understood to provide that control of the judiciary, finance and foreign affairs will (subject to certain conditions) be retained by Nanking. An official (Chinese) informant explained that the Central Government has retained control of the salt, customs and railway revenues, while the consolidated wine and tobacco tax and other local taxes will be controlled by the council; that foreign affairs, although nominally reserved for Nanking will in practice



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DEC 23 1935

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

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practice be handled by the council, with Nanking confirming its acts. The arrangement with Japan, it is said, is and must be oral.

The council which has been appointed comprises seventeen members (all of whom are said to be from North China), with General Sung Che-yuan, the principal military leader in the area, as chairman (he has also been designated chairman of Hopei Province). Hsiao Chen-ying, another member of the council, is regarded as influential because of his close relations with the Japanese and his influence with General Sung. As was stated in a recent telegram from Peiping, the degree of autonomy of the new council and the span of its existence will depend on the definition of its powers (not yet known) and the attitude of the Japanese military.

It will be recalled that an autonomous régime for the five provinces of Hopei, Chahar, Shantung, Shansi and Suiyuan was to have been set up on or about November 20, at which time the movement was suddenly halted. However, within a few days there was established in the demilitarized zone by Yin Ju-keng and other officials of that zone the "Eastern Hopei Communist Northern Autonomous Council". This council continues to exist and to function independently of the Hopei-Chahar Council. According to a report from Peiping, the Eastern Hopei Council has recently issued orders for the detention of the customs and salt revenues collected in the demilitarized zone.

The

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 Department of State letter, August 10, 1972
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The absence of a public opinion in favor of an autonomous North China has been clearly indicated by the course of events and by manifestos recently issued by educational leaders in Peiping and Tientsin and by student demonstrations. The Japanese Embassy in China, the press reports, has again warned Nanking that student agitation against the autonomy movement in North China must be checked.

Information from Nanking indicates that the arrangement in regard to North China is "the beginning of the end", that it will prove to be unsatisfactory both to the Chinese and the Japanese and that it will be a source of constant friction. It will no doubt give rise to pretexts for the Japanese to extend the boundaries of the area administered by the Hopei-Chahar Political Council as well as to extend the authority of that council. This arrangement is regarded as a temporary one. According to the press, the Commander of the Japanese forces in North China is reported as forecasting that the new regime (scheduled to be inaugurated today) will not prove a success and that drastic changes will become necessary.

Other recent developments reported by the Embassy in China have been the withdrawal northward from Shanhaikwan of Japanese troops which were concentrated there a few weeks ago and the invasion by "Manchukuo" troops of the eastern districts of Chahar with the apparent object of bringing about the

replacement

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replacement of the peace preservation troops (Chinese) in that area by Mongol contingents which are presumably under the influence of the Japanese. This morning the press reported the entry of a small detachment of Japanese troops into Kalgan, the capital of Chahar Province, and the seizure by forces of the autonomous régime in Eastern Hopei of Tangku, a port at the mouth of the river leading to Tientsin.

It may be stated parenthetically that recent changes in the Government at Nanking have given definite official recognition to the fact that General Chiang Kai-shek is the central figure in the National Government. For a number of years General Chiang has been the dominant spirit in the National Government but his control was exercised to an appreciable degree from behind the scenes. In addition to the posts already held, Chiang was recently appointed President of the Executive Yuan (a position formerly held by Wang Ching-wei) and Vice Chairman (Acting Chairman in the absence of the respective chairmen, Hu Han-min and Wang Ching-wei) of the Standing Committees of the Central Executive Committee and the Central Political Committee (these are Nationalist Party committees).

The new cabinet named by the Central Executive Committee includes as Minister of Foreign Affairs Chang Chun, until recently chairman of the Hupeh Provincial Government, who is a close friend of General Chiang and persona grata to the Japanese, and H. H. Kung, reappointed as Minister of Finance.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Division of
 FAR EASTERN AFFAIRS

December 19, 1935.

793.94

SECRETARY OF STATE
 DEC 20 1935
 NOTED

DEC 23 1935

NORTH CHINA SITUATION

There has come to the Department from the White House a telegram of date Tientsin December 7, signed by the Universities of Peiping and Tientsin, Bankers Associations in Peiping and Tientsin, Chambers of Commerce in Peiping and Tientsin, and the North China Manufacturers Association. In this the signatories declare that they are opposed to any form of separation of North China from the National Government of China and that the movement for the creation of an independent régime in North China is in line with the Japanese plan of continental conquest. They cite a pamphlet distributed in September of this year at Tientsin by General Tada, commander of the Japanese garrison in North China, in outline of the basic policy of the Japanese Army in China; they say that in this pamphlet it is stated that the divine mission of the Japanese Army is twofold, to wage a racial war against the white domination over the colored peoples throughout the world and to fight a spiritual war against the materialistic culture of the west".

Reports of the last three days indicate that the Japanese military in China are pressing hard both with military and with diplomatic pressure upon the Chinese..

They

793.94/7568

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

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They demand of Chinese officialdom that the student demonstrations be prevented or be suppressed. At Peiping, several thousand students demonstrated in the streets against the "autonomy movement", the police used rigorous measures toward breaking up the demonstration. Something over a hundred students were wounded and some were apparently missing. This will probably lead to more trouble for Chinese officialdom in various places in China. The Chinese leaders who are associated with the "autonomy movement" are extending the physical boundaries of the "autonomous" régime at certain points, with Japanese military forces in the offing. "Manchukuo" troops and Chinese troops have fought with a number of Chinese casualties in Chahar; and Japanese military planes have bombed a town in Chahar. It has been intimated that the authorities in the "autonomous" area intend to expel Drs. Hu Shih and Chiang Mon-lin, of the National University, outstanding civilian leaders in China, from that area. This expulsion, if consummated, would tend greatly to arouse the Chinese intelligentsia in various parts of the country. It is indicated that various revenues which should go to the Nanking Government, including possibly the customs and the salt revenues, may be impounded or interfered with in the "autonomous" area and that silver will not be allowed to move from that area into the hands of the Nanking Government. It is indicated that the Japanese intend to establish a commercial air service between Manchuria and North

China

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

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China and to make changes in the currency, railway, post and telegraph administrations. General Tada is reported to have repeated to the press his forecast that the "autonomous" régime will not prove a success and to express the belief that the only way to bring about the independence of North China will be by use of force.

At the same time, the press reports that when Chiang Kai-shek assumed on December 16 his duties as President of the Executive Yuan his first official announcement was: "The Government will do its best to maintain international peace but will not hesitate to make the last sacrifice for safeguarding the nation."

All of this produces an impression that the situation in China, between Japan and China, is growing rapidly more tense. The Japanese Army appears intent upon consummation as quickly as possible of that step in its general project which relates to the establishing of a substantial foothold in North China. One feature of its immediate objective, also, is to compel the Nanking Government to make commitments which the Japanese Foreign Office has been endeavoring to obtain during some months past. The Japanese Ambassador (to China) is reported to be on his way to Nanking to press for definite promises. The Japanese are "forcing the pace". The question arises: May they not be moving too fast and pressing too hard; may not the pressure force a resort by the Chinese to armed resistance?

FE:SKH/ZMK

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

TELEGRAM

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 3:40 769-767 VIA REA
The White House
Washington

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 Division of
 FAR EASTERN AFFAIRS
 DEC 11 1935
 Department of State

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1935 DEC 10 AM 11 34 F

Tientsin, December 7, 1935 NLT

THE PRESIDENT
 DIVISION OF
 COMMUNICATIONS
 AND RECORDS

The undersigned representing the educational industrial and commercial organizations in the Peiping-Tientsin area declare that they are opposed to any form of separation of North China from the National Government any kind of intrigue from the outside to establish an independent regime and any attempt to alienate the territory of the Republic of China under the guise of autonomous movement. It is fact too obvious that there has never been any movement in any sense aside from what the Japanese military have forcibly created and directed against the genuine will of the Chinese population. The situation in North China has now come to such a critical head entailing as it does international consequences far graver than those involved in the Manchurian outbreak in 1931 that a concise account of the development of events is outlined below for your reference.

The creation of an independent regime in North China constitutes in the language of the Japanese military the second act in their plan of continental conquest. It may be recalled that in September of this year General Tada, commander of the Japanese garrison in North China, distributed in Tientsin a pamphlet in which the basic policy of the Japanese army in China is outlined. It is stated that the divine mission of the Japanese army is two fold, to wage a racial war against the white domination over the colored peoples throughout the world and to fight a spiritual war against the materialistic culture

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DEC 26 1935
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM

China Radio----2

The President:

The White House
Washington

of the west. All Japanese activities in China says Tada are to be directed toward the completion of this mission. Three items stand out in bold relief in this program of subjugating China. First, the Koumintang and the National Government as the chief obstacles to the execution of the plan must be destroyed. Secondly, North China as the area most susceptible to Japanese penetration should be the first object of seizure and from North the Japanese sway is to be gradually extended until other parts of China will either submit on their own will or be eradicated from existence. Finally, force must be used as the means to this end. The Tada pamphlet was soon followed by action General Doihara, chief of the Bureau of Special Affairs in Manchuko, appeared on the scene. His activities in stirring up troubles are well known. October 20 saw the first manifestation of the autonomous movement. A riot broke out in Hsiang Ho, a district not far from Peiping, supposedly against the tyranny of the district government. But it soon transpired that six Japanese participated in the riot and Colonel Ogi had the embarrassment of taking them back to Peiping although General Tada declared that there was no need for Japanese intervention. The Japanese papers reported that the popular movement in Hopei was peacefully settled as a result of the mediation of the Japanese officers. Since November hand-bills and posters written in a style clearly Japanese began to appear in the Japanese concession in Tientsin and in Chinese sections adjoining it. On November 25 a gang of hooligans morphine addicts garbed in Manchukuo police

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

TELEGRAM

China Radio---3

The President:

The White House Washington

uniforms came out of the Japanese concession to inaugurate autonomy. In Tientsin the local population at first regarded it with cynical amusement but later displayed such a hostile attitude that the paraders had to make a hasty retreat. Simultaneous with the Tientsin fiasco Yinjuking whose connections with the Japanese have a long history inaugurated in the little quiet city of Tungchow what is called the East Hopei autonomous counsel against communism although the National Government ordered his arrest Yin is perfectly assured by the Japanese that he will enjoy complete immunity. That the popular sentiment is overwhelmingly against any attempt at separation is seen by the fact that leaders in all walks of life have publicly voiced their unconditional opposition to the so-called autonomous movement. The Tuliu incident happened only a few days ago in which a band of fifteen Japanese spreading according to the account of the Japanese newspapers autonomy propaganda along the Tientsin-Pukow Railway were beaten up by indignant villagers unmistakably indicate temper of the people. But no amount of popular opposition would stop the Japanese military from attaining by force and fraud their final objective. We in the name of four hundred million Chinese people appeal to you to take such immediate action as you may deem appropriate to check the advance of a menace which is threatening world peace.

The Universities of Peiping and Tientsin;
 Bankers Associations in Peiping and Tientsin;
 Chambers of Commerce in Peiping and Tientsin;
 North China Manufacturers Association.

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

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TELEGRAM RECEIVED

FS

1-1336

FROM GRAY

Peiping via N. R.

Dated December 26, 1935

Rec'd 7 a. m.

Secretary of State,
Washington.

246, December 26, noon.

Following from Shanghai:

"December 25, 11 p. m. Tang Yu Jen, former Vice Minister of Foreign Affairs, was assassinated at 4:45 p. m. today outside premises at 235 Rue Gaston Kahn, Shanghai. It is consensus of opinion that same forces which attempted assassination of Wang Ching Wei are responsible. It is understood that serious view is taken by Japanese Embassy and that its spokesman has said that this event demonstrates inability of authorities to prevent outrages perpetrated by elements inimical to Sino-Japanese cooperation."



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DEC 30 1935

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

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GRAY AND PLAIN

1-1336

FROM Shanghai via N. R.

Dated December 25, 1935

Rec'd 9 a. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 26 1935
Department of State

793, December 25, 11 a. m.

My December 24, 5 p. m. and December 24, 7 p. m.

(PLAIN). Following departure of two train loads
of students Chinese authorities succeeded in dispersing
student groups at North Station and so far as is known
effected dispersal without serious injury to anyone.

(GRAY). One. Train stopped at Kunshan about
fifty miles from here due to alleged engine trouble
and the other at Soochow on a similar pretext. Chinese
authorities thereupon commenced to negotiate with the
students and endeavored to extract from them a guarantee
of good behaviour and a promise to refrain from further
demonstrations if they were taken back to Shanghai.
Reliably informed this morning that the students have
refused thus far to give the desired guarantee and that
negotiations are continuing; (END GRAY) also reliably
reported that two small groups of students are engaged
this morning in lecturing and distributing handbills in
the

793.94/7571

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DEC 30 1935

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

FS 2-No. 793, December 24, 11 a. m. from Shanghai

the Nantao and Siccawee areas and that they may attempt
to enter the settlement later. Situation generally
easier.

Repeated to Department and Nanking.

WWC

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

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GRAY & SPECIAL GRAY

1-1336

FROM

Nanking via N. R.

Dated December 26, 1935

Rec'd 7 a. m.

Secretary of State,
Washington

DIVISION OF
FAR EASTERN AFFAIRS
DEC 26 1935
Department of State

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

153, December 26, 11 a. m.

One. I called at the Foreign Office this morning to express the Embassy's regret at the assassination of Tang Yu Jen and was received by Hsu Mo's assistant who described the murder as unquestionably the work of anti-Japanese elements taking a misguided revenge upon Tang for the latter's prominence in Sino-Japanese negotiations and discussions and stated that according to the Foreign Office's information four or five unknown persons opened fire upon Tang as Tang was leaving his residence in the French concession in Shanghai at about five p. m., December 25th, and that Tang died while being taken to hospital.

Two. Repeated to Department and Peiping.

HPD

ATCHESON

FILED
DEC 30 1935

793.94/7572

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

TELEGRAM RECEIVED

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

LMS

1-1338

FROM GRAY AND SPECIAL GRAY

Nanking via N. R.

Dated December 26, 1935

Rec'd 10:55 a. m.

Secretary of State,
Washington.

Division of
EASTERN AFFAIRS
DEC 26 1935
Department of State

154, December 26, 3 p. m.

Shanghai's 793, December 25, 11 a. m.

793.94
One. Some of the Shanghai students are reported to have reached Changchow (Wutsin) about half way to Nanking this morning. I am reliably informed that a train of heavily armed gendarmes has been despatched from Nanking to that place and that Chiang Kai Shek has ordered the rails torn up if necessary to stop the students' approach.

Two. The possibility that the Shanghai students would reach Nanking and threats of difficulty with local student bodies impelled the National Government yesterday to issue a mandate stating that bad characters were taking advantage of the situation to create disorders and shouting that martial law be declared in important areas. Nanking has been under martial law since last night.

Three. No student demonstrations have occurred in Nanking

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DEC 30 1935

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

LMS 2-No. 154, December 26, 3 p. m. from Nanking.

Nanking since December 19 probably because Chiang Kai Shek on December 23 invited educational heads and student representatives to meet with him in Nanking January 15 and issued orders to the Ministry of Education that students should devote themselves to studying.

Four. Suma yesterday called "Unofficially" upon the Minister for Foreign Affairs to bring to latter's attention the anti-Japanese character of the student demonstrations. To a foreign news correspondent this morning Suma characterized the lack of control over the students as a "glaring example of the national government's impotence".

Five. Repeated to the Department, Peiping and Shanghai.

CSB

ATCHESON

126

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

TELEGRAM RECEIVED

LMS

FROM

GRAY

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

Shanghai via N. R.

Dated December 26, 1935

Rec'd 1:50 p. m.

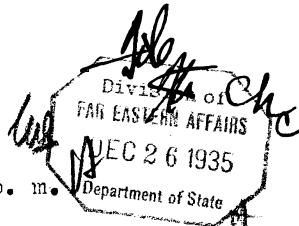
Secretary of State,

Washington.

PRIORITY.

794, December 26, 5 p. m.

Section one.



Local authorities advise that one train load of students were persuaded to return and were taken to Woosung last night, that the other group refused to come back, seized the station master at Soochow as a hostage, manned an engine themselves, and proceeded on their way despite the removal of sections of rails, government stores and other obstacles placed in their way, having reached the neighborhood of Chinkiang according to latest report. This morning several hundred students were delayed in Chinese territory south of French concession, and the students of Kwanghua University were recruiting ~~vanguard~~ ^{volunteers} to go to Nanking. Situation continues to cause concern. Section two follows.

CSB

DAVIS

793.94/7574

FILED
DEC 28 1935

F/FG

126

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

TELEGRAM RECEIVED

FS

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

Shanghai

FROM Dated December 26, 1935

Rec'd 10 a.m.

Secretary of State,
Washington.

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

794, December 26, 5 p. m. (SECTION TWO)

My December 24, 7 p. m.

LMD
DOR

CONFIDENTIAL. Abend, NEW YORK TIMES correspondent ^{SAW*} ~~posted~~ T. V. Soong this morning and that he is extremely pessimistic over outlook. He says the government is too pro-Japanese to retain public confidence, that he expects to see the student movement spread and result in violence on the part of the authorities, a renewal of the anti-Japanese boycott or both, that in either event the result would be disastrous for the present government and that he considers Shanghai the real danger spot ^{OF CHINA*} ~~(?)~~ at present. It is reported for the strictly confidential information of the Embassy that a tourist visa has been granted to him and his family for travel to the Philippine Islands. He is concerned over the assassination of Tang Yu Jen yesterday afternoon especially because of his having been closely identified with the Japanese.

Repeated to the Department and Nanking.

CSB

DAVIS

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

(CONFIDENTIAL)

PARAPHRASE

Section two of a telegram (No. 794) of December 26, 1935, from the American Consulate General at Shanghai reads substantially as follows:

According to the NEW YORK TIMES correspondent (Abend), who saw T. V. Soong on December 26, Soong is very pessimistic in regard to the outlook. Soong believes that the Nanking Government is too pro-Japanese to hold the confidence of the public and he anticipates that the student movement will spread and result in a renewal of the anti-Japanese boycott or violence on the part of the authorities or both. Soong believes that in either case there would be disastrous results to the present government and that at present the real danger spot is Shanghai. Soong is concerned on account of the assassination on December 25 of Tang Yu-jen, particularly because of the fact that Tang had been identified closely with the Japanese. The Consulate General reports strictly confidentially that a tourist visa for travel in the Philippines has been granted to Soong and his family.

793.94/7574

FE:EGC

FE

XII-27-35

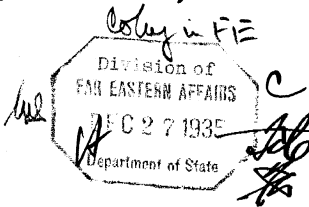
126

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

NO. 128

AMERICAN CONSULATE

Tsinan, China, November 27, 1935.



14394

SUBJECT: Manifestations of the Autonomy Movement.

1-1055
1935
11:36 PM
1
S. 1
SIGN OF
COMMUNICATIONS
AND RECORDS
THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON

For Distribution-Check		Yes	No
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For	<i>Deputy</i>		
	To field In U.S.A. <i>ONI</i> <i>MLD</i>	<input checked="" type="checkbox"/>	

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

SIR:

I have the honor to submit herewith a copy of
this consulate's despatch No. 187 of November 27,
1935, to the American Embassy, Peiping, on the above
subject.

Respectfully yours,

H. E. Stevens
H. E. Stevens,
American Consul.

✓ Enclosure:

Copy of despatch No. 187
of November 27, 1935,
to American Embassy,
Peiping, China.

In quintuplicate.

800
HES:KCC

DEC 20 1935
FILED

793.94/7575

F/FG

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

No. 187

AMERICAN CONSULATE,
Tainan, China, November 27, 1935.

Subject: Manifestations of the Autonomy
Movement.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to inform the Embassy that the flight of Japanese aeroplanes over this city has become almost a commonplace. Since the first of the month, nine such flights have been recorded, all being plainly visible from the consulate, and on three occasions the planes flew back and forth over the consulate at a low altitude. There seems to be no questioning the evidence that all of these planes belong to the Japanese army squadron at Tientsin and that their visits here have coincided with the arrival and departure of Japanese military officials, including such persons of prominence as General Iwane Matsui, retired, and Lieutenant-Colonel S. Hanaya, both of whom are believed to be associated with the North China machinations of Major-General Doihara.

The

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

- 2 -

The consulate's contacts with the provincial and municipal administrations at Tainan have given no very satisfactory explanation of what is at the bottom of these frequent visits. General Han Fu-chu, who is known to have interviewed and entertained such officers on several occasions, has become so reticent and non-communicative of late that neither my German colleague nor I have been able to find out much from him. The Japanese Consul General here, Mr. K. Nishida, professes to be as much in the dark on what is to develop from these visits as we are. The Embassy will recall that the local Japanese military officer, Major Ishino, who claims the title of Attaché, maintains an office of his own apart from the Japanese consular premises. One observer has reported that Major Ishino's office is now very active and that the reasons for assuming as much are the frequent calls there of visiting Japanese officers and late hours.

The Mayor of Tainan intimated in a conversation with me a few days ago that he was very nervous over the situation and that he was prepared to give up his post and depart in case the provincial authorities gave in to the autonomy movement. Also in this connection it is rumored, with what reliability I cannot say, that at least two of General Han's divisional commanders would not throw in their lot with any champion of Japanese intrigue. Anyhow, it seems safe to predict at this

juncture

0268

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

- 3 -

juncture that Japanese pressure has not ceased in this quarter and that the political calm now prevailing on the surface has underneath it a disturbing aspect.

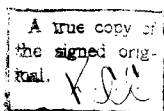
In conclusion it may be added that the consulate has tried in vain to discover the existence in this district of a "Shantung People's Autonomous Association" (mentioned editorially in the November 26th issue of the Peiping Chronicle). Should the existence of this or any similar organization come to the notice of the consulate the Embassy will be informed.

Respectfully yours,

H. E. Stevens,
American Consul.

Original to Embassy.
Copy in quintuplicate sent to Department
by despatch No. 128 of November 27, 1935.
Copies to Nanking, Tsingtao, and Chefoo.

800
HES:KCC



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

BC

TELEGRAM RECEIVED

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

1-1336

FROM

Nanking via NR

Dated December 27, 1935

Received 10:15 AM

Secretary of State, *hul*
Washington.



155 December 27, 3 p.m.

My 154 December 26, 3 p.m. / 7573

One. The Nanking garrison commander and a representative of the Executive Yuan yesterday proceeded to Chanchow or Wusih to deal with the Shanghai students. According to a railway source the students who did not return to Shanghai are at Wusih, their lines having been broken by the removal of a nearby railway bridge. This source states that while the students were meeting in a Wusih theatre this morning the railway authorities recovered the train which the students had commandeered.

Two. Resumption of train service to Shanghai was instituted today by the despatch of a train shortly after noon. Subsequent trains are expected to proceed on schedule.

Three. Some 300 local students attempted to hold a parade here late yesterday afternoon but were prevented by the gendarmerie. No disorder was reported.

ATCHESON

CSB

793.94/7576

FILED
DEC 31 1935

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

TE

TELEGRAM RECEIVED

WWC

1-1336

Gray,
FROM
Shanghai Via N.R.

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

Dated December 27, 1935,

Received 11 A.M.

Secretary of State,
Washington D.C.

796. December 27, 5 P.M.

My December 26, 5 P.M.

62/14
Division of
EASTERN AFFAIRS
DEC 27 1935
Department of State
C

793.94

According to police sources the local situation
considerably.
has improved. The second train load of students was at
Wushih this afternoon and is expected to arrive
Shanghai before tonight. The authorities assisted by
rainy weather have succeeded in preventing meetings
and demonstrations of any consequence during the past
24 hours. Martial law has been in effect in Chinese
controlled territory since the 24th, but special
measures there and in the Settlements were relaxed
somewhat yesterday and today.

Repeated to Department and Nanking.

DAVIS.

WWC-HPD

FILED
DEC 31 1935

793.94/7577

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

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

TELEGRAM RECEIVED

1-1386

FROM

LMS

GRAY

Nanking via N. R.

Dated December 27, 1935

Rec'd 12:35 p. m.

Secretary of State,
Washington.

157, December 27, 5 p. m.

My 155, December 27, 3 p. m. I am reliably in-
formed that after discussions with the Government
representatives the Shanghai students at Wusih en-
trained for Shanghai at 3 o'clock this afternoon.

WNC:CSB

ATCHESON

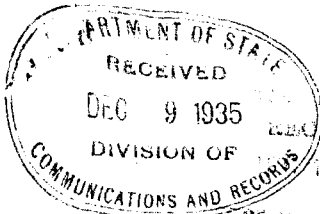
793.94/7578

FILED
DEC 30 1935

F/FG

0272

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



File
 Division of
 FAR EASTERN AFFAIRS
 DEC 4 - 1935
ad

December 7 1935

FE

655 Park Avenue,
 New York City, Dec. 3, 1935.

My dear Secretary:

Forgive me for again bothering you about Pacific affairs.

793.94
 When Taft was en route to his post in the Philippines he made a magnificent address at Shanghai that quite captured the hearts of the Chinese. While he was in the Far East he became intensely interested in our whole politics of the Pacific. Because of his expression and my own feeling that it was time to put his ideas into effect, I campaigned and voted for him for President. Afterwards he asked me to go to Peking, not alone as Minister but to help him develop his ideas about the Pacific. Unfortunately he had a Secretary of State, Knox, who was only interested in Wall Street, which had some plans of its own out there, and an Assistant Secretary of State, Wilson, who was only concerned in promoting the Japanese. This was the best dream Taft had but, like Lincoln, he had so little influence in his own administration that he could not give life to his doctrines.

The politics of the Pacific is still an open affair and the distribution of powers has changed so much since Taft's time that a new doctrine ought to be evolved. In the old days orthodox Russia counted for much. France, Italy and Portugal were also active and, of course, England. The change can be measured quite accurately by contrasting the rapid progress made under the Hay Open Door Doctrine - now dead - with the way Stimson's Manchukuo doctrine failed, not even England giving it consideration.

I suppose it is inevitable that China will come under Japanese control but the Pacific, the great ocean of the next century, is still free and it ought not to be a Japanese ocean. It ought to be Anglo-Saxon. England still has some power there through her naval base at Singapore. Australia is waking up rapidly and has recently noted many Japanese fishermen in her waters who, she feels, are not concerned with fish alone. Canada is conscious of her position in the Pacific but has not taken any active measures. The recent great improvement in our relations with Canada would seem to make it worth while to encourage her to look out toward the Pacific and strengthen her position.

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

793.94/7579

F/FG

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

- 2 -

The Naval Conference in London is quite unpromising and if the Japanese hold firm to equality the proper answer is for the British and American fleets to be considered as one. We have no conflict of interests in the Atlantic and we shall need the united fleets to protect our common interest in an Anglo-Saxon Pacific.

There is still a chance for a Hull doctrine of the Pacific and you have over a year to develop it.

with great respect and the season's greetings,

Yours Faithfully
Charles R. Crane

0274

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

December 7 1935

My dear Mr. Crane:

I am glad to have your thoughtful letter of December 3 in regard to Pacific affairs. As you well realize from your intimate acquaintance with and long study of this subject, the problems of the Pacific are not only of outstanding importance but are also perplexing and difficult.

Your suggestions are very much appreciated, as are your greetings which I cordially reciprocate.

Sincerely yours,

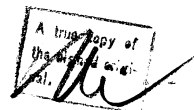
Cordell Hull

793.94/7579

Mr. Charles R. Crane,

655 Park Avenue,

New York, New York.



FE:MMH:EJL

FE

12/5/35

DEC 9, 1935
mm

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

TELEGRAM RECEIVED
GRAY AND SPECIAL GRAY

LMS

Peiping via N. R.

FROM
Dated December 27, 1935

Rec'd 2:00 p. m.

Secretary of State, Division of
Washington, EASTERN AFFAIRS

DEC 28 1935

Department of State

247, December 27, 3 p. m.

Embassy's 243, December 23, 4 p. m.

One. Hopei Chahar Political Council appointed
Chen Chueh Sheng acting managing director of the
Peiping Mukden Railway without prior approval of the
National Government. Chen assisted by some twenty
members of the Peace Preservation Corps and some
twenty railway men took over the Tientsin offices
of the railway December 26. Chen, who is an adviser
of General Sung, has a Japanese mother and has been
an important negotiator between the Japanese and
Sung's group. The act was perhaps hastened by the
knowledge that the Minister of Railways was to ar-
rive at Tientsin this morning. This act may be the
beginning of a series of acts by which the Hopei Chahar
Political Council will take over charge of various
organs hitherto controlled by the National Govern-
ment. Each act will increase the indefinite

character

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

72

1-1336

793.94

793.94/7560

793.94/7580

RECEIVED
DEC 30 1935

1274

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

LMS 2-No. 247, December 27, 3 p. m. from Peiping.

character of the ^{Sung}~~Szechwan~~ regime.

Two. Yin Ju Keng declared December 26 vacancy in his autonomous Government and he has assumed the title of Governor. This is presumably intended to indicate an even greater independence of his regime than heretofore existed.

Three. There are unconfirmed reports that Teh Wang declared a few days ago the independence of the Mongolian autonomous Political Council. If this has not yet taken place it is anticipated that it may shortly occur as there is little if any possibility that Teh will find relief from Japanese pressure on him to effect this step.

Four. Doihara is reported to have left Tientsin December 26 for Hsinking for consultation.

By mail to Tokyo.

CSB

JOHNSON

*Correction made
3/26/36
A.E.H*

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

Feb. 17, 1935

~~MSM~~
~~MMH~~
~~SKH~~

To note Major General
 Kilbourne's views in
 regard to the Protocol
 troops in China.

977.

0278

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

COPY

HEADQUARTERS PHILIPPINE DEPARTMENT
 Office of the Department Commander.

SECRET

OCR

Confidential

DECLASSIFIED
 E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Date, May 3, 1972

Manila, P.I. Dec. 28, 1935. File

By U NARS Date 3/19/73

DIVISION OF
 FAR EASTERN AFFAIRS
 14 1936
 Department of State

Subject: Observations Concerning Situation in North China

To: The Adjutant General, Washington, D. C.

93.94/758
 24.9318
 124.93

1. The following observations, which it is believed will be of interest to the War Department, were made during a recent inspection of the U. S. Army Forces in China:

a. The only positive opinion of the probable progress of events in China I was able to obtain, was that there is no doubt Japan is deliberately and systematically endeavoring to wipe out all Western influence in China. This is the opinion of the United States Ambassador and also of the Ambassador from Great Britain.

b. The system of a so-called Independent State or Autonomous State, the officials of which are directed by Japanese or controlled by Japanese, is the method which will be followed step by step toward this organization. Action will be taken gradually so that no single advance will be sufficient to arouse the opposition of a consolidated world opinion.

124.9318
 c. The position of the Protocol Forces is an anomalous one. The mission given these forces is no longer applicable to the situation. There has been no meeting of the Commandants of the Protocol Forces to discuss common action in emergency since 1931. Nevertheless, the presence of these forces is believed by all to be of considerable value in that they do serve to check and modify to a degree the activities of the Japanese, probably because the latter realize they are under constant observation. Also, while it is generally believed no serious disorder endangering foreigners need be anticipated as long as North China's police forces are in reality under Japanese control, nevertheless, it is believed that, should Japan find it necessary to turn her main attention elsewhere, there would be a general rising against those officials who have yielded to Japanese pressure, and that, in such event, the Protocol Troops would be necessary for the protection of Americans and Europeans.

2. My former opinion was that our troops should be given a definite mission or withdrawn; I felt that their presence was more liable to cause international friction than to prevent it. However, after close contact with the local situation, I believe this is a danger we must accept, and that the troops should remain. The Legation Guard in Peiping is an absolute necessity.

793.94/7580 2

Confidential File

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UNCLASSIFIED
 1936

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

SECRET

12493

3. The question of continuing the Legation at Peiping while the capital of China is at Nanking, was discussed with the American Ambassador who states that the Legations should remain where they are by all means. He called attention to the many past changes in the location of the capitol of China and states that Peiping has practically always been the place where the closest touch with events could be maintained. He also states that no action taken toward the formation of an autonomous state or the annexation of the Northern Provinces to Manchoukuo could in any way embarrass him because, as far as he is concerned, it is all still part of China. Apparently our Ambassador is the dominating force among the foreigners in North China -- the British Ambassador states that he leans very heavily upon him for advice.

/s/ CHARLES E. KILBOURNE,
Major General, U. S. Army,
Commanding.

*A. G. Cooper
M. H. G. S.
Lt Col.*

SECRET

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

LMS

TELEGRAM RECEIVED M.I.D.
 SPECIAL GRAY

Nanking via N. R.

FROM Dated December 27, 1935

Rec'd 2:10 p. m.

Secretary of State,
 Washington.

Division of
 EASTERN AFFAIRS
 DEC 28 1935
 Department of State

156, December 27, 4 p. m.

My 153, December 26, 11 a. m. /7572

One. A report is circulating in National Government circles that prior to his murder Tangyu Jen received a threatening letter purporting to have been sent by a group of self styled patriots, that Yang Yung had received a similar letter and that
 → Chiang Kai Shek and H. H. Kung are also listed for attack. I have not been able to confirm this report but understand that it is vouched for by an official of Cabinet rank. I repeat it for what it may be worth and because it is causing concern to National Government officials who, in the words of one, fear that a "reign of terror" may have commenced.

Two. Rumors that Wang Ching Wei died some days ago are denied by reliably informed sources.

Repeated to Peiping.

CSB

ATCHESON

793.94
 note
 893.00

793.94/7581

DEC 30 1935

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Jan. 2, 1935,

mpd.

The appendix outlines
 a conversation with
 General Araki.

Not particularly
 enlightening, except as
 it reveals the
 General's convictions in
 regard to Japanese
 actions in China.

2111

028

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



EMBASSY OF THE
 UNITED STATES OF AMERICA
 Tokyo, December 7, 1935.

No. 1579.

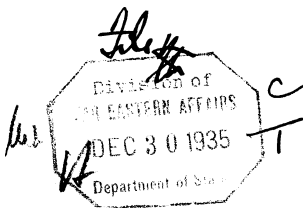
SUBJECT: THE OPINIONS OF GENERAL SADAO ARAKI.

793.94

RECEIVED
 DEPARTMENT OF STATE

1935 DEC 30 AM 11 46

DIVISION OF
 COMMUNICATIONS
 AND RECORDS



For Distribution-Check		Yes	No
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For			
	To field In U.S.A.		
	ONLY MID		H

The Honorable

The Secretary of State,
 Washington.

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

Sir:

1/ I have the honor to enclose herewith a memorandum of a conversation between an European journalist, who prefers to remain anonymous, and Mr. Dickover, of the Embassy, in which was described an interview which the journalist had recently with General Sadao Araki, formerly Minister for War and now a member of the Supreme War Council. In the interview the General gave his views in regard to affairs in the Far East, with particular reference to Manchuria and North China.

In

793.94/7582

FILED

F/FG

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

- 2 -

In view of the trend of events in Manchuria and North China, the expressed opinions and ideals of General Araki may seem somewhat hypocritical, but many observers in Japan are convinced that General Araki is entirely sincere in his expressions.

Respectfully yours,



Edwin L. Neville
Chargé d'Affaires ad interim.

✓ Enclosure: Memorandum of Conversation.

800.

ERD:r

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

Enclosure No. 1 to despatch
No.1579 of December 7, 1935
from the Embassy at Tokyo.

Memorandum.

Conversation.

December 4, 1935.

An European Journalist

Mr. Dickover.

Subject: The Ideals of General Araki.

I had a conversation today with an European journalist who, through friendship with a retired Japanese Army officer named Yamada, recently had an opportunity to dine and talk with General Araki. General Araki was not speaking for publication, and consequently the journalist can only tell of his interview in confidence. He prefers that he remain anonymous, for fear of losing his contacts should it become known that he had disclosed the gist of his conversation with General Araki.

The journalist first asked General Araki the meaning of "Kodo", the phrase usually translated as "The Imperial Way". The General explained it in one word, "cooperation". He said that "Kodo" meant cooperation between all nations, so that the nations might live together in peace and harmony, each in its own proper sphere and each developing its own civilization. The strong should protect and help the weak but should not oppress them.

The conversation having turned to Manchuria, General Araki said that Japan had no intention of annexing Manchuria. The Emperor would not permit it. Also, Japan had no intention of exploiting Manchuria for the benefit

of

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

- 2 -

of the Japanese, as Chang Tso-lin and ChangHsueh-liang had exploited it for their own benefit. Asked why, in such case, Japan had occupied Manchuria, the General asked why Great Britain maintained war vessels in Chinese waters. The reply was that it was to maintain British prestige with the Chinese people. The General said that that was exactly the reason Japan had occupied Manchuria - to maintain Japanese prestige. The Chinese had not been treating Japan and the Japanese with the proper respect, and it had become necessary to do something to compel the Chinese to respect Japan.

Asked if Japan intended to take over North China, the General replied that Japan did not want to take over and occupy any part of China below the Great Wall - the Emperor would not allow it. The purpose of the Japanese pressure in North China was to eradicate anti-Japanese activities, and not only anti-Japanese but anti-foreign feeling. The Japanese Army had thought that by occupying Manchuria they could force the Chinese to give up their anti-Japanese propaganda, but the move had not been successful. So the Japanese were compelled to go on and endeavor to frighten the Chinese into better behavior toward Japan. It was all a part of the task of maintaining prestige. If the Japanese should give up their activities in North China now, the Chinese would think that the Japanese were defeated, and Japanese prestige would be lost.

The General stated further that Japan was destined to act as a bulwark against Bolshevism. The family system

is

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

- 3 -

is the back-bone of all Oriental life and culture. Without the family system all Oriental organizations would fall to the ground. Communism, on the other hand, tends to destroy the family. It is therefore essential that Communism not be permitted to enter China and Japan. The Chinese must work with the Japanese to resist the invasion of Communism. Japan does not want to fight China, or the United States or Great Britain, but it will fight the Soviet Union instantly if necessary to protect China and Japan against Communism. General Araki himself was inclined to like the Russians, whom he characterized as "big, strong, simple men", but he hated Communism.

In regard to Japanese intentions in China, General Araki said that Japan wants to develop China for the benefit of the world. The Western nations are not able to assist China to any great extent because they cannot, figuratively speaking, go down into the sewers and clean them up. The Japanese can and will do this dirty work and will drag the Chinese out of the morass into which they have sunk. Japan would be the "policeman" of China, keeping China in order for the good of the whole world. China has not paid "dividends" in the past and money invested in China by foreign countries has usually been lost. Japan will make China pay "dividends". But Japan does not want to possess an inch of Chinese territory.

Asked how he reconciled these statements with the utterances of Japanese Army officers in China and Manchuria, the General said that such utterances were simply

for

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

- 4 -

for the purpose of intimidating Nanking.

The General further said that Japan could do a great deal in increasing the welfare and happiness of the Chinese people by raising their standard of living and supplying them with cheap goods which they could afford to buy, and which the Western countries could not supply at prices which the Chinese could pay. There was no intention of trying to exclude proper and legitimate activities of Western nations in China. Each nation should work along its own lines for the development of China.

The journalist stated that such sentiments did not accord well with the course of events in Manchuria, where Western traders were being deprived of their rights. General Araki said that one must not view any particular situation "through a small frame" and that one must take a broad view of the whole situation. He said that the trouble with diplomats was that they examined and discussed each item separately and could not see the forest because of the trees. At the same time, he said, it should be understood that the Army cannot always carry out its desires. The Osaka traders do not see things the same way as does the Army, and the Army sometimes has to make concessions to the Osaka traders. But, said the General, it is impossible to open up Manchuria to everyone, like Shanghai. If that should be done, the Russians would flock in. (General Araki apparently has a Russophobia.)

General Araki spent some time in Russia during the Great War, and is generally considered friendly (insofar as any Japanese can be) toward Russians.

General

WTF

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

- 5 -

General Araki expressed a liking for the British. He liked them as "gentlemen" and liked their individualism, but he condemned their policy in China. He said that it was a patch-work policy, and as a result Great Britain had fallen from first place to third place in China's trade. General Araki said that he had even greater respect and liking for the Americans. He liked the honesty of American traders. He believed that Japan and the United States should work in peace and harmony for the development of China.

E.R.D.

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, December 9, 1935.

No. 1581.

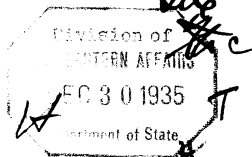
SUBJECT: TRANSMITTING A NEWSPAPER ARTICLE FROM THE OSAKA
MAINICHI AND THE TOKYO NICHU NICHU.

793.94

RECEIVED
DEPARTMENT OF STATE

1935 DEC 30 AM 11 46

DIVISION OF
COMMUNICATIONS
AND RECORDS



For Distribution-Check		Yes	No
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For			

The Honorable

The Secretary of State,
Washington.

Sir:

1/

I have the honor to enclose, as of possible interest to the Department, an article written by Mr. K.K. Kawakami which appeared in the OSAKA MAINICHI AND THE TOKYO NICHU NICHU of November 22nd. Mr. Kawakami states that the American Government considers inadvisable the invocation of the Nine Power Treaty in the present North China situation since the circumstances surrounding the autonomy movement in that region seem to be different from the circumstances under which "Manchukuo" became independent and that

it

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JAN 3 - 1936

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

- 2 -

it is thought in American official and private circles that the United States will not even address an inquiry to Japan so long as the latter country stays in the background and refrains from intervention with military force in North China.

Respectfully yours,



Edwin L. Neville
Chargé d'Affaires ad interim.

Enclosure:
1. As stated.

710.

GDA:r

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

Enclosure No. 1 to despatch
 No. 1581 of December 9, 1935
from the Embassy at Tokyo.

The Osaka Mainichi.

Osaka, Friday, November 22, 1935.

'U.S. Will Stay Quiet On N. China Question If Rights Are Safe'

'NOT EVEN INQUIRY'

**Washington Not Thinking of
 Taking Any Action at
 Present, View**

By K. K. Kawakami
 Staff Correspondent

WASHINGTON, Nov. 20.—

Though viewing the developments in North China with much concern, the Washington government is contemplating no action as long as American interests are not jeopardized.

Invocation of the Nine-Power Treaty for preserving China's integrity is considered inadvisable since the circumstances surrounding the present autonomy movement in North China seem to be quite different from the circumstances under which Manchoukuo became independent.

Cognizance is taken here that Chinese leaders themselves apparently occupy the forefront in the present autonomy movement, while the Japanese military remains in the background. Nor is it ignored here that Japan's present objective is not to separate the five provinces of North China from Nanking's sovereignty, as in the case of Manchoukuo, but to establish an autonomous regime in a part of China.

It is generally assumed in both official and private circles that the autonomy movement was inspired by Japan, but so long as Japan stays in the background and refrains from intervention with military force it is thought the United States will not approach Japan even for inquiry, and thus unless military operations complicate the situation, few expect a Japan-American diplomatic issue.

All agree that Japan, having learned a lesson from her Manchoukuo experience, is acting more adroitly, and the general feeling also is that Japan has deliberately chosen the present moment of the European imbroglio to foster the North China autonomy.

1292

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 4, 1936

~~MEMO~~ ~~RECEIVED~~
~~WET~~
~~1000~~ ~~5111~~ (Enclosure No. 2)

Peiping's 114 of December 6, 1935 sets forth the views of T. Hagiwara, 3rd Secretary of the Japanese Embassy at Peiping, it being observed that these might in some measure reflect the views of Ambassador Ariyoshi.

(1) A great deal of the trouble in North China results from the Chinese trying to serve 2 masters - to derive benefit if the autonomy movement succeeded and at the same time endeavoring to remain on friendly terms with Nanking in case autonomy should not succeed (2) Doi-hara is absolutely without authority for the action he is taking in the North (3) the Japanese military are stupid in believing that certain

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

2

Chinese officials are more favorable to the movement than they actually are and (4) Leith-Ross had asked whether Japan would consider participating in an international loan to China but that Tokyo had not replied as yet.

CSR
CSR

029

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 114

Peiping, December 6, 1935.

Subject: Views of Mr. T. Hagiwara on Sino-Japanese Relations.

793.94

STRICTLY CONFIDENTIAL

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 DEPARTMENT OF STATE

1935 DEC 30 PM 1 35

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

62-7-15 FLE
 DIVISION OF
 FAR EASTERN AFFAIRS
 DEC 30 1935
 Department of State
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COPIES SENT TO
 O.N.I. AND M.I.D.

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

1-2/

I have the honor to enclose two memoranda of conversations which a member of the Embassy had with Mr. T. Hagiwara, Third Secretary of the Japanese Embassy at Shanghai. Mr. Hagiwara is an exceptionally well-informed diplomat who is highly thought of by his colleagues. As he is close to Mr. Ariyoshi, the Japanese Ambassador, it is thought that Mr. Hagiwara's views may in some measure reflect those of Mr. Ariyoshi.

Mr. Hagiwara

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FILED
 JAN 13 1936

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0294

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

- 2 -

Mr. Hagiwara stated in the first conversation that Sir Frederick Leith-Ross had asked whether Japan would be willing to participate in an international loan to China, that the inquiry had been referred to Tokyo, but that no reply had yet been received. Mr. Hagiwara viewed such a loan unfavorably, believing it to be unnecessary. He gave the impression that the Japanese feel that Sir Frederick is behaving as if he were the British Ambassador and that they resent this.

Mr. Hagiwara stated during the second conversation that a great deal of the trouble in North China arose from the fact that various Chinese were trying to serve two masters; that is, they hoped to improve their own positions under autonomy, at the same time endeavoring to remain on friendly terms with the National Government in case autonomy should not take form. Mr. Hagiwara views the Japanese military as stupid for allowing themselves to be taken in by the Chinese and for believing that some Chinese leaders were more favorably inclined toward autonomy than they actually were.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓
 Enclosures:

Two memoranda of conversations
 with Mr. Hagiwara, dated Shanghai
 November 22, 1935.
 710 Sino-Japanese/851 Loan- Misc.
 LES-SC
 Original and four copies to Department.
 Copy to American Embassy, Nanking.
 Copy to American Embassy, Tokyo.

4

FC

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

ENCLOSURE NO. 1
 114

MEMORANDUM OF CONVERSATION

Shanghai, November 22, 1955.

CONFIDENTIAL

Present: Mr. T. Hagiwara, Third Secretary of
 Japanese Embassy,
 Mr. Lyon.

Subject: Sino-Japanese relations.

During the course of a conversation today with Mr. Hagiwara, I asked him what news he had received from the North. He replied that his Embassy there apparently thought there was already an autonomous state for it had not been sending any news to the Ambassador. He said that General Boihara was absolutely without authority for the action which he was taking in the North and that he represented nobody. Incidentally, he remarked that the first two characters of Boihara's name meant "bandit". He said Boihara appeared to be acting in accordance with his name. Mr. Hagiwara was of the opinion that a great deal of the trouble in the North arose from the fact that the various Chinese, such as Sung Che-yuan, were trying to serve two masters: they hoped under the autonomy movement to improve their own position; on the other hand, they were endeavoring to protect themselves with the National Government should the movement fail. Hagiwara believes that it was the Japanese military, "who are stupid people", who were taken in by the Chinese and believed that some Chinese leaders were more favorable to the movement than they actually were.

0294

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

- 2 -

08F ~~Konami~~ I asked Mr. Hagiwara if the recent recall of Mr. Wakasugi as Counselor of the Japanese Embassy in Peiping to Tokyo was because of his allegedly anti-military point of view. He said no; that he was recalled because recently a number of young Japanese foreign office and diplomatic officers had petitioned Hirota to retire elderly men, such as Nebuchi, Yoshizawa, and Yoshida, in order to make way for the young men. He believes that Mr. Wakasugi will be made head of some important department in the Gaimusho.

Incidentally Mr. Hagiwara stated that ^{//k}Triyoshi opened his conversation with Chiang Kai-shek of several days ago by stating that conditions in the North appeared to be becoming very serious, to which Chiang replied "They are not serious at all".

CBL

CBL-SC

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

ENCLOSURE No. 2
 INFORMATION No. 119

MEMORANDUM OF CONVERSATION

Shanghai, November 22, 1935.

CONFIDENTIAL

Present: Mr. T. Hagiwara, Third Secretary of
 Japanese Embassy,
 Mr. Lyon.

Subject: Japanese attitude toward Sir Frederick
 Leith-Ross.

In a conversation today with Mr. Hagiwara he informed me that Sir Frederick Leith-Ross had inquired of Mr. Ariyoshi whether or not Japan would be willing to enter upon an international loan with Great Britain, the United States, etcetera. Such a loan would entail the appointment of a foreign adviser to the Central Bank of China whose duty would be to see that the proceeds of the loan were not used for political purposes. This matter has been referred to Tokyo, but as yet no reply has been received. Presuming that Mr. Hagiwara's views represent those of his Ambassador and the Japanese Foreign Office, I gather that Japan is not at all in favor of such a loan, believing that such a loan is not needed. Mr. Hagiwara stated that not only the Japanese Army, but the Diplomatic Service feel that a "fast one" was put over on them by the Chinese through the nationalization of silver. This he says is very unfortunate just now because the Foreign Office was beginning to get the upper hand over the Army in Sino-Japanese relations. He feels that if Mr. Ariyoshi's conversations with Chiang are suc-

cessful,

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

- 2 -

cessful, things will be all right; if not, they may become very serious. (Personally he does not believe that these conversations will accomplish much.) Recently a political organization in Japan known as the "Blue Clouds" hired a whole page in a newspaper for a diatribe against Hirota, saying that he should resign because he had presented Leith-Ross to the Emperor, following which Leith-Ross had behaved in a manner most detrimental to Japan. From Mr. Magiware I gathered that the Japanese feel that Leith-Ross is behaving as if he were the British Ambassador to China, and this they rather resent. Recently Sir Frederick Leith-Ross annoyed the Japanese residents in Shanghai, for, having been invited to speak at a meeting of the Japanese Residents Association, he said as follows:

"In 1923 Germany was on the verge of bankruptcy. The Rhineland was occupied by the French. Germany applied to foreign countries for a loan. This loan was made, German credit was reestablished, and the Rhineland did not become an independent country."

Whereupon Sir Frederick sat down.

CBI-3C

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 4, 1936

~~MSM~~
~~WPT~~
~~MMH~~

Shanghai's 17 of December 9, 1935
reports the departure of C. T. Wang
for Japan.

Nothing new is set forth in
the despatch but the marked passages
should be noted.

CSR
CSR

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

No. 17

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, December 9, 1935.

Subject: Sino-Japanese Relations:
Departure of Dr. C. T. Wang.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to report that the sudden departure for Japan of Dr. C. T. Wang (王正廷), former Minister of Foreign Affairs and member of the Central Executive Committee, on the S.S. PRESIDENT JEFFERSON, on which the Congressional Delegation to the inaugural ceremonies of the Philippine Commonwealth were returning, occasioned considerable comment here. The Director of the local branch of the Foreign Office states that Dr. Wang left after consultation with General Chiang Kai-shek, that his real destination is the United States and possibly Europe, that the Japanese Military Attaché, Major General Rensuke Isogai, expressed disapproval of his departure at this time, that while traveling ostensibly as a private citizen he was really going to test sentiment toward China, and that his departure in the face of Japanese opposition is of great significance.

The

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793.94/7585

JAN 8 - 1936

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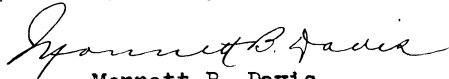
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

The CHINA WEEKLY REVIEW (American and Chinese registered) of December 7, 1935, features in a long article Dr. Wang's "Trip to Tokyo." Referring to the fact that he departed on November 26 in the company of the American Congressional Delegation the article states that the "sudden flare-up in Japanese military circles in China and Tokyo" indicates Japanese realization of the significance of his trip, that General Isogai not only strongly advised Dr. Wang not to go to Tokyo but said such a trip might be of personal benefit in improving "his understanding of Japan's unchangeable policy toward China," and that the bilingual NEW WORLD, close to Soviet Russian representatives here, considers Dr. Wang General Chiang's unofficial diplomatic representative sent on an errand to explain directly the real situation in China and his own position and attitude toward Japan.

Respectfully yours,


Monnett B. Davis,
American Consul General.

800
MBD:NHW

In quintuplicate
Copy to Embassy, Peiping
Copy to Embassy, Nanking
Copy to Embassy, Tokyo

0302

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 3, 1936

~~MSM~~
~~WTT~~
~~JMH~~

Shanghai's 14 of December 9, 1935, summarizes press reaction to the statements of the Secretary of State and the British Foreign Secretary anent the autonomy movement in North China.

The Chinese were gratified at the American and British statements but the Japanese press resented attempts abroad to connect Japan with developments in North China; warning Chiang Kai-shek that he must give up the policy of playing foreign powers against each other and must cease relying upon Europe and the United States.

~~CSR~~
CSR

030

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

No. 14

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, December 9, 1935.

793.94

Subject: Sino-Japanese Relations; Local Reaction
to Statements of Secretary Hull and the
British Foreign Secretary.

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

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DEPARTMENT OF STATE
JAN 13 1936
DEPARTMENT OF STATE
JAN 13 1936

Sir:

I have the honor to report that the statements made
on December 6, 1935, by the Secretary of State and the
British Foreign Secretary were featured prominently in
the Shanghai foreign press under such headlines as
"U.S. State Secretary Expresses Concern Over 'Autonomy' -
-- Asks Nations to Observe Treaties" and "Hoare Voices
Anxiety Over N. China Outlook" in THE CHINA PRESS of
December 7, 1935, and "America Issues Warning on The
Nine-Power Pact" and "Sir S. Hoare Expresses Anxiety
Over Autonomy Move" in the NORTH-CHINA DAILY NEWS of
the same date.

The Shanghai representative of the ASSOCIATED PRESS
telegraphed his principals in the United States on December
6, 1935, stating that a spokesman of the Chinese Foreign
Office had expressed gratification at the American and
British pronouncements, saying that the purpose of Chinese
representations at Washington and London was not to invoke
treaties but merely to call attention to the potentialities
of the North China situation. To the same source was at-
tributed

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JAN 13 1936
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

tributed a statement that apprehension was felt lest a "manufactured incident" transpire in the near future as a result of the Japanese Army's ire at the strengthened position of the Nanking Government.

According to summaries published in THE SHANGHAI TIMES of December 8, 1935, local Japanese dailies in Shanghai resented attempts abroad to connect Japan with developments in North China. The SHANGHAI NIPPO blames Ambassadors Quo Tai-chi and Dr. Alfred Sze for manoeuvres designed to turn American and British sentiment against Japan, saying that it "is utterly incomprehensible to us why the two Chinese envoys should seek to start new disputes in the Orient by appealing to London and Washington --- these attempts only serve to disturb the peace of the Orient and the world." The same journal attacks the United States for upholding the Nine-Power Treaty "as a golden rule" without understanding what is happening in China. It refers in uncomplimentary terms to Secretary Stimson's "fruitless meddling" in Oriental affairs and says that Japan is doing nothing contemplated to result in disturbances in China and the Far East. The MAINICHI sees in the "ill advised" propaganda abroad evidence of China's anti-Japanese sentiment, and expresses the view that her "efforts to bring foreign powers into the Oriental political whirlpool will complicate the international relations here and may even precipitate a crisis fraught with danger." It warns General Chiang Kai-shek that he must give up "the policy of playing foreign powers against each other and also of relying upon Europe and the United States."

The

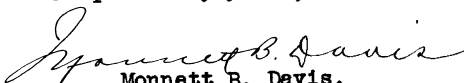
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

The NORTH-CHINA DAILY NEWS of December 7, 1935, states editorially that it is not surprising that the Foreign Secretary should consider the situation in North China "obscure" in view of Japanese statements that developments in North China are purely a Chinese move on the one hand, and Major-General Doihara's activities and pronouncements on the other. For the most part the English language press of Shanghai has not ventured editorial comment upon the two important statements under discussion.

Respectfully yours,


Monnett B. Davis,
American Consul General.

IN QUINTUPLICATE

Copy to the Embassy, Peiping.
Copy to the Embassy, Nanking.

800.
MBD/RN

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 7, 1936

~~MSH~~
~~MEH~~

Nanking's 51 of December 6, 1935 reports that newspapers in Peiping are almost entirely free from Chinese censorship and are thus free to criticize the National Government and Nationalist Party.

The first translation transmitted inveighs against the paucity of results achieved by the various congresses and plenary sessions and points out that while this dawdling continues the nation may be losing its last opportunity to resist Japanese domination. The unwieldiness, confusion and dilatoriness of the Chinese Government and officials are commented upon.

The second translation is much in the same vein.

csR

0307

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, December 6, 1935.

No. 51

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Subject: Criticism of the National Government
and the Nationalist Party.

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ASST. SEC. OF STATE
fly
on
The Honorable

The Secretary of State,
Washington, D. C.

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

Sir:

The newspaper censors of the Chinese Government functioning in Peiping are giving almost complete liberty to the publication of information regarding Sino-Japanese relations. In line with this liberty is an editorial which appeared in the CENTRAL DAILY NEWS, a semi-official organ of the Nationalist Party, on December 2, 1935, entitled "Final Expectations".

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JAN 10 1936

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

- 2 -

1/

A translation of this editorial is enclosed. The editorial first describes the earnest hope with which the members of the Nationalist Party and the people generally look for good results from such deliberations as the Fifth National Congress of Kuomintang Delegates and the Plenary Session of the Fourth Central Executive Committee, which has recently been concluded, and the first meeting of the Fifth Central Executive Committee, which is now taking place. The editorial evinces impatience with the paucity of results achieved and points out that, while this dawdling continues the nation may be losing its last opportunity to resist Japanese domination.

The writer frankly exposes the unwieldiness, confusion and dilatoriness which characterize the Chinese Government and its officers. The Nationalist Party is subjected to the same sort of criticism and the editorial ends with the warning that the First Plenary Session of the new (Fifth) Central Executive Committee "has a life and death bearing on the continued existence of the Party, and also of the Chinese nation as a whole".

2/

As a further instance of the frank criticism now allowed to the press, I enclose a translation of an editorial in the CENTRAL DAILY NEWS of November 27, 1935, entitled "Rebellion in Eastern Hopei". This editorial expresses such views as that the destruction of a nation is not caused simply by foreign aggression, but is mainly owing to demoralization of the nation's leaders and states that in Chinese history foreign aggressions were always accompanied by treason among

important

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

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important officials. The fear is expressed that there are in China numberless men of the type of Yin Ju-keng, who declared autonomy of the area under his jurisdiction in Hopei on November 25. The writer inveighs against the practice of some high officials of employing subordinates who are "simply political slaves whose only ability is to flatter higher officials".

Respectfully yours,

For the Ambassador:

Willys R. Peck

Willys R. Peck,
 Counselor of Embassy.

✓ Enclosures:

- 1/Translation of editorial "Final Expectations"
- 2/Translation of editorial "Rebellion in Eastern Hopei"

Original and four copies to the Department
 Copy to Peiping

800.

WRP:MM

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

Editorial in CENTRAL DAILY NEWS, December 2, 1935.

FINAL EXPECTATIONS

An appeal to the First Plenary
Session of the Fifth Central
Executive Committee.

For more than a month Nanking has been a busy city in holding conferences. The Party members expected something to be done in regard to certain Party and national affairs and the people, also, expected some national affairs to be accomplished by each conference. In the past few years, the Party members and the people had similar expectations from conferences of the Central authorities, especially when the situation was grave and when there were disputes concerning Party affairs. The Sixth Plenary Session of the Fourth Central Executive Committee and the Fifth National Congress of Kuomintang Delegates were convened last month, and the First Plenary Session of the Fifth Central Executive Committee is opened today. The earnestness of the Party members and the people in expecting these conferences to accomplish something for the Party and the nation has been felt everywhere. What have these conferences done to satisfy the Party members and the people? Taking into consideration the requests made by the latter at ordinary times and the answers of the leaders thereto, have the conferences

formulated

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formulated any concrete measures and what actions have been taken in conformity with public opinion?

Throughout the Sixth Plenary Session of the Fourth Central Executive Committee, we learned that it was merely a preparatory conference for the Fifth National Congress and that all expectations should be transferred to the Congress. The Fifth National Congress was adjourned a week ago. We found the Congress attended by too many delegates who were too busy in elections, and all other matters would have to be taken up at the First Plenary Session of the Fifth Central Executive Committee. Now, the First Plenary Session has opened. The attendants may have been tired, but the patience of those who are expecting results is not unlimited. The Central Authorities should not allow us to continue to be disappointed. If the only result of conferences which lasted well over a month is the election of 260 members of the Central Executive Committee, and if the only difference between the Party and national affairs in the past and those of today is 178 members in the past Central Executive Committee as compared with 260 at present, the spokesmen will have difficulty to speak on behalf of the Central authorities. Being the spokesmen ourselves, we strongly hope that it will not be so difficult for us to speak hereafter as we were in the past.

The national crisis is much more grave today than in the past four or five years, and the question confronting the entire nation is the question of existence of the Chinese race. Since the incident of September 18, 1931, especially during the past two years, the government

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and the people of China have been extremely patient and reasonable, in an expectation that the unusual crisis would safely pass. This was based on the spirit of charity, hoping that others would awaken from their mistake and that relations between the two nations might gradually be restored to normal. However, the patience of the past two years has resulted in the rebellion of Eastern Hopei. In the last few days, there was the so-called independence movement of Hopei and Chahar, the military occupation by Japan of the Fengtai railway station and the continuous move of Japanese troops into Shanhaikwan. All these facts have made the Chinese anxious. Questions naturally arise whether our patience should be unlimited; should we allow the territorial integrity and administrative rights of our country to be violated? Today may be the last opportunity to make a decision, neglecting which we may lose our right to do so. This is the first question that the Party members and the people are expecting the Plenary Session to decide.

When a national crisis becomes grave, every effort should be exhausted to simplify the organization of the government machinery, to increase its efficiency and to strengthen its personnel. Has our government paid the slightest attention to this important principle during the past four years? Facts may have pointed to the contrary. There is no other nation which has such a large government organization as China under critical conditions, and there is no other government in such a confused state as the Chinese Government is today. In China,

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China, there are ministers who have not attended office for several years, ministers who have never attended office, a vice minister who advertised in newspapers denial of his appointment, and also ministries and commissions which have no responsible heads. Under such conditions and with such a government, can we expect our government to cope with or to overcome the national crisis? Does the Party still have ability to improve these conditions? At least adjustment should be made reasonably to simplify the unreasonable complications, to reduce the unnecessary confusion to order and to fill and strengthen the empty government machinery. This is the second point that the Party members and the people finally expect from the present Plenary Session.

Before political tutelage is brought to an end, the Party is the only political organization with power of initiation and exercises the highest political powers. To achieve political development, therefore, the Party organization is of paramount importance. During the past few years, nobody seemed to have paid much attention to this important principle. Is the Central Political Council, the Party-politico organ, capable of successfully exercising its powers and functions? To explain this, we should refer to the personnel and organization of the Party. Conditions as they are today do not permit of the continuance of the present complications and confusions. With regard to the Constitution, the National Congress decided to call the National People's Assembly next year. During the interval of one year, Party headquarters of all grades should be held responsible to see that tutelage activities be speedily finished, and the

Central

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Central Authorities are responsible for guidance in the matter. In respect of the training of the people, it seems necessary to make adequate adjustments in the internal organization of the Party, especially at the present time when conditions change rapidly, so as to meet urgent needs of all kinds. This is the third expectation that the Party members and the people finally have in connection with the First Plenary Session.

The Party members and the people have the above expectations towards the present Plenary Session. The result of the Session may give them some satisfaction. Such comfort, if obtainable, will keep them alive, and vice versa. In other words, the present Plenary Session has a life and death bearing on the continued existence of the Party, and also of the Chinese Nation as a whole.

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

Editorial in the CENTRAL DAILY NEWS, November 27, 1935.

(Synopsis)

REBELLION IN EASTERN HOPEI

Yin Ju-keng declared on November 25 in his own name the independence of 22 hsiens in Luantung and Chihsien Administrative Districts, and established on the morning of the same day the so-called "Eastern Hopei Anti-Communist and Autonomy Commission" in Tungchow. The Executive Yuan passed on November 26 a resolution to issue an order dismissing Yin from his post and arresting him for punishment. In the meantime the Central Authorities made changes in the political system and personnel of Hopei. We believe that the rebellion of Yin Ju-keng is not permissible in the eyes of the law, and that the people having some feeling of nationality will not allow him to become active.

The destruction of a nation is not caused simply by foreign aggressions, but is mostly due to political and social collapse internally, or in other words to the demoralization of the leaders. The corruption of political and social leaders can easily bring about the collapse of a nation. In Chinese history, whenever there have been foreign aggressions, there have always been traitors among important officials. The presence of traitors is a grave threat to the fate of a nation. Unless effective measures are taken by political and social leaders to remove the fundamental conditions which permit of the rise of traitors, destruction of the nation will immediately follow.

Disturbed

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Disturbed conditions in the past few years have been most favorable for creating men like Yin Ju-keng. There is no question that the Government should, on the basis of law and by effective means, severely punish Yin, and that the Government has the power and is able to do so. We fear that there are numberless men of the same type in all parts of the country. Coincident with the punitive expedition against Yin Ju-keng, therefore, it is necessary to remove the causes for and to overcome the circumstances creating the same type of man. The creation of this type of man can not be accomplished in a short time. They must have been encouraged and supported by many people. It is very regrettable that the character of Yin Ju-keng was not known until November 25 and the order for his arrest was not issued until the next day.

From the rebellion of Yin Ju-keng we learn a lesson that at the present critical time, men of poor morality must not be allowed to hold any position, and a mere expert is absolutely incapable of assuming responsibility for anything independently. Diplomatic affairs are not technical matters. Obedient and glib men are simply political slaves whose only ability is to flatter higher officials. On the other hand, unlike these slaves, men of high morality always have a firm belief in certain principles. Yin Ju-keng is a typical political slave. If the highest authorities consider it worthwhile to employ political slaves, which in the present instance has cost 22 hsien in Hopei, they may do so. Otherwise, should they consider Chinese territory of any value, they must exercise every care in making appointments.

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

January 8, 1936

~~MSM~~
~~WTT~~
~~LMH~~

Peiping's 113 of December 6, 1935, transmits memoranda of conversations with prominent Chinese officials as to the status of Sino-Japanese relations.

The transmitting despatch, on pages 2 and 3, embodies an adequate summary of the material set forth in the various (6) memoranda.

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CSR

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 113

Peiping, December 6, 1935.

Subject: Memoranda of six conversations on
Japanese intentions toward China.

793.94

CONFIDENTIAL

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DEC 31 1935
Department of State

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DEPARTMENT OF STATE
JAN 13 1936

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

FILED
JAN 17 1936

1-4/ I have the honor to enclose four memoranda of
conversations which I recently had at Nanking with
Mr. Sun Fo, President of the Legislative Yuan, Gen-
eral Huang Fu, former Chairman of the Peiping Politi-
cal Affairs Readjustment Committee, Dr. Hsu Mo, Act-
ing Minister for Foreign Affairs, and Marshal Chang
Hsueh-liang. There are also enclosed memoranda of
two conversations which I have had in Peiping with
Chinese since my return.

The

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The first three officials denied the truth of recent rumors of Japanese demands. Mr. Sun Fo and General Huang Fu stated that the Japanese Foreign Minister had, however, informed the Chinese Ambassador to Japan that there were three things which Japan desired. Mr. Sun Fo described them as (1) a Sino-Japanese alliance to combat the spread of communism, (2) the abandonment by China of the policy of using one barbarian tribe against another, and (3) the settlement of questions which had arisen between "Manchukuo" and China. General Huang Fu stated that the three points were (1) a Sino-Japanese alliance against the spread of communism, meaning an alliance against Russia, (2) the abandonment of the policy of playing one foreign country against another, and (3) the de facto recognition of "Manchukuo". General Huang Fu further said that the Japanese military had demanded in North China the resignation of the Mayor of Peiping, Mr. Yuan Liang, the abolition of the Peiping Branch Military Council, and the immediate dissolution in North China of so-called Blue Shirt activities. The first two of these demands have been definitely complied with and it is believed that the third also has been virtually met.

Marshal Chang Hsueh-liang stated that Japan's policy is not to destroy China but to occupy places on China's borders, to weaken China by promoting disintegration, but to keep China alive as a field of economic exploitation from which Japan may obtain the results of Chinese labor and in which it can dispose of unwanted products.

The

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The Special Commissioner of Foreign Affairs in Peiping, Mr. S. G. Cheng, told me that General Doihara has been pressing the local authorities to adopt a semi-autonomous status independent of Nanking in everything regarding finances, that the Japanese now have a scheme whereby they hope to utilize the moneys available in North China to accomplish their purpose in this area without drawing on Japanese funds, that conversations at Nanking with regard to Japan's so-called three points are not progressing satisfactorily, and that the National Government feels that General Ho Ying-chin's coming to Peiping would be in a sense an autonomous situation but under the control of Nanking.

Dr. Jao Meng-jen, a Chinese who is apparently interested in having an autonomous government established, informed me that there are three plans under contemplation for a new regime in North China; namely, a local autonomy under the control of Nanking, which the Japanese do not want; an independent state, a plan which is being furthered by local elements opposed to Nanking and assisted by the Japanese; and a kind of local autonomy which would have a government which could negotiate with the Japanese directly and which would be neutralized and demilitarized.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosures:

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Enclosures:

1. Copy of memorandum of conversation, dated November 11, 1935, Nanking, with Mr. Sun Fo;
2. Copy of memorandum of conversation, dated November 11, 1935, Nanking, with General Huang Fu;
3. Copy of memorandum of conversation, dated November 13, 1935, Nanking, with Dr. Hsu Mo;
4. Copy of memorandum of conversation, dated November 15, 1935, Nanking, with Marshal Chang Hsueh-liang;
5. Copy of memorandum of conversation, dated November 30, 1935, Peiping, with Mr. S. G. Cheng;
6. Copy of memorandum of conversation, dated December 2, 1935, Peiping, with Dr. Jao Meng-jen.

710 Sino-Japanese.

LES-SC

Original and four copies to Department.
Copy to American Embassy, Nanking.
Copy to American Embassy, Tokyo.

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

ENCLOSURE NO. 1
TO DISPATCH NO. 113

Nanking, November 11, 1935.

STRICTLY CONFIDENTIAL.

Memorandum of Conversation.

Sun Fo, President of the Legislative
Yuan.

SUBJECT: Sino-Japanese Relations.

I called on Mr. Sun Fo, President of the Legislative Yuan, today, and in the course of conversation I asked if he could give me the truth of the situation, as it related to Sino-Japanese relations. I remarked that I had heard many rumors and that among other things I had been told from Peking that the Japanese are making certain demands upon the Chinese Government; that I was finding it difficult to know what to believe in the matter. Mr. Sun Fo stated that there were no demands made upon China such as those which I reported, but that it was quite true that Chiang Tso-pin had been told by Hirota, in the course of conversation before he left Japan, that Japan desired three things; namely, a Sino-Japanese alliance to combat the spread of communism; the abandonment by China of the old policy of using one barbarian tribe against another barbarian tribe, and the settlement of questions which had

arisen

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arisen between Manchukuo and China, the settlement of which was necessary to permit of economic cooperation between China, Manchukuo and Japan. Mr. Sun Fo seemed somewhat discouraged as to the future. He agreed with me that the proposed alliance with China was for the purpose of legalizing the participation of Japanese troops with Chinese troops in Inner Mongolia.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg

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

ENCLOSURE NO. 2
DISPATCH NO. 113

Nanking, November 11, 1935.

STRICTLY CONFIDENTIAL.

Memorandum of Conversation.

General Huang Fu.

SUBJECT: Sino-Japanese Relations.

I called on General Huang Fu this morning and in the course of conversation I asked General Huang to give me the truth about the reported relations between Japan and China. I said that it had been reported to me from Peking that the Japanese are pressing the Chinese authorities at Nanking very hard on the following four points (1) recognition of Manchukuo; (2) military cooperation to meet any aggression from a third power or to suppress communism; (3) extension of the demilitarized zone to include the Peiping-Tientsin area, and (4) dissolution of the Kuomintang and all Party organizations.

General Huang said that it was not true that the Japanese had presented any demands upon the Chinese Government. However, for my confidential ear, he said that the situation was as follows: Before Chiang Tso-pin left Tokyo he had conversations with Hirota, the Minister for Foreign Affairs, in the course of which Hirota out-

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lined the aims which Japan hoped would be accomplished in Sino-Japanese relations. Huang Fu stated that these aims covered three points, which represented the policy agreed upon by the Japanese Government, including the Army, Navy, and Ministries of Finance and Foreign Affairs. He said that the three points were: a Sino-Japanese alliance against the spread of communism, which, of course, meant a Sino-Japanese alliance against Russia; second, the abandonment by China of the policy of I I Chi'h I, a phrase taken from the Tao Chuan, which means to use one barbarian tribe against another barbarian tribe. He said that the Japanese complain that China was always seeking the assistance of England or of America or of the League or of Russia and that the ultimate aim of Japan was to see that China depended entirely upon Japan. The third point covered the de facto recognition of Manchukuo. General Huang stated that Hirota said that Japan quite understood China's unwillingness to recognize Manchukuo, but, after all, Manchukuo was a fact, it did exist, and therefore China must recognize the fact that it existed and do all things, short of de jure recognition, necessary to settling various outstanding questions calculated to permit of commercial and economic cooperation between Japan, Manchukuo and China.

General

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General Huang stated that the Japanese Ambassador was pressing for a Chinese reply or acquiescence in these three matters. He said that Japan did not intend to take any drastic action if China did not acquiesce, but it was known generally that if China did not acquiesce that the Japanese Government would not be able to discourage autonomous movements fostered on Chinese soil in north, central and south China, which, of course, would mean the ultimate destruction of the Chinese Government's ability to collect Customs and other revenues in the areas concerned. In the north, the Japanese military had demanded the resignation of Mayor Yuan Liang, the abolishment of the Branch Military Council and the immediate dissolution in north China of so-called "Blue Shirt" activities. General Huang pointed out that Yuan Liang had taken the hint and had resigned. He stated that the Japanese had informed General Sung Che-yuan that they themselves would arrest suspects if he did not hasten. General Huang pointed out that the Japanese had already begun the arrest of persons listed by them as active "Blue Shirts" or engaged in anti-

Japanese

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Japanese activities.

General Huang Fu asked me to treat the above as strictly confidential. He stated he expected to be in Nanking for a few days; that he was in Nanking at the request of General Chiang Kai-shek, who wished his advice; that he was not a member of the Kuomintang and therefore had no duty to perform in connection with the present meeting of the Party. General Huang expressed the hope that I would treat what he had said as strictly confidential. He expressed himself as greatly discouraged as to the future. He remarked that if the Central Government had but taken his advice two years ago, much of what has happened in recent months would not have happened. The difficulty was that no one in the Central Government had been willing to take any responsibility. The Japanese had now become exasperated and were now accusing them of insincerity.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg

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

ENCLOSURE No. 3
TO DESPATCH No. 113

Nanking, November 13, 1935.

STRICTLY CONFIDENTIAL.

Memorandum of Conversation.

Dr. Hsu Mo, Acting Minister for
Foreign Affairs.

SUBJECT: Sino-Japanese Relations.

I called on Dr. Hsu Mo, Vice Minister for Foreign Affairs, now Acting Minister for Foreign Affairs, during Wang Ching-wei's illness. I said that I was very anxious to know the truth in the matter of demands which I had heard from Peking had been presented by the Japanese to the Chinese Government. Dr. Hsu Mo denied categorically that there had been anything in the nature of demands. He said, however, that subordinate Japanese military officers were constantly making suggestions and that Japanese policy was directed toward the disunity and weakening of China. He expressed the belief that China could not hope to have any change in this policy from Japan. He remarked that in Japan's diplomatic language to the Chinese they were using an old Chinese phrase, I I Chih I, which might be translated "to use one barbarian tribe against another barbarian tribe." Japan was opposed to China having any relations with countries other than Japan. He said that, of course, the Chinese

Government

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Government could never give up its sovereign right to deal with other countries. Dr. Hsu Mo seemed much discouraged as to the future. He remarked that if China had a war with Japan China would be defeated, would sue for peace, lose some territory, agree to pay an indemnity, and everything would be settled, but if things went on as they now were going then there could be no hope for peace, for Japan's policy was directed toward the weakening of China. Japan feared a united China, and it would do everything possible to make a united China impossible.

Nelson Trusler Johnson,
American Ambassador.

NTJ:epg.

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

ENCLOSURE No. 4
DISPATCH No. 113

MEMORANDUM OF CONVERSATION.

Nanking, November 15, 1935.

CONFIDENTIAL

Subject: Sino-Japanese Relations.

Marshal Chang Hsueh-liang,
The Ambassador,
Mr. Peck.

The Ambassador said that there were a great many rumors floating about and he inquired whether the Marshal could give him some idea of the real state of Sino-Japanese relations.

What follows is the gist of Marshal Chang's remarks about Japan's intentions in regard to China:

There is a book published in Japan called "Guide to the Reorganization of Japan", which is the handbook of the Japanese Fascists. The work deals mainly with internal reorganization, but also outlines Japan's foreign policy. Thus, not only does it describe measures by which the Government may possess itself of the wealth of Japanese capitalists and the power of the Emperor may be increased, but it also lays out the successive steps of the seizure of Manchuria, Inner Mongolia, Shanghai, places on the coast of China, and Hongkong. It is a pity that the book has never been translated into English.

Marshal Chang says that beyond any doubt Japan will seize Shanghai. The object of Japan is to control China economically, which is what China most fears; it is not part of Japan's plan to attempt to bring the whole of

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the country under its control, but to occupy places on China's borders, to weaken China by promoting disintegration, and to keep China alive, as a field of economic exploitation, from which Japan may obtain the results of Chinese labor and in which it can dispose of unwanted products. It is no part of Japan's plan, either, to extinguish China completely. China must, however, be rendered weak and helpless.

Japan has now a "new diplomatic policy", which is to combat Great Britain in the Far East. Great Britain's economic interests in Shanghai are superior to those of any other nation; sooner or later Japan will seize Hongkong.

Japan is apprehensive of the Communist forces in China; Japan is also demanding the removal from power of General Chiang Kai-shek. Marshal Chang has asked his Japanese friends how it was that they opposed the Communists and at the same time opposed General Chiang, the only successful opponent of the Communists? He asked whether the Japanese could imagine where the Communists would be in China if it were not for General Chiang?

Asked about the present strength of Communist forces in China, Marshal Chang said that there are approximately 10,000 in Shensi, 15,000 in Hunan and 40,000 in Szechwan; they exist in several other provinces in bands of a few hundred each. He showed Mr. Johnson a photograph of Communist cavalry on the march, taken from the Marshal's plane.

Willys R. Peck,
 Counselor of Embassy.

WRP:MM

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

ENCLOSURE No. 5
TO DESPATCH No. 113

Sino-Japanese relations. Autonomy movement
in North China.

Peiping, November 30, 1935.

Conversation with: Mr. S. G. Cheng, Special Commis-
sioner of Foreign Affairs in
Peiping.

Mr. Cheng called and in the course of conversation stated that it was his conviction - and that he was supported in this conviction by statements made by various foreign military experts - that Japanese did not intend to invade North China. He also said that there was no desire here for autonomy, but that General Doihara was here pressing the local authorities to adopt a semi-autonomous status nominally under the control of Nanking, but independent of Nanking in everything regarding finances. He said that at one time they thought General Doihara was here in a private capacity, perhaps with the support of the Kwantung Army, but now on the contrary they believed that he had support from Tokyo. He remarked that both General Doihara and General Tade, now commanding the Japanese expeditionary force at Tientsin, were formerly aides to General Banzai when the latter was acting as an adviser to Yuan Shih-kai, and that they had done most of the work for Banzai. He

said

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said that General Doihara was insisting that the various questions which Japan wished settled should be settled here with the local authorities and not with Nanking. He said that the Japanese plan originally had been to develop the resources of North China, but that, being without funds, the Japanese now had a scheme whereby they hoped to utilize the moneys available in North China to accomplish their purpose, for they estimated that, exclusive of the Customs, the local revenues amounted to something over \$100,000,000. He said that the Japanese scheme meant a kind of local autonomy which would leave North China under the nominal control of Nanking; that the Japanese had started out thinking in terms of the five provinces of Shantung, Hopei, Shansi, Chahar, and Suiyuan, but that now they were talking of two provinces, Hopei and Chahar, hoping that the autonomous situation would be extended later; and that of course to the Japanese mind autonomy meant the setting up of a regime in this area which would assist the Japanese in carrying out their plans for economic development.

He said that the local authorities were in a very difficult position. Nanking had instructed the authorities to discontinue local negotiations, as Nanking was engaged in negotiations with Ariyoshi. He said, however, the discussions between Nanking and Ariyoshi did not seem to be working out very well.

I asked Mr. Cheng what these negotiations were

about.

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

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about. He said that they related to three principles: Sino-Japanese cooperation in suppressing communist movements; Sino-Japanese cooperation in the economic field in North China; and greater cooperation between China and "Manchukuo". He said that Nanking was prepared to consider these matters with Japan, hoping that if Nanking agreed with these principles Japan would consent to discontinue inciting autonomous movements either in North China or elsewhere. He said, however, that Nanking's conversations along these lines were not succeeding, and the local authorities were at their wits' end. They felt that if they did not declare for autonomy Doihara and his group, with the support of the Japanese Government, would bring other Chinese in to make an autonomous government. He said that the local authorities felt that by remaining here and declaring autonomy they could make a better fight for China's rights than if they refused to join the movement and were forced out by other Chinese whom the Japanese would put in. He also said that the Nanking Government felt that if General Ho Ying-chin came up that in itself would be in a sense an autonomous situation but under the control of Nanking.

Mr. Cheng asked me what advice should be given Nanking in the situation: whether they should pass this over or whether they should resist. I told Mr. Cheng that it was very difficult for any one to advise Nanking

in

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

- 4 -

in a situation like this; that only Nanking knew all the factors which were involved. Mr. Cheng said there were those who advised resistance, involving the bringing around of a war and the invasion of China by Japan. Some thought that if China could carry on a resistance for one or two years Japan would begin to feel the pinch of finances and then might be willing for the world to mediate between them. For himself he thought it would be very difficult for China to carry on a fight for a year; they lacked provisions, they lacked money.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

033F

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

ENCLOSURE No. ⁶
TO DESPATCH No. ¹¹³

Sino-Japanese relations and local situation.

Peiping, December 2, 1935.

Conversation with: Dr. Jao Meng-jen.

Dr. Jao Meng-jen (Loe Meng Len), accompanied by his son, Mr. Yang J. Loe, called. He stated that the Japanese were exercising great pressure upon the local authorities at the present time. He said that the Japanese were divided in this matter; that there was one group that wished to occupy North China, and another group that wished to settle the matter diplomatically. He said that the people of North China were very much worried because they realized that in the present situation the Chinese Government was not strong enough to cope with the force or pressure by the Japanese.

Dr. Jao said that he and his friends were hopeful that some plan might be found which would serve to settle the problem in a peaceful way. Three plans were under contemplation: first, there was the Chinese Government's plan, which was to establish a sort of local autonomy under the control of Nanking. This, however, the Japanese did not want. Then there was a plan to set up an independent state here; this plan was being furthered

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

- 2 -

furthered by local elements opposed to Nanking and assisted by the Japanese. A third plan was one in which he and his friends were interested, - a sort of middle plan: it contemplated a kind of local autonomy under the Chinese flag which would have a local government that could negotiate with the Japanese directly, and which would be neutralized and demilitarized. He asked me which of these plans I thought the most wise.

I said that I was in no position to offer any advice whatever in a matter of this kind, as it was a matter which must be worked out between the Chinese and the Japanese Governments.

Dr. Jao stated that there was great fear here that the Japanese might invade this area by force. He wondered what the powers would do under those circumstances, particularly what the United States would do. I said I could not tell him.

He pointed out that the Japanese under the Protocol of 1901 had occupied and were controlling the Railways here in North China. He asked whether it would not be possible for the United States and Great Britain under the Protocol of 1901 to occupy North China. I stated that I did not think this possible.

Nelson Trusler Johnson,
 American Ambassador

NTJ:EA

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 6, 1936

~~MMH~~

~~WTT~~

~~MMH~~

~~3-1~~

Peiping's 118 of December 6, 1935, reports that Dr. Chiang Monlin was invited to call at the headquarters of the Japanese Gendarmerie and was there detained while a certain Japanese harangued him as to his anti-Japanese stand. Dr. Chiang fearlessly stated that the Japanese Army was pursuing a policy in China which would bring about the ruin of Japan, that it was listening to the advice of bad rather than good Chinese. Dr. Chiang was released with no ill treatment.

CSR
CSR

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 118

Peiping, December 6, 1935.

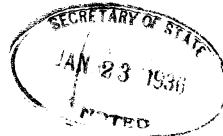
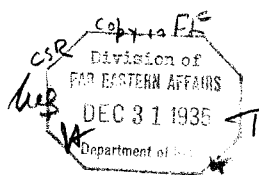
Subject: Dr. Chiang Monlin's call at the
Japanese Embassy.

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1935 DEC 30 PM 1 31

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AND RECORDS



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The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to report that Dr. Chiang Monlin, Chancellor of the National University of Peking, was informed on November 29 by two Japanese that the Japanese Gendarmerie would like him to call at its headquarters in the Japanese Embassy compound. Dr. Chiang called there later in the day, and subsequently informed a member of my staff of what occurred during the visit. (Dr. Chiang stated that the Japanese with whom he talked was an officer of the gendarmes named Kishimoto. According to the Japanese Embassy, however, Kishimoto is a "special sergeant-major".)

Dr. Chiang

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

- 2 -

Dr. Chiang had a conversation for 45 minutes in a room of which the door was locked. The Japanese, Kishimoto, told Dr. Chiang that the Kwantung Army had heard that Dr. Chiang had made speeches and had written articles of an anti-Japanese character. When Dr. Chiang denied this, the Japanese stated that the Kwantung Army had proofs. Dr. Chiang asked to see the proofs. The Japanese then suggested that Dr. Chiang accompany him that evening on the 8:30 train to "Manchukuo" to explain to the Kwantung Army. Dr. Chiang replied that it would be very unwise of the Japanese to kidnap him as the affair would receive a great deal of publicity which would result in lowering the prestige of the Japanese. Kishimoto then said that it was understood that Dr. Chiang had initiated the recent press statement issued by prominent Chinese educators of Peiping in opposition to autonomy. Dr. Chiang replied that he had initiated the statement, that he was opposed to autonomy, but that this was a purely internal question. Kishimoto hastened to agree that, of course, it was an internal matter and that the Japanese had nothing to do with the autonomy movement.

Kishimoto told Dr. Chiang that the Japanese felt that Dr. Chiang was anti-Japanese in his conversations and in his thoughts. Dr. Chiang informed Kishimoto that he was pro-Japanese in one respect; namely, in his regret that the Japanese Army was pursuing a policy in China which would ultimately bring about the ruin

of

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

- 3 -

of Japan. Dr. Chiang then seized the opportunity to tell Kishimoto much of what is wrong with the Kwantung Army's policy towards China, stating among other things that it listens to the advice of bad rather than good Chinese. Dr. Chiang told Kishimoto that he would be glad to call at the Japanese Embassy any time that the Japanese wanted some good advice.

At the conclusion of the conversation, the door was unlocked and Dr. Chiang was shown out courteously, the Japanese apparently being impressed by his fearlessness and frankness.

It may be added that shortly before the Japanese called on Dr. Chiang to arrange this call they had attempted to get in touch with Dr. Hu Shih who, however, was not at home at the time.

Respectfully yours,



Nelson Trusler Johnson.

710 Sino-Japanese.

LES-SC

Original and four copies to Department.
Copy to American Embassy, Tokyo.
Copy to American Embassy, Nanking.

0342

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
THE UNDER SECRETARY
January 4, 1936
MSM
WTT
JAN 28 1936

DEPARTMENT OF STATE
Beiping's 119 of December 6, 1935
reports a conversation with Leith-Ross and the British Ambassador as to Japanese intentions in China.

It was said that the situation was serious and that the Japanese military (despite whatever the Japanese Government might think) had embarked upon a policy of eliminating western influence in Asia and would not abandon this policy unless forced to do so.

It was further said that China was not opposed to cooperation but insisted on being treated as a sovereign power and asked for concrete proposals but that Japan had not responded. The Japanese

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

2

military did not want any concrete proposals, desiring broad terms whereunder their hands might be free for action.

It was observed that the Japanese military were angered by the nationalization of silver decree.

The memorandum should be read.

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



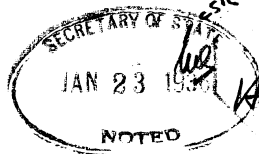
EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 119

Peiping, December 6, 1935.

Subject: Conversation with Sir Frederick
 Leith-Ross and the British Ambassador
 on Japanese intentions in China.

CONFIDENTIAL



For Distribution Check		Yes	No
Grade	For	In U.S.A.	✓
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The Honorable
 The Secretary of State,
 Washington, D. C.

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

Sir:

1/

I have the honor to enclose a memorandum of a conversation which I had on November 20, 1935, with Sir Frederick Leith-Ross and Sir Alexander Cadogan, the British Ambassador, on the subject of Japanese intention with regard to China and the effect of the Italo-Abyssinian conflict on the Chinese attitude toward Japan.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure:

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

- 2 -

Enclosure:

- 1/ Copy of memorandum of conversation
 between Sir Frederick Leith-Ross,
 Sir Alexander Cadogan and the
 Ambassador on November 20, 1935.

710

Original and 4 copies to the Department.
 Copy to American Embassy, Nanking.
 Copy to American Embassy, Tokyo.
 LES/rd

4 EP

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

119

MEMORANDUM OF CONVERSATION.

Shanghai, November 20, 1975.

Present: Sir Frederick Leith-Ross.
Sir Alexander Cadogan.
The Ambassador.

Subject: Sino-Japanese Relations.

Sir Frederick Leith-Ross asked me to come to see him, and I found him in Room 624, Cathay Mansions, with the British Ambassador. Leith-Ross began by saying that he wanted to discuss the political situation, which, after all, was in our province, although it had become inextricably connected with the financial situation with which he was particularly interested. He asked us both what we thought of the situation. The British Ambassador stated that it was very difficult to foresee; personally, he was convinced that the Japanese Government would not wish to use forceful means. I told them both that I thought the situation was a very serious one; that I was convinced in my own mind that, whatever the Japanese Government might think, the military leaders who were now controlling Japan's destiny had set out upon a policy which was intended to eliminate every vestige of western influence in the political life of Asia, and that I believed this policy would be consistently, persistently, and ruthlessly pursued until it had been accomplished

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

- 2 -

accomplished or until some force hitherto unseen had robbed the military of their present position of influence and their momentum. Leith-Ross and Cadogan agreed with my opinion. I stated that I had been informed in Nanking by an authority which I trusted (and not by the Foreign Office) that prior to Chiang Tso-pin's departure from Tokyo he had had a conversation or conversations with Hirota, who had outlined to him three principles which the four ministries of the Japanese Government chiefly concerned agreed should underlie Japan's policy toward China; that these principles were: (1) China must abandon the policy of playing one foreign nation against another; (2) arrangements must be made for free intercourse between the peoples of China and "Manchukuo"; (3) there must be cooperation or an alliance between China and Japan for the suppression of communistic influences in Asia. I stated that my information led me to believe that the Chinese Government was not opposed to these principles as principles, but that they were insisting on being treated as a sovereign power, and they asked the Japanese to implement these principles by laying down a concrete proposal setting forth in detail the manner in which the principles should be carried out, but that they believed that although the four ministries of the Japanese Government

were

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

- 3 -

were in agreement in regard to these principles there was no agreement between the Japanese Foreign Office and the Japanese military as to how the principles should be carried out in their details. Sir Alexander interposed to say that he did not believe that the Japanese military wanted to put any concrete proposals before the Chinese. They wanted to leave the matter in the broadest terms possible in order that their hands might be free.

I stated that I was convinced that the Japanese military were exceedingly angered by the Chinese decree nationalizing silver and that they were convinced that this decree would not have been issued nor the step taken if they had not been given or promised a loan by Great Britain and/or by the United States. Sir Alexander stated that this was apparently the case although he believed that Ariyoshi quite understood that no loan had been given or promised. I said that I did not believe that Mr. Ariyoshi's convictions counted very much in this situation. Sir Alexander agreed with this.

I stated that now, of course, it was very uncertain what the next move would be. The Japanese military were trying to force the Chinese leaders in north China to declare north China semi-autonomous, but that my information was that the Chinese were hesitating and proving

1348

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 31, 1935.

ROM:
MMH:

~~SECRET~~
The Tokyo Embassy reports that it has learned that both Japanese and Chinese armies are storing reserves of gasoline in North China, presumably in preparation for military activities in that area.

793.94/7591

WTT/DLY

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Tokyo, December 13, 1935.

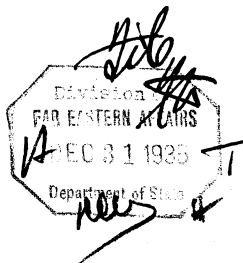
No. 1594.

SUBJECT: MILITARY PREPARATIONS IN NORTH CHINA.

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793.94/7591

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that this Embassy, in the course of its work in connection with the petroleum problems of Japan and Manchuria, has unearthed reports which, if true, would appear to indicate that both the Japanese and Chinese armies are storing reserves of gasoline in North China, presumably in preparation for military activities in that area.

- 1/ In this connection there are enclosed a memorandum of a conversation held on December 2, 1935, between Mr. D.D. MacGregor, of the Mitsubishi Oil Company, and Mr. Dickover of this Embassy,

JAN 4 - 1936

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

- 2 -

2/ Embassy, and excerpts from a letter dated December 2, 1935, from the Tientsin office of the Standard-Vacuum Oil Company to the Shanghai office, a copy of which was made available to this Embassy through the courtesy of the Yokohama office of the Company.

Respectfully yours,



Edwin L. Neville
Chargé d'Affaires ad interim.

✓
Enclosures: Memorandum of Conversation, Mr. MacGregor and Mr. Dickover, December 2, 1935.

Excerpts from letter dated December 2, 1935, from the Tientsin office to the Shanghai office of the Standard-Vacuum Oil Company.

710.

ERD:r

Copy to Embassy, Peiping.

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

Enclosure No. / to despatch
No. 1574 of December 13, 1935
from the Embassy at Tokyo.

MEMORANDUM.

December 3, 1935.

Conversation: Mr. D.D. MacGregor, of the Mitsubishi Oil
Company, Ltd. (Affiliated with the Associated
Oil Company)
Mr. Dickover.

In the course of a general discussion of the Japanese oil situation with Mr. MacGregor last evening, he remarked that the Japanese Army was building up a large store of gasoline and other petroleum products in North China. He said that it was being done rather quietly and cleverly, by shipping the products of the refinery of the Manchuria Oil Company to North China, while the shortage thus created in Manchuria was being supplied, through Seishin in Korea, by surplus products of the Japanese refineries, as well as by purchases from abroad. He said that the Manchuria Oil Company had recently invited tenders on a whole tanker-load of gasoline, and that^{an} offer of an American company, at 6 cents per gallon, f.o.b. California ports, had been accepted. He thought that this gasoline also was ultimately destined for North China, but would be consigned to Dairen, in order to avoid comment.


E.R.D.

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

Enclosure No. 2 to despatch
 No. 1594 of December 13, 1935
from the Embassy at Tokyo.

Excerpts from a letter dated December 2,
 1935, from the Tientsin office of the
Standard-Vacuum Oil Company to the Shang-
hai office of the Company.

"The Tientsin Public Safety Bureau have reported
 a request from the Japanese military authorities to pro-
 vide accommodation for three divisions of Japanese troops
 upon short notice. These additional contingents are thought
 to comprise between 10,000 and 15,000 men."

"We have already reported that the Japanese Military
 officials have taken over the International Race Club
 premises and are preparing this as an air base."

"We have today had a talk with Mr. Kikuci, our local
Japanese agent. As difficult and hopeless as it ordinarily
 is to get Japanese to comment on political matters, Mr.
 Kikuci has today remarked that the situation looks 'most
 uneasy'".

"We all know how, for months past, Nanking has been
 massing troops into the Lunghai zone . . . Supplementing
 these Chinese infantry and artillery forces, are the air
 bases which have undergone large and hurried developments in
 the last few months at Loyang and Sianfu. It has been ob-
 vious to us for some little time and likewise must have
 been evident to you that the very large quantities of
 aviation gasoline which the Commission on Aeronautics have
 been ordering for delivery at Chengchow, Loyang and Sianfu
 these past couple of months or so are far in excess of their
 normal flying demands. We attach copy of report from our
 inspector in Loyang, showing the surplus stock of aviation
 gasoline being held there. The surplus at Sian, considering
 recent large and yet unfilled orders, must be very much
 larger than at Loyang. These signs are ominous."

"We thank you for your telegram of even date giving
 approval for us to supply the data requested by the Quarter-
 master's Department of the Japanese Imperial Army. We have
 talked with Mr. Kikuci today and he declares that the
 information asked for is purely for the Japanese Army who
 are anxious to be sure of availability of fuel."

.....

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1936.

~~MMH:~~
~~WTT:~~
~~MMH:~~

Tientsin's Nos. 77, 79, 80, 84, 87, 88, 90 and 94 of November 22, 23, 24, 26, 27 (2), 30 and December 2, 1935, report the political situation in North China during the period covered by the above dates. The developments set forth in the above despatches have been reported to the Department by telegraph and little new material is presented.

The gathering of Japanese ronin foreshadowed some Japanese-instigated action which would have the appearance of a spontaneous appeal of the people of Tientsin for the establishment of an autonomous North China government. Shang Chen appeared to be opposed to any movement for autonomy.

The apparent collapse of the five-province autonomy movement inspired the belief that the Japanese would incite local separatists' movements in Tientsin and Hopei.

Propaganda was widespread urging the overthrow of the Kuomintang and the awakening of the "masses of North China" and advocating joining hands with Japan and

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

- 2 -

and "Manchukuo". While no actual desire for autonomy was in evidence, there was evidence of a well-financed organization directed to pumping up some semblance of such a desire. Shih Yu-san appeared to have some hand in the "autonomous" activity.

It was reported that Sung Che-yuan was determined to set up an autonomous administration for Hopei and Chahar which was believed to presage the elimination of Yin Ju-keng. Rumors were current that Chiang Kai-shek would attempt to suppress such an autonomous administration by force of arms, leading inevitably into war with Japan. A commission form of government in North China would be more acceptable to Chiang.

Japanese troops began to arrive in Tientsin and Peiping and the Japanese military stopped all southbound goods trains -- to prevent a withdrawal of rolling stock before the establishment of autonomous government and to hamper Chinese troop movements.

An American news correspondent interviewed General Tada who said that autonomy was an internal question in which Japan had no interest but that Japan would oppose Nanking's use of force to abate the autonomous movement. He stated further that China had not ceased anti-Japanese activities in

North

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

- 3 -

North China and that the silver policy worked harm to the possible extension of Sino-Japanese trade. He added that he subscribed to the thesis that as long as the Kuomintang ruled China no amicable settlement of Sino-Japanese questions was possible. He then said that the practices of Nanking fostered communism in North China which could not be tolerated by Japan.

A Chinese official predicted that direct action would be taken by the Japanese military within a few weeks. He said that he did not believe that Sung would turn over to the Japanese. He confirmed Japanese troop movements and the halting of southbound goods trains. He stated that if England and Italy went to war, Japan would enter North China in force.

CSR/VDM

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

Copy for the Department.

No. 77

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 22, 1935.

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copy in IE.

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Subject: Political situation in North China.

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CSR

The Honorable

Nelson Trusler Johnson,
American Embassy,
Peiping.

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DEPARTMENT OF STATE
JAN 10 1936
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SIT

I have the honor to refer to this Consulate General's despatch No. 75 of yesterday concerning the political situation in North China, and further in that connection, to report that information given this Consulate General from a reliable source indicates that the concentration of a gang of hoodlums is continuing in the Japanese Concession, forty or fifty Japanese, who have been used previously in Manchuria and Hopei when "spontaneous" uprisings of the Chinese people were considered desirable by the authorities of the Kwantung Army, having arrived here yesterday and today. The hotels in the Japanese Concession are reported to

have

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

- 2 -

have full guest lists, and Japanese of the ronin type are much more in evidence on the streets of Tientsin than usual.

Informed Chinese government officials here interpret these facts as foreshadowing some Japanese-instigated action which will have the appearance of a spontaneous appeal of the people of Tientsin for the establishment of an autonomous government in North China.

The latest information available to this office indicates that the Japanese troops concentrated at Shanhaikuan remain there, and that there have been no significant troop movements, either Chinese or Japanese, within the wall in the last twenty-four hours.

A local official here corroborates the press report that General Shang Chen has gone into the American Presbyterian Hospital in Paoting. He is expected to remain there for ten days. There are rumors to the effect that he is opposed to any movement for autonomy, and does not desire to confer with Japanese emissaries sent to discuss the matter with him.

A member of the Provincial Government resident in Tientsin informed an officer of this Consulate General today that in his opinion Sino-Japanese relations had taken a marked turn for the better, and that, in the light of such information as he

now

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

- 3 -

now has, it is probable that the plan for a Huapei government has been discarded, and that it will be replaced by some much milder and more general arrangement directed at a real Sino-Japanese rapprochement.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

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RSW:JB

A true copy of
the signed original.
JB

0354

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 7, 1936

~~MSM~~
~~WAT~~
~~IMH~~

Harbin's 266 of November 22, 1935, transmits a translation of an editorial in the Harbin Nichinichi as to the autonomous state in North China.

Yin Ju-keng is quoted as saying that the new state was created to escape the faults of Nanking and the Kuomintang. The editorial states that if Nanking tries to prevent the new state by force Japan will have to maintain peace and order. The birth of the new state is compared to the formation of "Manchukuo" as arising from popular desire. And Japan's assistance is inevitable.

CSR
CSR

036

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

NO. 266

RECEIVED
DEPARTMENT OF STATE
AMERICAN CONSULATE GENERAL.

HARBIN, MANCHURIA, November 22, 1935.
WED DEC 30 PM 3 15

793.94

CSR copy in FE
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SUBJECT: RECENT DEVELOPMENTS IN NORTH CHINA.

For Distribution-Check		Yes	No
Grade	M		
For	BENVIGHOFF		
		To field	
		In U.S.A.	
		ONI	
		M.D.	

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

SIR:

I have the honor to enclose herewith a copy of my
despatch No.164, of November 22, 1935, to the American
Embassy, Peiping, on the subject of "Recent Developments
in North China".

Respectfully yours,

Walter A. Adams

Walter A. Adams,
American Consul General.

DEPT OF STATE
O/C
JAN 15 1936
RECEIVED
DEPT OF STATE

Enclosure:-

- 1/ Copy of Despatch No.164 to
the Embassy, Peiping, to-
gether with enclosure.

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FILED
JAN 13 1936

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

No.164

AMERICAN CONSULATE GENERAL,

HARBIN, MANCHURIA, November 22, 1935.

SUBJECT: RECENT DEVELOPMENTS IN NORTH CHINA.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to enclose a translation of an
1/ editorial which appeared in the HARBIN NICHINICHI of
November 21 entitled "The Birth of the North China
Autonomous Federation".

The editorial first quotes a telegram which Yin
Ju-keng (殷汝耕) was alleged to have sent to Sung
Cheoyuan (宋哲元) and Han Fu-chu (韓復榘).
regarding the various faults of the Nanking Government
and the Kuomintang, to escape which the formation of an
autonomous government in north China was said to be
necessary. It continues by stating that although no-
minally the Federation will be a local government under
Nanking, it will actually be an independent nation ad-
mitting no interference from the south.

If the Nanking Government attempts to use force
against the new regime, the editorial further states,
in violation of the North China Truce and the Umezu-Hoy-
inchin agreement, Japan will have to act to maintain
peace and order.

- In conclusion -

0362

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

- 2 -

In conclusion, the editorial compares the birth of the new nation, arising as it did out of "popular desire", to the formation of "Manchukuo", and expresses the hope the two neighbors will be able to live in harmony across the Great Wall. Nor is mention omitted of the inevitability of Japan's assistance in economic development and defense, and of the inseparable relations among Japan, "Manchukuo" and north China.

Respectfully yours,

Walter A. Adams,
American Consul General.

Enclosure:-

- 1/ Translation of editorial appearing in HARBIN NICHU-NICHU, Japanese language daily, Harbin, November 21, 1935.

In quintuplicate to the Department
by Despatch No.266 of Nov.22, 1935.
Copy to the Embassy, Nanking.
Copy to the Embassy, Tokyo.
Copy to the Consulate General, Mukden.

HMB:ne
800

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

Enclosure No.1 to despatch No.164 of November 22, 1935,
 from Walter A. Adams, American Consul General, Harbin,
 on the subject of "Recent Developments in North China".

SOURCE: HARBIN NICHINICHI, Japa-
 nese language paper,
 November 21, 1935.

Translated by the Ameri-
 can Consulate General,
 Harbin.

EDITORIAL.

THE BIRTH OF THE NORTH CHINA AUTONOMOUS FEDERATION.

In deference to the earnest desire of the north China populace, the Autonomous Federation has at last been established. The reasons for such a reorganization are best given in the circular telegram despatched by Mr. Yingjukeng urging Generals Sung Ch-yuan and Han Fu-chu to rise to the occasion for the sake of liberty of north China, which reads in part as follows:

"The result of ten years' administration of the Kuomintang is entirely disappointing, losing harmony with the strong neighbor outside and bringing distress upon people internally, allowing communists to invade anywhere they liked in the country and losing four eastern provinces by anti-Japanese policy, feeding useless number of soldiers on the sweat and labor of innocent populace and wasting national revenues on the plea of centralization of finance. Such is the real feature of the Kuomintang administration.--"

Thus summarising the underlying motives of the present autonomy movement, Mr. Ying goes on to say:

"The Central Government is going to extend the communist menace to the north and to deprive the populace of its wealth by prohibiting the use of silver ---"

to show that these are the direct causes of the reorganization, and he concludes that the real salvation of north China is solely in the establishment of a self-government of its own independent from the control of the Kuomintang and the Nanking Government.

The position of the Federation has been defined, as reported in our columns, as a local government under the Nanking Government nominally, but the real object of the reorganization being the rupture of relations with the Nanking Government and the Kuomintang, the Federation is in actuality an independent country formed by the union of the five provinces, leaders of which are all anti-Kuomintang

- champions. -

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

- 2 -

champions. The military, political and financial position of north China admits of no interference by the Nanking Government.

What attitude the Nanking Government would assume against the new situation in north China is a subject of deep interest. The Nanking Government has the choice of either letting north China alone, or of destroying the new house by force. If the Nanking Government resorts to force, it will be acting in violation of the North China Truce Agreement and the Umezu-Hoyingchin Agreement, inviting Japanese counter-action for the maintenance of peace and order, which may develop to any degree of misfortune unless the Nanking Government thinks twice before acting.

Reviewing the recent progress of events in north China, we cannot but feel there exists some popular desire which led to the birth of the new situation. Just as Manchukuo was born out of the general desire to get rid of the tyrannical rule of the war-lords, so the north China Federation has grown out of the general effort to free north China from the yoke of the Nanking Government. The similarity, we hope will easily bring the two neighbors together in perfect harmony across the Great Wall.

As for the relations between Japan and north China, the former's assistance is no less inevitable in the latter's economic development as in its defence against the communist menace.

Thus, the inseparable relations among the three nations of Japan, Manchukuo and north China are cemented more closely. The new situation is essential as well as welcomed for the peace of the Far East.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1936

~~MEM~~
~~WMA~~
~~WPH~~

Harbin's 265 of November 22, 1935, reports that the Outer Mongolian delegates to the Manchuli Conference are alleged to have informed the "Manchukuo" delegates that the final statement of their Government will be presented on November 25th and it is supposed that no change from their stand of not permitting "Manchukuo" representatives to reside in Urga will be made.

The "Manchukuo" delegates cannot understand the delay.

CSQ
CSR

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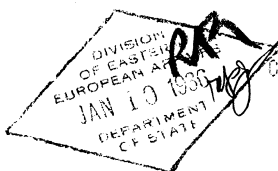
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

NO. 265

RECEIVED
 AMERICAN CONSULATE GENERAL.

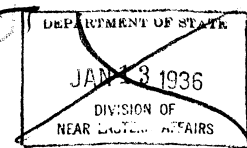
HARBIN, MANCHURIA, November 22, 1935.

1935 DEC 30 PM 3 15



DIVISION OF COMMUNICATIONS AND RECORDS

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SUBJECT: THE MANCHULI CONFERENCE.

For Distribution-Check		Yes	No
Grade	M		✓
For	Adams	✓	
	ONI		
	MID		

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO
 O.N.I. AND

SIR:

I have the honor to enclose herewith a copy of my despatch No.163, of November 22, 1935, to the American Embassy, Peiping, on the subject of the Manchuli Conference.

Respectfully yours,

Walter A. Adams
 Walter A. Adams,
 American Consul General.

ASSISTANT SECRETARY
W.A. Adams

Enclosure:-
 1/ Copy of Despatch No.163, of November 22, 1935, to the American Embassy, Peiping.

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

No.163

AMERICAN CONSULATE GENERAL,

HARBIN, MANCHURIA, November 22, 1935.

SUBJECT: THE MANCHULI CONFERENCE.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to inform the Embassy that according to unconfirmed reports, which, however, have the appearance of accuracy, the Outer Mongolian delegates to the Manchuli Conference informally approached the "Manchukuo" delegates and told them that they will be prepared to make clear the final attitude of their Government at a formal meeting to be held on November 25. It is supposed that the Outer Mongolians will adhere to their former declaration against permitting "Manchukuo" representatives to reside in Urga.

It is further reported that the "Manchukuo" delegates cannot understand why they must wait until the 25th for a reply.

Respectfully yours,

Walter A. Adams,
 American Consul General.

In quintuplicate to the
 Department by Despatch No.265.
 Copy to the Embassy, Nanking.
 Copy to the Embassy, Tokyo.
 Copy to the Consulate General, Mukden.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 8, 1936

~~MSM~~
~~WTT~~
~~174H~~

Tientsin's 78 of November 23, reports a conversation in regard to negotiations between the Peiping-Liaoning Railway Administration and the Japanese military as to operation of the line by the Administration for Japanese troop movements.

The Japanese stated that they had a sufficient number of trained men to operate the line but the Administration said that it was prepared to operate the line in accordance with the wishes of the military.

~~SR~~
CSR

0369

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

Copy for the Department.

No. 78

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 23, 1935.

Subject: Negotiations between the Peiping-Liaoning Railway Administration and the Japanese military.

For Distribution-Check			
Grade	For	To field In U.S.A.	Yes No
	G	ONI MID	✓ ✓
	H211		

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

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

Sir:

I have the honor to submit with this despatch memorandum prepared by an officer of this Consulate General containing information on alleged negotiations between the Peiping-Liaoning Railway Administration and the Japanese military concerning the operation of the line in case Japanese troops are to be moved from Shanhaikuan into the Peiping-Tientsin area. The Consulate General cannot accept any responsibility for the truth of the information contained in the memorandum. If further information on the subject can

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

- 2 -

can be obtained it will be submitted to the
Embassy.

Respectfully yours,

J. K. Caldwell,
American Consul General.

✓
Enclosure:

1/, Memorandum on negotiations between the
Peiping-Liaoning Railway Administration
and the Japanese military, November 23, 1935.

800
MH:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed origi-
nal. JB

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

Enclosure No. 1 in despatch No. 78
 dated November 23, 1935, from the
 American Consul General, Tientsin, China,
 on the subject of negotiations between
 Peiping-Liaoning Railway and the
 Japanese military.

Tientsin, China, November 23, 1935.

MEMORANDUM

Subject: Negotiations between the Peiping-
Liaoning Railway Administration
and the Japanese military.

A British engineer employed by the Peiping-Liaoning Railway gave me the following information last night concerning negotiations between the Japanese military and the Peiping-Liaoning Railway Administration. In the first part of November Japanese military officers approached officials of the railway on the question of the Japanese army taking over the operation of the line in case large bodies of Japanese troops were to be moved into the Peiping-Tientsin area from Shanhaikuan. The Japanese military stated that they had a sufficient number of trained railway men at Shanhaikuan to take over the operation of the line. (My informant stated parenthetically that he believed there were approximately 300 Japanese railway men at Shanhaikuan in the middle of November.)

Officials of the railway, according to the same informant, informed the Japanese officers that it would be unnecessary for them to take over the operation of the line, as the present administration would run troop trains on any schedule

the

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

- 2 -

the Japanese military prescribed and in general
would operate the railway in accordance with the
wishes of the Japanese military even if doing so
interfered with the usual passenger train schedule.
The Japanese military accepted the proposal of the
railway officials.

My informant added that the high officials of
the railway realized that it would be useless to
resist the Japanese military and consequently
decided that they would rather operate the railway
for them than have the military take over the line
from Shanhaikuan to Peiping.

Monroe Hall,
American Consul.

800
MH:JB

A true copy of
the signed origi-
nal. JB

037

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

Copy for the Department.

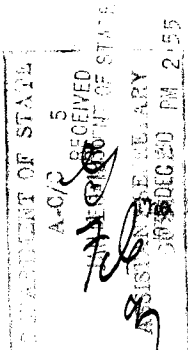
No. 79

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 23, 1938.

CONFIDENTIAL

Subject: Political situation in North China.



Honorable

Nelson A. Tinsler Johnson,
American Ambassador,
Peiping.

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

Sir:

I have the honor to refer to this Consulate General's despatch No. 77 of yesterday and further in that connection to inform the Embassy that in the course of conversations held today with the Commissioner of Public Safety of Tientsin, and later with the Commissioner of the Third Special Area, Consul Ward took occasion to inquire informally as to the present rumors concerning possible uprisings in this city.

Both of the officials with whom this matter was discussed stated that there were a great many rumors

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JAN 13 1939

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

- 2 -

rumors current and that there was evidence that certain groups were interested in stirring up feeling against the present authorities in the city. They both corroborated reports appearing in the press yesterday and the day before of attempts at demonstrations in the northeast section of the city and of a call paid on the office of the Mayor by four nondescript individuals who asserted that they wished to take over the administration of the city.

Handbills have also been distributed at various points in the city criticizing the local authorities and in some cases urging North China autonomy. The Commissioner of Public Safety promised, apparently rather reluctantly, to supply the Consulate General with copies of these handbills. If he fails to do so, the Consulate General hopes to be successful in procuring copies through other channels, and if and when they are received copies and translations will be transmitted promptly to the Embassy. There would appear now to be no doubt that such handbills have been printed and are being distributed in Tientsin.

The Commissioner of Public Safety said that he also had been informed that Wu I-t'ing, the leader of the Hsiangho uprising, was in Tientsin, but ~~he said~~ that he had no connection with the action day before yesterday of the four individuals referred to above.

The

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

- 3 -

The belief is current among well informed local Chinese that as a result of the apparent collapse of the five-province autonomy movement, the individuals in the Kwantung military establishment who seek the severance of Huapei from China will revert to the earlier method of attempting to stir up in Fientain and in the Province of Hopei local separatists' movements. These movements will, it is believed, not be armed uprisings but will be characterized by parades, distribution of handbills, the presentation of petitions to Chinese authorities and other so-called indications of the "spontaneous" desire of the people of Huapei for autonomy.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
RCW:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Peking.

A true copy of
the signed original.
HB

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0378

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

Copy for the Department.

No. 80

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 24, 1935.

193.9

CSR copy in E

Ward

File

Subject: Political situation in North China.

For Distribution-Check		Yes	No
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For	Ward		
	ONI	✓	
	MID		✓

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The Honorable

Nelson Trusler Johnson,

American Embassy,

Peiping.

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

RECEIVED
 DEPARTMENT OF STATE
 1935 DEC 30 PM 2 56

Sir

I have the honor to refer to this Consulate General's despatch No. 79 of yesterday, and to the telephone conversation which took place at noon today between a member of the staff of the Embassy and Consul Ward, both concerning the above subject, and to report that there would appear to be a growing feeling of tension in Tientsin today.

According to unconfirmed reports from usually reliable sources, a meeting of certain rebellious elements in Tientsin was held last night at 8:00 o'clock in the Japanese Concession, allegedly in the home of General Shih Yu-san, there to plan an "autonomous" government for Tientsin and Hopei.

It

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JAN 10 1936

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- 2 -

It is also stated that martial law was enforced last night in the Chinese controlled areas of Tientsin. It is known to have been enforced in at least part of those areas.

The Japanese press in Tientsin yesterday morning named various governing committees of what was stated to be the future autonomous government of Hopei. General Shih Yu-san was listed as the head of the military committee.

- At about 10:30 this morning three men in a
- 1/ touring car began scattering small handbills in the
 - 2/ First Special Area in Tientsin. Two samples of these handbills, picked up at the time of their distribution, are enclosed, together with translations. It will be noted that in them the "Society for Universal Peace" for which they were ostensibly printed urges the awakening of the masses of North China and the overthrow of the Kuomintang. A
 - 3/ third handbill, also attached, states that the masses of Huapei should join hands with Japan and "Manchukuo". The Chinese who picked it up alleges that it was dropped from an airplane.

The Consulate General is informed that a pamphlet, illustrated by several cartoons, and containing an attack both on the Westerners in China and the Nanking Government, was circulated on November 22 in the Japanese Concession. As soon as a copy of it can be obtained, it will be submitted with translation to the Embassy.

From

0378

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

- 3 -

From these and other indications observable in Tientsin, the Consulate General is inclined to the opinion that there exists at present in Tientsin a well-financed organization directed at pumping up some semblance of a desire for autonomy in Tientsin and North China.

However, conversations between an officer of this Consulate General and Tientsin Chinese of almost every walk in life fail to reveal any desire that Huapei be separated from the rest of China, or that an autonomous government be set up here.

Respectfully yours,

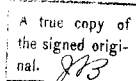
J. K. Caldwell,
American Consul General.

Enclosures:

1-3/, Originals and copies of handbills, with translations.

800
RSW:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.



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

Enclosure No. 1 to despatch No. 80
 from the American Consul General,
 Tientsin, China, dated November 24,
 1935, on the subject of the political
 situation in North China

打倒國民黨
 國民黨是欺騙民衆的組織
 國民黨是共產黨的巢穴
 打倒殺人放火的共產黨
 防止共產黨北上
 普安協會

TRANSLATION

Overturn the Kuomintang.

The Kuomintang is an organization which cheats the
 masses.

The Kuomintang is the lair of the Communist Party.

Overturn the murderous and incendiary Communist
 Party.

Prevent the Communist Party from coming North.

The Society for Universal Peace.

Trans.: R.S.W.

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

Enclosure No. 2 to despatch No. 80
 from the American Consul General,
 Tientsin, China, dated November 25,
 1935, on the subject of the
 political situation in North China.

華北民衆要覺醒
 打倒殺人放火的共產黨
 國民黨是共產黨的巢穴
 反對國民黨一黨專政
 華北是華北民衆的華北
 勿再屈服在國民黨治下
 普安協會

TRANSLATION

The Masses of North China Must Awaken.

Overturn the murderous and incendiary Communist
 Party.

The Kuomintang is the lair of the Communist Party.

Oppose the one party despotism of the Kuomintang.

Huapei belongs to the masses of Huapei.

Never again bow under the yoke of Kuomintang rule.

The Society for Universal Peace.

Trans :R.S.W.

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

Enclosure No. 3 to despatch No. 80
 from the American Consul General,
 Tientsin, China, Dated November 25,
 1935, on the subject of the political
 situation in North China.

華北民衆要與日滿携手

華北民衆從速與日滿共同實現大亞細亞主義

我們大家要聯絡起來

安清幫份子一致團結起來

擁護防共自治委員會

普安協會

TRANSLATION

The Masses of Huapei Should Join Hands
 with Japan and Manchukuo.

The masses of Huapei should quickly unite with
 Japan and Manchukuo for the realization of the
 great Asia policy.

We must unite.

Members of the An Ch'ing Society must unite
 and arise.

JOIN HANDS FOR THE DEFENCE OF THE SELF-
 GOVERNING COMMISSION.

The Society for Universal Peace.

Trans : R. L. W.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1936.

MSM:

~~WTT:~~

MMR:

Tientsin's Nos. 82, 83, 85 and 95 of November 25 (2), 26, and December 4, 1935, report the early manifestations of the so-called autonomy movement in Tientsin. These despatches give a circumstantial account of the movement and of the movement's collapse, the essence of which has been reported to the Department by telegram.

In brief, there is little evidence that the movement was a spontaneous outburst of the Chinese people, being confined to a very few. Within a day of the first outbreak, the movement appeared to have collapsed, at least temporarily. In the opinion of informants of the Consulate General at Tientsin, the movement was of Japanese inspiration. On December 4, an American news correspondent was informed by a certain Chinese official that further demonstrations in favor of autonomy were to be expected.

Mention is made that Sung Che-yuan and Yin Ju-keng were involved in the movement. The impression was given that the establishment of an autonomous régime is inevitable and only perfunctory efforts will be made to stop it.

CSR/VDM

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

No. 83

AMERICAN CONSULATE GENERAL

Tientsin, China, November 25, 1935.

Subject: The Autonomy Movement in Tientsin.

The Honorable

Nelson Truesler Johnson,
 American Ambassador,
 Peiping.

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

Sir:

I have the honor to submit the following information in confirmation of the telephone conversation of this morning with the Embassy and my telegram of today's date to the Department (a true reading of which was sent to the Embassy), on the subject of the so-called autonomy movement in Tientsin.

Mr. Ward and Interpreter Liu of the staff of this Consulate General proceeded at 9:30 A.M. to Tung Pa Lu, the main street in the Chinese city, on information that a mob was gathering there. They found that a party of about fifty well-armed soldiers had taken possession of a lecture hall across the street from the Y.M.C.A. Building on Tung Pa Lu. These soldiers had arrived in three trucks around each of which were hung cloth banners inscribed with Chinese characters reading, "The Death Defying Army for the Defense of the Masses of North China". Banners on which were written

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

-2-

written "Headquarters of the Death Defying Army for the Defense of the Masses of North China" were hung above the door of the lecture hall. The soldiers were later augmented by a second group of about fifty men in the same uniform, also apparently well-armed.

At about the same time a parade of about fifty soldiers carrying banners proceeded down Tung Lu toward the Headquarters. Banners marked to indicate that they were borne by representatives of the various hsien of the Province of Hopei were being distributed to anyone who would take them and quantities of handbills were being distributed. A copy of one of these handbills with a rough translation is enclosed. A large crowd had gathered there.

Proceeding across the river Mr. Ward noted that the walls along the main street to the railway station were plastered over with signs urging autonomy for Huapei. The Headquarters of the Peace Preservation Corps was heavily guarded by fully armed members of the Corps with fixed bayonets. There were two armored cars in front of the Corps Headquarters.

On a second trip into the city one of the trucks which had been used to carry members of the "Death Defying Army" to the lecture hall was seen standing empty, surrounded by a large crowd in front of the so-called labor recruiting office on Akashi Road in the Japanese Concession.

The

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

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The Headquarters of the Universal Peace Society from which the handbills and posters which are being distributed in Tientsin apparently emanate, was found to be at No. 1 Komoyama Road in the Japanese Concession.

There were several cars standing in front of the Society's headquarters, one of which was recognized as belonging to Tuen Chi-jui. On either side of the Society's headquarters are the buildings of a Buddhist society, one of the prime movers of which is said to be Wang I-tang.

Respectfully yours,

J. L. Caldwell,
 American Consul General.

Enclosure:
 1/ Handbill with translation,
 as stated.

800
 RSW:HK

Transmitted in duplicate.
 Five copies to Department, without covering despatch.
 Copy to Embassy, Peking.

A true copy of
 the signed original.
 HK

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

聲 明 書

各位同胞們：

我們是為增進華北民衆的福利，及防止赤化起見，而從事民衆自治運動，我們的團體，純粹是民衆組織集合起來的，絕對的沒有武器和官廳對抗，換句話說，就是我們並不是無意識的暴動。

我們華北自衛團團員，都是由各縣選拔來的存心救國的壯士，抱着大無畏的精神，不惜犧牲一切，努力奮鬥，以求達到以真正華北民意樹立之華北政權為目的，大家要知道這就是謀華北民衆整個的生存。

倘若華北當局仍然是執迷不悟，對我們的舉動加以威脅和壓迫，那末我們只有取自衛手段與之週旋，百折不撓，不達目的誓不甘休。

如果現在華北當局，及中央政府，覺悟到民衆力量之偉大，真正民意之不可違反，使以真正民意為依歸之華北政府得以早日實現，那就不獨我們努力民衆自治運動的救國同志，大家歡欣鼓舞，就是我們全體華北民衆都已得到解放，一個個都可以安居樂業了。

華北自衛團司令 王 明

華北自衛團敢死隊隊長 田 治 平

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

Enclosure No. 1 to despatch No. 82
 from the American Consulate General,
 Tientsin, China, dated Nov. 25, 1935,
 on the subject of the autonomy move-
 ment in Tientsin.

TRANSLATION

Proclamation.

Fellow-countrymen:

We have engaged in the movement for the self-government of the masses in order to increase the prosperity of the whole people of Huapei, and also to prevent the spread of Communism. Our group is purely an organization of the united masses and positively is without arms with which to oppose the authorities. In other words, we definitely are not simply senselessly stirring up trouble.

All of the members of the North China Self-Defense Corps are representatives chosen from the various districts, valiant men whose hearts seek the nation's salvation: our spirit is fearless, and we are not afraid to sacrifice everything, to fight desperately, in order to achieve our object - the establishment in North China of a government actually representing the opinion of the people. Everyone must recognize that this is simply an effort to preserve the existence of the mass of Huapei people.

If the authorities of North China continue stupidly to fail to understand, and increase their effort to over-awe and suppress our movement, then the only way in which we can properly meet them is to employ measures for self-defense: we will be

unyielding,

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

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unyielding, and swear not to rest until we have reached our objective.

However, if the authorities of North China, and those also of the Central Government, realizing their error and recognizing the vast power of the masses, and the impossibility of defying the real intent of the people, permit the autonomy government which is in accord with the real desires of the people to come early into existence in Huapei, then not only will those of us who have worked strenuously to advance the movement for the self rule of the masses and the salvation of the nation dance with joy, but all the masses of North China will be freed, and each and every one of them may live in peace and work in joy.

WANG MING
Commander of the Army for the Self-
Defense of North China.

T'IENTS CHIH-P'ING
Commander of the Headquarters of the
Death Defying Army for the Self-Defense
of the Masses of North China.

Trans. R.S.W.

A true copy of
the signed original.
AK

0385

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

No. 53

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 25, 1935.

Subject: The Autonomy Movement in Tientsin.

For Distribution-Check			
Grade	For	To Field	Yes
	M	In U.S.A.	No
	Word	ONI	✓
		HID	✓

The honorable
 Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

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

Supplementing my despatch no. 82 of to-day's

date, I have the honor to report that the Consulate General was informed this afternoon that the mob in front of the Tung Ma Lu lecture hall had pushed forward and torn down from over the door the banners of the "Death Defying Army". Foreign newspaper correspondents who were eye-witnesses to this occurrence brought pieces of the torn banners to the Consulate General. This incident is believed to be a sufficient commentary on the so-called "spontaneity of the movement".

It is reported that armed and uniformed representatives of the autonomy movement proceeded this morning to both the Municipal and Public Safety Headquarters in Tientsin with the object of taking over the Government of the city. One informant alleges that

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

-2-

that the Mayor arrived at an agreement with the
autonomy group by virtue of which they would
continue to spread their propaganda in the city
but will make no immediate effort to take over its
Government.

There are rumors current, however, that the
army intends to mob the Bureau of Public Safety
sometime to-night.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
NSW:HK

Transmitted in duplicate.
Five copies to Department, without covering despatch.
Copy to Embassy, Nanking.

A true copy of
the signed origi-
nal. JK

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

Copy to the Department.

No. 84

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 26, 1935.

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Subject: Political situation in North China.

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The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping.

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I have the honor to refer to this Consulate General's despatch No. 80 of November 24, 1935, and to the telegram of today's date to the Department, a copy of which has been sent to the Embassy, both concerning the political situation in Hopei and Tientsin, and in confirmation of the latter to submit the following information.

A well informed Chinese official of the Provincial Government stated in conversation yesterday evening that General Sung Che-yuan has determined to set up an autonomous administration for the Provinces of Hopei and Chahar and that his present

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

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present negotiations with Doihara are directed toward completing arrangements for such a government. The informant stated that Sung was represented as having decided upon this step in view of the facts that the Province of Chahar is already practically lost to China, that Yin Ju-keng has already established autonomy in the Demilitarized Zone, and that under the agreement made in June of this year National Government troops could not come to Sung's support in Hopei.

The establishment of such an administration will, the official quoted believes, result in the elimination of Yin Ju-keng. The arrangement which Sung desires to effect with the Kwantung Army would abolish the Demilitarized Zone and would presumably also bring to an end the various "spontaneous movements" for autonomy in Tientsin and in the various hsien of Hopei which have so frequently promised to disrupt the maintenance of law in the area which Sung controls.

In referring to Yin Ju-keng's action in establishing a separate government for the Demilitarized Zone, the informant gave it as his opinion that Yin could not last as the ruler of the Zone and that his action represented nothing more than an effort on his part to court the good will of the Japanese. The informant stated that General Sung dislikes Yin and will certainly attempt to have him removed if Sung's authority ever extends to the Demilitarized Zone.

The

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

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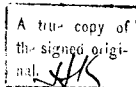
The official quoted said several times during the conversation that he was very much afraid that if General Sung did set up an autonomous government over two or three provinces in the North, General Chiang Kai-shek would attempt to suppress him by force of arms and that this situation would inevitably lead China into war with Japan. Pressed for some explanation of this view, the informant stated that he had just a few hours before received what he considered reliable information from Nanking to the effect that Chiang was determined to resist the establishment of autonomy in North China by force of arms. It is the opinion of this official that an autonomous government under Sung embracing only Chahar and Hopei would be less acceptable to Chiang than some form of commission government including all North China; that Chiang could use the latter as a buffer between himself and the Japanese; but that the Nanking Government would view autonomy in Chahar and Hopei as equivalent to the loss of those provinces.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

800
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Transmitted in duplicate.
 Five copies to the Department, without covering despatch.
 Copy to the Embassy, Nanking.



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

No. 85

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 26, 1935.

Subject: Collapse of the Tientsin Autonomy Movement.

CONFIDENTIAL

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

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Beiping.

Sir:

I have the honor to refer to the Consulate General's despatches Nos. 7578 and 7579 of yesterday, and to the telegram to the Department of today's date, a copy of which has been sent to the Embassy, and to report that the so-called "autonomy movement" in Tientsin would appear to have collapsed, at least temporarily.

It was reliably reported to the Consulate General yesterday evening that the armed and uniformed members of the so-called "Dare to Die Army for the Defense of the Self-Government of the Masses of Huapei" had been withdrawn from the lecture hall on a main street in the Chinese city which they had occupied, and that the banners and signs which had marked the hall as the headquarters of the movement had all been taken down. It

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

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was also reported, however, that shortly after the removal of the autonomy group from the lecture hall a mob of some three hundred men gathered in front of Shin Yu-san's house in the Japanese concession and that General Shin had rifles distributed to those among them who could use them and supplied the others with swords.

An interesting sidelight on the "autonomy" movement was given to Consul Ward in a confidential conversation last night with an official of the Bureau of Public Safety. That official stated that he had been called at seven o'clock yesterday morning to the Bureau, where he found that a mob supposed to be composed of representatives of the autonomy movement had already collected. Later in the morning six representatives of the movement entered the Bureau to demand that the present Commissioner of Public Safety turn over his authority and the seals of his office to one of their number. They explained that this request was based upon the right of self-government guaranteed to the people. Mr. Ward's informant stated that the so-called representatives were surrounded by the police. The informant then called up the Japanese Garrison and to quote his own words told an officer there, "If these men have any connection with you, you had better come and get them; if they have not, we will deal with them promptly". The informant asserts that in a very short while after this

conversation

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

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conversation, representatives of the Japanese Garrison appeared at the Bureau and took charge of the representatives, urging them to leave peacefully.

According to the informant's account, representatives of this same group also visited the Municipal Government and requested that they be given control of the city. The Mayor of Tientsin was not at that time in his office and the officer who met them communicated with the Japanese Garrison. The officers from that Garrison appeared promptly at the Municipal Government Headquarters to mediate between the members of the autonomous group and the Municipal Government. In this case also the group was urged to depart peacefully from the Yamen.

It is the opinion of the informant that this whole movement was unquestionably inspired by the Japanese, but that it is not clear that yesterday's actions had received the approval of the ranking officials of the Kwantung Army in Tientsin.

In discussing the origins of the movement, the informant stated that an effort had been made to use a secret society which is a branch of the Ch'ing Pang in the furtherance of the aims of those Japanese in Tientsin who are attempting to establish a separate government in North China. The branch society referred to is called the An Ch'ing Pang and, according to the informant, has been

recruiting

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

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recruiting members among the poorer classes in Tientsin for many months.

At the close of this conversation Mr. Ward and the informant toured the Chinese controlled areas, where a very strict martial law was being enforced, and then went through the Japanese Concession. The streets through the Chinese areas were heavily guarded, the police on duty being reinforced in places by soldiers from Shang Chen's army.

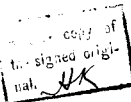
It may be pertinent to note in connection with the foregoing report that for the last three days reconnaissance flights by Japanese army airplanes over Tientsin have increased markedly and now occur as frequently as four or five times a day.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

800
 ASW:HK

Transmitted in duplicate.
 Five copies to Department without covering despatch.
 Copy to Embassy, Nanking.



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 6, 1936

~~MSM~~
~~WTT~~
~~MMH~~

Tientsin's 86 of November 27, 1935, reports in detail the construction of an aviation field by the Japanese on the International Race Course at Tientsin.

This was reported in Tientsin's telegram of November 27, 1935, 11 a.m.

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

Copy for the Department.

No. 36

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 27, 1935.

Subject: Japanese aviation field.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

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

I have the honor to refer to this Consulate
General's telegram of this morning to the Depart-
ment, a true reading of which was sent to the
Embassy, in which reference is made to reports
that the Japanese military were constructing an
air field on the International Race Course, and
further in that connection to report the following
information.

An officer of this Consulate General proceeded
by car this morning to the International Race
Course and found that there were two Japanese air-
planes on the regular air field to the west of the
Race Course; that a part of the buildings at the

Race

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

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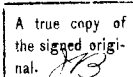
Race Course had been occupied by Japanese soldiers who were erecting telegraph and telephone wires; and that a large area to the east of the Race Course was being converted into an air field under Japanese direction. This area of land was marked by a large Japanese flag and there appeared to be at least 300 workmen on it engaged in leveling off the ground. The Chinese laborers near the field stated that the workmen engaged in constructing the field had been brought in by the Japanese and were not natives of that locality. They also volunteered the information that two or three hundred tins of gasoline had been transported yesterday to the field in Japanese military trucks, presumably for the use of Japanese airplanes. Another informant stated that eight truck loads of gasoline were sent to the Race Course.

There were no Japanese airplanes on the field which was being constructed, but, as reported in the telegram to which reference has been made above, there is a wide spread rumor current in Tientsin that forty or more Japanese airplanes are expected at this new field within the next two or three days.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

800
 RSW:JB



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 Copy to the Embassy, Nanking.

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

Copy for the Department.

No. 87

AMERICAN CONSULATE GENERAL,

Tientsin, China, November 27, 1935.

Subject: Political situation in North China.

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1935 DEC 30 PM 2 54

The Honorable

Nelson Trusler Johnson

American Ambassador,

Peiping.

For Distribution-Check		Yes	No
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O.N.I. AND M.I.D.

I have the honor to refer to despatch No. 85 of yesterday and to the two telephone conversations between this office and the Embassy today on the subject of the political situation in North China and further in that connection to report the following information.

At about three o'clock this afternoon, a Japanese troop train arrived at Tientsin East Station. It comprised four third class cars, a first class car, three closed and one open freight cars. The third class carriages were packed with fully armed Japanese soldiers and the first class car contained perhaps fifty soldiers. About 200 men alighted at the station. There were perhaps

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

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as many as 200 soldiers on the train when it pulled out, presumably for Peiping.

It is understood that these troop trains usually arrive in two sections and there is an unconfirmed report that this troop train was only the first of two which were to arrive this afternoon.

According to one of the station officials a train of 23 cars carrying Japanese troops and military supplies came into the station yesterday. This official confirmed the report that Japanese troops in considerable numbers had arrived in Tientsin yesterday and that some 200 more had been sent on to Peiping.

He also stated that at ten o'clock this morning the Japanese military ordered that all south bound goods trains on the Tientsin-Pukow Line should be held in Tientsin and that all such trains on the Peiping-Hankow Line should be held at Fengtai. The same informant some hours later asserted that through negotiations which had been carried on over the noon hour between officials of the railway and representatives of the Kwantung Army an arrangement had been made whereby for every goods car which left either of these points for the south the respective railways would trade an empty car. The informant stated that the object of the Japanese military in taking this step was to prevent cars becoming available for carrying Chinese soldiers northward.

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

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northward. It would appear, however, that the purpose of the order may have been to prevent a withdrawal of rolling stock from North China before the establishment of an autonomous government.

This afternoon an extra of the HSIN TIEN PAO, a Chinese vernacular paper in Tientsin, reported that the Japanese military had stopped all freight trains from moving south on both the Tientsin-Pukow and Pei ing-Hankow Lines, but that an arrangement had been made whereby the Tientsin-Pukow Line promised to permit goods cars to proceed only as far as Tsinan in Shantung.

It is believed that the information secured through the railway is, however, more reliable.

The informant referred to above states that smuggling of goods other than silver into Tientsin is continuing unabated. He estimates that 500 bales of rayon on which freight was paid were smuggled through the customs yesterday.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
RSW:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed original.
JB

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

No. 88

AMERICAN CONSULATE GENERAL.

Tientsin, China, November 27, 1935.

Subject: Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

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

I have the honor to refer to this Consulate
General's despatch No. 87/7603 of to-day's date on the
above subject and further in that connection to
1/ enclose for the Embassy's information, a memorandum
setting forth the account given this Consulate Gen-
eral by the local representative of an American
newspaper of his interview this afternoon with Gen-
eral Tada, the Commander of the Japanese Garrison
in North China.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1/ Memorandum as stated.

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Five copies to Department without covering despatch.
Copy to Embassy, Hanking.

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

Enclosure No. 1 to despatch No. 88
 dated Nov. 27, 1935, from the
 American Consulate General, Tientsin,
 China, on the subject of the Political
 Situation in North China.

Tientsin, China, November 27, 1935.

M E M O R A N D U M

Subject: Interview of an American newspaper
correspondent with General Tada on
the subject of the Political Situation
in North China.

The local representative of an American newspaper had an interview this afternoon with General Tada, Commander of the Japanese Garrison in North China, on the subject of the present political situation in North China, in the course of which he elicited from General Tada the following views.

Asked if the establishment of an autonomous government in Hopei and Chahar would receive the support of the Japanese military, General Tada replied that such a movement would be considered an internal affair of China with which the Japanese would not be directly concerned.

Asked as to what attitude the Japanese military would take if General Chiang Kai-shek took steps to prevent the establishment of an autonomous government by Sung Cho-yuan, General Tada stated that interference by the Nanking Government in the movement for the establishment of an autonomy in North China would constitute a violation of the "Umetsu-Ho Ying Ching Agreement", whereby no troops of the Chinese Government are permitted north of the Yellow River, and therefore would not be tolerated. General Tada added that although this could not be considered as
 direct

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

-2-

direct support for Sung Che-yuan in case he attempted to establish a separate government it would nevertheless help him to effect that object.

In response to an inquiry as to what would happen to the autonomous government in the Demilitarized Zone if a second autonomous government for the whole of Hopei were set up, General Tada replied that he saw no reason why these two movements should prove incompatible and stated their aims would be the same and he could see no reason for any incompatibility - that the two could work together perfectly well.

General Tada further said that General Sung Che-yuan would not be unacceptable to the Japanese as the head of an autonomous regime in North China.

General Tada further said that the promises made by Nanking in June to bring about the removal from North China of anti-Japanese societies and the cessation here of anti-Japanese activities had not been carried out; that these societies were continuing under disguised names. He also stated that no action had been taken to relieve the farmers.

The General appeared to be particularly exercised over the silver policy of the Nanking Government. He said that it was draining the silver out of North China and thereby preventing the possibility of an extension of the trade between North China and Japan. He said that there were two schools of thought among the Japanese: the first held that eventually the Kuomintang would come to a sincere attitude toward Japan and that it would be possible for Japan to deal with a

Kuomintang

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

-3-

Kuomintang government; while the second school held that as long as the Kuomintang ruled China no amicable settlement of Sino-Japanese questions was possible. He said that the fact that the Nanking Government could take so important step as that embodied in its decrees on silver without even discussing the matter with the Japanese proved the contentions of those who held to the latter school to which the General himself subscribes.

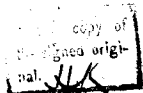
Referring to reports that additional Japanese troops were being brought into North China and that troop trains were being held in readiness the General said that these reports were incorrect; that only small troop movements were occurring and that these were merely a part of the Japanese exercises.

He said that the Japanese were waiting to see whether the autonomous regime in the Demilitarized Zone is really directed at the betterment of the people there before approving it; and that owing to the proximity of the area to "Manchukuo" Japan could not allow the officials of the Zone to attempt to impose additional taxation.

He stated that the practices of Nanking in North China were preparing an excellent field here for the spread of communism which could not be tolerated by the Japanese. He said that Russia was advancing through both Outer Mongolia and Sinkiang.

With reference to the order issued by the Nanking Government for the arrest of Yin Ju-keng, General Tada said that any such action would upset the peace and order of North China and would be opposed by Japan.

R.S. Ward,
 American Consul.



0 4 0 8

Copy for the Department.

[Handwritten signature]

793.941

nts in China, November
55R. *Johnston*
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31 1937
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CSR

RECEIVED
5
OFFICE OF THE
ATTORNEY GENERAL

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

793.34/7605

FILED
JAN 10 1936

Enclosure:

800
RSH:JB

5

Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

0 4 0 9

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

Enclosure No. 1 in despatch No. 90
dated November 30, 1935, from the
American Consul General, Tientsin,
China, on the subject of the political
situation in North China.
American Consulate General, Tientsin.

November 30, 1935.

M E M O R A N D U M

Subject: Conversation between a ranking
Chinese official of the Pei-Ming
Railway and Consul Ward.

In the course of a conversation yesterday afternoon, a ranking Chinese official of the Pei-Ming Railway expressed the opinion that the present political situation would be precipitated within two weeks at the outside by direct action on the part of the Japanese military.

He pointed out that the Mayor and the Commissioner of Public Safety of Tientsin were both really Japanese appointees, and stated it to be a distinct possibility that these two might turn over the city themselves. Their efforts to control the actions of the so-called autonomists - whom he classed with heroin users and beggars - might have had the approval of the older group of Japanese military commanders in Tientsin, he said.

Asked if he had any information as to the attitude which General Sung was taking in the negotiations in Peiping, he expressed complete confidence in Sung's allegiance to the "Chinese cause". Sung had been badly treated by Nanking, in the informant's opinion, but it was very unlikely that because of that he would turn over to the Japanese. The

official

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

- 2 -

official quoted had been informed, in fact, that Sung had told Doihara that he would not accept responsibility for what happened in Tientsin, but that if similar disturbances were brought about in Peiping, he would do what he could to prevent them from accomplishing their objects. The informant believes that the Japanese are aware of Sung's attitude, and that even if they force him into the acceptance of some form of autonomy in North China, they will be obliged to dispose of him soon thereafter.

The informant stated that the various recent press reports of troops movements were substantially correct; that a concentration of troops is taking place; and that a further movement will probably occur today or tomorrow.

He stated that the trains used in the movements were assembled by the Shanhaikuan-Mukden branch of the railway beyond the wall, and were sent through the wall under the regular through traffic arrangement. He also said that the establishment of an autonomous government in the Demilitarized Zone had not affected the operation of the railway in any way.

On the evening of November 28, the informant had dinner with a high officer of the local Japanese garrison. That official informed him that it was known to the Japanese that he (the informant) was one of the most experienced technical experts in his line in the Far East; that it was realized

that

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

- 3 -

that he had had very unusual experience in the transportation of troops, and that if he (the informant) attempted to "run away" the Japanese military might shoot him. The informant states that he answered that he had no intention of running away; that if he had desired to do so he would not in the first place have returned to Tientsin (he has just come back from Nanking); and that in any case he was only a technical man who could do nothing but take the orders that were given him.

Referring to the fear of the Japanese that he might run away, the informant pointed out that more and more influential Chinese were leaving the North every day, and he said that he had been informed that an exodus of Japanese women and children from Tientsin to Japan had begun. He mentioned also the fact, now generally known, of the trek of well-to-do Chinese to the Tientsin concessions from both Peiping and the Chinese-controlled areas of Tientsin.

He said that if England and Italy became involved in war Japanese troops would enter North China in force within twenty-four hours.

In closing the conversation reported above, the informant invited me to tiffin at his home tomorrow, "if nothing happens".

Robert S. Ward,
 American Consul.

800
 RSW:JB

A true copy of
 the signed original.
 RB

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

Copy for the Department.

No. 94

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 2, 1935.

Subject: Political situation in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

For Distribution-Check			
Grade	G	With	Yes
For	Ward	In U.S.A.	✓
		ON	✓
		MND	

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

Sir:

Supplementing this Consulate General's despatch
No. 90/7605 of November 30, 1935, on the political
situation in North China, I have the honor to
1/ transmit a memorandum of a conversation which took
place yesterday between a ranking Chinese official
of the Pei-Ning Railway and Consul Ward of this
office.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1/, Memorandum of conversation between an official
of the Pei-Ning Railway and Consul Ward.

800
RSW:JB

A true copy of
the signed origi-
nal. *YB*

Transmitted in duplicate; copy to the Embassy, Nanking.
Five copies to the Department, without covering despatch.

793.94/7606

FILED
JAN 10 1936

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

Enclosure No. 1 to despatch No. 94
dated December 2, 1935, from the American
Consul General, Tientsin, China, on the
subject of the political situation.

American Consulate General, Tientsin,
December 2, 1935.

MEMORANDUM

Subject: Conversation with a ranking Chinese
official of the Pei-Ning Railway.

Supplementing the memorandum of my conversation
on the evening of November 29 with a ranking Chinese
official of the Pei-Ning Railway, there follows a
summary of the views which he expressed to me in a
further discussion of the political situation in
North China which I had with him yesterday afternoon.

The informant stated that ranking officials
of the Pei-Ning Railway had been requested by the
Japanese military to cease all telegraphic communi-
cations with the National Government. He did not
know whether the same request had been made of
provincial and other officials, but he believes
that the object of the Japanese in making it of
the railway officials was to further isolate the
North China railways from those of the rest of
China.

He credited the report which appeared in the
NORTH CHINA STAR the same morning to the effect
that the Japanese military had requested the Tientsin
Bureau of Public Safety to prepare quarters in
Tientsin for three divisions of Japanese troops,
these quarters to be ready within three days.

However

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

- 2 -

However, he characterizes this request as being a part of the Kwantung Army's effort to bluff the provincial officials of Hopei into accepting the Japanese scheme for an autonomous government in Hopei and Chahar.

He stated that he believed it to be a fact that a concentration of a large part of the Kwantung Army had taken place outside of Shanhaikuan, but he is emphatically of the opinion that the Japanese could not afford to send three divisions of troops into North China either from Manchuria or Korea, and he is under the impression that an imperial rescript would be necessary to send troops from Japan proper to North China; he thinks that such a rescript would not be forthcoming. He gives as his reason for this latter belief that the ministries in Tokyo are opposed to the military occupation of North China at this time, first, because of the expense involved and, second, because the present international situation is not propitious from the Japanese standpoint.

The informant thinks that Chiang Kai-shek is aware of the reluctance to act which is apparently felt in Tokyo and he believes that Chiang has some assurance from Tokyo or perhaps some definite information on the situation in Japan which has caused the Generalissimo to believe that Japan would not undertake large scale operations to effect the separation of Huapei from North China within the next week.

800
 DEW. TO

A true copy of
 the signed original.
RS

Robert S. Ward,
 American Consul.

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

Copy for the Department.

No. 95

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 4, 1935.

CONFIDENTIAL

Subject: Statement of a Chinese official in connection with the autonomy movement.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to submit with this despatch
1/ a memorandum concerning an interview that an
American newspaper correspondent at present in
Tientsin had this morning with a Chinese official.
I believe that the correspondent mentioned in the
memorandum is reliable and that the statements
attributed to the Chinese official actually were
made by him, but I have not been able to confirm
as yet from other sources the information contained
in the memorandum.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

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DEPARTMENT OF STATE
JAN 10 1936
FM 246

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Yes	No
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JAN 10 1936

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

- 2 -

Enclosure:

1/, Memorandum of an interview of an American
newspaper correspondent with a high
Chinese official.

800
MH:JB

Transmitted in duplicate.
Five copies to the Department, without covering
despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed origi-
nal. *YB*

5

C. D.

0 4 1 7

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

Enclosure No. 1 to despatch No. 95
dated December 4, 1935, from the
American Consul General, Tientsin,
China, on the subject of the
autonomy movement.

American Consulate General, Tientsin,

December 4, 1935.

CONFIDENTIAL MEMORANDUM

Subject: Interview of an American newspaper
correspondent with a high Chinese
official.

An American correspondent told me that he had
had an interview this morning with a high Chinese
official concerned with the maintenance of order
in Tientsin, in which the following statements
were made:

There will be another demonstration tomorrow
in Tientsin for the establishment of an autonomous
regime. This demonstration will be similar to the
one that occurred on November 25, 1935. It will
consist of parades, the distribution of placards
and other propaganda, and mobs may assemble in
front of public buildings, but they will not
attempt to occupy them.

In response to a question the official said
that the demonstration scheduled for tomorrow is
connected with the movement for autonomy led by
General Sung Che-yuan and Mr. Yin Ju-keng. The
preceding statement implied that Sung and Yin are
involved in the same autonomy movement.

In response to another question the official
said that efforts would be made to suppress any
autonomous

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

- 2 -

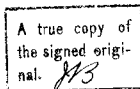
autonomous regime that had foreign backing but that no attempt would be made to suppress those that sprang from the desire of the Chinese people. Apparently the official believes that the establishment of an autonomous regime is inevitable, and does not intend to make more than a perfunctory effort to stop it or demonstrations staged in connection with it.

The correspondent told the official that he would like very much to see the demonstrations scheduled for tomorrow, to which the latter replied that of course some unforeseen difficulty may prevent the staging of the demonstration but that in all probability it would take place and that he would be glad to have one of his secretaries guide the correspondent to the scene.

In the conclusion of the interview the official informed the correspondent that he might send the substance of the interview to his paper providing he did not mention the official's name, adding that so long as his name was not mentioned he would be glad to give the correspondent what information he could.

Monroe Hall,
American Consul.

800
MH:JB



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

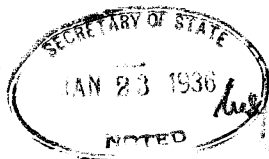


No. 123

EMBASSY OF THE
UNITED STATES OF AMERICA
Peiping, December 7, 1935.

Subject: Attitude of American Educators in
China during Present Crisis.

793.94
note
393.1163



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FE 9.9.C.

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1935 DEC 30 PM 1 33

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution-Check			
Grade		To field	Yes
For	X	In U.S.A.	X

793.94/7608

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

Sir:

393.1164 Yenching University/14

I have the honor to refer to the Embassy's
despatch No. 68 of November 7, 1935, forwarding
a memorandum of a conversation with an American
educator regarding the present position of his
University in North China, and to enclose for the
information of the Department a copy of my memorandum
of December 3, 1935, of a conversation with two
local educators on the subject of the attitude to be
adopted by American educators generally in North

China

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

- 2 -

China in connection with present political conditions.

Respectfully yours,



Nelson Trusler Johnson.

✓
Enclosure:

- 1/ Copy of memorandum of conversation, December 3, 1935, between Rev. John D. Hayes, Mr. Lyman Hoover and the Ambassador.

710

Original and 1 copy to the Department.
Copy to American Embassy, Nanking.

Ec/rd

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

ENC
 TO

123

Attitude of American missionaries and
 educational workers during present
 crisis.

Peiping, December 3, 1935.

Conversation with: Rev. John D. Hayes and
Mr. Lyman Hoover.

Mr. Hoover who is working with the Y.M.C.A. and Mr. Hayes who is acting head of the Peiping Language School, came to see me this morning and we discussed the situation which faces American missionaries and cultural workers in their relationships with Chinese students and Christian converts during the present crisis.

I told him that I counseled no man to keep his mouth shut against his own conscience, but that I thought it behooved Americans doing permanent work among Chinese at this time, whether as school teachers or as Y.M.C.A. workers, to carefully refrain from offering advice to the bewildered Chinese students and Christian converts who would doubtless come to them with their troubles during the present crisis. I stated my conviction that the Japanese were pursuing plans which eventually would make them a dominant factor in this local situation, and that it may be expected that the Japanese will strike at anything

or

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

- 2 -

or any one suspected by them of encouraging opposition among the Chinese to Japan's plans and ambitions.

I stated that this kind of a situation would make life very difficult for American mission and educational workers here to whom large groups of Chinese students look for spiritual and moral guidance in facing the problems which all Chinese are discussing now, but that after all these problems are Chinese problems, essentially problems to be settled by the Chinese themselves, consulting their own conscience, their own loyalties and their own future.

American mission and educational workers had another problem to think of. They wished to carry on their work, whether the Chinese controlled this locality politically or whether it was controlled by the Japanese, and therefore they wished to live on friendly relations with whatever political group might be in control. Otherwise their work having become identified with political and national questions, it would have to suffer the political and national fortunes of the contending parties in the political field. It seemed to me that wise leaders in welfare work would strive by every means within their power to avoid such a result.

Both Mr. Hayes and Mr. Hoover agreed with me and stated that it was what they wished to do. I pointed out that the situation which was facing us now would be a severe test of the personnel employed in these several fields, and I hoped that Americans would survive the test with colors flying, whatever the political situation might be a year or so hence.

Nelson Trusler Johnson,
 American Ambassador.

NTJ.EA

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

Handwritten: A paraphrase
COPIES SENT TO
O.N.I. AND M.I.D. *Handwritten: 7/2*

TELEGRAM RECEIVED

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

FROM NANKING

Dated December 31, 1935

Rec'd 6:45 a.m.

Secretary of State,
Washington, D.C.

Handwritten: 793.94
Division of
EASTERN AFFAIRS
DEC 31 1935
Department of State
Handwritten: 793.94/7609

160, December 31, 11 a.m.

One. The Associated Press correspondent states that as
a result of repeated inquiries by *himself* and other corres-
pondents the Foreign Office last evening handed to him and
representatives of foreign and Chinese News Services the
following statement with the stipulation that the source
should not (repeat not) be published:

Section two follows by Radio

PECK

JS

FILED
JAN 4 - 1936

742

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

TELEGRAM RECEIVED

FS

1-1336

PLAIN

FROM Nanking via N. R.

Dated December 31, 1935

Rec'd 7:15 a. m.

Secretary of State,
Washington.

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

160, December 31, 11 a. m. (SECTION TWO).

Two. It has now been confirmed in Chinese official circles that a proposal for the fundamental re-adjustment of Sino-Japanese relations through proper diplomatic channels has been put forward by the Chinese Government to the Japanese Government which is said to have expressed agreement in principle.

The matter, however, is yet confined to a preliminary exchange of opinions between the Japanese and the Chinese Foreign Office and no discussions of concrete plans or any particular question has taken place, it is learned.

The Chinese authorities are said to be anxious to remove the utter confusion and irregularities that have characterized Sino-Japanese relations since the Mukden incident. The many and various questions that have arisen during the past four years have, it is admitted, often been dealt with in a make-shift manner which met only with the immediate exigencies of the moment. This lack of

adequate

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

FS 2-No. 160, December 31, 11 a.m. from Nanking

adequate consideration for a fundamental settlement
is regarded to have culminated in an extraordinary state
of affairs which is considered to be detrimental to the
welfare of both China and Japan.

The present moment, being apparently deemed opportune,
has therefore been seized upon to bring about the desired
readjustment and to place the conduct of Sino-Japanese
relations on a proper diplomatic basis.

(END MESSAGE)

CSE

PECK

0426

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

P A R A P H R A S E

CONFIDENTIAL

A telegram dated December 31, 1935, from the American Embassy at Nanking, reads substantially as follows:

The correspondent of the Associated Press states that on the evening of December 30 the Foreign Office gave him and representatives of Chinese and foreign news services, as a result of inquiries repeatedly made by him and other correspondents, a statement, with the understanding that the source should not be revealed, which reads as follows:

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1935.

~~MEM:~~
~~WTT:~~
~~NMH:~~

Tsingtao's Nos. 76 and 78 of November 22 and 25, 1935, report reaction in Tsingtao to the so-called autonomous outbreak in Tientsin and North China.

A Japanese-owned Chinese newspaper states that the Mayor strongly advocates opposition to the autonomy movement but proffers that Tsingtao is bound to be influenced by the attitude of the Shantung Provincial Government.

In spite of the lull in the autonomy movement (on the 25th) the Tsingtao officials continued to feel considerable anxiety over the outcome. Chinese official circles do not blame the Japanese for the situation but attribute the movement to the machinations of ambitious and scheming Chinese militarists (Hsiao Chen-ying and Sung Che-yuan). The Japanese may, however, have taken advantage of the opportunity offered by these unscrupulous factions.

The Chinese officials feel that the Japanese are genuinely disturbed by a communist threat against their interests in China.

The

0428

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

- 2 -

The massing of Central Government troops along the Lung Hai Railway is interpreted as a defense against a move against Nanking (by Shantung and Hopei) or to prevent Shantung joining the autonomous movement.

A development in a successful autonomous movement would be the extension of the Tsingtao-Tsinan Railway which the Japanese would seek as bringing them political and military advantage.

CSR/VDM

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

Copy for Department of State.

No. 76

AMERICAN CONSULATE

Tsingtao, China, November 22, 1935.

Division of
FAR EASTERN AFFAIRS
JAN 2 - 1936
Department of State

SUBJECT: Tsingtao Mayor's Attitude Toward
Autonomy Movement.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

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

I have the honor to refer to the present reports of the proposed establishment of the autonomous government in North China and to state that the Japanese owned Chinese newspaper, TA TSINGTAO PAO, of November 20, 1935, reported that the Mayor of Tsingtao has been in constant consultation with the important members of the Tsingtao Municipal Administration regarding the attitude the municipality should take. It must be understood that the Tsingtao Municipality derives its charter directly from the Central Government, but naturally its position with reference to the autonomy movement must be considerably, if not entirely, influenced by the attitude of the Shantung Provincial Government; also naturally the Japanese in any of their political designs in China must regard Tsingtao as a part of the Shantung Province, which certainly...

793.94/7610

FILED

F/G

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

- 2 -

tainly it is, geographically, commercially and economically.

The TA TSINGTAO PAO states that the Mayor, Admiral Shen Hung-lich, strongly advocates opposition to the autonomy movement, but only time can tell what the actual policy of the Mayor in this important matter is.

Respectfully yours,

Samuel Sokobin,
American Consul.

800
SS/CML

Fives copies to Department of State,
Copy to Embassy, Nanking,
Copy to Tsinan-Chefoo.

A true copy of
the signed original.
CML

1431

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

No. 78

AMERICAN CONSULATE
 Tsingtao, China, November 28, 1936.

Coffey R.
 Division of
 FAR EASTERN AFFAIRS
 JAN 2 - 1937
 Department of State

SUBJECT: The Autonomy Movement.

Grade	For	Check	Yes	No
G	So Robin	To Field In U.S.A. DAVI MID	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The Honorable

Nelson Trueter Johnson,
 American Ambassador,
 Peiping, China.

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

Sir:

I have the honor to report that in spite of the lull in the autonomy movement in North China the high Chinese officials in Tsingtao continue to feel considerable anxiety over the outcome and are much depressed by the events of the past week.

The consulate gathers that in Chinese official circles it is understood that the Japanese are not entirely to blame for the situation but that the Japanese have seized an opportunity presented by the scheming and ambitions of some of the Chinese military, particularly Hsiao Chen-ying and some other generals serving under Sung che-yuen. From time to time the disinclination of the military around Tientsin and Chahar, as well as that of General Han Fu-chu, to render full allegiance to the Central Government has been a matter of comment; in Chinese circles here

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 JAN 12 1937

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

- 2 -

it has been indicated more than once that the power of the Central Government in Shantung, Hopei and Chahar was tenuous and that there was a disposition for the northern military cliques to cause a reversion to such a state of affairs as prevailed say from 1923 to 1927 in North China. Not only have the present Chinese military leaders been disgruntled for some time, but there are not a few former officials who have been plotting for places in the government of North China; the result has been that these factions felt that the time was ripe to cast off the rule of the Central Government; they were ready to attain their aims through Japanese cooperation. It might be argued that the Japanese instigated these bad characters in their machinations for an autonomous government but this consulate's interpretation of remarks made to it by well informed Chinese is that the Chinese greedy for positions in a new government in North China were no less to blame than the Japanese in the movement.

JAPANESE FEAR OF COMMUNISTS.

But it must be recorded that the Chinese officials also understand that the Japanese have been genuinely disturbed by what they feel is a Communist threat against their interests in China. The Japanese have information that the Chinese communists in Shensi and Kansu are well supplied with hard silver currency; the.....

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

- 3 -

the source thereof, according to the Japanese, must be Soviet Russia. The supremacy of communism in China supported by a great power such as the U. S. S. R., must be adverse to Japanese interests on the mainland of Asia and it is for that reason the Japanese Foreign Minister has recently insisted on a three point programme which includes, according to a Nango despatch from Tokyo dated November 18:

"Joint measures to be undertaken by the three countries (Japan, Manchukuo, and China) towards preventing the spread of Communism in the East."

CHINESE MILITARY FORCES ALONG LUNG HAI RAILWAY.

There are two interpretations placed here on the disposition of strong Central Government military forces along the Lung Hai Railway. One interpretation is that the Central Government actually feared that the Shantung and Hopei forces would unite in a move against Nanking. The other is that General Chiang Kai-shek was ready to strike and strike quickly at Shantung, particularly in case General Han Yu-chu aligned himself definitely with the sponsors of the autonomous movement, and that General Chiang was prepared to stake all in the event Shantung cast off its allegiance to Nanking.

TSINGTAO'S POSITION.

In this consulate's despatch no. 76 of November 22, 1935, file no. 860, subject: Tsingtao Mayor's Attitude Toward Autonomy Movement, it was indicated that
 the.....

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

- 5 -

advantage to the Japanese whose military forces would
be able to penetrate quickly and deeply into western
China.

Respectfully yours,

Manuel Sokobin,
American Consul.

Original to Beijing.
Five copies to Department.
Copy to Nanking.
Copy to Tainan-Cherfoo, circulated.

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SS/FP

X
A true copy of
the signed orig-
inal
4P

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 7, 1936

~~MSM~~
~~WPT~~
~~MAH~~

Hankow's 102 of November 27, 1935 reports on local developments related to the North China situation.

While movements of Chinese troops are reported, sources of information would indicate that the Japanese reports as to large troop concentrations along the Lunghai Railway between Chengchow and Hsuehchow are incorrect. The situation in the Wuhan area is quiet and rumors as to local Japanese demands have disappeared. The Japanese Consul General is believed to have made known to the Provincial Government that Japan would regard seriously and take steps to prevent anti-Japanese activities.

Little has appeared in the local

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

2

press as to the North China situation and local officials and people seem to be taking the movement (toward autonomy) philosophically. While certain people believe that most Chinese would welcome Japanese intervention, the Chinese attitude toward the situation is rather apathy than pro-Japanese feeling.

CSR
CSR

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792.94

**Subject: Local Political Situation Vis-a-Vis
Developments in North China.**

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JAN 18 1936

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

No. 198.

AMERICAN CONSULATE GENERAL,

Hankow, China, November 27, 1935

CONFIDENTIAL

Subject: Local Political Situation Vis-a-Vis
 Developments in North China.

The Honorable Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

893.00/1332.1

I have the honor to refer to my confidential
 despatch No. 189 of November 16, 1935, regarding the
 movement of troops northward from Hankow. These
 troop movements have been going on for some weeks
 past, but I have been unable to obtain definite and
 reliable information concerning either the units or
 the total number of men which have been moving. Rengo
 News Agency reported from Hankow on November 16 that
 twenty divisions from Hupeh, Hunan, Kweichow and other
 provinces had been concentrated in the Yellow River
 region in Honan at the end of October. Information
 obtained from the local office of the Peiping-Hankow
 Railway is that during the past two months the rail-
 way has transported as many as fifty divisions of
 troops from the Wuhan and other areas to the northwest.
 I believe this number is exaggerated. All of the
 higher military officials have been absent from Hankow
 in Nanking and the local civil officials profess to
 have little or no information regarding the size of
 these

-2-

these troop movements. An American missionary at Chengchow, writing on November 23, states that there were not many troops in Chengchow at that time, but that large numbers were being sent to the west along the Yellow River, presumably to Shensi. He states that conditions at Chengchow had been disturbed and that many of the official class were arranging for their families to leave, but that within the past day or two conditions had been easier. An American missionary at Kaifeng, writing on the same date (November 23), states, in response to my request, that he has made inquiries regarding troop movements in that vicinity and finds that there have been none. If true, this would appear to be contrary to the Japanese reports of troop concentrations along the Lunghai Railway between Chengchow and Hsuehchow.

Although there are an unusual number of Chinese troops in evidence, the situation remains quiet in the Wuhan area, and in fact the rumors concerning Japanese local demands which were prevalent some three or four weeks ago have to a large extent disappeared. The Provincial Government on November 16 issued orders prohibiting the spread of unfounded rumors. I am informed by one of the local Chinese officials that the Japanese Consul General two weeks ago visited the Provincial Government in Huchang and made known that the Japanese Government would regard seriously and would take adequate measures in case any local anti-Japanese agitation took place in connection with affairs in North China. There has been no unusual Japanese naval force in this area

and

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

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and the present force consists of only three river gunboats. In the present state of the river, large naval vessels probably would not venture up to Hankow.

A conference of the Japanese consular officers stationed in Central and West China was convened at Hankow on November 19, under the chairmanship of the Hankow Japanese Consul General, Mr. Y. Miura. The Japanese consular officers stationed at Chungking, Ichang, Shasi, Changsha, Kiukiang and Chengchow were present. An official statement was given out that the conference was purely of a routine nature to be held every two or three years but had not been convened since December 1931. In private conversation the Japanese Consul General has appeared reluctant to give further information regarding it. It is probable that the conference was held for the purpose of disseminating the views and information which Mr. Miura had obtained at the recent Japanese consular conference in Shanghai, and also for the exchange of information regarding conditions in the various out-ports of the Yangtze Valley.

There has been little information, and no editorial comment, in the vernacular press regarding developments in North China and the establishment of an autonomous government there. The local officials and people generally seem to take the movement philosophically. One Chinese official with whom I talked made the remark that the Chinese did not regard Han Fu-chu, Sung Che-yuan or Shang Chen as traitors in any sense of the word, but merely as patriotic Chinese who were forced into an embarrassing situation and were doing the best that was

possible

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

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possible. There appears to be no particular plan of coping with the situation. I talked with the Reverend Arthur E. Nyhus, of the Lutheran Mission at Tsaoyang, northern Hupeh, on November 26. The latter stated that he had recently traveled extensively in northern Hupeh and southern Honan and that conditions there were quiet. In response to my query, he said that he believed about half the educated or upper-class people in that section of the country, although they spoke against Japan, yet at heart would not be averse to Japanese intervention as a relief or change from present conditions. Although I do not believe that this opinion is generally held, yet it is possible. Certainly the majority appear to be apathetic or entirely philosophical toward events in the North.

Respectfully yours,

P. R. Josselyn
 American Consul General

Original to Peiping;
 Copy to Nanking;
 5 copies to Department (despatch No. 102, November 27, 1935).

800

PRJ:EB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 3, 1936

~~MSR~~
~~WFT~~
~~LMH~~

~~CH~~ Nanking's 49 of December 1,
1935, reports the interview of Mr.
William Allen White with Dr. Hsu Mo
of the Ministry of Foreign Affairs.

Dr. Hsu was outspoken in his
denunciation of Japanese activities
in China - asserting that Japan was
for all practical purposes making
war on China, that China did not know
from day to day what new demands were
to be made, that Japan was unorganized
in that there was no control over the
military faction, and that Japan
refuses to define the cooperation it
constantly demands of China.

The Embassy believes that there

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
2

is strong evidence that the Chinese Government has almost reached a decision to abandon the "conciliation policy" toward Japan and to risk an attempt to resist Japan's inroads by armed force.

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CSR

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



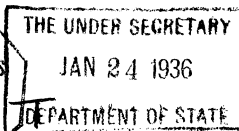
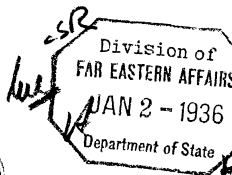
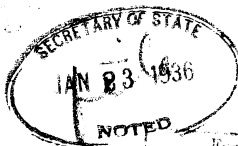
EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, December 1, 1935.

No. 49.

Subject: Sino-Japanese Relations; Call of Mr.
William Allen White on Dr. Hsu Mo,
Political Vice Minister for Foreign
Affairs.

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DEPARTMENT OF STATE

1935 DEC 31 PM 12 35



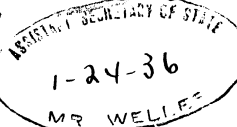
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Code			
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O.N.I. AND M.I.D.

The Honorable

The Secretary of State,
Washington, D. C.



Sir:

I have the honor to state that Mr. and Mrs. William Allen White, of Emporia, Kansas, are now my guests in the Embassy in Nanking. In view of Mr. White's prominence as an editor and author and his interest in political affairs in the Far East, on November 30 I asked and received permission to introduce him to Dr. Hsu Mo, Political Vice Minister for Foreign Affairs.

Dr. Hsu

F/G

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

- 2 -

Dr. Hsu Mo inquired what American newspapers Mr. White was representing and Mr. White said that he was editor of the EMPORIA GAZETTE and correspondent, on occasion, for the NORTH AMERICAN NEWSPAPER ALLIANCE, a chain of newspapers covering the entire United States.

Dr. Hsu Mo had evidently given some thought to the remarks which he made to Mr. White. Ordinarily Dr. Hsu Mo is extremely cautious, not to say secretive, in his observations concerning international relations. In what he said to Mr. White he was very outspoken in his denunciation of Japanese activities in China. This seemed to me strong evidence that the Chinese Government had almost reached a decision to abandon the "conciliation policy" toward Japan and to risk the fate of China on attempting to resist Japan's inroads in the North by force of arms.

1/ A very brief summary of Dr. Hsu Mo's remarks is enclosed. A copy of this summary has been handed to Mr. White for non-textual use without ascribing the source, if he desires to use it.

Respectfully yours,

For the Ambassador:

Willys R. Peck
Willys R. Peck.
Counselor of Embassy.

Enclosure: ✓
1/ Synopsis of Remarks, dated
November 30, 1935.

In quintuplicate to the Department
Copy to the American Embassy in Peiping
Copy to the American Embassy in Tokyo

710.

WHP:MM

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

Nanking, November 30, 1935.

Synopsis of Remarks made to Mr. William
 Allen White by Vice Minister for Foreign
 Affairs, Dr. Hsu Mo.

Subject: Sino-Japanese Relations.

If this is your first visit to China, you are finding here an international situation which is unprecedented, not only in your own experience, but in the diplomatic history of the world. You find a foreign nation sending its armed forces on to Chinese territory and, for all practical purposes, making war on China. You find the military officers of that nation intriguing against the authority of the Chinese Government and seeking to disrupt the country's integrity. And all of this is done during a time of nominal peace.

In many ways the state of affairs between Japan and China is worse for China than an actual state of war would be. After the Sino-Japanese war of 1895 China sued for peace, lost territory and paid an indemnity. But the war was over - China was able to pursue her way unmolested, at least for the time being. As things are now, the Chinese Government is subjected to continual harassment; Japanese officers invading Chinese territory openly plot to undermine the authority of the Chinese Government; the Chinese Government is never able to anticipate from one day to the next the source or direction from which new encroachment on the sovereignty of China may come.

When the

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

- 2 -

When the Chinese Government ventures to protest against these activities of the officers of a self-styled friendly neighbor, it is met with the accusation that China is an unorganized state and that China is lacking in sincerity.

The state that is unorganized is Japan. There may be Communist bandits in China; there may be sectional differences between groups of provinces; there may be rivalries between Chinese leaders; but, at any rate, there is a National Government in China, which can speak for the Nation and is acknowledged by all Chinese as the Government of the Nation. The civilian portion of the Japanese Government, on the contrary, cannot give undertakings which the military element in the Japanese Government will honor. To make matters worse, there are divisions within the Japanese military establishment; the so-called "Young Officers Party" flouts the control of the higher command. These younger officers take independent action on Chinese soil secure in the knowledge that if their schemes against China succeed, the results will be validated by the Japanese Government and they, themselves, will be rewarded; while if their schemes fail, their actions will be disclaimed by the Japanese Government and no untoward effects will follow.

As for the charge that the Chinese Government is "insincere", picture the situation! The Japanese Minister for Foreign Affairs insists that the Chinese Government accept certain principles of cooperation between the two Nations. The Chinese Government, having in mind the incursions of Japanese troops into Chinese territory, the

subversive

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

- 3 -

subversive plots of Japanese officers on China's own soil, requests that the Minister for Foreign Affairs be more precise, that he indicate in some concrete way just what he means by "cooperation". This he refuses to do and the whole Japanese nation loudly accuses the Chinese Government of being "insincere" in its relations with Japan.

The question arises, what is the attitude of other countries friendly to China toward the situation just described; what is the attitude of the United States? In 1931, when Japan seized Manchuria from China, the United States and the League of Nations announced their adherence to principles which had been violated, principles based on the Nine Power Treaty and the Kellogg Pact, that is, that they would not recognize results achieved by other than peaceful means. But this action might be termed "negative action"; it had no effect on Japanese activities; the Japanese believed that, after all, "Manchukuo" would proceed more advantageously without recognition from foreign nations than with it. What is the attitude of these nations toward the present further attempts of Japan to break off pieces of China's territory? Is it still "negative", or is it to be "positive"?

WRP:MM

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

of Paraphrase
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O.N.I. AND M.I.D.

TELEGRAM RECEIVED

MED

¹⁻¹³³⁶
This telegram must
be closely paraphrased
before being communi-
cated to anyone (a)

FROM PEIPING

Dated January 3, 1936

Secretary of State,
Washington

ESR
Division of
FAR EASTERN AFFAIRS
JAN 3 - 1936
Department of State

Received 9:40 a.m.

2, January 3, 5 p.m.

Embassy's 247 December 27, 3 p.m. *7580*

One. There have occurred no (repeat no) important
developments in the North China situation during the
past few days in so far as is known.

Two. It is understood that one of the problems
delaying negotiations at Tientsin with regard to the
future status of the regime in the demilitarized zone
is the disposition of Yin Ju Keng in case his regime
should be absorbed by the Hopei Chahar Political
Council and that the negotiators are awaiting the return
from Manchuria of Doihara.

Three. The Japanese military are apparently
continuing to establish their control of Chahar North
of the Great Wall through the establishment of peace
preservation corps composed of Mongols susceptible to
Japanese direction. It would seem that the Japanese
military have used to advantage in obtaining the
acquiescence of Chinese officials of Chahar the agree-
ment of last June made in settlement of a minor

78-1 incident

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JAN 7 - 1936

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

MED - 2 - #2, January 3, 5 p.m. from Peiping

incident which occurred at Kalgan June five (see
Embassy's 321, June 27, 4 p.m.). ⁷¹²¹

Four. Muto, First Secretary and senior
diplomat of the local Japanese Embassy, is being re-
placed by a second secretary from the Embassy at
Hsinking who is said to be more in sympathy with the
views of the military (see Embassy's 243, December
23, 4 p.m.). ⁷⁵⁶⁰

By mail to Tokyo.

JOHNSON

CSB

78-2

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

CONFIDENTIAL

PARAPHRASE

A telegram (No. 2) dated January 3, 1936, from the American Ambassador at Peiping, reads substantially as follows:

Insofar as can be ascertained there have been during the past few days no important developments in the situation in North China. Negotiations at Tientsin as to the future status of the demilitarized zone régime are being delayed, it is understood, due to the fact that the negotiators are awaiting Doihara's return from Manchuria and because of the problem of disposing of the Chairman of the autonomous government for eastern Hopei (Yin Ju-keng) in the event that the Hopei-Chahar Political Council should absorb his régime.

It would appear that greater control of that part of Chahar north of the Wall by means of peace preservation corps comprising Mongols agreeable to the direction of Japanese is being established by the Japanese military and the agreement made in June, 1935, in settling a minor incident which took place on June 5 at Kalgan has been used to advantage by the Japanese military in bringing about the acquiescence of the Chahar Chinese officials.

From the Japanese Embassy at Hsinking a second secretary, who is understood to be more sympathetic to the aspirations of the Japanese military, is being transferred

78-3

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

- 2 -

transferred to replace the present First Secretary and
senior diplomat (Muto) of the Japanese Embassy at Peiping.

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FE:CSR/VDM FE
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m.m.H. 78-4

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Conversation.

December 19, 1935.

The Honorable Sir Ronald Lindsay,
the British Ambassador.

Mr. Hornbeck.

793.94
SECRETARY OF STATE
DEC 20 1935
NOTED

Division of
FAR EASTERN AFFAIRS
DEC 23 1935
Department of State

Subject: The British Government's Inquiry at
the Japanese Foreign Office, in
November, with regard to Japan's
Activities in North China.

Copies sent to Tokyo, London, Peking (Nanking)

The Ambassador came to my office and said that he had just received from his Government reports made by the British Chargé at Tokyo, Mr. Wiggin, on the conversation which the Chargé had had with the Japanese Vice Minister for Foreign Affairs when the Chargé made, under instruction from the British Foreign Office, inquiry with regard to Japan's activities in North China. (NOTE: See my memorandum of conversation with the British Ambassador of November 29.) He said that he would like to have me read the reports. He handed me papers which totaled eight pages of foolscap with typing in double space.

The Chargé reported that the Japanese Minister for Foreign Affairs had plead pressure of business and had asked him to talk with the Vice Minister. The Chargé had made to the Vice Minister the inquiry which the British Foreign Office had instructed him to make. The Vice Minister had "affected" an attitude of serious concern; he had said that such an inquiry might produce serious repercussions

in

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Confidential File
FILED
DEC 23 1935

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

- 2 -

in Japanese official circles and among the public. There had been asked a definite question. It called for a reply. What right had the British Government to interrogate the Japanese Government in regard to the matter? Might not the Japanese Government equally well ask the British Government what was its policy in regard to China? On what reports was the inquiry based? The Chargé had deliberately avoided rejoinder to these questions. He had stated that his inquiry was made under instructions and that if details were desired with regard to the reports he would be glad to ask his Government for further instructions. The Vice Minister had not pressed the point. The Vice Minister had then launched into a statement which went on for nearly an hour with regard to the situation in China. He had especially complained of the British Government's having sent Sir Leith-Ross there and of Ross' activities. He had affirmed that Ross had gotten himself thoroughly mixed in with Chinese politics. The Chargé had attempted tactfully to express dissent, but the Vice Minister had repeated his affirmation. The Vice Minister had affirmed that a considerable number of the Chinese leaders constantly "run with the hare and hunt with the hounds"; that newspaper and other reports emanating from China are entirely untrustworthy; that Japan, as the nearest neighbor, has special responsibilities with regard to China. Mention of the Nine Power Treaty had come into the conversation and the Vice Minister had avoided expressing himself in any way with

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

- 3 -

with regard thereto. In conclusion, the Chargé reported that several of his diplomatic colleagues felt as did he that it would be quite impossible to obtain from the Japanese Government any assurances in relation to the Nine Power Treaty.

I thanked the Ambassador for his courtesy in thus having imparted this information to us. There followed a brief discussion of factors in the international situation in and with regard to the Far East. There was then some discussion of the recent difficulties of the British Cabinet, in the course of which ^{discussion} statements which the Ambassador made gave me the impression that he felt that Sir Samuel Hoare had been badly and insufficiently advised and had gone too hastily into his commitment with M. Laval. ^{The Ambassador} He seemed very much concerned with regard to the present situation. He remarked: "If Mussolini gets away with this, it will look as though anybody could get away with anything." The conversation then reverted to the original subject and particularly to the action taken by the British and the American Governments. I said that I thought the making by the British Government of its inquiry at Tokyo had served a useful purpose; that I was both glad that the British Government had made that inquiry and that the American Government had not taken similar action but had taken the action which it did; that both Governments had given clear indication of their concern; and that ^{viewing the matter in retrospect,} I felt it fortunate that each had acted when and as it did. The Ambassador said that he was completely

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

- 4 -

completely of the same view and that it seemed to him
 that the two Governments, each in its own way, had done
 "about all that we could do".

As the Ambassador rose to leave, I thanked him again
 for having brought us the information under reference and
 I expressed the hope that the two Governments might keep
 each other informed of developments of common interest.

snip

FE:SKH/ZMK

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0457

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

December 28 1935

No. 1067
STRICTLY CONFIDENTIAL.

To the American Ambassador,
London.

The Secretary of State refers to his instruction
No. 1049 of December 19, 1935, with regard to action taken
by the British Government in reference to Japanese activi-
ties in North China and encloses for the strictly confi-
dential information of the American Ambassador copies of
memoranda of conversations of November 29 and December 19,
between the British Ambassador and an officer of the De-
partment on this subject.

793.94/7615

Enclosures:

Copies of memoranda of
conversations of November 29
and December 19.

793.94/

FR:EGC

XII-26-35

FR

DEC 27 1935



MTH

0458

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

December 28 1935

No. 914
STRICTLY CONFIDENTIAL.

To the American Ambassador,
Tokyo.

The Secretary of State refers to his instruction
No. 900 of December 16, 1935, with regard to action
taken by the British Government in reference to Japanese
activities in North China and encloses for the strictly
confidential information of the American Ambassador
copies of memoranda of conversations of November 29 and
December 19, between the British Ambassador and an
officer of the Department on this subject.

793.94/7615

Enclosures:

Copies of memoranda of
conversations of November 29
and December 19.

793.94/

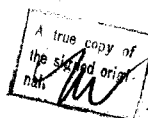
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M. M. H.

XII-26-35

DEC 27 1935



0459

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

December 28 1935

No. 66
STRICTLY CONFIDENTIAL.

To the American Ambassador,
Peiping.

The Secretary of State refers to his instruction
No. 55 of December 16, 1935, with regard to action taken
by the British Government in reference to Japanese activi-
ties in North China and encloses for the strictly confi-
dential information of the American Ambassador copies of
memoranda of conversations of November 29 and December 19,
between the British Ambassador and an officer of the De-
partment on this subject.

793.94/7615

Enclosures:

Copies of memoranda of
conversations of November 29
and December 19.

793.94/

Copy to Nanking.

29
FE:ECG

XII-24-35

FE

M.M.H.

OR ✓ 507

DEC. 27, 1935.

A true copy of
the signed original

M.M.H.

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

DEPARTMENT OF STATE
 RECEIVED
 DEC 30 1935
 THE SECRETARY
 DIVISION OF
 COMMUNICATIONS AND RECORDS

Dr. Hornbeck

*Read to the Sec.
 at noon today - Dec-
 27-35*

Copy

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

December 27, 1935.

FOR THE INFORMATION OF THE SECRETARY:

In regard to the Far Eastern situation, --

In China, there has been since yesterday no substantial alteration in the situation. At Shanghai, the student demonstrations, the effort of the police to put a stop thereto, and the effort of the officials to induce the students to desist therefrom continue. The Japanese have apparently not added to, nor have they subtracted from their threat that they will exert new pressure about the first of the year.

From Japan there comes in the press the news that Count Makino has resigned from the post of Lord Keeper of the Privy Seal and that he will be succeeded by Admiral Saito. If true, this is important: Count Makino is a very brainy conservative, has had broad international experience, and has exercised a very wholesome influence with the Emperor; Admiral Saito is high minded and has a generally benevolent outlook but is not as intelligent as Makino, has had less of international experience but more of administrative experience, is said to be good at effecting compromises but to lack clear-cut forcefulness as a counselor.

The Japanese Government has declined to make any concessions in connection with the petroleum law; and the Japanese and "Manchukuo" authorities are declining to compensate the foreign oil companies for anything over and above an assessed value of the companies' properties in Manchuria.

FE:SKH/ZMK

793.94/7616

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 DEC 30 1935

File
14
793.94

note
193.6363
Manchuria

746

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 27, 1936

~~WCH~~
~~WCC~~
~~MMH~~

Tientsin's No. 92 of December 2, 1935, is in regard to the demand for autonomous government.

The Commissioner of Public Works stated in an interview that the Japanese were pressing for an announcement of autonomy by the Mayor of Tientsin, who felt that he could not resist much longer. Enquiry was made as to what the attitude of the Consular Corps would be if such an announcement were made.

Mr. Caldwell stated that he could not say what the attitude would be but that he would communicate the gist of the conversation to his Government.

CSR

046

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

Copy for the Department.

No. 92

AMERICAN CONSUL GENERAL,

Tientsin, China, December 2, 1935.

RECEIVED
 DIVISION OF
 FAR EASTERN AFFAIRS
 JAN 15 1936
 DEPARTMENT OF STATE

Dec. 21/35

STRICTLY CONFIDENTIAL

Subject: Demand for autonomous government
 in Tientsin.

For Distribution-Check		Yes	No
Grade	M		<input checked="" type="checkbox"/>
For	Caldwell	<input checked="" type="checkbox"/>	
	In U.S.A.		
	DM		
	M.D.		

The Honorable

Nelson Rusler Johnson,
 American Ambassador,
 Peking.

Sir:

I have the honor to enclose a memorandum of a conversation which I had today with Mr. Yang Pao-ling, Commissioner of Public Works of Tientsin, regarding the demands for the announcement of an autonomous government in Tientsin now being made upon the Mayor by the Japanese military.

I consider that Mr. Yang's statements are worthy of credence and that there may be such an announcement in the very near future.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

Enclosure:

1/, Memorandum of conversation with Mr. Yang Pao-ling.

800
 JAC:JB
 A true copy of the signed original.

Received

Transmitted in duplicate; copy to the Embassy, Hankow.
 Five copies to the Department, without covering despatch.

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

FEB 10 1936

FILED

F/EG

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

Enclosure No. 1 to despatch No. 92
 from the American Consul General, Tientsin,
 China, dated December 2, 1935, on the
 subject of the demand for autonomous
 government in Tientsin.

American Consulate General, Tientsin,

December 2, 1935.

M E M O R A N D U M

of conversation with Mr. Yang Pao-ling,
 Commissioner of Public Works of Tientsin.

STRICTLY CONFIDENTIAL

Subject: Demand for autonomous government
in Tientsin.

Mr. Yang Pao-ling called at the Consulate General this afternoon after having telephoned and requested an appointment. He said that he had been asked by the Mayor to see me in a personal capacity in order to explain that the Japanese military are pressing the Mayor very hard for the immediate announcement of an autonomous government in Tientsin; and that the Mayor would like to know what would be the attitude of the Consular Body in case an autonomous government were declared here. Mr. Yang said that the Mayor is ill and feels that he has about reached the limit of his endurance and that he will have to either accede to the Japanese demands within the next day or two or permit the movement to come into being over his protests with consequent disorder, the Japanese having, according to Mr. Yang, definitely threatened to create disorder in the city.

Mr. Yang said that although the demands of the Japanese for an autonomous government in North China have been made repeatedly within the last few weeks,

the

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

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the pressure is definitely very much greater today, possibly on account of the visit to North China of General Ho Ying-chin, Minister of War. In reply to my inquiry, Mr. Yang said that General Ho would not come to Tientsin and probably not to Peiping; that he would visit General Cheng Chen in Paoing and then return to the south as he would probably be seized if he entered Peiping.

Mr. Yang said that he had given to the NORTH CHINA STAR the information regarding the Japanese demands for quarters for three divisions of troops; that the Japanese had stated that they were prepared to move 50,000 troops, but that he, Mr. Yang, believed that they were not planning to use more than 10,000 troops.

I asked Mr. Yang whether he had any reason to suppose that Nanking was considering opposing the autonomous government with armed force, to which he replied that Nanking forces were too far away for this to be done.

In reply to Mr. Yang's inquiry concerning the attitude of the Consular Body, I said that if the Consular Body were to meet to consider such a matter it would not be possible to secure unanimity of opinion; and that moreover, if a matter of this importance were to be considered, I should find it necessary to first obtain instructions from my government, and that I presumed that other consular representatives would be in the same position.

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

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I regretted that under the circumstances I could not express any opinion as to what the attitude of any of the governments would be in regard to such a question.

Mr. Yang showed considerable interest in ascertaining whether information such as this is passed on to the Embassy and to the Department of State in Washington. I informed him that, of course, the Government was kept informed of developments here as fully as possible. I told Mr. Yang that I would pass on to my government the information which he had given me if he had no objections. He said that he had no objection but he would ask that no names be mentioned in any communication which might be intercepted by unauthorized persons.

Mr. Yang said that the Chinese authorities in North China have been trying to hold out as long as possible; that they have been in telegraphic communication with Nanking which so far has done no more than ask that they hold on as long as possible, but that he considers that it is not possible to hold out much longer.

Mr. Yang observed that the Chief of Police in the Chinese city is not entirely dependable; that he was not selected by the present Mayor but was left over from the Ho regime, and had been selected because of his acceptability to the Japanese. Mr. Yang also said that when General Yu left Tientsin

he

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

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he removed the best of the arms and ammunition and that under these circumstances armed opposition to the demand for an autonomous government would be hopeless.

On parting Mr. Yang said that apparently the only thing for the Mayor to do is to continue to endeavor to defer the coming into being of an autonomous government in Tientsin a little longer. Mr. Yang added that if such a government came into effect he would himself resign from his present post.

J. K. Caldwell,
American Consul General.

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JKC:JB

A true copy of
the signed original.
JB

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

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 DIVISION OF FAR EASTERN AFFAIRS
 DIVISION OF
 CONFIDENTIAL COMMUNICATIONS AND RECORDS
 December 28, 1935.

DCP
 JE

793.94

Subject: The Situation in North China.

S:

DEC 31 1935

14

DCP
 JE

Mr. Secretary.

NOTED

Although no major developments have occurred in China during the past ten days, reports from the Embassy at Peiping and Nanking and the Consulate General at Shanghai indicate that the situation is becoming grave.

The recent establishment under Japanese pressure of the Hopei-Chahar Political Council, with General Sung Che-yuan as its Chairman, has called forth outward manifestations of Chinese resentment by students, mainly in the form of parades and other more or less orderly forms of demonstration. Demonstrations first occurred in Peiping and Tientsin where effective steps were taken to put a stop to them and later in Nanking, Hankow, Shanghai and other cities. The Chinese authorities have resorted to various expedients in an endeavor, with varying degrees of success, to persuade the students to desist from agitation and return to their studies. On December 23 General Chiang Kai-shek issued an invitation to heads of educational institutions and student representatives to meet with him

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

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in Nanking on January 15, 1936, and gave orders to the Ministry of Education that students should pursue their studies as usual.

At Shanghai, where a serious situation began to develop on December 23, students took possession of the north station, demanding transportation to Nanking for the purpose of interviewing government leaders, seized two trains and started in the direction of Nanking. It has been reported from Shanghai and Nanking that one train load had already returned to Shanghai or its immediate vicinity and yesterday afternoon the other one started back from a point about half way to Nanking. The Chinese authorities appear to have obtained the return of these students mainly as a result of negotiation or persuasion. Martial law has been declared in Shanghai (on December 24) and at Nanking (on December 25) and other precautionary measures have been taken both by the Chinese authorities and by the authorities of the International Settlement and French Concession at Shanghai.

An incident of possible serious import to the National Government was the assassination on December 25 of T'ang Yu-jen, Vice Minister of Communications and until recently Administrative Vice Minister for Foreign Affairs (he was allegedly pro-Japanese and had been active in Sino-Japanese negotiations), the consensus of opinion, according to the

Embassy

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Embassy at Peiping, being that the same forces which made an attempt on the life of Wang Ching-wei were responsible for this murder. There are unconfirmed reports that other high officials are marked for attack and fears have been expressed in high official quarters that a "reign of terror" may have commenced.

As a possible indication of future acts of the new Hopei-Chahar Political Council was the recent appointment by that Council, without reference to Nanking, of Chen Chueh-sheng (who has a Japanese mother, is an adviser to General Sung and has been a leading negotiator between the Japanese and General Sung) as acting managing director of the Peiping-Mukden Railway. According to reports believed to be reliable, the Japanese have informed the Chinese authorities that the Council will be given a trial of three months.

Peiping in commenting on the unconfirmed reports that Teh (Te) Wang had a few days ago declared the independence of the Mongolian Autonomous Political Council stated in substance that if this has not yet taken place Japanese pressure may be expected shortly to bring it about.

The Japanese military authorities are reported to have taken a serious view of the situation at Shanghai (now
reported

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reported as being considerably improved) and the First Secretary of the Japanese Embassy at Nanking is said to have characterized the lack of control over the students as a "glaring example of the National Government's impotence". A Rengo report quoted the Foreign Office spokesman as saying "dark clouds will be cast over Chinese-Japanese relations unless Chiang Kai-shek controls anti-Japanese agitation". The Japanese Military Attaché at Shanghai is reported to have said to the correspondent of the NEW YORK TIMES for his private information that the Japanese contemplate presenting demands in the early part of next week which will precipitate a real crisis (reported by Consulate General, Shanghai).

The situation is growing more and more tense. The National Government is faced with the problem of bringing to an end without delay all demonstrations of an anti-Japanese character which, if permitted to continue, may develop into a boycott of Japanese goods or anti-Japanese acts of a more violent character. Although the Chinese authorities have shown that they are reluctant to use force to put a stop to student demonstrations, circumstances may soon force the National Government to decide whether it will adopt violent measures to suppress student demonstrations or oppose with force further Japanese aggression.

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In either case the Government will find itself in a desperate position. According to press reports the Chinese authorities entertain faint hopes that the aggravated situation on the "Manchukuo"-Outer Mongolian border growing out of recent incidents may give them a respite.

W. B.
FE:MSM/VDM

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

DOCUMENT FILE

NOTE

SEE 711.41/324 FOR Despatch #247

FROM Wellington (Bucklin) DATED Dec. 7, 1935
 TO NAME 1-1127

REGARDING: Relations between China and Japan. I. P. R. Banff Conference and the Japanese question.

fp

793.94 / 7618

7618

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

I.P.R. BANFF CONFERENCE AND THE JAPANESE QUESTION.

After participating in the Banff Conference of 1933 and especially after investigating the presentation of their case by the Japanese delegation of 14 publicists I felt strongly that only Anglo-American cooperation could find a modus vivendi out of this impasse.

There is a fundamental clash between the Japanese policy of monopolistic appropriation and the American John Hay doctrine of the Open Door. Japan has flouted all her treaty engagements as well as the League, the Lytton Commission, and the naval ratios. She has practically proclaimed an Asiatic Monroe Doctrine, and is incorporating China piece-meal before our eyes. Her population urge and economic insufficiency postulate intensified industrialism, and this expedient so miraculously developed demands free access to raw materials and an unimpeded zone of markets.

Japan is playing her game well. But what other alternative has she to a programme of military force? Only American and British cooperation can guarantee her the security and equality which are the permanent bases of her policy. Surely the English speaking peoples in unison recognising Japan's stark economic needs can meet her frankly in conference with all cards on the table and in a mood of generous sympathy find by compromise or by joint sacrifice an alternative policy of peace for Japan. The combined weight of Anglo-American resources can make such proposals effective. The Washington Pact of 1922 saved the Pacific from Armageddon before the eyes of an incredulous world and for fifteen years since has saved us from that calamity. Surely statesmanship is not so beggared, nor nationalistic interests so selfish as to acquiesce supinely in the impending catastrophe. These two great Powers to-day can surely transcend shipping rivalries, trading disputes and war debts and find a solution to what General Smuts calls the darkest political danger of the world to-day.

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

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/89 FOR #72 to Embassy

FROM Tientsin (Caldwell) DATED Nov 18, 1935
TO NAME 1-1127

REGARDING: Sino-Japanese relations: Conferences of Japanese leaders;
Further Japanese protest to North China authorities; De-
militarization of Chahar; Hint that the Branch Council
must go; Hsiangho Uprising; Precautions in Tientsin;
Japanese raid Tientsin Press Censorship Bureau; Unrest
in the De-militarized Zone; Japanese land seizure at
Tangku; General Chiang and North China; General Yen goes
to Nanking; Feng's visit to Nanking; A "Manchukuo" Bureau
to manage the Mongolians.

793.94/7619

FRG.

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

793.94
(page 2-11)

B. Relations with Other Countries.

1. Japan.

a. Conferences of Japanese Leaders.

During October Japanese military and civilian officials held frequent conferences at which, according to all the available reports, Japanese officials stationed in China were informed of recent decisions of the Japanese Government in regard to its "China Policy". One of these conferences was held at Dairen on October 12th and 13th, another at Shanghai beginning October 19th and a third at Tientsin on October 25th and

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

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and 26th. Among the prominent Japanese who attended one or more of the conferences were: Major-General Okamura, Chief of the Second Section of the General Staff and formerly Vice Chief of Staff of the Kwantung Army; Major-General Tada, Commander of the Japanese Garrison in North China; Major-General Itagaki, Vice Chief of Staff of the Kwantung Army; Mr. Z. Morishima, a Section Chief in the Japanese Foreign Office; and Mr. Matsuoka, President of the South Manchuria Railway Company, who attended only the conference in Dairen. According to one report the principal reason for Mr. Morishima's visit to China was to inform tactfully Japanese Consular officials that they were to follow the Army's policy.

014 ✓ b. Further Japanese Protest to North China Authorities. Consul General Kawagoe and General Tada on October 29 jointly delivered a sharp formal protest to Chairman Shang Chen, General Sung Che-yuan, and the Mayors of Peiping and Tientsin, against the alleged recrudescence of anti-Japanese agitation in Huapei.

Mr. Kawagoe's despatch reminded the Chinese officials of their promise to eliminate anti-Japanese and anti-"Manchukuo" organizations such as the Tangpu and Blue Jacket societies from the Peiping - Tientsin district, and averred that those groups had again become active under different names and forms. A verbal protest to the same

effect

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

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effect had been made by the Japanese consular and military establishments in Tientsin to the provincial and municipal authorities on October 23, at which time documentary evidence was offered of the connivance of the Nanking Government in the activities of the so-called "anti-Japanese" groups. A list of names was also produced, and the Chinese authorities were commanded to arrest or drive out of North China all those suspected.

c. De-militarization of Chahar.

The "de-militarization" of Chahar was completed during the first part of the month with the withdrawal from it of the last of General Sung's troops; the maintenance of public order has been left to a newly organized Peace Preservation Corps, to be commanded by the infamous Feng Shou-p'eng, who earlier in the year had done his share in preventing the maintenance of public order in the De-militarized Zone. Meanwhile an American who has just recently completed a trip through Chahar states it to be his impression that that Province is already almost completely under the domination of the Japanese military, who are constructing, he says, an air port in west Chahar to supplement their air base in Dolonor.

d. Hint that the Branch Council

Must Go. The Branch Military Council was especially the target of attack, it having been reported on

October

- 5 -

October 6th in the Japanese press of Tientsin that the Political Training Department of that Council, abolished in accordance with the Japanese demands of May 29, had been reconstituted as an Intelligence Department. It is said that a number of the employees of the Council, and many other residents of Peiping, left that city for Shanghai and Nanking on information of the protest. The presentation six days later of a formal written protest was intended to indicate, Chinese believe, that the Japanese did not consider the efforts made by the Provincial authorities in the interim to be satisfactory. A United Press report states that in handing the warning to General Pao Wen-yueh, Acting Chairman of the Council, Lieutenant Colonel Takahashi gave him a very clear intimation that it was essential that the Council be abolished.

e. Hsiangho Uprising. On October 18th or 19th a certain Wu I-t'ing, who is said to claim to be the sworn brother of Pai Chien-wu, appeared in Hsiangho Hsien and began agitating among the local farmers against certain taxes. Chinese sources allege that in the motley following which Wu quickly gathered there were some who were not Chinese, and many more who were not Hsiangho farmers. Representatives of the insurgents called on the Magistrate of Hsiangho Hsien on October 20, invoking the right of impeachment which they alleged the principles of Sun Yat-sen assured them.

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

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The magistrate refused their demands. On the following day the mob again gathered, and the Hsien government asked them to depute representatives to present their demands. The number of these representatives is disputed, but two or three of them were Japanese ronin. The magistrate refused the demands and imprisoned the representatives.

Yin Ju-keng, the supervisor of the Luan-Yu Area, receiving information at T'angshan of the situation, telephoned the Military Attache's office of the Japanese Embassy, and a truck carrying twenty Japanese troops was despatched to the scene. Yin also ordered a company of Pao An Tui to Hsiangho. The Japanese troops entered the city on October 22 to call on the magistrate; the mob pressed through the gates after them. The troops obtained the release of the imprisoned representatives and withdrew, as did the company of Pao An Tui. When called to account for this latter circumstance, Yin stated that he had given the order for the Pao An Tui's withdrawal under Japanese pressure. The mob drove out the magistrate, and, it is said, mutilated the captured Chief of Police of the city.

The Chairman of the Provincial Government deputed one Liu Yueh-tung to proceed to Hsiangho to investigate the uprising and take over the magistracy, but he was made a prisoner upon his arrival there. After having offered the post of magistrate to An Hou-chai, one-time Chairman of the

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

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the Chinese Chamber of Commerce of Peiping, who apparently refused the honor, Wu I-t'ing, the leader of the uprising, took over the government himself.

The Japanese military authorities forbade the despatch of Chinese troops to Hsiangho, since that city is on the Tangku Truce Line, and they were openly critical of the prompt police measures taken by the Provincial authorities to prevent the spread of the uprising to other hsien.

General Shang undertook negotiations with General Tada looking toward a peaceful settlement of the affair, but at the close of the month under review, the insurgents still held Hsiangho and the Provincial Government's appointee to the magistracy was still a prisoner.

f. Precautions in Tientsin. During the Hsiangho trouble Tientsin was placed under a modified form of martial law. A group, said to be associated with the Hsiangho movement, and styling itself the "People's Autonomous Petition Corps", was reported to have scheduled a meeting for October 28th, following which it was planned to proceed en masse to various government offices to petition the authorities, but the leaders were persuaded by the police to postpone the meeting.

g. Japanese Raid Tientsin Press Censorship Bureau. Allegedly because it was suspected of harboring "Blue Shirts" or other anti-Japanese elements

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elements, the Tientsin Press Censorship Bureau was raided by Japanese gendarmes on the night of October 28, and six Chinese were carried off, to be released 22 hours later, after having been questioned and obliged to sign a statement that they harbored no anti-Japanese sentiments. After this demarche it was expected that Chinese efforts to curtail Japanese propaganda in this area would slacken.

h. Unrest in the Demilitarized Zone.

Early in the month of October the forces of anarchy that have played freely through the Demilitarized Zone since its creation began once again to gather. On the 3d or 4th Yang Erh, a bandit active in the Zone in April, reappeared in Chihhsien at the head of over a thousand men, whom he had led down across the Great Wall from Hsinglunghsien on the "Manchukuo" side. To meet this menace martial law was declared in Tsunhua and Yut'ien Hsiens.

Persistent reports then began to reach Tientsin that General Pai Chien-wu, leader of the "Fengtai Rebellion", had gone to Tsunhua and Malanyu. He was reported to be sending his followers to Ch'ienan and Chihhsien also, in the furtherance of "a certain plan". At Tat'an, in the Heiho district of Chahar from which Chinese troops were expelled in January, 1935, 4,000 vagrants, described as coming from the Luanchow district, had gathered.

No

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No one asked why, and no one appeared to pay much attention when on or before the 20th of the month they were apparently moved bodily down into the zone.

On October 19, a thousand people, presumably representing twenty of the surrounding villages, attacked the Tsunhua tax office, according to reports received in T'angshan. At about the same time handbills began to circulate in Tsunhua and Chihhsien, urging the peasantry to rise up and take its government into its own hands.

i. Japanese Land Seizure at Tangku.

During the early part of October the Japanese military seized a large tract of land on the left bank of the mouth of the Hai Ho below Tangku, claiming it by right of conquest during the Boxer uprising. Building operations have already been begun there, and it is the intent of the Japanese military, the authorities of Tangku believe, to erect a fort at that strategic point.

j. General Chiang and North China.

Chahar, probably the poorest of the northern provinces, seems to be already lost to China. But along the western borders of Shansi - a province which contains almost half of the coal reserves of all China - General Chiang is reported to have placed an army of 200,000 men. This concentration of troops occurred at the beginning of October incident to the transfer of his communist suppression headquarters from Szechwan to Shensi, strategically

the

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the strongest province in China. A press report stated that General Yu Hsueh-chung had been ordered to lead his "communist-suppression" army through Suiyuan and Chahar to the borders of Jehol.

k. General Yen Goes to Nanking.

Lest General Yen Hsi-shan misunderstand this massing of troops to the westward of his province, first General Chang Hsueh-liang and then General Chiang himself flew to Taiyuanfu to secure Yen's cooperation. The result of these visits was a very important one for North China: Yen flew to Nanking on October 25 to attend the Sixth Plenary Session of Central Executive Committee and the Kuomintang Congress which was to follow it. In a press interview on his arrival at the capital he urged the necessity of forsaking the attitude of endurance and sacrifice for a definite national policy; if that were done, it would be easier, he said, for each of the provinces to carry out its responsibilities.

l. Feng's Visit to Nanking.

Scarcely less significant for the future of Huapei was Feng Yu-hsiang's decision to follow Yen's example and attend the Nanking gathering. Moreover, General Hsiung Pin, who by report enjoys the Generalissimo's confidence, is said to have spent the latter part of the month in conferences with Generals Sung Che-yuan and Han Fu-chu.

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m. A "Manchukuo" Bureau to Manage the Mongolians. General Doihara's statement to pressmen at the beginning of October that the Inner Mongolians need guidance was given point later in the month by the publication of plans for the establishment at Dolonor of a branch office of the "Mongolian Banner Departments" of "Manchukuo". The object in view is stated to be the establishment of a greater degree of control over the people of eastern Mongolia. A resident of Pai Ling Miao, who has been in close personal contact with Te Wang, states that the Prince himself considers it only a matter of time until he and his people pass under Japanese control.

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DOCUMENT FILE

NOTE

SEE 893.00 P.R./100 FOR #110

FROM China (Johnson) DATED Dec 3, 1935
 TO NAME 1-1127

REGARDING: Sino-Japanese relations: Japanese intentions toward China; The "unified" policy; Rumors of Japanese demands; The Changing status of North China; The Hsiangho peasant uprising; Chinese attitude toward Japanese aggression; Japanese opposition to a Chinese exchange at Tsingtao; The Dismissal of General Yeh Peng.

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793.94/7620

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II. Foreign Relations:

A. Relations with the United States:

Nothing to report.

B. Relations with other countries:

1. Japan:

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(Pg 1-7)

There was during October little clarification of the two problems in Sino-Japanese relations which had been of primary interest during September; namely, (1) the intentions of the Japanese with regard to China either in part or in entirety and (2) the future of General Sung Cho-yuan in North China.

a. Japanese intentions toward China:

Conferences of Japanese Officials:

Following conversations in Tokyo of officials of the Ministries of Foreign Affairs, War, and Navy with regard to Japan's China policy, representatives were despatched by those ministries to Shanghai, allegedly to inform their personnel in China of the results of the Tokyo conversations. The three representatives were Mr. Goro Morishima, Chief of the First Section of the Bureau of Asiatic Affairs of the Foreign Office, Major General Yasuji Ukenura, Director of the Second Department of the Army General Staff, and Captain Tadao Honda, Chief of the China Section of the Naval General Staff. These three officials separately met representatives of their respective services at Shanghai on October 19. According to Japanese sources, there was no joint meeting other than a social gathering to cele-

brate

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brate the "unification" of Japan's China policy and the removal of good relations between the civilian and military branches which had been especially strained since the Japanese diplomats effected last spring the raising of the status of the Japanese Legation to that of an embassy. (There had also taken place a preliminary meeting of powerful Japanese military officers at Dairen on October 12 and 13 at which Major General Okamura gave a preliminary report; and, following the meeting at Shanghai, Mr. Torishima went to Tientsin for a conference there with Japanese Foreign Office representatives on October 25 and 26, while Major General Okamura proceeded to South China, Captain Honda leaving Shanghai for Formosa.)

The "unified" policy:

Japan's new "unified" China policy, to report which these representatives allegedly came from Tokyo, was not made public, but, according to well-informed Japanese sources, the policy was abstract in character. This would seem probable as abstraction would very likely be a requisite of any "unification" of the views of the military and the diplomats. One Japanese diplomat stated that the most concrete term of the policy was agreement that a regime in North China not detrimental to the interests of "Manchukuo" was essential. There was probably also approval of the so-called three point program of Japan, described in the next paragraph. One Japanese military officer was reported as stating that there was not a new Japanese policy but merely a reaffirmation of the old one.

RUMORS

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Rumors of Japanese demands:

These meetings and reports of a new "unified" policy gave rise to rumors in China that Japan had presented to China demands of far-reaching significance. The press published a report of eleven demands or desires of an alarming nature. Except, however, for representations which may possibly have been made by Japanese military officers in unofficial conversations with Chinese and about which information is lacking, the basis in fact for these rumors, in so far as representations through the usual diplomatic channels were concerned, appeared to be the "three point program" which the Japanese Minister for Foreign Affairs informed the Chinese Ambassador to Japan must be the basis for a satisfactory solution of Sino-Japanese relations. These three points have been described by Japanese officials as (1) elimination of anti-Japanese activities in China, (2) cooperation between China, "Manchukuo", and Japan, which is also described as de facto recognition of "Manchukuo", and (3) suppression (joint?) of communism in China, presumably with especial reference to the alleged threat to North China and Inner Mongolia by communist forces in Northwest China. It was said that the Japanese military and diplomats varied considerably in interpretation of the real meaning of these three points and that it would be difficult for them to agree to a program of action based on these three points.

b. The changing status of North China:

Notwithstanding Japanese desire for a regime in North China not detrimental to the interests of "Manchukuo", there

occurred

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occurred during October no change in the personnel of Chinese officials in office in North China and no change in administrative organs. The dissatisfaction of the Japanese with the existing situation was shown by a formal protest on October 12 with regard to allegedly undesirable activities of the Intelligence Department of the Peiping Branch Military Council, a verbal protest on October 23 and a formal protest on October 29 by the Japanese consular and military authorities at Tientsin jointly against an alleged recrudescence of anti-Japanese activities in North China, and the presentation of a list of names of Chinese said by the Japanese to be engaged in subversive activities, with the request that these persons be arrested or driven out of North China. Meanwhile, there continued various activities of an ominous character by both Japanese and Chinese elements, which desired to make use of the confused political situation to further their schemes detrimental to the authority in North China of the National Government.

The Hsiangho peasant uprising¹:

The chief incident of a subversive character was an uprising of peasants at Hsiangho, a district city about 20 miles east of Peiping on the border of the demilitarized area. Certain Chinese and Japanese either took advantage of or caused an agitation by farmers in the Hsiangho District against certain taxes. (Some of the Chinese and Japanese were reported to have been among those involved in the Fengt'ai incident of last June when a group of un-

desirables

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1. Tientsin's despatch to Embassy 72 of November 13 and Embassy's despatch 56 of October 25.

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desirables attempted to enter Beijing in an armored train.) A mob, allegedly including some Japanese, presented on October 20 certain demands to the Hsiangho magistrate. The demands were refused and some of the agitators were arrested. Mr. Yin Ju-kang, Special Administrator of the demilitarized area, called on the Japanese for assistance and 20 Japanese troops arrived in a truck, entered the city on October 22, their entry permitting a mob of malcontents also to gain entry, and released the imprisoned agitators. The leading rebel, Wu I-f'ing, took over the government and the Japanese military forbade the despatch of Chinese troops on the excuse that Hsiangho is on the border of the demilitarized area. Subsequently the Provincial Chairman, General Shang Chen, entered into negotiations with the Commander of the Japanese Garrison at Tientsin, Major General Hayao Iada. Although the situation appeared at the end of October to be approaching a solution, the rebels still held the city. Once more, certain Japanese were apparently disappointed that an agitation instigated in one section of North China failed to animate the five provinces.

c. The Chinese attitude toward Japanese aggression:

There was evident during October increasing Chinese opinion that a policy of military resistance to further Japanese encroachment might have to be adopted, and some Chinese stated that the National Government was moving troops to strategic points in preparation for such resistance. The possibility of resistance was given some credibility by the arrival at Nanking during the latter

part

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part of October of Marshal Feng Yu-hsiang from Shantung and General Yen Hsi-shan from Shansi and by the reputedly imminent arrival of important Southwestern leaders, it being said that these Chinese would not visit Hanking unless they had at least some assurance that resistance to Japan would be seriously discussed at the Fifth National Congress scheduled to convene in November.

d. Other Sino-Japanese incidents:

Japanese opposition to a Chinese exchange at Tsingtao:²

The Japanese Consul at Tsingtao and his nationals expressed opposition to the intended opening of a Chinese Produce and Securities Exchange which would compete with the long-established Tsingtao Exchange, regarded as a Japanese corporation. The Japanese asserted that the Japanese Military Administration which had existed during the Japanese occupation of Tsingtao had granted an exclusive franchise to the Tsingtao Exchange to conduct a produce and money exchange business. The Chinese authorities were sufficiently impressed by the Japanese representations to feel that serious consequences might follow any variance from the Japanese viewpoint, with the result that the Chinese Produce and Securities Exchange did not open during October, thereby helping to confirm the monopolistic contention of the Japanese.

The Dismissal of General Yeh Feng:³

Because certain targets in use by the garrison troops of the Wuhan area were allegedly in forms which outraged Japanese sensibilities and because anti-Japanese posters

were

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- 2. Tsingtao's despatch to Embassy 59 of October 17.
 - 3. Hankow's despatch to Embassy 184 of November 11.

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were displayed at an air exhibition at Hankow, Japanese pressure was brought to bear which resulted in the dismissal by General Chiang Kai-shek of General Yeh Peng, Garrison Commander of the Wuhan Area. Japanese pressure had been re-enforced by the presence of seven Japanese gunboats instead of the usual two or three, causing considerable apprehension in the vicinity. After the dismissal of General Yeh, five of the gunboats departed.

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DOCUMENT FILE
NOTE

SEE 893.00 P.R.Chefoo/104 FOR #133 to Embassy
FROM Chefoo (Paxton) DATED Dec.3,1935.
//19// NAME 1-1127 ...

REGARDING: Northern Autonomy Movement: Discusses effect
of -, on the Chefoo district.

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1. Northern Autonomy Movement:

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 as already reported in this Consulate's despatch to the Embassy No. 127 of November 20, 1933, it is not anticipated that, in the event of a peaceful declaration of autonomy on the part of the Northern Provinces, including Chentung, there would be any immediate overt trouble in Chefoo. However, if as appears possible from more recent news, there is resistance from the Central Government to this proposed change, the situation might be entirely different. If the Japanese were to support the autonomy movement with their armed forces, it is thought possible that the three ports within this district, Lungkow, Weihaiwei and Chefoo itself, might be attacked by Japanese men-of-war from their nearby base at Port Arthur. However, even if this were done, it is extremely doubtful whether there would be any serious resistance put up by the local forces in this area; more than likely the whole matter would be settled between the Central Government and the "autonomists" at more strategic points better equipped with communications.

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NOTE

SEE 893.00 P.R. Shanghai/86 FOR #10

FROM Shanghai (Davis) DATED Dec 7, 1935
 TO NAME 1-1127

REGARDING: Sino-Japanese relations: Assassination of Japanese marine;
 Shanghai opinion on North China situation; Dr. C.T. Wang's
 trip to Japan and America; Movement to quote prices in Yen.

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b. Relations with Other Countries. Japan.

Assassination of Japanese Marine. A Japanese marine
 was fatally wounded by an unidentified person at about nine
o'clock

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o'clock on the evening of November 9, 1935, on a side street near the Japanese barracks on North Szechuen Road. A tense situation followed; squads of Japanese marines carrying rifles with fixed bayonets appeared on the scene; the Naval Landing Party paraded before their barracks shortly before midnight; and the Japanese consular police, the Russian contingent of the Shanghai Volunteer Corps, and the riot squad from the local station of the Shanghai Municipal Police were turned out. The official statement of the Japanese Naval Landing Party is reported to have been to the effect that although they had no clues they considered the attack a provocation directed at the Special Landing Party and that they would demand a thorough investigation. The murdered man, Hideo Nakayama, described first as a sailor and later as a warrant officer, died at 1.10 on the morning of November 10 at the Special Naval Landing Party Hospital (see telegram of November 10, 12 noon).

Although there has been an unusually high degree of coordination between the police of the Settlement and of Greater Shanghai in this case, little progress has been made in finding the assassin. The attitude of the Japanese Naval Landing Party and rumors of impending punitive action on their part caused a considerable exodus of Chinese from the Chapei district. The situation became increasingly serious until November 16 when the movement, which had started on November 10 and continued with a slight lull on the twelfth for a full week, was checked by the action of the Bureau of Public Safety of the Municipality of Greater Shanghai in requiring persons leaving Chapei to have permits. Repeated demonstrations

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by the Japanese Special Naval Landing Party and the absence of sufficiently reassuring statements from Japanese military and naval sources were important factors in keeping alive the fears of the Chinese populace. The menacing tone of the local Japanese press and news of events in North China also had their effect (see telegrams of November 12, 4 p.m., and November 16, 12 noon.)

Mr. Itaro Ishii, Japanese Consul General, implied in the course of a call upon Mr. Stirling Fessenden, Secretary General of the Shanghai Municipal Council, that further incidents of an anti-Japanese nature might lead to action he would be powerless to stop. Municipal officials are inclined to feel that the Japanese have a plan of action affecting the Hongkew section of the Foreign Settlement, and to regard the general situation as potentially serious. Fortunately the lack of further incidents and the efforts of the authorities to quiet public fears have resulted in easing the local situation, which was much improved at the close of November (see despatch No. 8973 of November 14, 1935).

Shanghai Opinion on North China Situation. On the last day of October it was reported that a Japanese military officer here said an autonomous state in North China was going to be formed. There was a marked stiffening in the Japanese attitude after the currency measures of the Chinese Government were announced. It was learned that despite expressions to the contrary both the civil and military officials were angry, that they saw in it a fruition of the Leith-Ross mission and a move inimical to

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to Japan, that they took the celerity with which the British issued their order regarding the currency as evidence of prior knowledge of the plan, and that as a consequence a definite move in the North was to be expected, a prophecy later borne out by happenings at Peiping and Tientsin.

Reports became current about the middle of the month that the announcement of an autonomous regime in North China was imminent. It was rumored that Major General Doihara had given the Chinese authorities until noon of November 20, 1935, to make an appropriate declaration, and acquiescence was regarded as a foregone conclusion. Local pessimism lessened to a degree, however, with news that a counter move on the part of the National Government and the Japanese civil authorities had delayed the carrying out of Japan's plans. Local Chinese officials, however, continued to regard the situation in North China as most serious. The Japanese Military Attache here is reported as saying that North China would be entirely cut off and organized into an independent state if autonomy is not established immediately, or if it does not work after establishment because of pressure and interference from Nanking (see despatch No. 8932 of November 23, 1935). News received from North China up to the end of November tended to increase apprehension here.

According to police sources the following local organizations have sent messages to the National Government urging measures against the autonomous movement in North China:

Shanghai

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Shanghai Peasants' Association,
 Middle School Teachers and Staff Employees'
 Federation, and
 Shanghai Educational Association.

Dr. C. T. Wang's Trip to Japan and America. Despite assertions to the effect that he was proceeding to Japan as a private citizen and on personal business, the action of Dr. C. T. Wang, former Minister of Foreign Affairs and member of the Central Executive Committee, in proceeding to Japan at this particular juncture has been the subject of considerable speculation in Shanghai. It is understood that Major General Kensuke Isogai, Japanese Military Attache, told him frankly he considered it inadvisable for him to make this trip at present, that his real destination was not Japan but the United States, and that he may visit Europe also. The departure of a political figure of Dr. Wang's prominence in the face of Japanese opposition on what must be a semi-official mission is believed to be of special significance.

Movement to Quote Prices in Yen. It has been learned from police sources that at a meeting of some twenty members of the Board of Trustees of the Shanghai Japanese Industrial Association, 443 Woosung Road, on November 24 it was unanimously decided to quote prices of commodities in local Japanese stores in yen commencing January 1, 1936. The reason ascribed for this action is to avoid losses through fluctuation in the value of the local currency. According to the plan payment will be accepted in yuan at the rate of exchange prevailing when purchases are made.

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TELEGRAM RECEIVED

LMS GRAY AND SPECIAL GRAY

Nanking via N. R.

1-1836

FROM Dated January 7, 1936

Rec'd 3:25 p. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JAN 8 - 1936
Department of State

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

4, January 7, 1 p. m.
My 160, December 31, 11 a. m. /7609

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One. Chen Chieh, administrative Vice Minister for Foreign Affairs, told me yesterday that it was expected that the Japanese Government would agree in principle to the proposal for a conference to effect a comprehensive adjustment of Sino-Japanese relations although no official agreement had yet been obtained. Hsu Mo, the political Vice Minister, told me the Chinese plans contemplated some kind of commission with special plenipotentiaries at their head. In regard to the scope of discussion the latter criticized as unreasonable the reported Japanese demand that China advance concrete proposals based on Hirota's "three principles" since Japan not China originated these principles. He added that China had not agreed to avoid any specified subjects such as extra-territoriality.

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JAN 13 1936

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Two. From another Foreign Office source it is confirmed that there has been no change in the status

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of this

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LMS 2-No. 4, January 7, 1 p. m. from Nanking via N. R.

of this matter since its inception. According to a Domei despatch from Tokyo dated January 5 the Japanese Foreign Office will insist upon (1) the prior submission by the Chinese of a concrete list of proposals and (2) prior acceptance by China of Hirota's three point program; and before agreeing to formal discussion will obtain approval of the Japanese Ministries of War, Navy and Finance. This despatch states that the situation in China does not warrant optimism because of the undercurrent of anti-Japanese activity and regretfully expresses belief that the Nanking Government intends to bring up the question of the abrogation of the "unequal treaties."

Three. By mail to Peiping.

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

January 9, 1936.

~~NAME:~~
~~SKH:~~

The attached special report W.D. 1636, December 23, 1935, from Paris transmits articles in the French press which, without proposing any solution, agree in the opinion that new developments in north China are of the first importance in future Far Eastern history. The most important extracts in the articles cited are the following:

LA TRIBUNE DES NATIONS, November 28, 1935:

"Le fait important, au milieu de tous ces imbroglios et de ces incidents renouvelés, c'est que, bon gré, mal gré, le Gouvernement chinois est obligé de composer avec le Japon, d'en venir à une entente économique et politique qui allie deux grandes puissances asiatiques et qui réalise en principe le bloc Chine-Nippon-Mandchoukouo. ... Parce que les nations occidentales ont trop longtemps négligé la Chine, elles risquent, désormais, de se trouver en face d'un monde transformé, discipliné, unifié, où elles ne retrouvent jamais plus la place qu'elles occupaient précédemment."

LE TEMPS, November 22, 1935:

"Comme le dit ce matin le MANCHESTER GUARDIAN, les provinces du nord de la Chine vont se trouver englobées dans un nouveau système politique, et si cette

entreprise

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entreprise réussit 'le Japon aura fait
un grand pas en avant vers l'hégémonie
nipponne en Extrême-Orient et vers la
création d'un grand empire sur le continent
asiatique'. Ce sera un fait capital dans
l'évolution de l'histoire du monde moderne
et de la civilisation."

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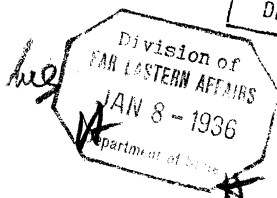
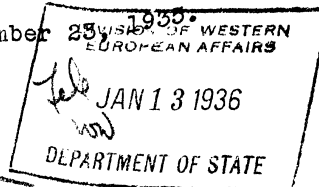
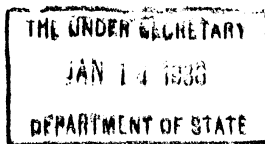
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EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, December 23, 1935



SPECIAL REPORT

No. W. D. 1636.

RECEIVED
DEPARTMENT OF STATE

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DIVISION OF
COMMUNICATIONS
AND RECORDS

Grade	For	Grade	For

To the Secretary of State,

Washington, D. C.

The American Ambassador forwards herewith
Mr. Warrington Dawson's Special Report No. W. D.
1636, dated December 23, 1935.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Paris, December 23, 1935.

Serial No. W. D. 1636.

SPECIAL REPORT,

By Warrington Dawson,
Special Assistant.

SUBJECT: Far Eastern Questions, as Viewed in
the French Magazines and Newspapers.

Among the articles which have appeared recently on Far Eastern questions I venture to call attention to the following:

LA TRIBUNE DES NATIONS of November 28, 1935:

"What is Happening in China and Japan", by François de Tesson, former Under Secretary of State for Foreign Affairs. The conclusion which he reaches is that recent developments in North China justify the concern felt in the United States, Great Britain and Soviet Russia. It is probable that these three powers will be drawn closer together, along with France, over the principle of the Open Door in China.

LE TEMPS of November 22, 1935: "The Sino-Japanese Negotiations", by Roland de Marès. He declares that the proclamation of autonomy in the provinces of North China is a fact of capital importance in the historical evolution of the modern world and of civilization.

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

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LE TEMPS of December 3, 1935: "The Characteristics of France's Indochinese Policy", by Albert Silbert. The chief points of French preoccupation concerning the domestic situation in Indochina are recapitulated and a glance is then cast at Indochinese external relations, particularly with China and Japan.

LE JOURNAL of December 8, 1935; "Will International Action Extend to the Far East?" by Saint Brice. He considers that the essential consideration is to give Chang Hai Chek a chance to save his face. As for the general situation he recalls that not only the Far East lies a great distance away from Europe, but that Japanese diplomacy has always proved to be very much more flexible than Italian diplomacy.

The originals of the articles mentioned are herewith enclosed.

Respectfully yours,

Warrington Dawson

Warrington Dawson,
 Special Assistant.

Enclosures:

Extracts from -

- 1) LA TRIBUNE DES NATIONS of November 28, 1935;
- 2) LE TEMPS of November 22, 1935;
- 3) LE TEMPS of December 3, 1935;
- 4) LE JOURNAL of December 8, 1935.

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

Enclosure 1 to Special Report No. W.D. 1636
 of December 23, 1935, from American Embassy,
 Paris, France.

LA TRIBUNE DES NATIONS of November 28, 1935.

Que se passe-t-il entre Chine et Japon ?

par François de TESSAN

Député, ancien sous-secrétaire d'Etat
 aux Affaires étrangères

Quand on étudie la situation en Extrême-Orient, il est opportun de ne pas juger les événements d'après les règles de la logique française ou selon des conceptions politiques purement occidentales. Il faut tenir compte à la fois des pressions militaires, des négociations diplomatiques poussées avec un art particulièrement raffiné, des intrigues personnelles qui, sans cesse, compliquent la situation. Le 19 novembre, on annonçait que le Japon, poursuivant sa politique d'hégémonie sur la Chine, allait provoquer la sécession des cinq provinces du Nord : le Chantoung, le Hopei, le Chansi, le Chahar et le Sui-Yan. Déjà, était entrevue la formation d'une sorte de fédération des Etats-Unis du Nord asiatique comprenant, naturellement, en plus des pays précités, le Mandchoukouo avec ses annexes mongoles. Sous l'autorité nominale d'un souverain réinstallé dans son palais de Pékin, l'Empire du Mikado aurait ainsi réalisé un rêve grandiose et imposé son protectorat à de nouvelles multitudes jaunes.

Cependant, le 20 novembre, cette information — qui correspond bien à un plan général dont nous suivons le développement à travers des épisodes et des péripéties parfois surprenantes — était, en partie, démentie. Les trois gouverneurs des provinces du Hopei, du Chantoung et du Chahar, qui devaient se réunir dans la capitale pour examiner ce projet de l'autonomie du Nord, s'abstenaient, sous des prétextes divers, de paraître au rendez-vous. Ces trois chefs, portés manquants, avaient été invités à cette conférence par le général Doihara, qui commande les forces nipponnes. Ils avaient été mis en demeure de se rallier au projet de sécession, faute de quoi leurs territoires respectifs devaient être envahis par les troupes japonaises, actuellement massées à Chan-Haï-Kouan et le long de la Grande Muraille.

Or, non seulement les gouverneurs sécessionnistes par persuasion restaient chez eux et n'encourageaient point de représailles, mais encore, on apprenait qu'une vaste négociation était engagée entre le représentant du Mikado et Nankin et le général Chang Khai Chek afin de conclure une entente générale entre les deux pays. Était-ce donc le désaveu des manœuvres coercitives du général Doihara ou un changement subit dans la politique nipponne ?

(Lire la suite page 2.)

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Que se passe-t-il entre Chine et Japon ?

(Suite de la première page.)

Il est difficile de déterminer jusqu'à quel point le commandant des troupes d'occupation outrepassait les ordres de son gouvernement en se livrant à des menaces directes pour amener les gouverneurs sous la tutelle du Japon. Si le coup avait réussi, Tokio ne l'aurait, certes, pas désavoué. Mais il est probable que les dirigeants de l'Empire du Soleil Levant ont estimé que le mouvement en vue de l'autonomie du Nord de la Chine n'était pas suffisamment préparé, qu'il comportait trop d'aléa, qu'il était plus adroit de ne pas brusquer les choses. Ils ont préféré entrer en pourparlers avec le général Chang Klai Chek, tout disposé, d'ailleurs, à traiter et à sauver la face par un compromis.

Au moment même où la situation paraissait dangereusement tendue, le généralissime chinois n'avait-il point prononcé, devant le Congrès national du Kuomintang, un discours plein d'à-propos, où il avait insisté sur les variations inévitables de la politique extérieure et déclaré « que l'ennemi d'hier pouvait fort bien devenir l'ami de demain » ? Cette phrase ne faisait, en somme, que résumer la politique de rapprochement poursuivie depuis quelques mois — en dépit de contradictions apparentes — par les deux gouvernements.

Dès la fin de septembre, en effet, M. Hirota, ministre des Affaires étrangères du Japon, avait présenté au général Tchang Tso Pin, ambassadeur de Chine à Tokio, un projet d'ensemble basé sur les articles suivants : 1° Aide effective du gouvernement de Nankin pour placer les relations sino-japonaises sur une base amicale stable. Cessation de l'agitation des Comités politiques antijaponais et du boycottage des produits japonais ; 2° Formule de coopération de l'Empire Nikadonal, de la Chine et du Mandchoukouo pour le développement du Nord de la Chine. 3° Etablissement d'un front commun pour enrayer les menaces communistes.

Sur ces données, il était possible de traiter. C'est pourquoi, sans renverser leur politique, les Japonais ont été amenés à reprendre les pourparlers. S'ils ont modifié leur tactique, ils n'ont point changé leurs buts. On peut même supposer que le coup de force esquissé par le général Doihara et les revendications autonomistes ont servi d'avertissements, afin d'obli-

ger le gouvernement de Nankin à ne plus louver et atermoyer. Le général Chang Hhai Chek a senti qu'il fallait jeter du lest — dès l'instant qu'il était incapable d'organiser une grande résistance militaire — et qu'il avait tout intérêt à discuter, derechef, sur les articles du grand compromis Hirota. Ainsi s'explique ce que d'autres ont appelé « le coup de théâtre du 21 novembre ».

Il est bien certain que cette nouvelle négociation, menée par M. Arioyshi, ambassadeur du Japon à Nankin, n'ira pas sans marchandages, sans surprises, sans à-coups. Pour aboutir à ses fins, si le Gouvernement central chinois lésine ou temporise trop, le Japon saura lui susciter des difficultés.

Il jouera habilement des dissensions qui existent entre les grands gouverneurs et le général Chang Khai Chek. Il a en main certains chefs, qui feront du séparatisme au moment choisi pour impressionner les dirigeants chinois. Déjà, sans plus attendre, le général Yung You Keng a proclamé l'établissement d'un gouvernement autonome dans la zone démilitarisée du Hopei !

Le fait important, au milieu de tous ces imbroglios et de ces incidents renouvelés, c'est que, bon gré, mal gré, le Gouvernement chinois est obligé de composer avec le Japon, d'en venir à une entente économique et politique qui allie deux grandes puissances asiatiques et qui réalise en principe le bloc Chine-Nippon-Mandchoukouo. Le gouvernement de Tokio s'installe ainsi, de plus en plus, dans la Chine du Nord afin d'en accaparer les marchés à son profit ; il obtient les moyens de briser le communisme, c'est-à-dire de s'assurer la prépondérance en Mongolie ; il se fait le champion de l'unité de la race jaune. S'il n'a pas encore eu le temps de pousser à fond les avantages ainsi acquis, il est impossible de ne pas apercevoir les conséquences de cette politique qui se résume par ces mots : l'Asie aux Asiatiques. C'est une gigantesque entreprise d'organisation raciste sur un continent où les Occidentaux espéraient développer aussi leur commerce et leur influence.

Tout récemment, dans ce journal, M. Hiroshi Saïto, ambassadeur du Japon à Washington, écrivait ces lignes : « Quel droit a un peuple, si avancé, si civilisé soit-il, de se mêler aux affaires d'un autre, même si celui-ci se trouve en désagrégation ? Nous n'avons pas l'intention de nous mêler aux affaires de la Chine. Mais si d'autres puissances y interviennent, d'une façon menaçante pour la paix internationale, en tant que principale puissance intéressée dans cette région, nous nous y opposerons. »

Ce jugement comporte une appréciable dose d'ironie, car il est assez paradoxal de prétendre que le Japon ne s'est pas mêlé aux affaires de la Chine, maintenant que nous savons comment a été déclenché le mouvement « autonomiste » !... D'autre part, il indique clairement aux autres nations que l'Empire nikadonal — tout en continuant à se dire fidèle aux traités de 1923 — entend

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On conçoit, sans peine, que cette politique suscite les plus vives inquiétudes tant aux Etats-Unis qu'en Grande-Bretagne et en U. R. S. S. Elle est de nature, sur le plan asiatique, à rapprocher ces trois puissances et toutes celles — y compris la France — qui sont intéressées à la « Porte ouverte » en Chine. Parce que les nations occidentales ont trop longtemps négligé la Chine, elles risquent, désormais, de se trouver en face d'un monde transformé, discipliné, unifié, où elles ne retrouvent jamais plus la place qu'elles occupaient précédemment.

François de TESSAN,

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Enclosure 2 to Special Report No. W.D. 1636
 of December 23, 1935, from Embassy, Paris.

LE TEMPS of November 22, 1935.

BULLETIN DU JOUR

LES NEGOCIATIONS SINO-JAPONAISES

Où en sont les affaires d'Extrême-Orient ? Un fait nouveau est survenu dans la situation que nous avons exposée il y a trois jours : la proclamation de l'autonomie des provinces de la Chine du Nord, qui était annoncée pour le 20 novembre, est différée de quelques jours, dit-on, et des négociations sont engagées entre Tchang Kai Chek et M. Ariyoshi, ambassadeur du Japon à Nankin. Tout cela a la complexité de toutes les affaires de l'Orient lointain quand elles sont traitées par les méthodes nippones et chinoises, qui visent surtout, on ne l'ignore pas, à sauver la face pour les Chinois, et à éviter que les règlements les plus importants d'un point de vue général puissent porter atteinte à la lettre des traités, surtout du traité dit des neuf puissances, qui stipule l'intégrité territoriale de la Chine.

L'objet de la tractation est l'autonomie de fait, mais avec le maintien de la souveraineté nominale de la Chine, des provinces du Tchahar, du Suiyan, du Hopeï, du Chansi et du Chantoung, lesquelles provinces concluraient alors une alliance défensive « anticommuniste » avec le Mandchoukouo et le Japon. Les Nippons ont pris prétexte de certains incidents qui ont marqué ces temps derniers la campagne antijaponaise dans la Chine du Nord pour amorcer et développer ce mouvement autonomiste, lequel s'est trouvé encouragé par les éléments chinois les plus influents de ces régions à la suite de la réforme monétaire comportant la « nationalisation » de l'argent métal, réforme qui a pour conséquence de troubler profondément la situation financière et économique dans les provinces du Nord. Toutes les dispositions étaient prises pour réaliser le projet d'autonomie par simple voie de proclamation, lorsqu'on a appris hier que la déclaration d'autonomie des provinces du Nord était ajournée à la suite de l'abstention, au dernier moment, des gouverneurs du Chantoung et du Hopeï. Mais en même temps on apprenait que des pourparlers étaient engagés à Nankin : même entre Tchang Kai Chek et l'ambassadeur du Japon, M. Ariyoshi, sur l'ensemble des relations sino-japonaises. Si ces négociations aboutissent à bref délai, comme on semble le prévoir, elles auraient pour conséquence d'éviter tout conflit entre Nankin et Tokio et de réaliser en fait l'autonomie des provinces du Nord avec l'assentiment du pouvoir central chinois.

Les informations que l'on possède à cette heure tendent à faire croire, d'une part, que le général nippon Doihara aurait adressé aux autorités locales de la Chine du Nord un ultimatum leur enjoignant de proclamer l'autonomie des cinq provinces, faute de quoi les forces japonaises occuperaient immédiatement ces provinces. Ceci serait l'opération politique des militaires nippons. Mais, parallèlement, M. Ariyoshi aurait reçu mission de demander à Tchang Kai Chek de définir sans équivoque l'attitude du gouvernement de Nankin en ce qui concerne une large politique de collaboration sino-japonaise sur la base de trois points précis : suppression de tout mouvement antijaponais — ce qui impliquerait l'exclusion de tous les éléments du Kuomintang de la Chine du Nord, — coopération active et permanente de la Chine, du Japon et du Mandchoukouo, et action nettement « anticommuniste » des trois Etats. On arrive ainsi au point d'aboutissement d'une politique qui se développe depuis quelque temps déjà, vers laquelle Tchang Kai Chek a paru incliner fortement par instants, et qui tend à jeter les bases d'une véritable communauté sino-japonaise.

Quoi qu'il en soit, le mouvement autonomiste dans les provinces du Nord existe, et il ne semble pas qu'il puisse être pratiquement arrêté au point où en sont les choses, car on considère que ce mouvement est sérieusement renforcé par la réforme monétaire décidée par Nankin, les autorités chinoises de la zone démilitarisée de la Chine du Nord interdisant déjà, en réaction contre la « nationalisation » de l'argent-métal, la circulation dans ces régions des billets de la Banque centrale de Chine que l'on veut substituer à la monnaie d'argent. Mais on ne manque pas de faire ressortir du côté nippon que le Japon ne se propose pas d'intervenir par la force en faveur d'un tel arrangement, qui n'aurait en aucun cas le caractère d'une sécession territoriale portant atteinte aux dispositions essentielles du traité des neuf puissances. En fait, la Chine du Nord jouirait tout simplement d'un régime autonome dans l'ensemble de la République chinoise, comme c'est déjà le cas pour les provinces de Canton et du Kouangsi. Mais ce n'est plus là, il faut bien le constater, qu'un des aspects du problème, et les négociations en cours entre Tchang Kai Chek et M. Ariyoshi paraissent avoir pour effet d'élargir singulièrement l'objet du débat. Telles qu'elles sont présentées, ces négociations tendraient en réalité au règlement définitif de toutes les questions qui se posent entre la Chine et le Japon, ce qui impliquerait en premier lieu la reconnaissance par la Chine de la création du Mandchoukouo. La formule ne serait plus celle d'un bloc sino-japonais, mais celle d'un bloc Chine-Japon-Mandchoukouo. L'organisation politique du monde jaune en vue de dominer l'Orient lointain serait ainsi commencée.

Que les Anglais et les Américains envisagent ces événements avec inquiétude, on ne saurait en être surpris. Les Anglais ne se font aucune illusion, et considèrent que le Japon ne rencontrera pas d'obstacle dans la réalisation de ses projets, aucune résistance de la part de la Chine n'étant à prévoir et aucune

intervention des puissances occidentales n'étant à craindre pour lui. D'ailleurs, sous quel prétexte intervenir s'il n'est pas porté ouvertement atteinte à la lettre des traités, si l'intégrité territoriale de la Chine est respectée, si l'affaire se conclut sur l'initiative des autorités locales des provinces du Nord et avec l'assentiment de Tchang Kai Chek et du gouvernement de Nankin ? La diplomatie japonaise a su mettre à profit, avec une rare habileté dans les procédés, les difficultés où se débattent les puissances occidentales pour atteindre le but principal de la politique de Tokio. Comme le dit ce matin le *Manchester Guardian*, les provinces du nord de la Chine vont se trouver englobées dans un nouveau système politique, et si cette entreprise réussit « le Japon aura fait un grand pas en avant vers l'hégémonie nipponne en Extrême-Orient et vers la création d'un grand empire sur le continent asiatique ». Ce sera un fait capital dans l'évolution de l'histoire du monde moderne et de la civilisation.

Enclosure 3 to Special Report No. 1636 W.D.
of December 23, 1935, from Embassy, Paris.

LE TEMPS of December 3, 1935.

CARACTÉRISTIQUES DE LA POLITIQUE INDOCHINOISE DE LA FRANCE

Cependant que dans le Pacifique s'amorce un rapprochement sino-japonais gros de conséquences pour l'avenir, et qu'à Hanoï s'ouvrent les assises annuelles de son grand conseil des intérêts économiques et financiers, on peut se demander avec raison quelle est, à l'heure actuelle, la doctrine du ministère des colonies en ce qui concerne l'Indochine. La question, sans être aussi urgente que tant d'autres, mérite d'être examinée avec attention. Car la politique de la France en Indochine, c'est un peu de sa politique en Extrême-Orient, c'est-à-dire dans une partie du monde désormais indissolublement liée au destin de l'Occident.

Dressons d'abord à grands traits les préoccupations du gouvernement français en Indochine en matière interne. La sécurité extérieure de l'Indochine ne saurait, en effet, à une si lointaine distance de la métropole, se concevoir à l'exclusion du problème de sa sécurité intérieure, dont on avait craint il y a quelques années qu'elle n'apparût menacée. Mais désormais ces ombres peuvent être considérées, sans excès d'optimisme, comme écartées. La souplesse de la Constitution de l'Union indochinoise, où un gouverneur général exerce son autorité sur cinq pays différents dont trois, l'Annam, le Cambodge et le Laos, demeurent des royaumes de protectorat, un seul, la Cochinchine, une colonie d'administration directe, et le dernier, le Tonkin, vit sous un régime hybride, était bien faite pour résister, dans le loyal concours des souverains protégés, à des épreuves locales.

Au reste, dans l'Annam, où les troubles avaient atteint leur maximum d'intensité, le retour du jeune empereur Bao-Dai a marqué le commencement d'une ère nouvelle dans l'histoire du pays.

A peine, en effet, l'empereur Bao-Dai avait-il regagné son palais de Hué qu'une ordonnance, conçue en plein accord avec le gouvernement français et publiée le 12 septembre 1932, venait apporter de notables modifications dans la structure administrative du royaume, notamment au point de vue de l'organisation du mandarinat, de l'administration de la justice et de l'enseignement. D'autres réformes ont suivi, dont l'important remaniement ministériel du 2 mai 1933 substituant à une ancienne équipe de ministres et lettrés vénérables des hommes plus jeunes, travaillant en meilleur accord avec l'empereur. Tant et si bien que, dans les derniers mois de l'année dernière, on aurait pu croire que ce dernier, en procédant avec pareille autorité, était peut-être allé un peu vite en besogne, si le gouverneur général Robin, dont les trente années de services en Indochine font de lui un des meilleurs juges de la situation de la colonie, ne s'était sur ce sujet exprimé en ces termes, lors de la dernière séance du conseil de gouvernement, à Saigon :

« Il suffit de lire attentivement, d'étudier sans parti pris le texte de ces ordonnances, a prononcé M. Robin; il suffit, d'autre part, d'avoir, à la tête d'une province d'Annam, connu de près et suivi pendant plusieurs années le fonctionnement du gouvernement protégé; il n'est enfin que de comprendre l'organisation des ministères de Hué, pour se rendre compte qu'il ne reste rien des critiques formulées à l'encontre de ces premiers actes du jeune souverain. »

Ainsi la cordialité des relations entretenues entre le gouvernement général et les gouvernements locaux de Hué ou de Pnomh-Penh a-t-elle grandement facilité un apaisement, qu'on peut espérer durable, des esprits en Indochine.

A la faveur de la crise et du redressement de l'économie indochinoise qui a suivi (1), les élites indigènes ont au surplus mieux compris à quel point leurs véritables intérêts étaient solidaires de ceux de la France. Fait significatif, le même gouverneur général Robin n'a pas hésité à prendre les mesures nécessaires pour l'intégration dans les cadres de l'administration des jeunes intellectuels annamites ou cambodgiens momentanément sans emploi, et à supprimer depuis le 1^{er} janvier de cette année le régime de la censure subsistant pour les journaux indigènes. Ce qui prouve, une fois de plus, qu'un chef énergique peut, à l'occasion, se montrer plus libéral qu'un autre.

Jetons les yeux au dehors. Jusqu'ici la politique poursuivie par l'Indochine en Extrême-Orient est demeurée prudente, mesurée et susceptible de n'apporter aucune entrave à l'action de la métropole, qui n'a guère besoin de complications supplémentaires. La situation particulière où se trouve l'Indochine, reliée par de solides règlements administratifs au ministère des colonies, eût d'ailleurs rendu toute initiative de sa part assez malaisée; on peut même se demander, à cette occasion, s'il ne conviendrait pas qu'une meilleure liaison fût instituée, en ce qui la concerne, entre les deux grands ministères, du quai d'Orsay et de la rue Oudinot; car il n'est pas exagéré de penser que notre grande colonie pourrait être appelée à jouer un rôle de plus en plus important dans le Pacifique.

C'est ainsi que si on peut déjà noter comme un symptôme significatif les visites respectives échangées depuis une dizaine d'années par les gouverneurs généraux Varenne, Pasquier et Robin avec le souverain du Siam et leurs collègues des Straits, des Indes Néerlandaises et des Iles Philippines, il faut également considérer cette tendance parallèle des pays extrême-orientaux à pratiquer entre eux une politique d'échanges de plus en plus rationnelle. Inutile d'ajouter que le « climat » au milieu duquel s'effectuent les échanges de l'Indochine avec Batavia ou avec Singapour n'est pas sans influencer heureusement sur la cordialité des relations qui doivent nous unir, étant donné nos intérêts communs dans cette partie du monde, avec nos voisins anglais ou hollandais. De même avec le Siam les relations de l'Indochine sont-elles demeurées des plus cordiales en dépit des troubles qui, depuis quatre années, ont agité cette région et des tendances, très naturelles, qui semblent vouloir pousser les nouveaux dirigeants de la politique siamoise à entretenir des contacts plus étroits que par le passé avec le Japon; mais, depuis l'accord de 1907 qui a définitivement fixé les frontières de l'un et de l'autre pays, l'Indochine et le Siam n'ont que des raisons de vivre en bonne intelligence, en attendant que des liaisons plus rapides que celles qui existent actuellement puissent être établies entre Saigon et Bangkok.

Toutefois, c'est surtout en considération de la réconciliation, qui s'opère actuellement, de la Chine et du Japon, que l'Indochine pourrait être amenée à intervenir plus utilement dans le Pacifique. Non pas tant en ce qui concerne ses relations, réglementées par le traité de commerce de 1932, avec le Japon, pays lui-même exportateur, que par l'accroissement de ses échanges avec les trois provinces frontalières voisines de la Chine du sud : Yunnan, Kouang-Si et Kouang-Tung, constituant l'hinterland naturel du Tonkin. Bien entendu, semblable politique, tendant en fin de compte à une meilleure utilisation de notre chemin de fer de Hanoï à Yunnan-Fou et de nos établissements sur divers points de ces provinces, demeure toujours en théorie celle à laquelle se rallierait le plus volontiers notre ministère des colonies. Mais elle suppose l'agrément des gouvernements de Nankin et de Tokio, quoique la conclusion récente, le 4 mai dernier, de l'accord commercial franco-chinois, prévoyant la nomination par Nankin de consuls en Indochine, nous autorise à ne pas douter de la bonne volonté de l'un et l'autre de ces deux gouvernements. Ainsi l'Indochine trouverait-elle, sur les bases d'un trafic plus régulier avec la Chine, une assurance contre la mévente de ses produits en même temps que l'occasion de développements nouveaux.

Or, cette politique, que les circonstances imposent à la fois à la France et à l'Indochine, mieux rattachée désormais au complexe extrême-oriental qui constitue son milieu naturel, n'était-ce pas celle qu'envisageait déjà le véritable fondateur de l'Union indochinoise lui-même : Paul Doumer?

ALFRED SILBERT.

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

Enclosure 4 to Special Report No. W.D. 1636
 of December 23, 1935, from Embassy, Paris.

LE JOURNAL of December 8, 1935.

L'action internationale va-t-elle s'étendre à l'Extrême-Orient?

Ce n'est pas sortir de l'actualité que de parler des affaires de Chine. D'abord parce qu'il s'y passe des événements fort importants : avertissements donnés aux Japonais par l'Angleterre et les Etats-Unis, prise directe du pouvoir par Tchang Kai Chek. Ensuite parce que tout se tient dans les préoccupations de l'heure présente. Les Anglais constatent qu'ils ne peuvent pas se laisser absorber par le conflit éthiopien au point de négliger les autres tableaux. La Chine ne peut rester insensible au précédent créé par l'intervention internationale qui se développe pour défendre l'intégrité d'un membre de la Société des nations et assurer l'exécution des traités.

Déjà les Chinois ont appelé l'attention des signataires du traité dit des Neuf puissances, dont ils dénoncent la violation. On leur prête l'intention de faire également appel à Genève.

Le fait que les Japonais sont sortis de la Ligue ne diminue en rien l'engagement de défense mutuelle contracté par les membres de la Société des nations. On peut donc découvrir demain que le précédent créé le 7 octobre ne conduit pas seulement à l'article 16 du Covenant, mais aussi à l'article 17 qui prévoit l'intervention dans les conflits provoqués par des Etats non membres.

Gardons-nous d'exagérer. L'Extrême-Orient est loin et la diplomatie japonaise est infiniment plus souple que ne s'est révélée jusqu'ici celle de l'Italie. Elle ne manque pas d'arguments pour soutenir que le traité des Neuf puissances, signé en 1922 à Washington, n'est pas en cause. Ne peut-on pas faire valoir le fait qu'en boycottant le commerce japonais, les Chinois ont violé les dispositions du traité relatives à l'égalité du commerce ? Un argument plus spécieux et qui ne manque pas d'originalité est que depuis que la Chine a signé le traité en 1922, elle a changé de régime. Y a-t-il compatibilité entre le principe de l'indépendance du Kuomintang et un traité par lequel la Chine sollicite la garantie de puissances étrangères ?

Ces arguties n'empêcheraient pas les complications si une entente n'intervenait pas à bref délai entre Nankin et Tokio. Peut-on voir une indication favorable dans le fait que Tchang Kai Chek prend la direction effective du pouvoir ? L'homme n'est certainement pas défavorable à une entente avec les Japonais, mais c'est un Chinois, c'est-à-dire que si on veut s'accorder avec lui, il faut prendre bien soin de lui permettre de sauver la face. — S.B.

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Nov. 29, 1935



Japan and China:

A Brief Survey of Recent Far Eastern Developments -

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Introduction. Since 1931 Japan has been more or less openly on the march to "Empire" -- recently more openly and with less evasion and subterfuge than formerly. During 1931 and 1932 the Tokyo Foreign Office spent much futile effort to justify Japanese action as self-defense and not a violation of the Nine Power Treaty guaranteeing the territorial integrity of China. Then, as now, the Japanese military set the pace by action in China, leaving to the Foreign Office the task of explanation and justification in Western capitals.

Outwardly there is thus presented a divided Japan with the Foreign Office and Finance Minister side opposed to the army and navy side. The divergence is one of method only. All Japanese are agreed on Japan's ultimate goal in Asia, but the military, having numerous well trained resident officers throughout China, feel better informed on Chinese psychology and on how to attain Japan's ambitions in that country. Early in 1935, the army gave Hirota, the Foreign Minister, a time limit within which to show results. When in May results were admittedly below expectations, the army moved and by a show of force secured, in part at least, within a few days, many concessions which the Hirota diplomacy had failed to gain.

Japan and China. The army demarche of May-June drove the Nanking Government's authority out of most of North China, but failed to provide a successor to that authority, merely requiring that local officials be acceptable to the Japanese. Now Japan suddenly moves to establish a suitable government in North China and at the same time advances in Shanghai and at Nanking and perhaps in Canton.

Why the sudden advance in China on all fronts? What is the Japanese goal in China?

In April, 1934 (see Intelligence Summary of June 1, 1934), Tokyo Foreign Official Amau gave a purposely indiscreet interview to foreign correspondents in which he read from a paper alleged later to have been instructions for Japanese officials in China. Peculiarly enough, however, the statement contained no information or directions for Japanese officials, but did warn Western states that Japan would no longer permit foreign loans to China, because the money would likely be used for military purposes (to resist Japan); and that Japan felt that the furnishing of military and technical advisers and aviation and military supplies was likely to disturb the peace of the Orient for which Japan with China assumed responsibility. This notice in effect rejected the League of Nations advisers in China; warned the United States and China to withdraw the American aviation mission headed by Colonel Jouett, ex-United States Army officer, from the Hongchow Aviation School; quite frankly notified all nations that China must depend upon Japan for development economically and militarily; and that thereafter Western influence in China was through because the latter was under Japanese control. This Amau declaration has never been disavowed, although Japan made certain evasive statements by way of avoidance of the issue. The

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Amau pronouncement is Japan's policy, and may be called the current version of the Twenty-one Demands.

The visit of Sir Frederick Leith-Ross, economic adviser to the British Government, to the Far East to study Chinese currency met only cold disapproval in Tokyo when he stopped there early in September. What encouragement Leith-Ross gave China is unknown, but despite all British denials that he gave any, the Nanking Government early this month demonetized, or nationalized, silver and made its note issues legal tender for all debts, public and private, the value of the note in sterling and in gold to be slightly below prevailing quotations. This was highly gratifying to British and American interests, but damaging to Japanese economic control, because all foreign banks and business, to operate, must conform hereafter to Chinese law, and the Tokyo Exchange cannot dominate the Chinese market without China's consent. A highly placed American private banker advised this step in 1934. The fact that all British banks promptly issued regulations to conform to the Chinese decree would indicate that they were forewarned and ready, while Japanese banks taken by surprise were both unready and unwilling to comply.

The Japanese Government felt itself outmaneuvered by the British, and now the Kwantung Army practically refuses to permit the scheme to work by announcing that North China will be directed not to turn in its silver to the National Government. At the same time General Doihara, the well-known head of the Kwantung Army's Special Service Section, in Peiping concludes that the autonomous state of North China cannot longer be delayed.

Then in Shanghai a Japanese marine is most providentially killed by an unknown assassin at a time when a show of force in Shanghai may accomplish two purposes: intimidate the Nanking Government and enable Japan to secure a concession surrounding and cutting off the International Settlement from further growth or control in Greater Shanghai. Eventually, this concession will strangle the British at the mouth of the Yangtze, and Japan will take over the International Settlement and the position and influence long held by Great Britain in China.

Accompanying this show of pressure and Japanese claims of Chinese insincerity, Japan is busy in Nanking. It is reliably reported that Foreign Minister Hirota informed the Chinese Ambassador, Chang Tso-pin, just before he left Japan for China a few days ago, that Japan's policy is:

- (1) A Sino--Japanese alliance to prevent the spread of communism in North China;
- (2) De facto recognition of Manchoukuo, the establishment of economic cooperation, and the settlement of all outstanding issues between North China and Manchoukuo;
- (3) Relinquishment by China of the policy of depending upon the Western powers.

The first point will permit Japanese troops, as a friend of China and the Mongols, to move freely in North China and Mongolia; will align China against Russia; and (this is an estimate) will permit Japan

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to employ Chinese troops to disturb peace in Outer Mongolia, which Japan now claims is Chinese territory, and thus embarrass Russia. In fact, with such an alliance Japan can perhaps claim to rectify the Outer Mongolia--Manchuria border at will. The possibilities contained in a Sino--Japanese alliance to prevent communism from spreading in North China are almost limitless. The second specification involving the de facto recognition of Manchoukuo is in clear violation of the Nine Power Treaty because it essentially confers upon Japan a trade monopoly in that region in which exploitation is the primary need of the moment. The relinquishment by China of her old policy of relying upon the Western powers presupposes Chinese withdrawal from the League of Nations and acceptance of Japanese advisers perhaps with a Japanese high commissioner in Nanking.

These demands, the Twenty-one Demands, and Japanese action since 1931 justify the assertion that Japanese policy in dominating China has two ends to serve: (1) To make Japan self-sufficient in war and in peace; (2) to retard Chinese economic development, keeping it tributary to Japanese economy; and to avoid, if not destroy, Chinese industrial competition. It is now recognized that economic returns in Manchuria cannot be had within perhaps a decade; and that unless China can be made to resume taking a great percentage of Manchurian agricultural products, Japan must continue to pour money into an unprofitable venture. China must therefore be made to help support Manchuria, and at the same time to furnish Japan with coking coal and a better grade of iron to make the Showa Steel Works in Manchuria profitable.

The European crisis to-day is Japan's opportunity to advance in China. Great Britain has the principal stake and will offer the greatest resistance diplomatically. In 1931 Great Britain failed to support the United States or to urge adequate League action. To-day the situation is reversed and the United States may be asked to help save British control in the Yangtze Valley and white prestige in China. If Japanese action in Manchuria is any guide, Japanese control means white exclusion from trade or influence except as it passes through Japanese hands. Japanese troop movements into North China mean the closing of another door with a bang. A new Japanese concession at Shanghai will erect a barrier and enable Japan to close that door at her leisure. Japan now makes the Amai policy effective; it is no longer a mere pronouncement of intention. It becomes fact.

China. While Japan sets the pace of the offensive, China resists as always, passively. Since 1931 China has feared to resist actively, arguing that following certain defeat Japan would impose prohibitive peace terms and that passive resistance and stubborn though yielding diplomacy combined with skillful publicity could do more to checkmate Japan than any other course. Meanwhile, Chiang Kai-shek has hoped to create an army capable of resisting Japan both on the ground and in the air.

At the same time Chiang and the Soong family (from which several Chinese leaders sprang) realized that Chinese unity also depends upon modernization and development, particularly of roads and railroads, and a better government. They set vigorously to work with the result that Chinese development since 1930 has been phenomenal. A network of local roads has been linked to form main trans-provincial roads. Railway building has been continuous, and within another year completion of

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the Canton--Hankow Railway will open the middle Yangtze provinces to South China and enable Great Britain partially to parry the Japanese menace at the mouth of the Yangtze.

Yet China remains regional and divided, and the country's greatest developments have resulted from the spread of Nanking's military power. The German-trained army of Chiang Kai-shek has a good air service of perhaps 200 effective military planes with American-trained pilots said to be better than the Japanese. The army itself has learned actually to fight and defeat the best of the communist units and is to-day by far the most effective military force China has ever had. Nanking's conquest of communist-controlled Kiangsi Province required roads. Chiang built them and drove out the communists. To-day the returning population uses the roads to communicate with the outside, and the province is being opened up to new ideas. Chiang in further pursuit of the communists has entered and taken over far-western Szechwan Province which he now uses as his base and from which he may hope to resist Japan, at least for a time. He holds Szechwan by military strength and by the desire of the people, whose condition he has ameliorated. Meanwhile the communist armies have moved northeast through Kansu Province to the Kansu-Shensi border, where there is food, with Chiang in pursuit. Chiang's success in combating communism and in avoiding complete compliance with Japan's demands brings his elimination into the Japanese program. He can remain only if he becomes a servant and tool of Japan.

Perhaps the most interesting result of Chiang's failure to resist Japan has been the virtual death of the only vital, unifying influence in China -- the Kuomintang, or Nationalist Party. Used to keep Chiang in power and neglected as a really patriotic unifying influence, it has become discredited and distrusted by the mass of the Chinese. Of course, there are other causes for the failure of the Kuomintang, but if China could be granted a period free from outside interference there is much reason to believe that Chiang and the Soongs might lead China far on the road to modernization, unity, and peace, with or without the Kuomintang.

Russia--Japan and, Incidentally, China. In Russo--Japanese relations Japan again as before the sale of the Chinese Eastern Railway sets the pace. Unless all estimates of Japanese war preparations fail, Japan is not yet ready for war with Russia; and the Russians are far from ready for war with Japan. There are, however, many outstanding issues. Japan now negotiates in Moscow for a new fisheries treaty, because she objects to the auctioning of fishing lots, to paying in rubles, and to Russian State-controlled fishing grounds. Also, Japan's Saghalien oil leases will expire next year unless renewed by Russia. The latter appears willing to grant a two-year extension in present fields, but not the 10-year extension demanded by Japan. Except for Asiatic bargaining there is no real barrier to adjustment of these questions.

Border incidents and Japanese refusal to consider a nonaggression pact are partly based on the Japanese Army's need for justification for continued large military appropriations. However, so long as Russia holds Vladivostok and Outer Mongolia, Japan will feel menaced both at home and in Manchuria and plans some day to take both of these areas from Russia. At present Outer Mongolia is a real danger point: first,

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because of its strategic value; second, because it is held by a weak race dominated by Russia; and, third, because the international status of Outer Mongolia is not clear. Is Outer Mongolia Russian or is it Chinese as Japan now claims? Russian, undoubtedly, and it looks as if Russia will fight to hold it.

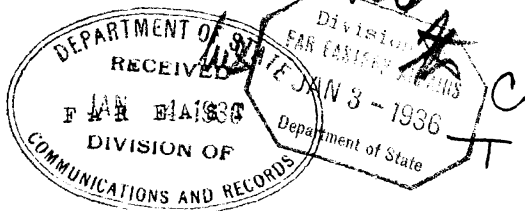
That fact, however, fails to halt the Japanese advance in Inner Mongolia. Seeing a Soviet menace to Manchuria in the northward movement of the communist armies of China and their possible union with the Soviet-controlled armies of Outer Mongolia, the representatives of the Kwantung Army in Peiping and Tientsin, as well as its spokesman in Hsinking, announce in chorus that Japan is now ready to throw an army into Inner Mongolia to prevent the triumph of communism in North China and its penetration through the deserts of Mongolia into Manchuria. Of course, what Japan actually seeks is military and strategic control of Inner Mongolia as a base from which to attack Russian control of Outer Mongolia and as a means of reaching Sinkiang, better known perhaps as Chinese Turkestan.

In Sinkiang, however, Japanese as well as British intrigue has been halted by Soviet economic penetration which now rules the area through selected Chinese leaders. With the new Turk--Sib Railway only a few miles from the border, Russian trade was bound to become predominant unless excluded by a strong government. On the other hand, a weak local government meant a disturbed border. Russia, therefore, has apparently intervened to provide a strong local government paying homage to Nanking though flourishing under Soviet trade and influence. Sinkiang is certainly lost to China and may become another Soviet Republic in time, but will remain a legitimate prey for Japanese ambitions.

There are reports in Europe and some signs in Asia of a German--Japanese military understanding directed at Russia. While confirmation is lacking, Japanese actions in annoying Russia and keeping Russian forces in considerable strength tied to the Far East appear to be in line with such an understanding. Japan claims Russia has 300,000 men, 700 tanks, and 600 planes east of Lake Baikal. The number of men and planes is not far from correct. Japan will hardly be ready for war with Russia before 1937 or 1938, unless Germany forces the issue earlier. In fact, it is estimated that Japan will not war with any Western power without a European ally. If interfered with in China, Japan will fight any nation.

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China:

Conflict between Japanese and Chinese Policies in North China -

The conflict now going on in North China, fundamentally, is a continuation of the Japanese program of encroachment begun in September, 1931, and of the Chinese policy of passive resistance which yields only to avoid more drastic action by the Japanese. In its current aspects, it is a struggle for the sovereignty of the North China area, expressed in rival autonomous regimes.

The necessity for an autonomous North China, namely, the Provinces of Hopei (in which Peiping and Tientsin are located), Shantung, Shansi, Chahar, and Suiyuan, was seriously advanced in the famous but startling statement of General Tada, Japanese garrison commander in Tientsin, on September 24 (see Intelligence Summary of November 1, 1935), and at brief intervals afterward by General Doihara, the well-known head of the Kwantung Army's Special Service Bureau, and General Isogai, the Japanese Military Attache in China. The conferences of Japanese diplomatic, naval, and military officials held in Dairen, Tientsin, and Shanghai during October were widely heralded as presaging a new Japanese policy in China. This "new policy," it would now seem, concerned the separation of the North China area from Nanking's control under an autonomous or semi-independent regime.

The opening gun in the campaign was fired when the Japanese Consul General at Tientsin and General Tada presented simultaneous demands to the North China authorities, the essence of which was reported to be as follows: (1) Complete elimination of anti-Japanese and anti-Manchoukuo activities in North China; (2) economic cooperation among Japan, China, and Manchoukuo; (3) cooperation between Japan and China for the elimination of communism. The first demand is connected with Japanese charges that China has not carried out last June's agreement to clear North China of anti-Japanese elements, particularly the "Blue Shirts"; the second involves far-reaching plans for economic development in North China; and the third was inspired by Japan's newest stalking-horse -- the prevalence of communism in northern Shensi adjoining Suiyuan Province. On the approximate basis of the foregoing demands General Doihara conducted a vigorous campaign during succeeding weeks to enable, as he alleged, the suppressed autonomy desires of the North China population to find expression as well as to provide opportunity for development of the much mooted economic paradise in that area.

Useful grist for the autonomy mill was provided when on November 4 the Central Government's decree nationalizing silver became effective. The move took the Japanese completely by surprise. Their spokesmen in China and Japan immediately characterized it as another evidence of Chinese insincerity and placed responsibility for it with Great Britain, particularly with Sir Frederick Leith-Ross, British Treasury expert now in China to see what he can do to protect British investments there. It was intimated that Japanese banks in China probably would not feel obligated to give over their silver stocks on account of extraterritoriality. A little later Japanese military

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authorities made it clear that North China's silver stocks would not be surrendered to Nanking, and that this was an additional reason why that area should be set free from Nanking's mistaken policies. Press reports indicate, it must be admitted, that Chinese bankers in Peiping and Tientsin opposed the decree, but Japanese objections were based on two important points: first, the blow to Japanese pride because they were not consulted; and, second, the loss of a lucrative trade in silver. During the past year silver smuggling out of North China by Japanese and Koreans has become notorious, and the Chinese authorities have been nearly powerless to stop it. The true situation was revealed by the recent release of figures showing that Japan, which produces little or no silver, has become a heavy exporter of that metal.

General Doihara's autonomy campaign centered upon General Sung Che-yuan, former Governor of Chahar Province and afterward garrison commander of the Peiping--Tientsin area, as the most suitable man to head the proposed new regime. At one time the Japanese undoubtedly favored for the post General Yen Hsi-shan, who had long been considered pro-Japanese, but this Shansi war lord definitely blighted their hopes when he betook himself to Nanking in October to attend important Kuo-mintang meetings and remained there for several weeks. General Shang Chen, Governor of Hopei Province, also proved unamenable to Japanese wishes. The Japanese had made impressive overtures to General Han Fuchu, Governor of Shantung, who has always held an independent attitude toward Nanking, but any expectation they may have had that he would voluntarily join the proposed regime was dimmed when on November 16 Han suppressed autonomy activities in his province with a reportedly iron hand. General Sung himself was in a difficult situation. He was like a man with a revolver pushed against his ribs, as even Nanking officials admitted, with little chance to exercise whatever patriotic motives he may have had.

Meanwhile, several thousand troops of the Kwantung Army were concentrated at Shanhaikwan and north along the railway between that point and Chinchow, and General Doihara threatened to move these additional troops into China, if necessary, to carry out the autonomy movement as planned. The campaign had now progressed to the point where November 20 (or November 23 at the latest) was the date set for the declaration of autonomy, and the title, "The Autonomous Federation of the Five Provinces of North China," was chosen for the new regime.

Then something happened. At the proverbial eleventh hour the autonomy preparations halted. The reasons were not quite clear at first, but the principal one seems to have been an unexpected assertion of authority by the Tokyo Foreign Office. This department of the Japanese Government had remained quiescent during General Doihara's campaign, but possibly as a result of a three-hour conversation between the Japanese Ambassador and Marshal Chiang Kai-shek on the evening of November 20 pressure was brought to bear on the War Office which issued the necessary order to General Doihara. He was reported as being furious. Another reason advanced was the Emperor's still valid order of last June, forbidding the dispatch of Japanese troops south of the Great Wall without Imperial sanction. It is certain, also, that Marshal Chiang sent a peremptory command to General Sung to cease the autonomy negotiations, a command that the northern leader obeyed and undoubtedly welcomed. Chiang is believed to have sent the order as a means of calling General Doihara's bluff, knowing of a rift in the Japanese Cabinet over

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the latter's lack of success in persuading North China leaders to undertake the autonomy scheme. The bluff worked, and the Japanese military's schemes were momentarily checkmated.

But, as on other occasions, China's worst enemies have proved to be those in her own household, to paraphrase a Biblical truth. On November 24 Yin Ju-keng, a Chinese special administrator in the demilitarized zone along the Great Wall and one, who, perforce, has had considerable contact with the Japanese military during the last year or two, declared the East Hopei Autonomous Federation for Joint Defense Against Communism, comprising 18 hsien (counties or districts) of the demilitarized zone and a wedge of territory between Peiping and Tientsin. The declaration denounced the Kuomintang and all its works; announced the new regime's complete separation from the Central Government; requested Japanese military assistance in the forthcoming communist purge; and set up a governing commission headed by Yin himself. Japanese assisted at the inauguration of the new regime at its capital, Tungchow, about 12 miles from Peiping. Yet other disloyal Chinese -- notably, the former "Grey" General Shih Yu-san -- attempted to stage abortive disorders purportedly in favor of autonomy in Tientsin a day or two later, but it seems clear that no responsible Japanese were connected with them. The participants were low-class Chinese in the pay of self-seekers hoping to profit by their country's confusion.

The Nanking Government countered Yin's declaration with an order for his arrest as a rebel (a mere gesture, as it turned out, because of Japanese opposition) and at the same time abolished the Peiping Branch Military Council, a body which had outlived its usefulness and latterly had become a source of irritation to the Japanese. General Ho Ying-ching, Minister of War and former head of the Council, was appointed as Nanking's resident representative in Peiping, but no date was set for him to begin his duties.

Perhaps to show their displeasure over these Nanking moves, the Japanese military staged further encroachments upon China's dignity and sovereignty incredible except in the light of the events of the past four years. Reinforcements (later identified as Kwantung Army units) were sent in for the Tientsin, Chinwangtao, and Tangku garrisons and the Peiping embassy guard, an entirely legal move under the terms of the Boxer Protocol and hence no violation of the Emperor's order mentioned heretofore. The international race course in the Chinese city at Tientsin was seized and leveling operations begun to make it into a military air field. Chinese protests were ignored. Japanese troops occupied the railway junctions at Fengtai and Changyimen, both near Peiping, ostensibly to prevent the withdrawal of rolling stock southward; and Japanese planes flew low over Peiping on several successive days. One of these, purporting to represent Yin Ju-keng's regime, dropped leaflets advocating autonomy. Nanking's only response to all this was to lodge written protests with Japan against Japanese instigation of the autonomy movement and the occupation of the railway stations. The implications behind the military moves had done their work.

Simultaneously, Japanese pressure upon General Sung Che-yuan had been renewed, and finally in response to his pleas to Nanking for action General Ho Ying-ching and several other prominent leaders were dispatched to Hopei Province. En route they conferred at Tsinan with

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General Han Fu-chu who affirmed his support of the Central Government and opposition to the autonomy movement. It is doubtful if Ho took with him from Nanking any definite scheme for the solution of the North China impasse, and Japanese military spokesmen repeatedly expressed opposition to his mission; but following his conferences with North China leaders he apparently convinced the Nanking authorities that a measure of autonomy for the northern provinces was inescapable. The Central Government's announcement on December 2 of a decision to this effect was approved by Japanese diplomatic representatives, press reports stated, but the Japanese military were said to be angered over this second balking of their plans.

Prior to this, opposition of the Chinese populace to the autonomy movement had been expressed in unmistakable terms. Two Japanese agents agitating in favor of it had been killed by enraged villagers, and 15 other Japanese autonomy agitators were wounded a few days later. Autonomy posters were torn from walls in Peiping and Tientsin. On November 25 Hu Shih, noted philosopher, Chiang Mon-lin, Chancellor of the National University, and other Peiping educators sent a telegram to Chiang Kai-shek, denouncing the autonomy agitation. On December 9 there began a series of student demonstrations, seemingly spontaneous, against the proposed Nanking-sponsored regime in North China which have spread from Peiping to Tientsin, Shanghai, Nanking, and other cities with a distinct anti-Japanese trend. The term "riot" applied to these demonstrations in Peiping by press reports is seemingly a misnomer, for they were orderly parades for the most part by thousands of patriotic college and middle school students of both sexes. Brutal police methods in dispersing the young people in Peiping on December 16 could only have resulted from orders of the Chinese authorities to suppress any agitation that might invite Japanese reprisals. They were hardly successful, as the Japanese military promptly filed protests which probably later impelled the closing of the schools and colleges to curb the students. The Japanese Consul General at Hankow has demanded suppression of student riots there in which one Japanese was hurt. Now the military are demanding the expulsion of Hu Shih and Chiang Mon-lin, whom they accuse of instigating the outbursts. This last is an ominous portent of North China's future under Japanese dictation.

According to present indications, as the student movement is suppressed in one place, it will burst forth in another; but it remains to be seen whether China's youth will be able to do as much for their country as they did in 1919 when they inspired their Government to reject the Versailles Treaty, because of its iniquitous provisions infringing China's territory. The possibility of Japanese reprisals should not be disregarded.

The student agitation in Peiping caused a temporary postponement of the inauguration of the new autonomous organization in North China, but on December 18 it was set up secretly with General Sung Che-yuan as chairman of the governing council of 17 members. Instead of a five-province regime as originally proposed, its domain consists only of the Provinces of Hopei and Chahar. In reality, this is more restricted than it sounds, for the Japanese control practically all of Chahar north of the Great Wall, or about four-fifths of its area, and they have made it clear that Yin Ju-keng's eastern Hopei regime will not be amalgamated with that sponsored by Nanking.

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As proof of the Japanese military's sentiments toward Nan-king's attempt to preserve a remnant of sovereignty in North China, on December 16 Japanese-equipped Chinese troops seized the port of Tangku at the mouth of the Hai Ho on which Tientsin is located 30 miles inland, and placed it under the control of Yin Ju-keng's autonomous regime. The Japanese are now able, if they desire, to paralyze all shipping to Tientsin and to control a valuable salt basin in the vicinity. On December 10 Japanese forces clashed with Chinese units and occupied Paochang near Kuyuan in Chahar Province; and on the 14th other Japanese troops occupied Kalgan, the capital of the province, without opposition. Later Kuyuan itself was bombed. It is reported the price for evacuation is Chinese consent to the stationing of pro-Japanese Mongol police in the territory. Japanese soldiers have entered the demilitarized zone and are reported to be constructing an air field at Miyun, about 45 miles north of Peiping.

The new conditions in North China have brought forth a new group of personalities. Chief among these is General Sung Che-yuan who, in addition to heading the autonomous council, has been made Chairman of Hopei Province in place of General Shang Chen, who resigned presumably because of unwillingness to accept Japanese dictation. The new chairman is said to be a pleasant, simple-minded, old-fashioned war lord of moderate ability, with no pro-Japanese leanings in the past.

Associated with Sung are General Chin Teh-chun, who succeeded the former as Chairman of Chahar Province last summer, but who is now Mayor of Peiping; and Hsiao Chen-ying, who succeeded General Chin in Chahar for a short time and just recently has been transferred to the mayoralty of Tientsin. The careers of both these men have been closely linked with General Sung in recent years, with Chin as the close adviser and strategist who was responsible for General Sung's courageous fight against the Japanese in 1933. His participation in the North China administration can be credited to his loyalty to his chief, it is believed. Hsiao's reputation is quite the opposite of Chin's. He is described as a selfish opportunist with an unpleasing personality, who is important only because of his ability as a negotiator on behalf of General Sung. It was he who persuaded Chiang Kai-shek to forgive Sung for his participation in the Yen Hsi-shan--Feng Yu-hsiang revolt of 1930, and he is considered to have been the chief negotiator (more aptly, conspirator) for autonomy in North China. His efforts to get his chief to accept the Japanese schemes completely were defeated by some of Sung's subordinate officers who are opposed to Hsiao, it is reported. The latter apparently has worked himself into Japanese favor, as evidenced by his appointment to his present post, and any loyalty he may evidence toward his own country probably will depend upon what profit may accrue to him thereby. Yin Ju-keng, of the eastern autonomy regime, is a graduate of Waseda University in Japan, has a Japanese wife, and a brother-in-law who is said to be a high-ranking officer in the Japanese Army. These influences are doubtless responsible for his defection to Japan.

The Peiping autonomous government is operating, but no optimism can be held for its future, for economic reasons, if none other. Japan's control of Tientsin's vital trade outlet and the declaration that local and national revenues from the area held by Yin Ju-keng will be retained by his regime, except for the proportion due on foreign debts, are deadly blows to Nanking's authority and budget.

1521

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

Japanese military spokesmen have repeatedly expressed dissatisfaction with the Peiping set-up, one predicting it would last no more than three months. General Chin Teh-chun in a recent press interview is reported to have said that no matter how perfect the new administration might be it is foredoomed to failure, because the Japanese are certain to allege its unworkability and to make this a reason for staging new disturbances. General Sung, however, is making a creditable attempt to preserve the Central Government's rule in North China, and has just rejected certain Japanese demands in regard to matters of policy and administration, declaring he will not act without orders from Nanking.

The Nanking Government, with Marshal Chiang Kai-shek in his new additional post of President of the Executive Yuan (virtually Premier), is continuing its policy of manifesting no open defiance of Japan. Recent Japanese moves in Inner Mongolia and along the Manchuria--Outer Mongolia border, however, too extensive for recital here, have evinced such a determination on conquest that China's present attitude of partial acquiescence must soon change to one of fight or complete surrender, at least in North China.

793. $\frac{1}{2}$

File No.

[illegible]

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

0523

0527

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

NA. N. I. 96
 Revised Mar. 15, 1930

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

ATTACHÉ'S REPORT BLANK

Forward five copies (original and four carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

From f Date 30 Nov., 1935 Serial No 527 File No. 103-300
 (Commence new series each January first) (Select proper number from O. N. I. index)
 Source of information press
 Subject ENGLAND relations with League of Nations
 (Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

DEPARTMENT OF THE NAVY
 RECEIVED
 DEC 26 1935
 DIVISION OF COMMUNICATIONS AND RECORDS
 Mention leading geographical, personal, or political names, and the gist of the report)

The following is quoted from the Italian press (Il Messaggero) of 30 November, 1935:

"The question of England's attitude at Geneva at the time of the sino-japanese conflict seems to contain possibilities of sensational revelations. In fact the allusions contained in the letter of Mr. C.C. Wang of the Chinese Association of London written to the 'Times' on 30 October, appear to be confirmed from unimpeachable sources.

Mr. Wang pointed out the general surprise at the declaration made by Mr. Eden to the Commons that in 1932 and 1933 the essential conditions for a collective action by the League were lacking, inasmuch as that Japan had never been declared the aggressor; the sino-japanese conflict had never degenerated into a war; China did not invoke Art. 16; Russia and America were not members of the League.

Wang took the arguments which England tried to use to justify her failure to act, point by point. He asked what, if Japan was not the aggressor, did the resolution mean taken by the League of Nations in February 1933, following which Japan left the League. What happened in Manchuria and Shanghai if not a 'recourse to war'? How can a differentiation be made between the attitude of Japan in Manchuria and that of Italy in Abyssinia, when even Italy has not declared war? These questions have of course not been replied to by the English Government.

But the strongest impression was aroused by the mention in Mr. Wang's letter in regard to the responsibility of the British Government for China's failure to invoke Art. 16 of the Pact. It now evolves that:

1, The British Minister of Foreign Affairs strongly counselled the Chinese delegation at Geneva not to appeal to the Assembly, claiming that such action would be useless and would cause great damage to China;

(2) In the winter of 1932-33 the Foreign Office officials strongly advised the Chinese representative against appealing to Art. 16 of the Pact, stating that it was a "dead letter".

(3) That again recently a high British functionary pressed the Chinese government to recognize Manchukuo and similar pressure was made by the Chief of the China Section of the Foreign Office, who affirmed that the only means of ensuring peace in the Far East was the recognition of Manchukuo by China."

PREPARED AND FORWARDED BY --

L.M. MCNAIR,
 Captain, U.S. Navy.

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4-5202

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DEC 26 1935

0528

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

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

TELEGRAM RECEIVED

LMS

GRAY

1-1336

FROM

Shanghai via N. R.

Dated January 8, 1936

Rec'd 1:10 p. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 JAN 8 - 1936
 Department of State

14, January 8, 5 p. m.

793.94

Abend advises he has telegraphed NEW YORK TIMES
 that North China situation more serious than in June
 or December; that Sung Cheh - Yuan has been given what
 amounts to ultimatum requiring severance of most re-
 lations with Nanking and establishment of virtual
 independence of Hopei and Chahar; that failure to
 accede will probably mean military invasion; that
 disturbances expected to extend beyond provinces
 named; that Chinese sources say efforts are being
 made to bring about crisis in Tsingtau by methods
 similar to those employed in demilitarized ZONE;
 namely, have disgruntled pro-Japanese-Chinese quar-
 rel with mayor creating disturbances to serve as
 pretext for landing Japanese marines, and that Tsing-
 tau will be used as a base for applying pressure on
 Han Fu Chu.

LMD
 DCR

Repeated to Department. By mail to Nanking.

KLP:KLP

DAVIS

(*) Apparent omission.

793.94/7628

F/FG

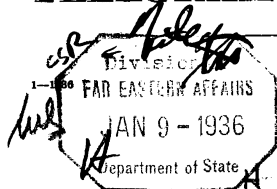
FILED
 JAN 13 1936

0528

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

TELEGRAM RECEIVED

AU



SPECIAL GRAY AND GRAY

FROM

Peiping via N.R.

Dated January 8, 1935

Rec'd 8:10 p.m.

Secretary of State

Washington

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

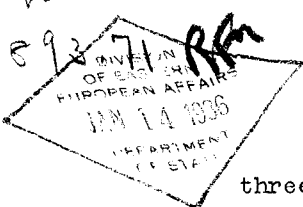
8, January 8, noon

One. Embassy's 2, January 3, 5 p.m., paragraph

three. A postal official states that Manchukuo troops have interfered with several post offices in Chahar and have stopped the functioning of the post offices at Changpei and Shangtu, the latter place being within a few miles of the Chahar-Siuyuan border. He states that the stamps were seized and that the postal officials were told that they could function again if they used only Manchukuo stamps and adopted ^{THE THIRD} year of Kangteh for dating purposes. When my informant approached Sung Che Yuan for advice as to action to take, Sung replied that he should do nothing and that he (Sung) hopes to get these offices back but is not very hopeful.

Two. When questioned, an official of the local Japanese Embassy stated that if these post offices have been seized it was done by Li Shou Sing not by Manchukuo. However, Li is a renegade Chinese who has not (*) in Eastern Chahar since the Jehol fighting of 1933 and is regarded by Chinese as working for Manchukuo.

793.94
note



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OCE

793.94/7629

F/FG

80-1

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

AU -2- #8, January 8, noon, from Peiping

chukuo. This appears to be the correct view, and it is understood that he has control of the Mongol Peace Preservation Corps which the Japanese are using for extension of their control over Chahar North of the Great Wall.

Three. The Minister of Railways arrived at Peiping January 3rd. According to one of Sung's officials, it is understood that the Minister has promised on behalf of Chiang Kai Shek all revenues of Hopei to Sung except postal and customs for the purpose of keeping Sung satisfied. (GRAY) Sung has appointed several officials during the past few days without the authorized approval of Nanking, including the Director of the Peiping and Tientsin Telephone Administration, the head of the Hopei Central Bank, the Director of Public Safety of Peiping, the managing Director of the Pingsui Railway, and the Director of the Peiping Bureau of Public Health. (END GRAY) All new appointees are Sung men. There is a report among Chinese that Sung has taken over these lucrative offices because Chiang Kai Shek has caused the diversion of Kansu opium from the Kalgan route.

Four. Sung left yesterday for Paoting for a brief visit to become provincial chairman. It is reported that the provincial capital will soon be transferred

80-2

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

AU -#- #8, January 8, noon, from Peiping.

transferred back to Peiping.

Five. The two or three hundred students who left Peiping January 3 to propagandize in outlying areas against Japan and autonomy (and not necessarily to go to Nanking) are viewed by local leading educators with some apprehension because of their feeling that radical elements are gaining influence among the students. Schools in Peiping are still closed in general, the strike continuing.

By mail to Tokyo,

JOHNSON

CSB

80-3

053

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

47E

TELEGRAM RECEIVED

AU

GRAY

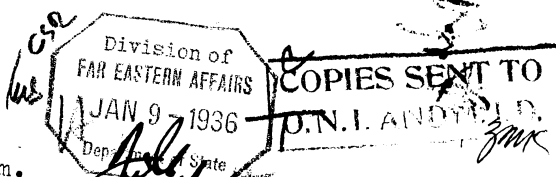
1-1330

FROM Peiping via N.R.

Dated January 9, 1935⁶

Rec'd 9:40 a.m.

Secretary of State
Washington



793.94

10, January 9, 5 p.m.

Embassy's 9, January 9, 4 p.m.

Consulate General at Tientsin has been informed by Japanese Consul that with regard to anti-Japanese acts of soldiers of General Sung committed at Taku on January 2nd, 3rd, 4th, and 6th, six demands have been made: (1) apology by Sung, (2) strict supervision of troops and staff of the Public Safety Bureau at Taku, or possibly, (3) immediate dismissal of local Chinese authorities responsible for the acts, (4) indemnity for damages suffered by the Japanese residents, (5) immediate cessation of anti-Japanese acts by troops and police, and (6) assurances for the future.

The Japanese Consul does not expect the incident to develop into serious proportions but does regard it as indicative of the anti-Japanese attitude of Sung's army. He stated that, contrary to press reports, there has been no increase of Japanese troops at Tangku.

HPD

JOHNSON

793.94/7630

FILED JAN 12 1936

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81-1

153

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

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

FS

TELEGRAM RECEIVED

Peiping via N. R.

Dated January 9, 1936

Rec'd 9:30 a. m.

1-1336

Secretary of State
Washington.

FROM

Division of
Far Eastern Affairs
JAN 9 - 1936
Department of State

9, January 9, 4 p. m.

793.94

One. Several incidents have occurred recently which are alleged to have caused dissatisfaction on the part of the Japanese military with General Sung and his men. They are as follows: (a) According to Japanese press reports, some 40 Chinese soldiers in uniform of Sung's army looted on January 2, two Japanese owned shops at Taku, destroyed Japanese flags, and interfered with Japanese consular police. (b). As the result of delay by Chinese guards in opening a Peiping city gate at ten p. m. January five, to a motor car containing six or seven Japanese military, some ineffective shooting occurred and one or two Chinese guards were allegedly beaten. The entire blame is placed by the Japanese on the Chinese, although reports indicate that the Japanese were by no means blameless. (c). General Sung refused some days ago the request of the commandant of the local Japanese guard to call to discuss certain important matters, Sung

85-1
sending

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FILED

JAN 13 1936

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

FS 2-No. 9, January 9, 4 p. m. from Peiping

sending word that the matters were within the province of the mayor. (d). Three Koreans attempted to enter the local military headquarters compound to shoot birds. Refusal resulted in a Chinese guard and the three Koreans being beaten.

Two. At least the first incidents have been taken up officially. The local assistant to the Japanese Military Attache informed the foreign press yesterday that demands would be made with regard to the second upon receipt of instructions from Tokyo and that the incident was regarded as an insult to the Japanese army and as the result of the fundamentally anti-Japanese attitude of Sung's army (SECTION TWO FOLLOWS).

CSB

JOHNSON

85-2

153

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

TELEGRAM RECEIVED

1-1236

FROM

FS

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

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

Peiping

Dated January 9, 1936

Rec'd 9 a. m.

Secretary of State,

Washington.

9, January 9, 4 p. m. (SECTION TWO)

Three. These incidents, the Japanese attitude in regard thereto, and alleged Japanese dissatisfaction with Sung's delay in doing what the Japanese want have aroused apprehension that the Japanese will in the near future force Sung and his army out of North China (putting into nominal power Chinese more susceptible to Japanese direction) unless he complies with Japanese desires.

By mail to Tokyo.

CSB

JOHNSON

82-3

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

(CONFIDENTIAL)

P A R A P H R A S E

Section two of a telegram (No. 9) of January 9, 1936, from the American Ambassador at Peiping, reads substantially as follows:

Three. The above mentioned incidents, together with the Japanese attitude concerning them, and the alleged dissatisfaction of the Japanese on account of Sung's delay in meeting the wishes of the Japanese have aroused a fear that, unless Sung complies with Japanese desires, the Japanese will soon force him and his troops out of North China and place nominally in power Chinese more amenable to direction by Japan.

793.94/7631

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 m.m./N

I-10-36

82-4

153
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FS

GRAY

1-1336

FROM

Nanking via N. R.

Dated January 9, 1936

Rec'd 10 a. m.

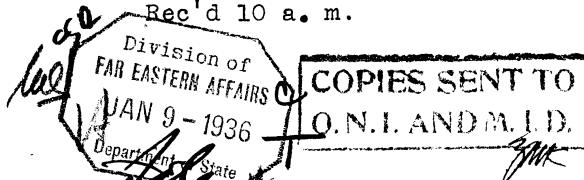
Secretary of State,
Washington.

9, January 9, 3 p. m.

One. A student disturbance occurred yesterday morning at the University of Nanking. This institution is registered with the Ministry of Education but it is largely supported by funds from the United States and its property is held by an American union missionary organization called the boards of Founders with headquarters in New York.

Two. The students discovered a plain clothes detective of the gendarmerie tearing down posters of a patriotic nature which they had posted on the walls of the University entrance gate and an altercation ensued. This was ended fairly peacefully through the mediation of the University Chinese authorities but while the students were holding a meeting in the University chapel another Chinese Government spy was discovered in the meeting who may or may not have been in the gendarmerie. This man was severely injured while attempting to escape from the students. After

classes



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

FS, 2-No. 9, January 9, 3 p. m, from Nanking

classes had been resumed a body of gendarmes arrived and surrounded the University but they were withdrawn at the request of the Chinese President of the institution and since then quiet has reigned. The University plans to close its present term in four days.

Three. The University and the local authorities are attempting to prevent any account of the occurrence from appearing in the Chinese or foreign press.

Four. It is reported that on January 7 several thousand students marched to the Sun Yat Sen mausoleum outside Nanking to register complaints against the international policies of the present government.

HPD

PECK

0539

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

DOCUMENT FILE

NOTE

SEE 500.A 15 a 5 / 597 ^{Confidential File} FOR Tel 34 9pm

FROM Naval Conference (Davis) DATED Jan 6, 1936
1935 AMDEL NAME 1-1127 ***

REGARDING:

Nonaggression pact between China and Japan. Reports conversation with Craigie relative to same.

G

793.94 / 7633

793.94
7633

054

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

DOCUMENT FILE

NOTE

SEE 500.A 15 a 5/597 Confidential File FOR _____

FROM _____ (_____) DATED Jan. 7, 1936.
TO China, Tel 4 7pm NAME 1-1127 ***
Japan, Tel 2 7pm

REGARDING:

Telegram from Norman Davis, at the Naval Conference in London,
relative to nonaggression pact in the Pacific and remarks made by Craigie
concerning same. Quotes -.

Q

793.94 / 7634

973.94

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

FE

TELEGRAM RECEIVED

MJP 1-1238 FROM Nanking
This telegram must be closely paraphrased before being communicated to anyone. (A)
Dated January 10, 1936
Rec'd 7:45 a. m.

793.94

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JAN 10 1936
Department of State

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

10, January 10, 10 a. m.

The Soviet Ambassador told me last night he had received information that the Japanese intend very shortly to land troops at Foochow and Tsingtau. Jabin Hsu of the Ministry of Finance could not confirm this but said the Japanese are tampering with naval officers under Admiral Shen, the mayor of Tsingtau, in effort to bring about declaration of autonomy by the Tsingtau Special Municipality. Repeated to Peiping.

793.94/7635

CSB

PECK

FILED
JAN 14 1936

83-1

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0542

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

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 10) of January 10, 1936, from the American Embassy at Nanking, reads substantially as follows:

On January 9 the Counselor of the American Embassy was informed by the Soviet Ambassador that, according to information which he (the Ambassador) had received, it is the intention of the Japanese to land soldiers at Tsingtau and Foochow very soon. A member of the Ministry of Finance (Jabin Hsu) could not confirm the above but he stated that the Japanese, in an effort to cause the Tsingtau Special Municipality to declare autonomy, are tampering with Chinese naval officers under the mayor of Tsingtau (Admiral Chen).

723.04/7635

e.g.C.
FE:EGC

CSR
FE

m.m.H.

I-10-36

83-2

754

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

793 94

DOCUMENT FILE

NOTE

Confidential File

SEE 500.A15A5/603 FOR Tel. # 7, 6 p.m.

FROM Japan (Grew) DATED Jan. 9, 1936.
TO NAME 1-1127 ...

REGARDING: Japanese military program in North China. Reports - has not
been moving smoothly and comments on the likelihood of a
non-aggression pact between the Japanese and Chinese.

jsm

793.94 / 7636

7636

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

DOCUMENT FILE

NOTE

Confidential File

SEE 500.A15A5/602 FOR Tel. # 11. 6 p.m.

FROM China (Johnson) DATED Jan. 9, 1936.
 TO NAME 1-1127 ***

REGARDING: Proposal for fundamental adjustment of Sino-Japanese relations
 through diplomatic channels. Comments on reported - by the
 Chinese to the Japanese .

793.94/7637

js_m

7637

0545

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

Copies to Tokyo, Peking and Hankow.
 DEPARTMENT OF STATE *December 30, 1935.*
To London, Jan. 2, 1936.

DIVISION OF FAR EASTERN AFFAIRS

December 28, 1935.

CONFIDENTIAL.

JAN 10 1936

NOTED

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

Evidence of Japanese Initiative in the
 Autonomy Movement in North China.

On November 25, 1935, the American Chargé d'Affaires at Tokyo reported that the Japanese Vice Minister for Foreign Affairs, in the course of a conversation with him on that date, made the statement that the north China autonomy movement is a matter with which the Japanese Government does not wish to be concerned [Tokyo's telegram No. 216, November 25, 6 p.m.]. A similar statement was apparently made to the British Chargé d'Affaires a few days later when, acting under instructions from the British Government, the Chargé requested a frank statement of Japanese policy in north China [Tokyo's telegram No. 225, December 2, noon, and the memorandum of the conversation of November 29, 1935, between the British Ambassador and Mr. Hornbeck on The North China Situation]. Press reports of the Japanese reply to the British Chargé d'Affaires indicated a more positive disavowal of Japanese responsibility for the autonomy movement. An Associated Press telegram from London dated November 29 (as published in the NEW YORK HERALD TRIBUNE November 30) stated that the Japanese Vice Minister told the British Chargé d'Affaires that Japan

considered

793.94/7638

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NOV 9 1935

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

- 2 -

considers the movement for autonomy to be entirely Chinese and wholly spontaneous. An Associated Press telegram from Tokyo November 29 quoted the Foreign Office spokesman directly in the words: "The north China autonomy movement is a purely Chinese affair for which Japan is not responsible."

Study of the so-called autonomy movement reveals (1) that the north China autonomy idea came from Japan, (2) that Japanese officials in China have shown great activity in dealing with Chinese leaders regarding autonomy, and (3) that a display of Japanese force in north China was timed to support the movement.

Autonomy was publicly mentioned in Japan before the movement made its appearance in north China. In May 1935 the press in Japan reported rumors of a buffer state comprising Hopei, Chahar, Shansi, and Suiyuan [See memorandum of the Division of Far Eastern Affairs, August 23, 1935, on Items Concerning Japanese Aims in North China]. On July 11 Colonel Seichi Kita, chief of the China section of the Japanese War Department, stated, according to press reports, that "the whole region of north China will eventually emerge as an autonomous nation semi-independent of the policies of Nanking" [See same memorandum of August 23, 1935]. It will be recalled that the efforts of the Japanese army to bring about a settlement of political conditions in the Peiping-Tientsin area in Japan's favor in May and June 1935 [See memorandum

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

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memorandum of the Division of Far Eastern Affairs, July 1, 1935, prepared by Willys R. Peck, on The Sino-Japanese Incident in North China, May-June, 1935] had disclosed a lack of coordination between various departments of the Japanese government; and that to correct this lack of coordination weekly meetings were held during the summer between high representatives of the ministries of Foreign Affairs, Finance, War, and Navy to formulate policy in and toward China. It was a matter of common knowledge that, with a view to fixing a single program behind which the government might stand unified, important questions of policy were under study. As these conferences progressed it was undoubtedly necessary to take into confidence an increasing number of officials, and the likelihood of leaks consequently increased. [On September 9 there occurred a leak when Major General ^{Isogai} gave an interview at Shanghai to a representative of the NEW YORK TIMES disclosing a growing interest on the part of the Japanese army in "appropriate action" in the northern provinces of China if the political and military situation there should not improve at an early date [Shanghai's telegram No. 520, September 10, 2 p.m.].] Another leak, which was more important, occurred on September 24 when Major General ^{Hata} Tada, commander of the Japanese garrison at Tientsin, gave out a statement to Japanese newspaper men.

The

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The Tada statement was recognized by the Japanese Government as a blunder and steps were immediately taken to suppress its text and disclaim it. The exact circumstances surrounding its issue have therefore deliberately been clouded, but there appears to be sufficient evidence to reconstruct the main outlines. On September 24 Major General Tada was apparently host at Tientsin to a number of Japanese newspaper and business men, several of whom had been brought from Peiping by airplane specifically to attend this gathering. Tada spoke to them very freely and gave them a wordy statement, probably in written form (perhaps a brief for a pamphlet), on the fundamentals of Japanese policy toward China. The Japanese newspaper men present, knowing that the conferences of the four Japanese ministries on policy toward China had been in progress during the summer, thought it likely that Tada's statement embodied the conclusions -- an impression which he was no doubt not averse to encouraging. Consequently, before the government had time to attempt to quiet the discussion, the Japanese press widely reported a new policy.

The American Consulate General at Tientsin was unable to obtain a copy of the text of the statement [Tientsin's unnumbered despatch, October 9, 1935, 793.94/7339, on The Tada Statement]. In whatever written statement Major General Tada issued, actual autonomy for the five provinces of north China (Chahar, Hopei, Shantung, Shansi, and Suiyuan)

probably

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probably was not specifically mentioned, but the sudden and very general appearance of the idea in the Japanese press immediately after the interview strongly suggests that Tada had discussed the subject with his guests on September 24. The Tokyo newspapers of September 26 were outspoken [Tokyo's despatch No. 1499, October 3, 1935, 793.94/7311, on Japanese Policy in North China]. The NICHI-NICHI reported the Tada interview and ascribed to Tada the assertion, with regard to the Japanese army's attitude toward China, that the five north China provinces might find it necessary to rid themselves of political and financial relations with the Nanking Government; and that same paper added a report of concurrence by army authorities in Tokyo in the autonomy idea. The HOCHI hinted that the army was about to take positive steps in the five provinces. The ASAHI stated that, according to Major General Tada, it would be necessary to form in north China a self-governing body based on the union of the five provinces.

Major General Doihara, true to his role of fabricator and executor of Japanese stratagems, gave in an interview at Mukden a forewarning of the autonomy movement. A Rengo telegram of September 29 from Mukden reported him as expressing to assembled newspaper men the opinion that the organization of an autonomous administration involving the five provinces of north China would greatly facilitate the restoration

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restoration of peace and order [JAPAN TIMES, September 30, 1935].

It should be particularly noted that the above-mentioned widely scattered references to north China autonomy by Japanese and the Japanese press preceded by a number of weeks any evidence of the existence in China of an actual movement for such autonomy.

The Japanese Foreign Office was annoyed by the reports presaging a political change in the northern provinces, and it had its spokesman deny the formulation of any new policy toward China [JAPAN ADVERTISER, September 28, 1935]. That there was no "new" policy could no doubt be contended on the ground that the policy had been gradually developed weeks earlier, in the inter-department conferences; as of the end of September, the leak, and not the policy, was "new". Nevertheless, on about October 1 a Japanese official at Peiping informed a member of the American Embassy staff that a new policy had recently been formulated [Peiping's telegram No. 20, October 2, noon].

Whatever the time when Japan's recent course of action in north China was decided upon, the publicity given the Tada statement made it immediately advisable that a definition of policy be conveyed confidentially from Tokyo to Japanese officers and officials serving in China.] Major General Neiji Okamura for the army, Captain Tadao Honda for the navy, and

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and Mr. Goro Morishima for the Foreign Office were entrusted with this errand. An important conference of army officers took place at Dairen October 12 to 14, and at Shanghai conferences between the three emissaries and high Japanese representatives in China of their respective departments were held on October 18 and immediately after. In the light of these conferences it is impossible to escape the inference that important developments in north China which in subsequent weeks received Japanese support had the advance knowledge and approval of the Japanese government.

On October 21 the peasants at Hsiangho, a Chinese town thirty miles east of Peiping, rose against the local magistrate in protest against taxes [Peiping's despatch No. 56, October 25, 1935, on Peasant Disorder in North Hopeh]. Japanese agitators were involved, but the disorder did not develop into a movement for autonomy.

In November there were many reports in the press of an impending autonomy movement but no reports that any such movement had begun. Peiping's telegram No. 128, November 10, 10 a.m., communicated information obtained from a responsible and generally well informed American closely associated with the Chinese to the effect that the Japanese were demanding an extension of the demilitarized zone. On the same day Peiping transmitted an unconfirmed report that Doihara and Sung Che-yuan were in negotiation to establish an independent government in the north [Peiping's telegram No. 129, November 10, noon].

Definite

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Definite indication of participation by Chinese in an autonomy movement appeared on November 24 with the declaration of the establishment of an autonomy council to govern the twenty-two hsien of the demilitarized zone. This declaration was made by various Chinese officials of the demilitarized zone including Yin Ju-keng (whose wife is Japanese); and it stated that the new regime would be the beginning of a federation of the northern provinces [Peiping's telegram No. 175, November 25, noon].

The second inconsistency in the assertion that the north China autonomy movement is a purely Chinese affair can be seen in the great activity of Japanese officials in China in conferring both with north China leaders and with Nanking on matters connected with autonomy. For example, Rengo reported that Major General Tada at Tientsin on October 26 warned the government of Hopei Province not to resort to military action against any autonomy movement [JAPAN CHRONICLE, October 29, 1935]. Communications from the American Embassy in Nanking indicate that Suma, Japanese Consul General, made it clear in conversation with officers of the Embassy that the Japanese representatives had not hesitated to make outright suggestions to the Nanking authorities in regard to north China. On November 20 Suma and Ambassador Ariyoshi conferred with Chiang Kai-shek and urged that some sort of special administration for north China would be advantageous [Nanking's telegram No. 103, November

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November 22, 10 a.m.]. The NORTH CHINA DAILY NEWS reported that on November 27 Suma saw H. H. Kung (Chinese Minister of Finance and acting President of the Executive Yuan) and informed him of Japan's readiness to take necessary measures should Nanking adopt steps counter to north China developments. The Chinese Ambassador at Washington is confidential authority for the charge that the chief-of-staff of the Japanese garrison at Tientsin was one of several Japanese who called on General Shang, chairman of the Hopei government, and openly stated that the Japanese army and Foreign Office had come to an agreement about the forming of an organization for local autonomy in north China [memorandum of conversation of November 29, 1935, between the Secretary of State and the Chinese Ambassador on The Situation in North China]. Statements made in Tokyo also lend the support of the central authorities to the warnings voiced by Japanese army officers in the field. When the eastern Hopei autonomy scheme was approaching fruition, a liaison officer of the Japanese War Department at Tokyo informed the American Military Attaché that, if Nanking troops should attempt to move into Hopei to suppress the movement, the Japanese army would take counter action [Tokyo's telegram No. 212, November 20, 4 p.m.]; and the press has several times quoted Japanese army officers as having made similar statements. The Japanese Foreign Office spokesman on November 25 went out of his way to issue a public warning to Sir Frederick Leith-Ross (at that time
 in

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in China) not to interfere with the autonomy movement [NEW YORK TIMES, November 26, 1935]. These circumstances show a positive inclination on the part of Japanese officialdom to take sides, notwithstanding the assertion that autonomy is solely a Chinese internal question.

Before December was far advanced the rumors of the expansion of the autonomy movement to include the five north China provinces narrowed down to the less ambitious limits of two, Hopei and Chahar. One cause for this contraction of plan was probably the presence of Japanese delegates at the naval conference, where they would not wish to be faced with further charges of Japanese misuse of military armaments: a regime of practical independence for all the five provinces would undoubtedly have been an added cause of difficulties in the path of the Japanese delegates at London. Whatever the reason for manifestation of caution on the part of Japan, the five-province scheme faded; and on December 18 the Hopei Chahar Political Council was inaugurated [Peiping's telegram No. 233, December 18, 4 p.m.], under conditions which left its future role undefined. Even now its future is uncertain. Apparently the two-province move was a Nanking concession to Japan, Japan withholding approval until the new council should prove itself in action; or possibly Japan was content to tolerate it as a stop-gap until events on the international stage might leave the way clearer for wider extension of the boundaries of

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an autonomous north China. But Japan's attitude of looking upon the Hopei-Chahar regime in a probationary way is not to be taken as evidence that Japan was not involved in the creating. Major Generals Doihara and Tada were closely in touch with the movement, particularly through Sung Che-yuan and Hsiao Chen-ying, the two Chinese most intimately connected with the establishing of the council. It was the impasse brought about by Japanese pressure which caused Nanking on the last day of November to send General Ho Ying-chin (the Minister of War) north to work out a solution.

Japan showed by clear statement her advocacy of an anti-Nationalist movement of secession, the scene of which was the neutralized zone established by the Tangku truce of May 31, 193³~~5~~, at the insistence of Japan -- a zone in which China is prevented from enforcing her jurisdiction. The movement expanded to include all Hopei and Chahar under a regime which is not clearly defined but which will certainly work to the disadvantage of Chinese sovereignty. The press frequently has reported that the agitators come from the Japanese concession in Tientsin. This is confirmed by specific statement of the Chinese Government in a telegram a copy of which was handed by the Chinese Ambassador to the Secretary of State on November 29 [memorandum of conversation of November 29, 1935, between the Secretary of State and the Chinese Ambassador on The Situation in North China]. An Associated Press telegram from Peiping December 2 states that

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two autonomy agitators killed at Tawangchwang east of Tientsin were Japanese.

That the display of force by Japan in north China was timed to support the autonomy movement can be shown by citing the dates involved. Yin Ju-keng's declaration took place on November 24. By November 15 a concentration of Japanese troops at Shanhaikwan had commenced [Peiping's telegram No. 150, November 15, 9 p.m.], and by November 20 the Japanese garrison there had been strengthened by not less than two thousand men [Tokyo's telegram No. 212, November 20, 4 p.m.]. It was at about this time that Ho Ying-chin, Chinese Minister of War, made an agreement with Japanese representatives that no Chinese central government troops would be sent north into Hopei provided that the Japanese should make no invasion south of the Wall. (The Department's information with regard to this agreement is limited to a telegram from Nanking [No. 109, November 26, noon] reporting statements made confidentially by a "responsible official who is confidential assistant to Kung.") According to a "reliable report" a train containing probably two thousand Japanese troops passed through Chinwangtao early on the morning of November 23 bound for Tientsin [Tientsin's telegram of November 27, 11 a.m.]. Of these about one-half went to Tientsin and Peiping, and the remainder presumably were stationed at Fengtai (railway junction near Peiping) and at other points between Peiping and Tientsin. The

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American Military Attaché at Peiping stated definitely that the newly arrived Japanese troops were from the Kwantung army [Peiping's telegram No. 186, November 29, 4 p.m.], and according to a report in the NORTH CHINA STAR of November 29 the spokesman of the Japanese military headquarters at Tientsin referred to the newly arrived troops as belonging to the Kwantung army. On December 2 Peiping telegraphed [No. 192, 4 p.m.] a report of the American military authorities that the troops "have now been assigned to the Tientsin garrison." On December 6 Japanese military planes flew over Peiping in a show of force simultaneous with a demonstration in favor of autonomy [Peiping's telegram No. 203, December 6, 1 p.m.].

On December 11, coinciding exactly with the conclusion of the conferences which resulted in the establishing of the Hopei Chahar Political Council, there commenced the withdrawal northward of the Japanese troops which had been brought into Hopei beginning November 23 [Peiping's telegram No. 227, December 14, 2 p.m.]. The two and a half weeks during which the number of Japanese troops in Hopei was augmented covered exactly the time of Yin Ju-keng's declaration of autonomy and the period when the undefined new Hopei-Chahar regime was being pressed.

In addition to the factual evidence of the Japanese origin of the idea of an autonomous north China, of activity on the part of Japanese officials and officers in conference
and

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and association with the Chinese leaders in the autonomy movement, and of the presence of Japanese military forces in such manner as to indicate cooperation with the makers of the movement, there are circumstantial reasons of logic which warrant the assumption that, as a natural consequence of the policy adopted by the Japanese Government, Japan would be inclined to favor a political regime in north China separate from the Nanking Government. The Japanese Vice Minister for Foreign Affairs, in speaking on November 25 with the American Chargé d'Affaires about current Japanese conversations with Chinese officialdom, mentioned three aims of Japanese policy in China: suppression of anti-Japanese propaganda, acceptance of the fact of "Manchukuo," and a common front against communism [Tokyo's telegram No. 216, November 25, 6 p.m.]. Accounts in the press [JAPAN ADVERTISER, October 9, 1935] indicate that an extreme program of economic and financial "cooperation" between Japan and north China is also a basic part of Japan's present policy. These aims are not consistent with the continuance of such political relations as have heretofore existed between north China and the Nationalist government. A regime separate from Nanking is a convenient method toward the carrying out of Japan's objectives in the northern provinces.

It can be assumed that in the last four years the leaders of Japan have learned something, however little, of the manner in which public opinion outside of Japan

works;

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 By Milton O. Huie NARS, Date 12-18-75

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works; and consequently Japanese instigation of the movement in north China for a political administration separate from Nanking has probably been tempered by thought of means of forestalling foreign criticism. Japanese leaders may have considered north China sufficiently analogous to Manchuria to justify a regime in north China conformable to the formula advocated, in the case of Manchuria, by the Lytton report. The Lytton report [page 130] advocated changes in the government in Manchuria to secure "a large measure of autonomy designed to meet the local conditions." It is logical that, if the autonomy movement in north China were to be promoted, Japanese leaders should wish the movement to take the direction least subject to criticism; and it is conceivable that the above passage from the Lytton report may have been borne in mind for defense of "autonomy" in north China. The movement has followed a course which even suggests such an attempted defense. While this is only a surmise it is nevertheless consistent with the idea of Japanese initiative in the autonomy movement.

For several months there has obviously been going on a political struggle to bring about a substantial change in the political status and condition of several of China's northern provinces. This political struggle has come to be termed an "autonomy movement." Japanese officials have made various disclaimers of

Japanese

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Japanese responsibility in the movement, one such assertion being that "The north China autonomy movement is a purely Chinese affair for which Japan is not responsible." The factual evidence of events and the circumstantial evidence of the logical attitude and inclination of the Japanese Government, as set forth and examined in this memorandum, point to and amply support a contrary conclusion, the conclusion that the "autonomy" movement in north China was a "made in Japan" phenomenon.

SECRET

CC *m.m./d.*
CC/DLY

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

December 30 1935

CONFIDENTIAL - STAFF USE ONLY

No. 67

To the American Ambassador,
Peiping.

The Secretary of State encloses, for the confidential information of the Ambassador, a copy of a memorandum under date December 28, 1935, prepared in the Division of Far Eastern Affairs, on the subject "Evidence of Japanese Initiative in the Autonomy Movement in North China".

793.94/7633

Enclosure:
Memorandum under
date December 28, 1935.

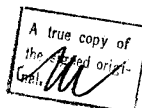
Copy to Nanking.

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Dec. 30 1935



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

December 30 1935

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No. 917

To the American Ambassador,
Tokyo.

The Secretary of State encloses, for the confidential information of the Ambassador, a copy of a memorandum under date December 28, 1935, prepared in the Division of Far Eastern Affairs, on the subject "Evidence of Japanese Initiative in the Autonomy Movement in North China".

793.94/7638

Enclosure:
Memorandum under
date December 28, 1935.

Dec. 30 1935

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12/30/35

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

1070

January 2 1936

CONFIDENTIAL - STAFF USE ONLY

No.

To the American Ambassador,
London.

The Secretary of State encloses, for the confidential information of the Ambassador, a copy of a memorandum under date December 28, 1935, prepared in the Division of Far Eastern Affairs, on the subject "Evidence of Japanese Initiative in the Autonomy Movement in North China".

793.94/7638

Enclosure:
Memorandum under
date December 28, 1935.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

January 20, 1936

~~MEM~~
~~WFF~~
~~MEM~~

Peiping's 125 of December 13, 1935, reports a conversation with Dr. Hu Shih in regard to the student demonstration (reported to the Department by telegram 213 of December 10).

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 125 Peiping, December 13, 1935.

Subject: Student demonstration at Peiping
against autonomy.

CONFIDENTIAL

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JAN 13 1936
Department of State

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

Sir:

I have the honor to refer to paragraph 3 of my telegram No. 213⁷⁵⁰⁶ of December 10, 4 p.m., and to enclose a memorandum of a conversation which I had on December 9, 1935, with Dr. Hu Shih, a well-known Chinese scholar, during which he gave an account of the recent demonstration of students in Peiping to show their opposition to the establishment of an autonomous regime in this area.

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

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I may add that during the past few days reports have been received that action has been taken in other parts of China, including Shanghai, Canton, and Hankow, intended to encourage the educators and students in Peiping in their stand. Although no further demonstrations have taken place here, it is understood that the students of some ten local universities are now refusing to attend classes for the purpose of emphasizing their opposition to the political situation in Hopei Province.

Respectfully yours,



Nelson Trusler Johnson.

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Enclosure:

Memorandum of conversation,
dated December 9, 1935.

710 Sino-Japanese.

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Original and four copies to Department.
Copy to American Embassy, Tokyo.
Copy to American Embassy, Nanking.
Copy to American Consulate General, Tientsin.

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

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Student Demonstration.

Peiping, December 9, 1935.

Conversation with: Dr. Hu Shih.

After dinner this evening I stopped at the home of Mr. and Mrs. Lattimore where I found Colonel and Mrs. Newell, Dr. Hu Shih and Mr. Timperley. Dr. Hu Shih, in reply to questions, stated that he thought about a thousand students had demonstrated this morning and this afternoon, counting those outside of the city who did not get in as well as those who were in the city. He said that, in his estimate, it was a natural act on the part of the students, who had been much excited over developments.

He said that at about 5 p.m. this evening the Japanese Military Attache had protested to the municipal authorities over the way in which they had handled the affair, stating that the police had dealt too gently with the students. He said that Colonel Takehashi had inquired as to the result of the police investigations and had stated that he was in a position to give them aid, saying that the demonstration had been instigated by Dr. Hu Shih and Dr. Chiang Monlin.

Dr.

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

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Dr. Hu Shih said that the students had been well behaved, that the police had stopped the procession on Morrison Street by using a hose, fearing that the students might get into the Diplomatic Quarter. He said that the students who had organized the demonstration had gotten out a very dignified statement listing the participating students and leaders, but that students of a Leftist attitude had taken advantage of the demonstration to distribute small handbills of a Leftist character, calling upon the masses to rise and arm themselves. He said that this had frightened the students more than the police and that many of them had left the procession when they saw the handbills. Dr. Hu Shih had a number of them which he read to us. Dr. Hu Shih stated that the Military Attache had charged that the demonstration was communist in its attitude.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 20, 1936

MSM
WTT
LMT

Peiping's 126 of December 13, 1935, reports a conversation with Dr. Hu Shih in regard to the autonomy movement in North China (reported by telegram 213 of December 10th).

The Commission Government was stated to be a compromise, representing an effort to enlist the support of the 29th Army, which support had been alienated by the treatment meted out to Sung Che-yuan.

After describing the circumstances surrounding the setting up of the new government (which was stated to have been worked out by

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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the Chinese without Japanese interference), Dr Hu stated that the future of the new government was uncertain and that inevitably there must be fighting.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 126

Peiping, December 13, 1935.

Subject: Dr. Hu Shih's views on autonomy
in Hopei and Chahar.

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DEPARTMENT OF STATE

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For	Grade	For	No

NOV 11 1935

CSR

The Honorable

The Secretary of State,
Washington, D. C.

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

Sir:

I have the honor to enclose a memorandum of a conversation which I had on December 9, 1935, with Dr. Hu Shih, leading Chinese educator, during which Dr. Hu described the relations of General Sung Che-yuan to the autonomy movement in North China and the promise arrived at with the assistance of General Ho Ying-ch'in. Dr. Hu's comments were summarized in my telegram No. 213 of December 10, 4 p.m.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

F/HG

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Department of State
file 89-c.

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JAN 12 1936

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

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- 2 -

Enclosure:✓

Copy of memorandum of conversation, dated December 9, 1935.

710 Sino-Japanese.

LES-SC

Original and four copies to Department.
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Copy to American Embassy, Nanking.
Copy to American Consulate General, Tientsin.

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

126

New Commission Government for Hopei and
Chahar.

Peiping, December 9, 1935.

Conversation with: Dr. Hu Shih.

Dr. Hu Shih stated that the New Commission Government which was about to be announced with the approval of the Nanking Government represented a compromise between the existing Government and the very radical departure from the existing Government which the leaders of the 29th Army had under contemplation in the middle of November. It represented a temporizing policy, but on the whole he thought it justified, as it represented an effort on the part of the authorities to bring to the Government's support the leaders and soldiers of the 29th Army.

Dr. Hu Shih stated that in the summer the Nationalist Government had made a very grave mistake when it deprived General Sung Che-yuan of his office. This ~~act~~^{left} left the 29th Army leaders bitter, and when the Japanese began their activities in the early part of November the leaders of the 29th Army were apparently ready to yield completely to Japanese desires. He said that a very carefully fully

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

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fully worked-out plan had been adopted which they were ready to put into operation, and that if put into operation it would have resulted in the complete independence of Hopei and Chahar, the plan being to divide these two provinces into five smaller provinces with a Governor at the head of each, something after the manner of the small provinces in Japan. Dr. Hu Shih stated that all along it had been his hope that the Nationalist Government would do something to win back the 29th Army to the Government, for it had served the Chinese well in the fighting along the Wall, particularly at Hsifengk'ou in 1933, during which time it had lost some 8000 men killed and wounded. In view of these sacrifices he felt that the Government had ground for appeal to the patriotism of the officers and men of this Army, and he had worked to this end.

The result was that General Ho Ying-chin, accompanied by General Chen Yi of Fukien and General Hsiung Shih-hui of Kiangsi, had come to Peking to work out a compromise. Dr. Hu Shih stated that his confidence in the loyalty of the leaders and men of the 29th Army was strengthened by the fact that they did not declare the independence of Hopei and Chahar although the plan was ready and they could have done so either on the 17th of November or on the 20th, or on the 1st of December when they knew that General Ho Ying-chin, Minister of War, was about to arrive, and such a declaration

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

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tion would have presented the National Government with a fait accompli. The resistance of General Sung indicated that he did not favor independence, and now as the result of negotiations with General Chen Yi, General Hsiung Shih-hui and General Hsiao Chen-ying (Dr. Hu Shih described General Hsiao as being the least trustworthy of the group, an ignorant and braggart man), it was agreed that a Commission for the Government of Hopei and Chahar should be appointed, consisting of the officers of the 29th Army, the present Mayor Chin Teh-chun, Wang Yi-tang, an old member of the Anfu group, and General Wang Fu-lin, and several others to the total of fifteen. These names had been submitted to the Executive Yuan at Nanking and it was expected that at the first meeting of the Government their appointments would be confirmed. Dr. Hu Shih stated that this new Government would be autonomous in this area, but that responsibility for its acts would rest with the Nationalist Government, and that the Nationalist Government would still have control over finances, judiciary, and foreign affairs.

Dr. Hu Shih explained that the essential difference between this arrangement and the one previously contemplated was that this arrangement had been worked out by the Chinese themselves with the approval and backing of the Nationalist Government, and was not a Japanese solution.

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tion. He did not know how Canton or the Japanese would accept it. He said that the solution was conditioned on the abandonment by the Japanese of all autonomous movements here. He admitted that it was doubtful whether the Japanese would abandon their own activities to incite autonomy of a more positive character than that proposed. Dr. Hu Shih stated that this arrangement was the best that could be made under the circumstances. He favored it because it gave the Government an opportunity to win back the loyalty of the 29th Army, the only fighting force which China now had in this area.

As to the future, Dr. Hu Shih said that it was uncertain. He hoped that this arrangement might last for at least three months, perhaps six. Inevitably in his opinion, however, there must be fighting. But he thought the National Government was not yet prepared to make the very serious decision to fight, nor did he think that the world situation was appropriate. The League was making a fight for its life and much depended upon the success of the League in its present efforts in the conflict between Italy and Ethiopia.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

057F

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 20, 1935

HSM

WTT

WTT

STW

Nanking's 53 of December 10, 1935, reports a conversation with Dr. H. H. Kung (reported in telegram 131 of December 9th) in regard to the Sino-Japanese situation and the North China autonomy movement.

Dr. Kung expressed appreciation of the American statement relating to events in North China, stating that it would deter the Japanese in their open advocacy of autonomy in North China. He warned that the respite was, however, only temporary as the Japanese were pursuing a plan of conquest and domination of the Far East and eventually of the entire world.

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



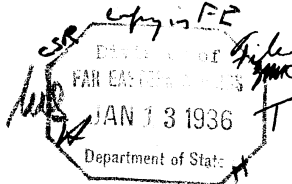
EMBASSY OF THE
 UNITED STATES OF AMERICA
 Nanking, December 10, 1935.
 DEPARTMENT OF STATE

No. 53

CONFIDENTIAL.

1936 JAN 13 PM 2 01

Subject: Sino-Japanese Relations; Autonomy
Agitation in North China



For Distribution-Check		Yes	No
Grade	For		
		Yes	No
	To field		
	In U.S.A.	✓	✓
	ONI		
	MID		

CSR

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

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

Sir:

I have the honor to refer to my telegram of December 9, 3 p.m., reporting the gist of remarks made by Dr. H. H. Kung, Acting President of the Executive Yuan, in reference to the statement concerning Far Eastern affairs made to the press by the Secretary of State for publication on December 6.

1/ There is enclosed a memorandum of this conversation which reports more fully than the telegram the observations

made

793.94/7641

FILED
 OCT 21 1936

F/FG

1578

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

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made by Dr. Kung on December 9. Dr. Kung, in past conversations with me, has often dwelt on schemes of conquest which he states have been drawn up and acted upon by the military faction in Japan, and upon the threat which these schemes constitute to European and American possessions in the Orient and in the Pacific Ocean. That plans of dominating China and Eastern Asia generally are entertained by the military party in Japan seems to be fairly well proven. Other arguments used by Dr. Kung to demonstrate that Japanese political encroachments on China should be a matter of concern to the American nation are the advantage to all concerned of maintaining the principle of treaty observance and freedom of economic opportunity.

At the risk of reporting what may seem valueless as information, I venture to state that while Dr. Hayden and I were conversing with Dr. Kung on December 9, the latter was called to the telephone and I could not but overhear Dr. Kung's portion of the conversation, conducted in Chinese. I could only conjecture the identity of the man at the other end of the line, but judging from the type of language used by Dr. Kung, I concluded that he was some rather uncultured military officer, possibly General Feng Yu-hsiang (the former "Christian General"), with whom Dr. Kung had been talking before he received Dr. Hayden and me.

Dr. Kung spoke of "the thing", presumably a document or instrument of some kind and said, "'The thing' must be approved by General Chiang Kai-shek, as President of the Executive Yuan, and General Chiang will not assume office

for

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

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for a day or two. Let the Japanese make use of their bandits as much as they like; we will not yield to force. The whole world is expressing its sympathy with China. Whatever we do must be done on our own initiative; it must not be done in consequence of pressure exerted on us".

It is fairly evident that Dr. Kung was speaking to someone about the proposed arrangement with the Japanese military authorities for a new form of administration in North China and that Dr. Kung was greatly encouraged by the public statements by the American Secretary of State and the British Minister for Foreign Affairs expressing concern over news that a movement for autonomy was being artificially fostered in the Peiping-Tientsin area.

Dr. Kung observed that Mr. Hallett Abend, correspondent of the NEW YORK TIMES, had remarked to him that the Japanese on several occasions had given him advance information regarding political events in which they appeared later to have had a part. I understood Dr. Kung to say that Mr. Abend had been given advance warning of the recent "autonomy" agitations in the North. Dr. Kung said that Mr. Abend had speculated on the purpose of the Japanese authorities in giving him these advance "tips" regarding their activities, but Dr. Kung said that to him the purpose was clear, that is, the Japanese were using the NEW YORK TIMES as the means of releasing "trial balloons", to enable the Japanese to estimate in advance the probable

popular

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

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popular reaction to their projected political maneuvers.

Respectfully yours,

For the Ambassador:

Willys R. Peck
Willys R. Peck,
Counselor of Embassy.

RHC
Enclosure:✓

1/ Memorandum of conversation
dated December 9, 1935.

Original and four copies to Department
Copy to Peiping

710.

WRP:MM

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

MEMORANDUM OF CONVERSATION.

Nanking, December 9, 1935.

CONFIDENTIAL.

Subject: Sino-Japanese Relations.

Dr. H. H. Kung, Acting President of the Executive Yuan
and Minister of Finance.
Dr. J. Ralston Hayden, former Vice Governor of the Philip-
pine Islands.
Mr. Willys R. Peck.

After some conversation in regard to other subjects, Mr. Peck asked Dr. Kung whether he had seen the statement given to the press by the American Secretary of State, relating to events in North China and published in the papers of December 7.

Dr. Kung said he had seen the statement and liked it very much. Dr. Kung said that undoubtedly the statement on the same subject made by the British Secretary of State for Foreign Affairs in Parliament about the same time and the statement of Mr. Hull released December 6 had come to the attention of the Japanese military officers in North China and had caused them to relax their insistence on autonomy in North China. For one thing, it had become impossible for them to assert openly any further connection with the so-called movement for an autonomous regime. Dr. Kung asked Mr. Peck to convey to the Department of State, to the Secretary, Mr. Hull, and also to Mr. Hornbeck, Chief of the Far Eastern Division, his appreciation of the service which the statement in question had rendered to China.

Dr. Kung

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

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Dr. Kung went on to say that he strongly felt that if Great Britain and the United States continued to make known their interest in the observance of treaty obligations in the Far East, the position of China in the face of Japanese aggressive tactics would be greatly strengthened. At the same time, although the two statements to which he had referred had, because of their exact coincidence with a crisis in affairs in North China, caused the negotiations with the Japanese military officers there to turn out less unfavorably to China than had been anticipated would be the case, he warned that this respite would be only temporary, and that the Japanese military plan for the domination of China would go on as relentlessly as heretofore.

Dr. Kung said that there was conclusive evidence that Japan and its Government are dominated by the military faction and that the military faction has schemes for imperialistic aggrandizement which seem fantastic, but are actually being worked out in practice. These schemes call, in progressive stages, for the conquest of Korea, Manchuria, North China, China, and the entire Far East. To accomplish these aims Japan has two arms; one, the Army, reaches over to the mainland of Asia and to the North, to sweep the Russians from Siberia and Central Asia and the other white races from other portions of the Asiatic Continent, the second, the Navy, reaches to the South, to fasten Japanese control over Siam and the various island possessions, including the Philippines and, ultimately, the Hawaiian Islands. Dr. Kung said that it seemed unbelievable, but the

Japanese

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

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Japanese military plan really called for the conquest of the whole world. The Japanese military faction points to the fact that the Japanese Imperial line is the most ancient dynasty in the whole world, its founder being the Sun Goddess herself, and asserts that for this reason the Japanese Imperial House should reign over the earth. In justification of the use of military force by Japan, the military faction urges that Japan is an industrial nation, with an ever-increasing population and a limited area, while on every side the nation is confronted with limitations imposed on its legitimate expansion, for example, high import tariffs and import quotas everywhere and immigration restrictions in the United States and elsewhere. It is for the purpose of ultimately breaking down these barriers that Japan is encouraging emigration of its citizens, exemplified by the colonies in Brazil, Mexico and the Hawaiian Islands, and is fostering its birth-rate. (Mr. Peck interposed at this point that the question of access to markets and raw materials was attracting the attention of statesmen engaged in seeking ways of eradicating the causes of wars.)

Dr. Kung said that recently General Isogai, Japanese Military Attaché in Shanghai and the highest local Japanese military authority, had frankly told him about Japan's policy of "Asia for the Asiatics" and had warned Dr. Kung that China had only two courses to pursue, either China could become a partner with Japan in this enterprise, or China must be overcome by Japan.

With

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 Department of State letter, August 10, 1972
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With particular reference to the recent attempt of the Japanese military leaders in the Peiping area to foment a declaration of autonomy, Dr. Kung recalled that General Ho Ying-chin had left Nanking on the evening of November 30 under instructions from the National Government to proceed to Peiping to deal with this problem. When General Ho arrived in the North, the Chief of Staff of General Tada, Commander of the Japanese Garrison in North China, had warned him that it would be better for him to leave the locality and not interfere in what was going on. However, General Ho had remained in the performance of his duty, and as soon as he (Dr. Kung) had received news from Shanghai of the statement released to the press by Secretary of State Hull, he immediately telegraphed to General Ho and to General Hsiao Chen-ying, Chairman of Chahar Province, that China had the support of public opinion in other parts of the world and they should not give in to Japanese intimidation.

Dr. Kung observed that the fundamental issue involved in China's struggle with Japan was international good faith and the sanctity of treaties, an issue with which the welfare of the whole world was bound up, and in which all governments necessarily were interested, not alone for China's sake, but for their own as well.

Willys E. Peck,
 Counselor of Embassy.

Five copies to Department
 Copy to Peiping.

WRP:MM

0585

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

No. 100

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 9, 1935.

Subject: Statements of a Japanese official in
 regard to the Autonomy Movement.

STRICTLY CONFIDENTIAL

Division of
 FAR EASTERN AFFAIRS
 JAN 14 1936
 Department of State

The Honorable

Nelson Trusler Johnson,
 American Ambassador,

Peiping.

Sir:

1/ I have the honor to enclose with this despatch
 a memorandum concerning the statements a Japanese
 Consular official made this morning to an American
 newspaper correspondent concerning the autonomy
 movement. The American correspondent, to whom the
 statements were made, is well known to this office
 and is believed to be reliable.

From another reliable source there were reports
 this morning that Yin Ju-keng has rescinded his
 order in regard to taking over the Shenhaikuan -
 Hsinho section of the Peiping-Liaoning Railway and
 has assured railway officials that the line would
 not be touched. There is also a report that the
 Japanese military have ordered the Peiping-Liaoning
 Railway

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

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Railway to assemble two passenger trains at Shan-
 haikuan. The significance of this order is not
 known at present.

Respectfully yours,

J. R. Caldwell,
 American Consul General.

800
 MH:HR

Transmitted in duplicate.
 Five copies to Department without covering despatch.
 Copy to Embassy, Nanking.
 Copy to Embassy, Tokyo.

A true copy of
 the signed origi-
 nal. *JK*

Directly Conf. Memo

5 Carbon Copies
 Received *L. J. M.*

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

Enclosure No. 1 to Despatch No. 100,
 dated December 9, 1938, from the
 American Consulate General, Pientsin,
 China, on the subject of statements
 of a Japanese Consular official in
 regard to the autonomy movement.

Pientsin, China, December 9, 1938.

STRICTLY CONFIDENTIAL BACKGROUND

Subject: statements of a Japanese Consular official in regard to the autonomy movement.

The following confidential statements were made this morning by a Japanese Consular official in a conversation with a reliable American newspaper correspondent, who reported them to me:

If the settlement of the North China question reported in today's newspapers (the establishment of a council under Wang Che-yuan to control the affairs of Chahar and Hopei under the supervision of the Nanking Government) goes through, the Chinese negotiators have put it all over the Japanese military, and Chiang Kai-shek has put one over on Miyoshi.

The Japanese military appear to be satisfied, as today's papers quote them as saying they are, with the proposed solution, but it is a quite different solution from that which the military hoped for. The proposed solution is, however, satisfactory from the point of view of local Japanese Consular officials.

If this proposed solution goes through, the Chinese have come out on top, but the only person who stands to gain anything is Wang Che-yuan; he will be in control of Hopei and Chahar and will continue to be "nice" to the Japanese but "largely loyal to Nanking".

It is not clear even to Japanese Consular officials

what

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what the Japanese military are after. Undoubtedly some of the younger officers want another "manchukuo" in North China, but it is practically impossible to carry out such a plan.

Local Japanese Consular officials think that North China should have more financial independence; that the revenues of North China should be used to develop the mines and other natural resources of North China for the benefit of Japan and all other interested countries. They also think that another main railway line should be built in North China and that Chinese capital should be used to finance such developments.

If the proposed solution goes into effect Yin Ju-keng's regime in the "demilitarized zone" will present a difficult problem. But Yin will be put out of the way by Chinese assassins. Yin went too fast and too far. He counted on Jiang Che-yuan following him with a declaration of autonomy. (Japanese Consular officials) warned Yin not to go too fast and too far. He has a Japanese wife and we know him intimately.

we have to sense what is going on and inform Japanese consular officials in Hanking so that they in turn can tell the Hanking Government what the Japanese military are going to do. For example, a little while ago we saw to it that the Hanking Government was informed that unless they made some kind

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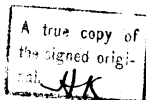
kind of a proposal for the solution of the North China question the Japanese military would start something. ^{Y. Kato} ~~Y. Kato~~ (Japanese Consul General in Nanking) is an able man; we work with him, but ^{AV 119} ~~Ariyoshi~~ is no good. The Chinese diplomats are so much better at negotiations than the Japanese that there is no comparison.

The present situation is not similar to that in the fall of 1931 before the "Manchurian Incident", because at that time the populace of Japan was keyed up against Chiang Hsueh-liang and his regime, but it is not keyed up to a point of caring intensely now about autonomy in North China.

My informant stated that the Japanese official personally seemed to be bitterly opposed to the policy of the Japanese military. In many places in this memorandum the expressions he used have been repeated in order that the Embassy might be accurately informed and to eliminate the danger of a paraphrase distorting the meaning of his statements.

Monroe Hall.
 American Consul.

800
 LH:HK



0596

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 25, 1936.

~~MSM:~~
~~WPT:~~
~~MMT:~~

Shanghai's No. 30, December 14, 1935, summarizes and transmits editorials of an American daily in Shanghai (the SHANGHAI EVENING POST AND MERCURY) in regard to Sino-Japanese relations.

The POST has apparently adopted a more definite policy in regard to Sino-Japanese relations and in a number of recent editorials has scored Japan for its aggressive policy towards China, stating (1) that the recent coercion in North China is a provocative challenge not only to China but to the other signatories of the Nine Power Treaty, (2) that the Japanese military seem to be uncontrollable and are driving Japan into deep and dangerous waters, and (3) that the Japanese appear to hold resentment over Nanking's failure to consult with Japan before adopting the recent currency reforms (this being evoked by the report that the Shanghai Japanese were preparing to go on a yen standard).

One of the Shanghai Japanese language dailies expressed great indignation at the POST'S editorials and accused it of being anti-Japanese.

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A further editorial in the POST stresses the need for unity in China, which can be achieved with or without Hu Han-min and concludes that Japan's need is trade and friendship with China which she cannot have by provoking disorder and disintegration.

CSR
CSR/VDM

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

No. 30

94
1/12

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, December 14, 1935.

793.94

CONFIDENTIAL

Division of
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State

RECEIVED
DEPARTMENT OF STATE
JAN 13 PM 12 27

Subject:

Sino-Japanese Relations: Shanghai
Opinion on North China Situation:
Editorial Policy of American Daily.

THE HONORABLE

THE SECRETARY OF STATE
WASHINGTON.

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

Grade For
In U.S.A.
C.V.I.
M.I.D.

Sir:

I have the honor to transmit a copy of a self-
1/ explanatory despatch No. 18 of this date, with
enclosures, from this Consulate General to the
Embassy at Peiping in regard to the subject above
mentioned.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosure:

1/- Copy of confidential despatch
No. 18 of December 14, 1935, to
Embassy, Peiping, with enclosures.

800
MBD:NRW

In quintuplicate

4 Carbon Copies
received

793.94/7643

FILED
JAN 30 1936

F/FG

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

No. 12

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, December 14, 1935.

CONFIDENTIAL

Subject: Sino-Japanese Relations: Shanghai
 Opinion on North China Situation:
 Editorial Policy of American Daily.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to refer to this office's despatch
 No. 8982 of November 23, 1935, and telegrams of December 5, 6 p.m., and December 6, 7 p.m., regarding the local reaction to developments in North China, and to report that the SHANGHAI EVENING POST & MERCURY (American) has apparently adopted a more definite and aggressive policy with respect to Sino-Japanese relations. The
 1/ Embassy will no doubt have noted the enclosed editorial, which was featured prominently on the front page of this journal's issue of December 3. Under the title "Whither Japan?" it expresses the view that no foreign friend of that country can fail to feel concerned over the dangers of the policies followed by the Kwantung Army group, that they aroused anti-Japanese hatred in China and world-wide suspicion of Japanese motives abroad at a time when the Central Government has given

proof

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

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proof of its desire to work for a rapprochement and the greater part of the civilized world is attempting to frustrate an act of aggression against another weak country, and that it would be unsafe to assume that sanctions would never be invoked against Japan. It goes on to say that the Foreign Office at Tokyo must find it increasingly difficult to justify a fait accompli inconsistent with its avowed policies, and that it must feel apprehensive over the continued flouting of world opinion. The article concluded with the bold statement that the "coercion of North China is a challenge not only to the Chinese Government, but to those other Governments who have appended their signatures to a pact obligating them to respect the independence and integrity of this country."

The reaction to this editorial was pronounced. Japanese indignation was reflected in the SHANGHAI NIPPO (Japanese) of December 5, 1935, which averred that the SHANGHAI EVENING POST & MERCURY is notorious for its anti-Japanese propaganda, branded the subject matter as fabrications intended to harm Japan and suggested that the American periodical consider the methods of its own country before attacking others. The EVENING POST replied to these charges in its issue

2/ of December 7 reiterating that the courses of the Kwantung Army "menace both China and world peace", that the army group seems to be uncontrollable and that "it is driving Japan into deep and dangerous waters." It denies categorically that it is anti-Japanese but states that it strives to interpret the

sentiment

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sentiment of the American people and the policy of their Government, neither of which is anti-Japanese. Secretary Hull's statement with respect to North China is cited in support of the stand taken by this journal and further reference is made to the pronouncement of Sir Samuel Hoare, British Foreign Secretary. (See my despatch No. 10 of December 9, 1935.)

The editor of the daily in question states confidentially that Count Seishichi Motono, Third Secretary of the Japanese Embassy, who maintains contact with the local press, said he had nothing to say for the Embassy but in speaking for himself expressed complete agreement with the editorial under discussion. When asked who was the author the editor said it expressed the views of Mr. C. V. Starr who controls the Post Mercury Company, Federal Incorporated, U.S.A. The latter told me today that he was taking a little more interest in the EVENING POST, that he considered it desirable to keep local Americans informed with regard to certain basic policies of the United States as determined by public opinion and the Government, that in times past sections of the business community here had met with disappointment because of failure to realize what people at home were thinking and that the only American daily here could and should make a contribution to American interests in China by preventing misunderstandings insofar as possible.

In order to illustrate further the editorial policy of the EVENING POST there are enclosed two further articles from its issues of December 11 and 12

entitled

0596

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

-4-

- 1/ entitled "Yen Standard for Shanghai" and "A United
- 2/ China" respectively. The former is to the effect that it seems "quaint" that the Japanese should attempt to discard the Chinese dollar just when it has become stable and expresses the view that it can only be because they hold resentment over Nanking's failure to consult Japan before adopting the currency reforms. The latter article stresses the need for Chinese unity, scouts the idea that national unification can not be achieved without Hu Han-min, and states that Nationalist China is faced with piecemeal disintegration if selfish local councils are to prevail. It concludes with the statement that Japan's immediate need is trade and friendship with China, which she can not have by provoking disorder and disintegration.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosures:

- 1/- Editorial from SHANGHAI EVENING POST & MERCURY of December 3, 1935.
- 2/- Editorial from SHANGHAI EVENING POST & MERCURY of December 7, 1935.
- 3/- Editorial from SHANGHAI EVENING POST & MERCURY of December 11, 1935.
- 4/- Editorial from SHANGHAI EVENING POST & MERCURY of December 12, 1935.

800
MBD:NNW

Original to Embassy, Peiping
In quintuplicate to Department
Copy to Embassy, Nanking
Copy to Embassy, Tokyo

A true copy of
this document is
being
sent

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

Shanghai, Tuesday, December 3, 1935

WHITHER JAPAN?

An Editorial

NO FOREIGN FRIEND of Japan, no admirer of her rapid rise from the position of an isolated feudal State to that of a world Power, and of the courage and initiative displayed by her statesmen, the patience and patriotism of her masses, can fail to feel serious concern regarding the latest turn in events in North China. Her policy—or perhaps one ought to say the policy of the Kwantung Army, for it has certainly seemed at times not even to have the unqualified support of the War Office, much less or the Foreign Office—is fraught with serious danger to herself, to China and to world peace.

The outcome of her Manchurian experiment—more understandable, though still viewed with disapproval in many parts of the world—is still sufficiently in doubt to make it appear incredibly rash for Japan to increase her liabilities on the mainland. She has poured millions of Yen into the new State; millions more will obviously be required to develop its resources and communications and stabilize the new Government. And even in Japan itself there is a growing tendency to inquire whether the Tokyo Government has yet recognized the full implications of intensive exploitation of a country with a population of some thirty millions whose standard of living is so much lower than her own. If even a pretence of independence is to be maintained Manchukuo cannot be denied the right to industrialize as well as to develop her natural and potential resources, with the result that she must inevitably become a serious competitor of Japan in Far Eastern and world markets. Decades must pass before it will be possible to say whether the Manchurian experiment has been justified by results. No such period will be required to pronounce upon the folly—and futility—of attempting to detach a large portion of North China, economically, politically and culturally from the authority and influence of the Nanking Government.

The pretence that the present "autonomy" movement is spontaneous can deceive no one. "Autonomy", if it comes, will be the result of cynical coercion by emissaries of the Kwantung Army, who will only be able to succeed in their self-imposed task by reason of the fact that the actual authority in the provinces affected is vested in the hands of militarists who are not members of the Kuomintang, and who are in no way responsive to public opinion. Kuomintang organs—never popular in the North—have been ejected as a result of Japanese pressure, but their removal does not by any means imply that the population is desirous of exchanging Nanking's for Japan's tutelage. All available evidence goes to show that except for relatively small groups of disgruntled and venal politicians and officials, autonomy has no supporters. The regime that will be established will be a sham.

It is difficult to see what possible advantage Japan can derive from starting a festering sore in the North which it is probable—nay, almost certain—will seriously affect the health of the entire country. The potential danger lies not so much in what is done in North China, where for months past the Japanese have been able to get their own way whenever they felt it worth while to apply coercion) as in the reactions in the rest of China, and abroad. It is certain that a measure of autonomy that affects the interests of other Powers will encounter opposition, and refusal to recognize the status of the autonomous area. It is almost certain, also that it will multiply the difficulties of the Nanking Government to an extent which will imperil its very existence, and make it doubtful whether any of its leaders will be willing to remain in office and shoulder the responsibility of acquiescing in Japan's latest move. They may recognize the futility of offering armed resistance, but they will also recognize the futility of attempting to govern under conditions which expose them and their country to fresh humiliations daily. Stability, unity, and progress cannot be expected of an administration which has lost heart and whose policy is regarded by an overwhelming majority of its citizens as a national betrayal.

The Kwantung Army is driving Japan into deep and dangerous waters. It is deliberately fanning into flame the embers of anti-Japanese hatred among thinking Chinese at a time when the Central Government has given indubitable proofs of its desire to work for a rapprochement between the two countries. It is reviving world-wide suspicions of Japan's aims and intentions in the Far East, and this at a moment when the greatest

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

existence, and make it doubtful whether any of its leaders will be willing to remain in office and shoulder the responsibility of acquiescing in Japan's latest move. They may recognize the futility of offering armed resistance, but they will also recognize the futility of attempting to govern under conditions which expose them and their country to fresh humiliations daily. Stability, unity, and progress cannot be expected of an administration which has lost heart and whose policy is regarded by an overwhelming majority of its citizens as a national betrayal.

The Kwantung Army is driving Japan into deep and dangerous waters. It is deliberately fanning into flame the embers of anti-Japanese hatred among thinking Chinese at a time when the Central Government has given indubitable proofs of its desire to work for a rapprochement between the two countries. It is reviving world-wide suspicions of Japan's aims and intentions in the Far East, and this at a moment when the greater part of the civilized world is united in an attempt to frustrate an act of aggression upon another defenseless people.

The success of sanctions has still to be proved, but it is already obvious that they are causing serious loss and trouble to the State against which they are directed. If they prove even partially successful against Italy, the Powers participating in their application will be encouraged to employ them more promptly and more drastically against any future aggressor. Japan of all great Powers is probably most vulnerable to this form of pressure. For various reasons—the aloofness of Russia from the League, and the fact that China had undoubtedly given serious provocation to Japan and other Powers, being among them—sanctions were not seriously considered in 1931-2. It would be unsafe to assume that they would not figure in the calculations of the great Powers if their efficacy against Italy is demonstrated, and Japan's militarists continue a policy of encroachment upon China. Much would of course depend upon the attitude of the United States. The American Government in some ways took a stronger line than other nations during the invasion of Manchuria. While not participating in anti-Italian Sanctions it is enforcing restrictions and giving advice to its nationals which leave little ground for believing that Italy will be able to rely upon America to circumvent the restrictions which the Members of the League have seen fit to impose upon her. This is not the time or the place—in fact might be construed as provocative—to emphasize in detail the dangers to which Japan would be exposed from the application of sanctions, and the counter-measures that she would undoubtedly take to resist them. It seems necessary only to suggest that if Italy is frustrated in her present aims, an impetus will undoubtedly be given to the adoption of similar measures against any State which is regarded as guilty of acts of unprovoked aggression.

The Kwantung Army at the moment seems to be uncontrolled and uncontrollable. Even Signor Mussolini was not so cynical in his disregard of world opinion. Seizure of railway stations, detention of rolling stock, ceaseless browbeating of local officials, refusal even to listen to or receive well-founded protests, cannot be reconciled with Tokyo's repeated assertions that developments in North China are of a purely domestic nature, in which the Japanese Government does not find it necessary or expedient to interfere. Seldom if ever in recent world history has a single Army Command acquired such domination of the foreign policy of its Government. The Tokyo Foreign Office must find it increasingly difficult to justify *faits accomplis* which are entirely inconsistent with its avowed policy. It must also be growing apprehensive of the future consequences of a policy of continuously flouting world opinion, and of alienating the sympathies even of those who in 1931 felt that Japan had a better case than was put forward at Geneva. The coercion of North China is a challenge not only to the Chinese Government, but to those other Governments who have appended their signatures to a pact obligating them to respect the independence and integrity of this country.

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

Enclosure No. 2 to confidential despatch No. 18 of
 Monnett L. Davis, American Consul General at Shanghai,
 China, dated December 14, 1935, on the subject: "Sino-
 Japanese relations: Shanghai opinion on North China
 Situation: Editorial policy of American Daily."

SOURCE: SHANGHAI EVENING POST &
 MERCURY (American) of
 December 7, 1935.
 (No. 292; Vol. 58)

EDITORIAL

Shanghai, December 7, 1935, No. 292; Vol. 58

The Nippo's Charges

THE EVENING POST should be "ashamed", in the view of the Shanghai *Nippo* as expressed in an editorial reproduced in our news columns yesterday.

The *Nippo's* outburst hinged on our editorial of last Tuesday entitled "Whither Japan?" in which this newspaper employed what the *Nippo* terms "incorrect argument" to show that the activities of the Kwantung army not only menaced China but also threatened world peace.

The question as to whether our line of argument was intellectually sound is one which must be left to our readers. But we believe it not a matter of argument but of plain fact, apparent to all who are not blinded by hyper-patriotism or other factors, that the courses of the Kwantung army do in fact menace both China and world peace; each easing of tension in this connection is followed by a renewal of tension due in every instance to acts of the Kwantung army. Yesterday's threatening and provocative military airplane demonstrations at low altitude over Peiping affords a timely case in point.

We said, and we repeat, that the Kwantung army at the present time seems to be both uncontrolled and uncontrollable. We said that it is driving Japan into deep and dangerous waters; that it is fanning into flame the embers of anti-Japanese hatred among thinking Chinese at a time when the Central Government has proved its desire for Sino-Japanese rapprochement; that it is reviving world-wide suspicions of Japan's aims and intentions in the Far East, and that for a variety of reasons including the possibility of sanctions there is reason for Tokyo to be apprehensive of the future consequences of a policy of continuously flouting world opinion.

Those statements seem to us not matters of argument but of clear undisputable truth, and it is interesting and significant that the *Nippo* makes no attempt in detail to combat their truth despite its claim of "false reports."

We deny most emphatically that The Shanghai Evening Post "has been and is carrying on anti-Japanese propaganda" or that "it intends to cast a shadow upon Japan, basing its stories on false reports." This is an American newspaper, striving to represent truly American policies; there is nothing anti-Japanese about the policy either of the United States Government or of this newspaper, in any true sense, although at times we deem it an act of justice—and rightly considered, an act of most fundamental friendship to Japan—to point out dangers to both Japan and others in Japanese policy.

Only yesterday Mr. Cordell Hull, the American Secretary of State, issued a formal statement declaring that "the fact stands out that an effort is being made, and is being resisted, to bring about a substantial change in the political status and condition of several of China's northern provinces", and he continued:

"Unusual developments in and part of China are rightly and necessarily of concern not alone to the United States and people of China, but all the many people and Powers who have interests in China."

a feeling which pervades virtually the entire world with reference to the activities of the Kwantung army.

Finally in considering the *Nippo's* article we come to the reason why, in the view of the *Nippo*, we should feel shame; it is because of the "means the United States is using for the expansion of her territory"! This charge is so ludicrous as to be unworthy of answer, but at least we might inquire whether in granting the independence of the Philippines the United States is acting, in the *Nippo's* view, as an exponent of imperialistic expansion of territory. That is the only recent gesture on the part of the United States in the direction of changing her territorial status and it hardly goes along the lines of the *Nippo* charge. If there is actually any concrete evidence to support the *Nippo's* view in any respect we shall welcome it, but certainly the article in question supplies none.

0601

Only yesterday Mr. Cordell Hull, the American Secretary of State, issued a formal statement declaring that "the fact stands out that an effort is being made, and is being resisted, to bring about a substantial change in the political status and condition of several of China's northern provinces", and he continued:

Mr. Hall pointed out with the utmost accuracy that the United States cannot look with equanimity upon the "autonomy" movement in North China and he called upon all governments and peoples to keep faith in principles and pledges.

Sir Samuel cited reassuring statements elicited from the Japanese Government concerning Japan's lack of intention to exercise a military weapon to further what was termed "purely a Chinese movement", and while he expressed hope that Sino-Japanese negotiations would result in an amicable settlement of any existing difficulties he made clear that he could only regard it as unfortunate that events should have occurred which, whatever the actual truth, might lend color to the belief that Japanese influence was being exerted to shape Chinese internal political developments and administrative arrangements.

In citing these statements by high American and British officials we may appear to stray from the immediate issue of the *Nippo's* animadversions upon our editorial views; but the statements are timely as illustrating that we speak not as one newspaper, nor even as a gauge of American opinion, but in line with

1. IDENTIFICATION: Military Office of the United States.
2. PURPOSE: To identify the person or persons who are
responsible for the death of the person or persons who
were killed in the line of duty.
3. SUBJECT: The person or persons who were killed in the
line of duty.
4. DATE: 18 of

0601

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

Enclosure 18
 Subject: Shanghai, China
 Date: 12-18-75
 By: Milton D. Gustafson
 NARS

Enclosure 11, 12
 NARS

Yen Standard For Shanghai

SHANGHAI'S "Little Tokyo" is reported to be preparing to go on a yen standard. As from January 1, the unit of exchange will be the Japanese yen rather than the Chinese dollar, if plans as reported are carried out.

So far as we can see it is perfectly legal, perfectly ethical, and completely all right in every respect for Japanese of Shanghai to use a yen standard if they think it desirable. For the matter of that any of us might go on a U.S. dollar standard, a bushel-of-rice standard, or an exchange-of-sweet-smiles standard. It is all a matter of what the Japanese think is the handiest way to do business.

Evidently the Japanese hold some lingering resentment over Nanking's failure to consult Dai Nippon before going off silver. At any rate there is no other good explanation for this move, since the two reasons cited are violent fluctuations in the Tokyo-Shanghai cross rate (which have now ceased) and the "sudden enforcement" of the currency reforms.

Japanese here certainly are not being inconvenienced by any dizzy gyrations of the Chinese dollar, and since they used this dollar when it was going up and down it seems rather quaint that they should now attempt to discard it when it has become stable.

To some extent the Japanese may be able to create a sort of "yen ring" for themselves in their own dealings, if they so desire. They are not likely to convert others to the idea, however, and the natural working-out of such a scheme as they contemplate will be simply to interpose a barrier between themselves and others; to necessitate a constant calculating of exchange whenever they do business with anyone not a Japanese of the sacred circle.

We doubt if most shoppers will find it a pleasing novelty to be forced to calculate from yen to dollar in every Japanese gift, leather goods or flower shop, and as a matter of fact we doubt even more if the accommodating proprietors of such shops will care to confront their customers with any such necessity, preferring to mark prices in dollars as usual. In other words the proposed yen standard, for retail commercial dealings, seems doomed in advance (assuming that the Chinese currency remain stable) as a superfluous nuisance. In some wholesale dealings between Japanese, the yen standard may be used as it has been used in the past.

In other words, this yen-standard talk seems probably a case of much ado about nothing unless Chinese currency experiences sharp decline in which event we would no doubt have as many standards as there are nationalities doing business here. But why anticipate such an unhappy event which probably won't occur? We can see no motive except that of belittling Chinese capacity for maintaining the currency; and such action is particularly out of place at a time when the currency is being maintained precisely as forecast.

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

No. 18
 Enclosure No. 4 confidential report/summary of
 review, Serial General at General, China, dated
 December 12, 1935, on the subject Sino-Japanese Relations:
 General opinion on North China situation: Editorial Policy
 of American Daily.

REF ID: A66116
 (American) of
 December 12, 1935
 (No. 296; Vol. 58)

Shanghai, December 12, 1935, No. 296; Vol. 58

For A United China

WHILE the refusal of Mr. Hu Han-min to assume office in Nanking as chairman of the Standing Committee of the Central Executive Committee of the Kuomintang is being interpreted as a set-back for Nanking-Canton rapprochement, it by no means follows that this constitutes either a slight to Nanking or a set-back to the unification movement.

Mr. Hu remains in France, where he has been for some time. He says that reasons of health forbid him to return to China and take up Nanking duties, and there is no reason to jump to the conclusion that he is not speaking the truth. Finally, it is not necessarily a matter of any great consequence whether he is telling the truth or not because the present issue is considerably bigger than any individual and Canton rapprochement does not hang exclusively upon the issue of whether Mr. Hu comes home or stays in France.

Ever since Mr. Hu went to France rumor has been busy as to when he would be back. To begin with, his experiences in Nanking on the occasion of his last stay there were not such as to prejudice him toward further test of political vicissitude, merely as a personal reaction not to be confused with fundamental political currents. And additional to this it should be observed that a kind of hypnotic appeal sometimes begins to fasten itself about certain phrases and ideas in the mind of the crowd, so that to many the notion of a return of Hu Han-min has (quite without reference to any particular logic of the case) become identified with the thought of national re-unification. We do not believe that the name of Mr. Hu as an individual warrants any much dramatic connotation.

So far as individuals are concerned, development has been along the lines forecast by this journal last summer—the centering of authority more and more upon General Chiang Kai-shek. This development is a logical outcome of the circumstances. We very much doubt whether General Chiang has himself desired anything of the sort, but as unquestionably the most potent force behind the scenes in former days, it was natural that he should be pushed perhaps in spite of himself into a position of titular as well as of real but unofficial responsibility.

It seems reasonable to believe that many who have been reluctant to enter wholeheartedly into an organization which they regarded as ambiguously constituted, due to the fact that its most powerful man was neither in a seat of recognized civil authority nor physically on the scene but instead directing communist-fighting operations far up the Yangtze, may now be disposed to adhere to a more logically organized Government. The position is now clear, General Chiang is definitely at the helm, and at the same time the disadvantages of disunity have become increasingly apparent.

South China has had its taste of Japanese displeasure through the Swatow incident. There is plenty of handwriting on the Chinese wall.

0603

From Japan's own point of view the immediate need is trade and friendship with China. These she cannot have by provoking discord and disintegration. A strong and prosperous China can produce trade which Japan vitally requires. The Kwantung Army may feel that trouble in China is beneficial, but businessmen at home know otherwise.

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1. The first step in the process is to identify the problem. This involves gathering information about the situation and understanding the needs of the stakeholders involved.

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

No. 103

Copy for the Department.

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 13, 1935.

1936 JAN 13 PM 1 33

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

Division of
 FAR EASTERN AFFAIRS
 JAN 14 1936
 Department of State

STRICTLY CONFIDENTIAL

Subject: The Ch'ing Pang and the recent
 uprising in Tientsin.

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

The Honorable

Nelson Trusler Johnson,

American Embassy,

Peiping.

Sir:

I have the honor to refer to this Consulate
 General's despatch No. 85 of November 26, 1935, and
 to previous despatches touching upon the relation
 of the Chinese secret society called the Ch'ing
 Pang to the course of political events in North China,
 and to report that information given an officer of
 this Consulate General yesterday by a well-known
 and influential local Chinese police official indi-
 cates that Japanese interested in the establishment
 of an autonomous government in Tientsin have attempted
 to employ that powerful society in the furtherance
 of their own ends.

The police official referred to stated that

during

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

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during the drive against members of the so-called "Blue Shirts" and other allegedly anti-Japanese secret societies which took place during the last part of October and the beginning of November in North China, the Japanese gendarmerie effected the arrests of five of the "Elders" of the Ch'ing Pang in Tientsin and Peiping. These men were transported to Dairen where, according to the informant, they were subjected to the "third degree", to torture, and to the threat of death, but were finally offered their release if they would sign a statement swearing that they were without any anti-Japanese feeling and would not engage in anti-Japanese activities, and that they would henceforth give complete obedience to the rules of the Ch'ing Pang. All five signed the statement and, after each had supplied guarantees from substantial Chinese in Tientsin and Peiping, they were permitted first to move freely in Dairen and later to return to Tientsin.

In this city they were instructed to maintain contact with a certain Japanese, upon whose suggestion three of the erstwhile captives formed the P'u An Hsieh Hui (普安協會) - the Universal Peace Society - to which they diverted such of the income of the Ch'ing Pang as passed through their hands. The most active of the three is employed as a reporter and "re-write" man on one of the large local vernacular papers, and acts as the publicity manager of the newly formed society. The Consulate General has been
 given

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

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given this individual's name, and is inclined to credit the informant's allegations as to his connections with the Universal Peace Society.

The Peace Society then began the publication of a series of handbills, pamphlets, and posters attacking the Nanking Government and urging the separation of Huapei from the rest of China. It had no direct connection with other aspects of the "autonomy movement", the coordination of the various groups having presumably been arranged by the Japanese referred to above.

The informant asserted that none of the Chinese involved in the movement really desire the establishment of an autonomous government in North China, but that they are afraid to leave Tientsin for fear of the vengeance which the Japanese would wreak on their families and guarantors, and console themselves with the reflection that they could in any case do nothing to prevent the ultimate Japanese control of North China, which they believe to be inevitable.

Respectfully yours,

J. K. Caldwell,
American Consul General.

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RSW:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed original.
JB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 21, 1936

~~NSM~~
~~WPT~~
~~INR~~

Shanghai's 44. of December 19, 1935, reports the publicity given to an alleged statement by Mr. Frank B. Kellogg to the effect that Japan had not violated the Nine-Power Treaty and denying the imminence of war in the Far East. Although Mr. Kellogg's denial was published (albeit inconspicuously), the majority of newspapers found his statement incomprehensible in view of the actual factual developments in the Far East.

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IAN 25 1936

DEPARTMENT OF STATE

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

No. 74

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, December 19, 1935

Subject: Publicity given alleged Statement
made on the Far Eastern Situation
by Mr. Frank B. Kellogg.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

For Distribution-Check		Yes	No
Grade	M		
For		In U.S.A.	<input checked="" type="checkbox"/>
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		MID	

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

Sir:

I have the honor to invite the Department's attention to the publicity given in Shanghai recently to a statement reported to have been made in Washington on December 13, 1935, by Mr. Frank B. Kellogg denying the imminence of war in the Far East and the violation by Japan of the Nine-Power Treaty.

The principal foreign language dailies of this city, namely the NORTH-CHINA DAILY NEWS (British), the CHINA PRESS (Chinese owned, American registered), the SHANGHAI TIMES (British), and the SHANGHAI EVENING POST & MERCURY (American), published, between December 14 and 17, 1935, reports received from REUTER and HAVAS to the effect that Mr. Kellogg in an interview at Washington stated that he saw nothing to justify the belief that another Great War was imminent, and that he saw nothing in Japan's movements in China that violated the Nine-Power Treaty, which guarantees the territorial and administrative integrity of China.

Although

DEPARTMENT OF STATE

JAN 27 1936

JAN 30 1936

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

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Although the Shanghai SHUN PAO (Chinese independent daily) published a denial on December 17, 1935, that Mr. Kellogg made any such statement on the Far Eastern situation, the CHINA PRESS on the same day devoted a lengthy editorial to the report in which it was stated, inter alia,

"Coming from a former Secretary of State and the author of a world pact which denounces war as 'an instrument of national policy' all this sounds most strange. And when his assessment is compared with the findings of the Lytton Report and, more recently, with the anxiety which was expressed ten days ago by the British Foreign Secretary, Sir Samuel Hoare, in the House of Commons, concerning the critical situation in North China, as well as the formal statement issued on the same day by Mr. Kellogg's successor in the Department of State, the attitude adopted by Mr. Kellogg appears to be bafflingly inexplicable."

The editorial continues by saying that,

"When, however, he declares, 'I do not see anything to indicate war there,' he seems to have closed his eyes deliberately to the incalculable amount of destruction that Japanese armed forces have on the one hand already inflicted on this country, since the invasion of Manchuria in September 1931, and on the other hand, threaten further to inflict unless their wishes are heeded."

For the Department's fuller information there are
1/3/ appended hereto as enclosures three clippings and one
4/ translation of the newspaper articles mentioned above.

Respectfully yours,

Monnett B. Davis
Monnett B. Davis,
American Consul General.

Enclosures

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

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Enclosures:

- 4
- 1/- News article from the NORTH-CHINA
DAILY NEWS of December 15, 1935.
 - 2/- News article from SHANGHAI TIMES
of December 15, 1935.
 - 3/- Editorial from the CHINA PRESS
of December 17, 1935.
 - 4/- Translation of news article from
SHUN PAO of December 17, 1935.

800
HES:NHW

In quintuplicate
Copy to Embassy, Peiping
Copy to Embassy, Nanking

0611

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

Enclosure No. 1 to despatch No. 44 from Monnett B. Davis,
American Consul General at Shanghai, China, dated December
19, 1935, on the subject "Publicity given alleged Statement
made on the Far Eastern Situation by Mr. Frank B. Kellogg."

SOURCE: NORTH-CHINA DAILY NEWS
(British) of December 15,
1935.

NEWS ARTICLE

Mr. F. B. Kellogg's Views

Washington, Dec. 14.

Mr. Frank B. Kellogg, former secretary of State and co-author of the Kellogg-Briand pact outlawing war, declared to-day that he saw "no necessity whatsoever for new legislation on the question of American neutrality."

"No obstacles other than those necessary must be placed in the way of our legitimate commerce," Mr. Kellogg said. "Action of that sort tends to increase the causes of war more than to diminish them."

Condemning sanctions, Mr. Kellogg said, "I do not believe in any measures of this sort whatsoever, for the world cannot maintain peace by imposing sanctions."—Havas.

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

Enclosure No. 2 to despatch No. 44 from Monnett B. Davis,
 American Consul General at Shanghai, China, dated December
 19, 1935, on the subject "Publicity given alleged Statement
 made on the Far Eastern Situation by Mr. Frank B. Kellogg."

SOURCE: SHANGHAI TIMES (British
 daily) of December 15, 1935.

NEWS ARTICLE

Far Eastern Situation No Menace, Says Kellogg

Famous Author Of Peace Pact Sees No Violation Of
 Nine Power Treaty; Sees Nothing To Back Up
 Belief Of Imminence Of Great War

WASHINGTON, Dec. 13.—"The Far Eastern situation is not menacing at all," said Mr. Frank B. Kellogg, the famous author of the peace pact bearing his name, in an interview here to-day.

"I do not see anything to indicate war there," he added. "I do not see anything in Japan's movements in China," he continued, "that violates the Nine-Power Treaty" (which guarantees the territorial and administrative integrity of the republic).

Mr. Kellogg said he saw nothing to justify the belief that another Great War was imminent; the fact that there was unrest in the world was due to economic causes.

Condemns Italy

Referring to the Italo-Ethiopian dispute, the famous statesman strongly condemned Italy, for which country, he said, there was no excuse whatever. He did not believe, however, in any kind of sanctions.

The world, he continued, was not going to maintain peace by imposing sanctions.

Finally, Mr. Kellogg said he did not see the necessity for further legislation on the question of American neutrality.

Neutrality Conference

Meanwhile, a conference with Mr. Cordell Hull, Secretary of State, was held to-day by Mr. George Earle, Governor of Pennsylvania, and Senator Joseph F. Guffey (Democrat, Penn.), after whom the Guffey Coal Bill is named.

It was stated afterwards that the question of American neutrality was discussed, but Mr. Hull declined to reveal details of the conversation. It is believed, however, that it related to an embargo on coal and oil.—Reuter's American Service.

A shipment of 2,000,000 silver dollars will shortly arrive at Shanghai from Amoy on board the steamer Tai Yuan. The silver which has been collected following the enforcement of the legal tender notes, is being sent for custody in the Central Currency Reserve Board.

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

Enclosure No. 3 to despatch No. 44 from Monnett B. Davis, American Consul General at Shanghai, China, dated December 19, 1935, on the subject "Publicity given alleged Statement made on Far Eastern Situation by Mr. Frank B. Kellogg."

SOURCE: THE CHINA PRESS (Chinese owned daily, American registered) of December 17, 1935.

EDITORIAL

Shanghai, Tuesday, Dec. 17, 1935

INEXPLICABLE

MR. Frank B. Kellogg, the famous author of the peace pact bearing his name, has been held very high in the esteem of the Chinese people no less than by the world in general. We are, therefore, surprised to read his reported interview a few days ago.

Mr. Kellogg is reported to have asseverated as follows:—"The Far Eastern situation is not menacing at all. I do not see anything to indicate war there. I do not see anything in Japan's movements in China that violates the Nine-Power Treaty."

Coming from a former Secretary of State and the author of a world pact which denounces war as "an instrument of national policy," all this sounds most strange. And when his assessment is compared with the findings of the Lytton Report and, more recently, with the anxiety which was expressed ten days ago by the British Foreign Secretary, Sir Samuel Hoare, in the House of Commons, concerning the critical situation in North China, as well as the formal statement issued on the same day by Mr. Kellogg's successor in the Department of State, the attitude adopted by Mr. Kellogg appears to be bafflingly inexplicable.

It may be that Mr. Kellogg has been misinformed or has not been posted up to date. On the other hand, it is inexplicable that he should have delivered such a dictum when Mr. Cordell Hull asserted only a week earlier, *inter alia*, as follows:—

There is going on, in and regard to North China, a political struggle which is unusual in character and which may have far-reaching effects. The persons mentioned in the reports are many. Action is rapid and covers a large area. Opinions with regard to it vary and what may come of it none could safely undertake to say.

But whatever the origin and whoever the agents and whatever the methods, the fact stands out that an effort is being made and is being resisted, to bring about a substantial change in the political status and condition of several of China's northern provinces.

Unusual developments in any part of China are rightfully and necessarily of concern not only to the Government and people of China, but to all of the many Powers having interests in China, for in the relations with China and in China, treaty rights and treaty obligations of the treaty Powers are in general identical. The United

and a sense of security which are essential to orderly life and progress. This country has abiding faith in the fundamental principles of its traditional policy. This government adheres to the provisions of treaties to which it is a party and continues to bespeak respect by all nations to the provisions of the treaties solemnly entered into for the purpose of facilitating and regulating, to the reciprocal and common advantage, the contracts between and among countries.

When Mr. Kellogg asserts that "the Far Eastern situation is not menacing at all," he probably refers to the unlikelihood that this country, militarily weak and harassed as she is by the Communist menace and divers natural calamities, is going to declare war on her island neighbor.

When, however, he declares, "I do not see anything to indicate war there," he seems to have closed his eyes deliberately to the incalculable amount of destruction that Japanese armed forces have on the one hand already inflicted on this country, since the invasion of Manchuria in September 1931, and on the other hand, threaten further to inflict unless their wishes are heeded.

And when Mr. Kellogg declares, "I do not see anything in Japan's movements in China that violates the Nine-Power Treaty," one begins to question if he has been correctly reported. In the absence of subsequent denials, one is constrained to accept Mr. Kellogg's statements at their face value.

It may be recalled that the most pertinent provisions of the Nine-Power Treaty are as follows:—

"Art. 1.—The Contracting Powers agree:

"1. To respect the sovereignty, the independence and the territorial and administrative integrity of China;

"2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

"3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

"4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects of citizens of friendly states, and from countenancing action inimical to the security of such states."

When Japan's actions are read in the light of such explicit

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

is being resisted, to bring about a substantial change in the political status and condition of several of China's northern provinces.

Unusual developments in any part of China are rightfully and necessarily of concern not only to the Government and people of China, but to all of the many Powers having interests in China, for in the relations with China and in China, treaty rights and treaty obligations of the treaty Powers are in general identical. The United States is one of these powers.

Political disturbances and pressures give rise to uncertainty and misgivings and tend to produce economic and social dislocation. They make difficult the enjoyment of treaty rights and the fulfillment of treaty obligations.

The views of the American Government with regard to such matters, not alone in relation to China, but in relation to the whole world, are well-known. As I stated on many occasions, it seems to this government to be most important in this period of worldwide political unrest and economic instability that governments and peoples should keep faith in principles and pledges. In international relations there must be agreements and respect for agreements in order that there may be confidence and stability

principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

"4. To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects of citizens of friendly states, and from countenancing action inimical to the security of such states."

When Japan's actions are read in the light of such explicit language, it is inexplicable for Mr. Kellogg to make out he does not "see anything" in Japan's movements in China that violates the Nine-Power Treaty."

Surely the statements made ten days ago by the British Foreign Secretary and Mr. Kellogg's successor provide the amplest rebuttal to anything that may have been intended by Mr. Kellogg.

More specifically, such statements can only be construed to mean that, in the considered opinion of two co-signatories of the Nine-Power Treaty, Japan has, contrary to her solemn engagements, failed to live up to her treaty pledges and thereby occasioned legitimate anxiety on the part of other co-signatories in regard to the security of their interests in the vast area envisaged.

According to all rules of arithmetic, two and two should make four. If, however, Mr. Kellogg has not been misquoted, he seems to want to insist that two and two do *not* make four. We are at a complete loss to understand such logic.

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

Enclosure No. 4 to despatch No. 44 from Monnett B. Davis,
American Consul General at Shanghai, China, dated December
19, 1935, on the subject "Publicity given to alleged state-
ment on Far Eastern Situation made by Frank B. Kellogg."

SOURCE: SHUN PAO (Chinese independent
daily) of December 17, 1935.

TRANSLATION

Kellogg denies having issued a statement in
regard to the Far Eastern Situation.

Washington. Mr. Kellogg, the former Secretary of State,
namely, the promotor of the anti-war pact, expressed
unusual surprise and amazement today when he was given
to understand that the press in the Far East had pub-
lished an interview wherein he is quoted as saying that
the Far Eastern situation is not dangerous nor does the
action of Japan constitute a breach of the Nine-Power
Pact. Mr. Kellogg who asserted that he had never made
such a statement refused to authenticate the interview
published in the papers. He said that he was unable to
make any comment until he had personally seen the whole
text. An inspection was subsequently made by some
persons of all the leading papers in the United States
but no such interview could be found.

KUO MIN NEWS AGENCY, 15th.

Translated by Tg

Copied by NHW *mw*
Compared with

061F

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 24, 1936.

~~MSM:~~

~~WTT:~~

~~MMH:~~

Tientsin's despatches Nos. 98, 100, 101, 103, 104, 105, 108, 109, 111, 112, 114 and 115 of December 6, 9, 10, 13 (3), 16 (3), 17 and 19 (X), 1935, outline various developments in the Sino-Japanese situation in North China during the period covered by the above dates.

Little new information regarding the autonomy movement and the political situation is given in these despatches, the basic information having been brought to the attention of the Department by despatch and telegram from the Embassy. However, as of possible interest, the following points are mentioned.

The Anfu clique were believed to be implicated in the autonomy agitation, possibly in hope of obtaining some spoils if the movement should be successful. It was believed that the settlement of the North China situation was a diplomatic victory for the Chinese. In conversation the Japanese consular officials gave the impression of deploring the acts of the

irresponsible

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

- 2 -

irresponsible younger Japanese military, at the same time disclaiming that Japan had any interest in the autonomy movement. An attempt by certain Japanese (supposedly military men) to obtain control of the train despatching on the Peiping-Liaoning Railway was successfully resisted. It was reported that those Japanese interested in the autonomy movement had tried to enlist the aid of the Ch'ing Pang secret society and had succeeded in enlisting the aid of certain members -- these banded themselves together as the Universal Peace Society and embarked upon a program of attacking Nanking. Tada stated that Japan was satisfied with the new arrangement in North China but that if a military emergency should arise the Japanese military would of course be obliged to act. Tada also stated that he saw no objection to foreign advisers of the new régime and predicted that Yin Ju-keng's régime would be amalgamated with the Hopei-Chahar régime. His tone was quite mild. On the other hand, ^{Colonel} Ishii was very optimistic as to the future of the Demilitarized Zone régime and asserted that he saw a popular demand for autonomy in North China. He further remarked that the Zone régime would not remit a single penny to Nanking and that business concerns not paying taxes could expect no protection. A high Chinese official stated that if Sung started a separate régime Chiang Kai-shek would resort to force to prevent such separation. Chiang was spoken of as approving a certain scheme which Ch'en I had put forward as to

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

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a semi-autonomous régime for North China. Another Chinese informant stated that the Japanese would permit Hsiao to be Mayor of Tientsin only if he acceded to their demands, which probably pertained to increased military control in Chahar. Ishii, speaking for Tada, said that Japan was pessimistic of any stability in China and that Japan would not tolerate anything which jeopardized Japan's interests in North China. He advocated a North China currency pegged to the yen and the "Manchukuo" dollar and stated that cooperation between Hopei, Chahar, Manchuria and Japan (airplane, railway and money) must come. When that cooperation is achieved Japan can work westward and southward. By many Chinese Sung is regarded as a patriot and is believed to be aligning himself with Feng Yu-hsiang (anti-Japanese), although many of Sung's subordinates are regarded as pro-Japanese. Chinese bankers asserted that Japan is trying to sabotage China's financial policy and added that China would fight if Japan went southward (Shanghai). Further Japanese pressure on China is predicted in two or three months. A bomb explosion near Tada's house was not believed to be of political significance and the Japanese tried to hush up the matter. Fighting occurred in Chahar between "Manchukuo" and Chinese troops and the Japanese made veiled threats to make trouble in Peiping and Tientsin unless their demands for more control over Chahar were met. Hsiao appeared to be in favor of meeting these demands but Sung appeared to be opposed to acceding to these demands.

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

Copy for the Department.

No. 98

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 6, 1935.

793.94

July 11
Division of
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State

Subject: Political situation in North China.

RECEIVED
STATE
JAN 13 1936

For Distribution-Check		Yes	No
Grade	<i>G</i>		<input checked="" type="checkbox"/>
For	<i>1/21</i>	<input checked="" type="checkbox"/>	
		<i>ON</i>	<i>MD</i>

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

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

Sir:

I have the honor to refer to my despatch
No. 95 ⁷⁶⁶⁷ dated December 4, 1935, "Statement of a
Chinese official in connection with the autonomy
movement", and to submit further information on
that subject.

The Chinese official mentioned in the
despatch referred to above said yesterday to the
American newspaper correspondent, also mentioned
in that despatch, that the arrival of Ho Ying-ch'in
in Peiping on December 4th was the primary reason
for demonstrations not occurring in Tientsin

yesterday. The official also said that he had
visited the leaders of the planned demonstration

and

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FEB 8 - 1936

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

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and persuaded them to delay it until they learned what Ho Ying-ch'in would attempt to do. He added that it would be untimely to stage demonstrations immediately after the arrival of Ho Ying-ch'in in Peiping.

This Chinese official also said that two different groups had intended to stage demonstrations on December 5th. One group is led by former members of the Anfu clique, and the other is composed of professional demonstrators hired by the Japanese.

The American newspaper correspondent gathered the impression that this high Chinese official was not strongly opposed to the activities of the group led by former members of the Anfu, and that the official had informed them that it would be inadvisable for them to stage a demonstration at the same time as one staged by a mob hired by the Japanese.

From two other sources there have been reports that former members of the Anfu clique are becoming very active in Tientsin and that they may aspire to lead an autonomy movement. It is not impossible that the Japanese military will attempt to establish autonomy in this area through the activities of former members of the Anfu clique.

Yesterday afternoon an airplane, presumably belonging to the "East Hopei Anti-Communist Autonomous Council"

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

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Council", flew over Tientsin and dropped slips of paper on which was printed in Chinese, "In celebration of the Inauguration of the East Hopei Anti-Communist Autonomous Council". Japanese airplanes continue to make frequent flights over the city. This morning nine of them flew over Tientsin in formation.

This morning the Consulate General has endeavored to learn definitely whether or not General Sung Che-yuan has returned to Tientsin. A Chinese, who usually is very well informed, stated that he was sure that Sung had not returned to his own house in the British Concession, but that it was quite possible that Sung might have arrived in Tientsin and not returned to his house. The editor of an English newspaper stated that Sung Che-yuan was in Tientsin. He did not, however, give the source of his information.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

800
 MH:JB

Transmitted in duplicate.
 Five copies to the Department, without covering despatch.
 Copy to the Embassy, Nanking.

A true copy of
 the signed original.
 MB

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

FIVE COPIES FOR DEPARTMENT

No. 101

Division of
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State

AMERICAN CONSULATE GENERAL

Tientsin, China, December 10, 1935.

Subject: Japanese Activities in regard to
the Reiping-Liaoning Railway.

For Distribution-Check		Yes	No
Grade	M		
For	Hall		
	DM		
	MD		

The Honorable

Nelson Truesler Johnson,

American Ambassador,

Peiping.

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

Sir:

With reference to my despatch No. 77 dated
November 22, 1935, "Political Situation in North
China", I have the honor to submit with this des-
1/ patch a memorandum concerning alleged Japanese
demands in regard to the Reiping-Liaoning Railway.

So far as this office is aware the Japanese
have not carried out their threat, mentioned in the
memorandum, to cut the telephone lines leading from
the train despatch office in the Central Station
in Tientsin. It seems improbable that they will
do so as presumably it would be difficult to operate
the line if these telephone wires were cut.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1. Memorandum, as stated.

800

MH:sfa

Copy to Embassy, Nanking.
Five copies to the Department, without
covering despatch.

A true copy of
the signed origi-
nal.

0 6 2 5

AMERICAN CONSULATE GENERAL
Tientsin, China.

M E M O R A N D U M

A reliable American newspaper correspondent obtained the following information last night from an official of the Peiping-Liaoning Railway:

When these Japanese first presented the request mentioned above to the railway officials, it was refused and the refusal was repeated during subsequent calls of the Japanese. Yesterday the four Japanese called again and demanded that the telephone train despatch system be turned over to them. They said that eleven troop trains are now at Shanhaikwan and that they might have to

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

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have to despatch them at any time. The railway officials refused to comply with these demands. The Japanese then said that they had already installed instruments at Shanhaikwan and that they would cut off the telephone despatch lines outside the Central Station in Tientsin and despatch trains themselves from Shanhaikwan if the railway officials did not accept their demands. The railway officials replied that they would run trains in accordance with the wishes of the Japanese but that they could not turn over the telephone train despatch system to them. They explained that when all possibility of it being necessary to move troops was over, the railway would be returned to its former administration.

Monroe Hall,
American Consul.

A true copy of
the signed original
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Copy for the Department.

No. 104

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RECEIVED
DEPARTMENT OF STATE
JAN 14 1936

AMERICAN CONSULATE GENERAL,
Tientsin, China, December 13, 1935.

DIRECTOR
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State

Subject: Political situation in North China.

COMMUNICATIONS SECTION
JAN 14 1936

WZV

CSR

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

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

Sir:

I have the honor to refer to my despatch No. 98 of December 6, and further in connection with the political situation in North China to transmit two memoranda covering interviews between the NEW YORK TIMES correspondent in Tientsin and General Tada and Colonel Ishi, respectively.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosures:

- 1/, Memorandum of interview given by General Tada, dated December 10, 1935.
- 2/, Memorandum of press interview with Colonel Ishi on the autonomous regime in the Demilitarized Zone, dated December 12, 1935.

800
RSW:JB

A true copy of
the signed original.

Transmitted in duplicate; copy to the Embassy, Nanking.
Five copies to the Department, without covering Despatch.

793.94/7648

FEB 6 - 1936

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

Enclosure No. 1 to despatch No. 104,
dated December 13, 1935, from J. K.
Caldwell, American Consul General, Tientsin,
China, on the subject of the political
situation.

American Consulate General,

Tientsin, China, December 10, 1935.

MEMORANDUM

Subject: Interview given by General Tada to
an American correspondent on the
new North China regime.

In an interview given this morning General Tada, the Commander of the North China Garrison of the Japanese Army, made, according to Mr. Fisher, the interviewing correspondent, the following statements:

The present arrangement, said General Tada, was satisfactory to the Japanese military as a temporary step in the right direction but he does not look for a good administration of North China and Chahar to result very soon, since - as the Japanese have constantly pointed out - the Chinese will remain Chinese and in China the actual administration of the government and a real consideration of the people's welfare are always two separate things.

The Japanese will continue to be satisfied as long as they see real progress in North China, but if there is no progressive betterment they will take a different view. Asked whether Japan expected any serious incident of a military nature General Tada replied that certain slight troop movements might be necessary, such as the shifting of 200 men from one point on the railway to another point, but he

was

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

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was emphatic in saying that no large military movement by the Japanese seemed likely to him.

In reply to an inquiry about the provisions which the Japanese military were apparently making to take over the Pei-Ning Railway, the General said that such provisions were made when it seemed likely that the Nanking Government would order troops northward, but he stated that he would not understand any effort being made now to control the railways and he stated positively that the Japanese military do not contemplate any such action as that of taking over the railways unless a military emergency arises in North China.

The autonomous government of Yin Ju-keng in the Demilitarized Zone will be amalgamated with that of the Hopei-Chahar autonomous government, the General believes. In an indirect reply to a query as to whether the autonomous government in North China would employ Japanese advisers the General observed that he considered North China definitely and permanently a part of Chinese territory and that any Japanese who did not understand the real situation of China would do more harm than good here. Pressed for a more pertinent answer, the General added that if the Chinese in North China should ask for technical advisers they might be supplied, but that political advisers would be refused. The General stated that he saw no reason to object to advisers being sent from other foreign states if they were desired.

In

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

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In discussing the general tone of this interview,
Mr. Fisher stated that it seemed to him to strike
a much milder note than one would have expected to
find in conversation with the same general two weeks
ago.

Robert S. Ward,
American Consul.

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RSW:JB

This is a copy of
the signed origi-
nal. *JB*

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

Enclosure No. 2 to despatch No. 104 dated December 13, 1935,
 from J. K. Caldwell, American Consul General,
 Tientsin, China, on the subject of POLITICAL SITUATION.

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 12, 1935.

MEMORANDUM

SUBJECT: Press interview with Colonel Ishi
on the autonomous regime in the
Demilitarized Zone.

Mr. Fisher, the NEW YORK TIMES correspondent in Tientsin called this afternoon to outline to me the statements made in a press interview given this morning by Colonel Ishi on the subject of the Demilitarized Zone. The more important of these statements were as follows:

Colonel Ishi opened his interview with the statement that he believed that the East Hopei Autonomous Council had a very optimistic future. He said that the present local revenue of the Demilitarized Zone was over \$2,000,000 a year exclusive of the so-called militia tax; that the total revenues amounted to \$2,700,000, \$2,400,000 of which went to the special police, leaving \$300,000 available for the other government expenditures.

The new council of the Demilitarized Zone, according to Colonel Ishi, needs money for schools and plans to establish five or six new middle schools. This will be raised through a separate tax.

The Colonel

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

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The Colonel then proceeded to outline the taxes which the Central Council of the Autonomous Government of the Zone expects to be able to collect:

General tax	\$2,000,000
Mining tax	1,200,000
Customs	7,000,000
Salt	3,000,000
Wine and tobacco	an additional amount not yet estimated

Colonel Ishi continued with the statement that if this sum materialized the new council would have a yearly surplus in excess of \$7,000,000 to apply to industrial and agricultural development in the area through government investment. These government investments will be in mining, cotton cultivation, and an extension to the salt fields, especially of those at Ch'ang Lu.

Asked by one of the correspondents present how these long time plans could be made to gibe with General Tada's statement that the autonomous government in the Demilitarized Zone would be amalgamated with whatever autonomous government is set up in Hopei, Colonel Ishi replied that the steps now being taken in the Demilitarized Zone foreshadowed those which would occur in the whole province of Hopei in the future and that to make the figures of revenue and expenditures just given for the Demilitarized Zone applicable to the whole province of Hopei it would only be necessary to multiply them by three.

The same

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

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The same correspondent again interposed to ask whether revenues in the Demilitarized Zone would be set aside to meet service on foreign loans. The Colonel replied that this would be done and that it was moreover the intention of the autonomous government to guarantee foreign loans.

In discussing the taxes which the autonomous council expected to collect, it was indicated that the so-called mining tax would come largely from the Kailan Mining Administration, and in this connection one of the correspondents asked what would happen if the K. M. A. refused to pay these taxes. The Colonel replied that no protection would ^{be} given to any company which refused to pay taxes.

Asked if any of the revenues of the Demilitarized Zone would be sent to Nanking, Colonel Ishi replied, "No, not a penny".

It was suggested by one of the correspondents that there was some evidence that the Japanese might be planning a permanent increase of their garrisons in North China, but the Colonel stated that no such increase was contemplated.

Colonel Ishi then launched upon a long discussion of bona fide autonomy movements as opposed to pseudo autonomy movements. He alleged that there existed in North China a definite desire for autonomy and that the people who felt that desire were engaged in a bona fide movement to set up an autonomous government, but that the recent mob action for autonomy had been

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

- 4 -

had been instigated by private Chinese bankers with the hope of so disturbing the money market that they could take large personal gains from speculation.

In closing his account of this interview Mr. Fisher told me that he is convinced from Colonel Ishi's attitude and from the manner in which he referred to the autonomous council in the Demilitarized Zone under the nominal leadership of Yin Ju-kang that Colonel Ishi himself was probably the real ruler of the Zone.

Robert S. Ward,
American Consul.

800
RSW:JB/t

A true copy of
the signed original.
JB

063

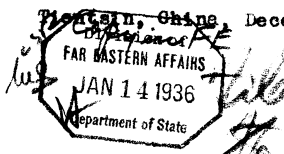
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Lustig NARS, Date 12-18-75

Copy for the Department.

No. 105

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 13, 1935.



Subject: Political situation in North China.

For Distribution-Check		Yes	No
Grade	For		
Ward	Ward	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	In U.S.A.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	ON I		
	MID		

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

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

Sir:

I have the honor to transmit, as a matter of
1/ record, a memorandum covering a conversation which
took place on December 3 between an official of the
Municipal Government of Tientsin and Consul Ward.
The information which this memorandum contains was
transmitted orally to the Embassy on the same day
on which the conversation it covers took place.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1/, Memorandum of conversation between an official
of the Municipal Government of Tientsin and
Consul Ward.

800
RSW:JB

A true copy of
the signed origi-
nal. *JB*

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

793.94/7649

FILED
FEB 8 - 1936

F/T-C

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

Enclosure No. 1 to despatch No. 105 dated December 13,
 1935, from J. K. Caldwell, American Consul
 General, Tientsin, China, on the subject of POLITICAL
 SITUATION.

American Consulate General,

Tientsin, China, December 4, 1935.

MEMORANDUM

Subject: Conversation between an official of
 the municipal government of Tientsin
 and Consul Ward.

In the course of a conversation which I had
 yesterday afternoon with an official of the Tientsin
 Municipal Government, he made the following statements
 pertinent to the present political situation in North
 China.

Ch'en I, the provincial chairman of the govern-
 ment of Fukien, is in Tientsin with a proposal drawn
 by General Chiang Kai-shek for a semi-autonomous
 government in North China. Ch'en was, the official
 added, attempting to get in touch with General Tada that
 same afternoon and if he succeeded in doing so and if
 General Tada looked with any favor on the plan proposed
 by General Chiang he (Ch'en) would proceed by the night
 train to Peiping to confer with Generals Sung and
 Doihara. Should it appear that General Chiang's plan
 provided sufficient basis for negotiation Ch'en was
 instructed to inform General Ho Ying-ch'in, who would
 then proceed to Peiping. If the plan is not acceptable,
 my informant states that Ho will return to Nanking.

Should

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

- 2 -

Should the Japanese refuse to negotiate on the basis proposed by General Chiang, General Sung Che-yuan will probable set up an autonomous government for Tientsin and Peiping and General Chiang Kai-shek would then (the informant believes) attack Sung in force precipitating a Sino-Japanese war. The informant did not know of the exact details of the plan proposed by General Chiang Kai-shek but he said that he believed that it was calculated to go far enough in meeting the demands of the Japanese to cut from under the Kwantung Army such support as Tokyo may be giving it in its North China adventure. The concessions which it embodies, the informant asserts, are such that the plan should be acceptable to the Japanese, but it has not been submitted to the Japanese for their approval and will simply be offered in the form of the Nanking Government's proposal for a solution of the present North China impasse. Should this proposal prove unacceptable, the informant believes that Chiang Kai-shek will resort to force in suppressing any other move by Chinese to establish a government in North China, even if such a resort to force involves him in war.

Robert S. Ward,
 American Consul.

800
 RSW:ti

A true copy of
 the signed original
 dated 8/10/72

0636

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 23, 1936

~~MSM~~
~~WTT~~
~~CHH~~

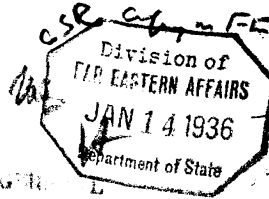
Tientsin's 107 and 115 of December 16 and 19, 1935, report the clash at Tangku between Shang Chen's troops (who had been ordered to, but who had not as yet withdrawn) and members of the Peace Preservation Corps under Chao Lei. On the latter date the Peace Preservation Corps (under the control of Yin Ju-keng) was still in possession of Tangku. The clash occurred when Yin seized the opportunity to slip into possession of Tangku before the arrival of Sung Che-yuan's troops to take over from Shang Chen. An informant stated that Yin would not be permitted to remain in Tangku.

612

0637

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

No. 107



AMERICAN CONSULATE GENERAL

Tientsin, China, December 16, 1935.

SUBJECT: Occupation of Tangku by Demilitarized
Zone Rao An Tui.

793.94

For Distribution-Check			
Grade	M	To field	Yes
For	W-2	In U.S.A.	No
		ONI	
		MID	

The Honorable

Nelson Arusler Johnson,

American Ambassador,

Peiping.

Ref - Ch
JAN 21

CSR

793.94/7650

I have the honor to refer to enclosure No. 2 of
despatch No. 63, dated November 5, 1935, in which
reference is made inter alia to certain Japanese activi-
ties in Tangku, and to report that the Consulate General
received information yesterday afternoon and evening in
corroboration of the account of the occupation of
Tangku by members of the Peace Preservation Corps in
the demilitarized zone which appeared in this morning's
NORTH CHINA STAR.

Information available here indicates, as the
newspaper account referred to states, that about 200
members of the Peace Preservation Corps from Tangshan
under the command of Chao Lei arrived at Tangku
yesterday and proceeded to take over the policing of the
city. There was at that time in Tangku a company of

General

JAN 30 1936

FILED

F/FG

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

- 2 -

General Shang Chen's troops which had already received orders to withdraw, but which through some misunderstanding had not completed that withdrawal when Chao Lei's men arrived. A clash of some kind followed, but the Consulate General has not been able to confirm the report that there were two casualties. It is understood that Chao Lei's command is now in control of Tengkou.

Respectfully yours,

J. A. Caldwell,
 American Consul General.

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 RMW:tl

Transmitted in duplicate.
 Five copies to the Department, without covering despatch.
 Copy to the Embassy, Nanking.

A. W. G. COPY

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[Handwritten signature]

0635

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

No. 104

AMERICAN CONSULATE GENERAL

Tientsin, China, December 13, 1935

32 City and E.
Division of
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State
AKH

793.94
2/5/36
FEB 11 1936
RECEIVED
DEPARTMENT OF STATE

Subject: Inclosing text of interview between
Colonel Ishii and Hallett, head of
the New York Times.

For Distribution Check		Yes	No
Grade	M		
For	Ward		
To file in USA			
ONI		✓	
MID			✓

Honorable

Walter Johnson,

American Ambassador,

Peking.

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

793.94/7651

I have the honor to refer to this Consulate
General's despatch No. 104, dated December 13,
1935, and to enclose a copy of the telegraphic
account of an interview given this afternoon to
Mr. Hallett Abend, a NEW YORK TIMES correspondent,
by Colonel Ishii, who was speaking as the represen-
tative of General Tada, the Commander of the
Japanese Garrison in North China.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1. Memorandum of interview given by Colonel
Ishii, dated December 13, 1935.

800
R3W:HK

Transmitted in duplicate; copy to Embassy, Peking.
Five copies to Department without covering despatch.

A true copy of
the signed origi-
nal.

FEB 6 - 1936

FILED

F/FG

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

Enclosure No. 1 to Despatch No. 108,
 dated December 16, 1935, from the
 American Consulate General, Tientsin,
 on the subject of: Enclosing Text of
 Interview between Colonel Ishii and
 Hallett Abend of the NEW YORK TIMES.

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 16, 1935.

CONFIDENTIAL

M E M O R A N D U M

SUBJECT: Text of Interview between Colonel
 Ishii and Hallett Abend of the
 NEW YORK TIMES.

LCPRES. RTE TIMES NEWYORK ABENDS WHAT JAPAN EXPECTS GAIN
 THROUGH FOUNDED AUTONOMOUS REGIME HOPEI CHARIAR SET
 FORTH BREATHTAKING DETAIL MONDAY BY COLONEL Y ISHII
 TADAS OFFICIAL SPOKESMAN DURING DISCUSSION IMMINENT
 CHANGES CURRENCY RAILWAYS AIRLINES GOVERNMENT REVENUES
 AND MILITARY ANTICOMMUNIST COOPERATION STOP ISHII FIRST
 VOICED JAPANS PESSEMISSIM CONCERNING STABILITY ANY ALL
 CHINGOVERNMENTS DECLARED THEREFORE IF NATIONALIZATION
 SILVER ACHIEVED AND NANKING GOVERNMENT SUBSEQUENTLY
 OVERTURNED CURRENCY ISSUE LIKELY PROVE VALUELESS STOP
 SPOKESMAN EMPHATIC SUCH RISKS CANT TOLERATED NORTH CHINA
 WHERE VAST JAPINVESTMENTS ALL OTHER FOREIGN INTERESTS
 LIKEWISE JEOPARDISED OPINED THIS CREATES NECESSITY
 SUNGCHHYUANS COUNCIL IMPOUND ALL SILVER ISSUE OWN
 CURRENCY BARRING NANKINGS CURRENCY CIRCULATION THIS
 AREA STOP ASKED IF AUTONOMOUS CURRENCY PROBABLY PEGGED
 JAPMONEY MANCHUMONEY SOON FREELY CIRCULATING AT PAR
 AUTONOMOUS PROVINCES STOP INTERVIEWER OUTPOINTED THESE
 DEVELOPEMENTS ADVERSELY EFFECT POSSIBLY RUIN CHINAS
 CURRENCY PLAN SPOKESMAN SAID AWARE THIS FACT STOP

ASKED

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

-2-

ARMED IS NANKING MINISTRY RAILWAYS CONTINUE DIRECT
 OPERATIONS RAILWAYS HOPED CHANGING DEMI REFORDED
 WOULD HIS NEGATIVE ADDING HOWEVER RAILWAYS WOULD REEIT
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 INDEPENDENT PROPORTIONATE MILLAGE ALIENATED STOP
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 BORDER SECURED PEIPINGMURDEN RAILWAY ENTIRE INDEPENDENT
 SINGAPORE CHAINS BEEN BUT LAST FOURTEENS BY
 MANCHURIAN RAILWAY WHICH CONTINUED SYSTEM NORTHERN
 SINGAPORE STOP OTHER RAILWAYS EXPECTED TIGHTEN
 FUND. YARE NORTHERN SINGAPORE BORDER PEIPING HANKOU
 FARE NORTHERN HOKAN BORDER PEIPINGMUYUEN THROUGH
 SINGAPORE WESTERN CHANGING BORDER STOP SPOKESMAN
 SPOKE ALL AVERAGE COMMUNICATION BETWEEN NORTHERN
 MANCHURIA BY RAILROAD ONLY STATUS HALTING PRIOR
 BORDER INCIDENT SEPTEMBER THIRTYTHREE ALL FARE
 DEVELOPMENT HALTED BY CHINA'S NON-RECOGNITION MANCHURIAN
 BORDER AS PLANNED MOREN FOURTEENS AGO STOP PASSENGER
 MAIL AIRPLANE SERVICES IMMEDIATELY ESTABLISHED LINKING
 PEIPING TIENTSIN SINGAPORE WITH HOKAN OTHER MANCHURIAN
 CITIES WHICH CONCERNED JAPANESE INCLUDED TANGKUTROU
 STOP SPOKESMAN ADDED ALL OTHER TRADE AGREEMENTS WHICH
 NANKING'S HITHERTO FAILED OBSERVE STRICTLY BEFORE
 OPERATIVE STOP EXTENT INITIALED MANCHURIAN SUPPLEMENTING
 TANGKUTROU NEVER REVEALS DETAIL BUT CHINA CLAIMS
 TRADE MERELY ENDED FIGHTING NINETEEN THIRTYTHREE
 ESTABLISHED HOPED DEMILITARIZED ZONE STOP MATTER
 NATIONAL REVENUE CUSTOMS SALT POSTS TELEGRAPHS SPOKESMAN
 SAID BE INDEPENDENTLY COLLECTED BY AUTHORITY OFFICIALS

ONLY

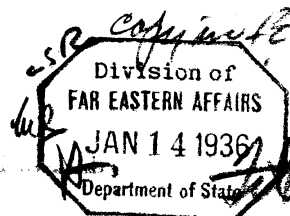
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REF 145

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

no. 109



AMERICAN CONSULATE

Wientsin, China, December 16, 1935

143.94
 M
 704

Subject: Political Situation in North China.

For Distribution-Check		Yes	No
Grade	M		
For	Ward	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	ONI		
	MID		

Honorable

Belgian Consul Johnson,

American Ambassador,

Beiping.

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

CSR

in confidence

RECEIVED
 DEPARTMENT OF STATE
 1936 JAN 13 PM 3 03

I have the honor to refer to this consulate General's despatch no. 109, of December 16, 1935, and to report that according to information given Consul here today, the Japanese military authorities in Wientsin have refused to permit Hsiao Chen Ying to resume his post as Mayor of Wientsin until he consents to certain demands in connection with the situation in Chahar, over whose provincial government he has been titular chairman.

The informant, a well-known local Chinese politician, did not state the exact nature of the demands, but appeared convinced that they were intended to procure for Japan a degree of military control over Chahar. Pending Hsiao's accession to them, the Japanese military in Wientsin are insisting that they were perfectly satisfied with the conduct of the now ailing Ch'ang K'o during

his

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FEB 6 - 1936

FILED

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

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his mayoralty.

Respectfully yours,

J. R. Caldwell,
American Consul General.

800
NSW:HK

Transmitted in duplicate.
Copy to Embassy, Hanking.
Five copies to Department without covering despatch.

A true copy of
the signed original.
NK

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R. N.

064^L

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

DEPARTMENT OF STATE J

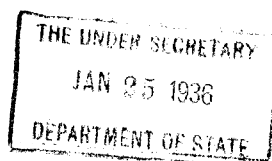
DIVISION OF FAR EASTERN AFFAIRS

January 21, 1936

MSM
IMH

Tientsin's 110 of December 16, 1935, reports that the publishers have provisionally decided to move the plant of the TA KUNG PAO, one of the leading vernacular papers in North China, to Shanghai. The reason for the proposed move is the Japanese-inspired persecution and the consequent lack of editorial freedom.

CSR



064F

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

No. 110

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 16, 1935.

Subject: Removal of TA KUNG PAO to Shanghai.

CONFIDENTIAL

Division of
FAR EASTERN AFFAIRS

JAN 14 1936

Department of State

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Sir:

I have the honor to refer to this Consulate General's despatch No. 106, of December 13, 1935, concerning the possible removal of Nankai University to the Province of Szechuan, and to report that according to information given confidentially today to Consul Ward by one of the editors of the TA KUNG PAO, the leading vernacular newspaper in North China, the publishers of that journal have provisionally decided to move its printing plant and editorial offices to Shanghai. The informant is leaving this afternoon or tomorrow morning for Nanking to give notice of this decision to the Central Government, whereafter he will proceed to Shanghai to attempt to locate suitable quarters there.

The reason for the move, according to the informant,

For Distribution Check		Yes	No
Grade	M		
For	Ward		
To USA		✓	
JAN 14 1936			
MID			

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793.94/7653

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JAN 30 1936

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

-2-

informant, is that the paper suffers from Japanese-inspired persecution and is not permitted sufficient freedom in its editorial policy to attract readers, its advertising in consequence having fallen off so markedly that it is being published at a loss.

The informant did not know when the actual removal to Shanghai would take place. He said, however, that arrangements had already been made to deliver the paper in Tientsin.

Respectfully yours,

J. L. Caldwell,
 American Consul General.

800
 ASW:HR

Transmitted in duplicate.
 Copy to Embassy, Peking.
 Five copies to Department without covering despatch.

A true copy of
 the signed original.
 HK

5 RSH

0648

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

No. 111

AMERICAN CONSULATE GENERAL JAN 14 1936

Tientsin, China, December 16, 1935

Subject: Political Situation in North China.

For Distribution Check		Yes	No
Grade	G		
For	Ward		
To field		<input checked="" type="checkbox"/>	<input type="checkbox"/>
In U.S.A.			
O.N.I.			
M.I.D.			

The Honorable

Nelson Fraser Johnson,
 American Ambassador
 Peiping.

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

RECEIVED
 DEPT. OF STATE
 JAN 14 1936

Sir:
 I have the honor to refer to this Consulate
 General's despatch No. 109 of today's date, and
 further in connection with the political situation
 in North China to enclose a memorandum of a con-
 versation which took place today between a prom-
 inent Chinese banker in Tientsin and an officer of
 this Consulate General.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

Enclosure:

1. Memorandum, as stated.

800
 RSW:HK

In duplicate to Embassy, Peiping.
 Copy to Embassy, Hanking.
 Five copies to Department without covering despatch.

A true copy of
 the signed origi-
 nal *JK*

793.94/7654

FEB 6 - 1936
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F/FG

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

Enclosure No. 1 to Despatch No. 111,
 dated December 16, 1935, from the
 American Consulate General, Tientsin,
 on the subject of conversation between
 an officer of the Consulate General and
 a leading Tientsin banker.

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 16, 1935.

MEMORANDUM

Subject: Conversation between an officer of the
Consulate General and a leading Tientsin
banker.

In the course of a conversation this afternoon with
 an officer of this Consulate one of the leading Chinese
 bankers in Tientsin expressed the following views on the
 present political situation in North China:

General Sung Che-yuan is opposed to a Japanese-
 controlled autonomous government in North China; a
 patriot himself, he is still bound by ties of loyalty
 and respect to his former commander, Marshal Feng Yu-
 hsiang. Feng is now and always has been outspoken
 against submission to Japan, and, it is said, would be
 willing to accept the command of an anti-Japanese army
 tomorrow if the post were proffered him. General Sung
 would thus have to turn not only against his own former
 record but against his old commander to become "pro-
 Japanese".

Several of his subordinates are, however, in favor
 of submission to Japan. From the Chinese view-point,
 Hsiao Chen-ying is especially undependable.

The situation at Tangku, where De-Militarized

Zone

0650

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

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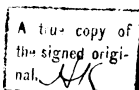
Song Fao an Tai have taken over the policing of the town by force from Chang Chen's subordinates, may be settled amicably if Song Che-yuan will accept responsibility for Hientsin and Tangku.

The silver decree of the National Government has operated effectively in North China, although the silver in this area will of course be retained here. The Japanese effort to sabotage China's financial machinery here has not been successful; the position of the branch banks here may be affected, but that of their "mother" banks in Shanghai is not likely to be shaken.

If the Japanese attempted to take Shanghai, the Chinese would fight. To capture Shanghai would be to capture China. In fact, Chiang Kai-shek would probably be forced to fight if he were pushed too far in North China. The Chinese policy is not "Peace at any price": the Chinese will pay a certain price for it, make certain concessions to secure it, but the price cannot go above a certain point already fixed, nor the concession beyond those already offered.

In closing the remarks just quoted, the informant stated that he felt the outlook in North China to be far from bright; that the Japanese will within the next few months intensify their efforts to control all North China.

Robert E. Ward,
 American Consul.



0651

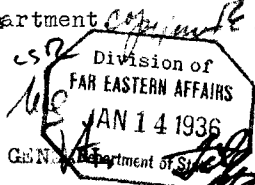
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Copy for the Department

No. 112

AMERICAN CONSULATE GENERAL

Tientsin, China, December 17, 1935.



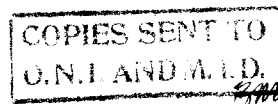
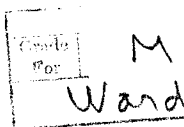
793.94

Subject: Bomb explosion near General Tada's residence.

RECEIVED
 DEPT. OF STATE
 JAN 13 1936

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.



CSR

793.94/7655

Sir:

I have the honor to inform the Embassy, in confirmation of the telephone conversation this afternoon between an officer of this Consulate General and a member of the Embassy's staff, that a bomb is reported to have exploded at about twelve noon/in a vacant house next to the residence of General Tada on the corner of Akashi and Miyajima Roads in the Japanese Concession. Three Chinese who were in the house at the time, ostensibly to clean it up, were critically injured, and only one of them is expected to live.

The house in which the bomb exploded was a small one-story structure back of the General's residence, and separated from it by Kuan Chi Li,

a

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F/FG

0652

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

- 2 -

a small alleyway said to be less than ten feet wide. On the same premises and back of the one-story building, stands one of two stories, from the windows of which it would be possible to look into those in General Tada's residence. The report that the roof of the smaller structure collapsed from the force of the explosion gives some indication of the size and potential destructiveness of the bomb.

Japanese gendarmes appeared at the scene immediately after the explosion and began an investigation. The Consulate General has been informed, however, that the Japanese military do not take a serious view of the incident and have in fact ordered the Japanese press in Tientsin not to "play up" stories of it.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

800
RSW:JB

A true copy of
the signed original.
JB

0656

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

Copy for the Department.

No. 114

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 19, 1935.

793.94

Division of
 FAR EASTERN AFFAIRS
 JAN 14 1936
 Department of State

CONFIDENTIAL

Subject: Reported fighting in Chahar and
alleged Japanese demands.

G
 Ward 1 ONI ✓
 MID ✓
 CSR

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

in confidence
 COPIES SENT TO
 O.N.I AND A.I.O.

Sir:

I have the honor to refer to this Consulate
 General's despatch No. 106 of December 16, and further
 in connection with the situation in Chahar to report
 the following information, given to an officer of
 this Consulate General by an official of the Tientsin
 Municipal Government who is in close touch with
 Chinese leaders both in Tientsin and Peiping.

The official referred to states that actual
 fighting has been in progress for three days in
 eastern Chahar between the forces of Li Shou-hsin,
 a "Manchukuo" commander whose base is at Dolonor,
 and who has had the active assistance of certain
 Japanese

793.94/7656

FEB 6 - 1936

FILED

F/F/G

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

- 2 -

Japanese forces, and the troops of Chang Tzu-chung. On the day on which the conflict began Chang was forced back from Pao Ch'ang and Kuyuan, but he subsequently recovered and now remains in possession of both places. Kuyuan was reported to have been bombed, and the commander of Chang's forces at that city, one Li K'e-min, to have been killed. Li was a former subordinate of Feng Yu-hsiang and had been appointed to his post at Kuyuan by General Sung Che-yuan.

The informant further stated that in connection with the negotiations now in progress in Peiping for the peaceful settlement of this affair, the Japanese military had presented a quasi-formal demand that ten hsien in the Province of Chahar be turned over to a Mongolian Peace Preservation Corps selected by themselves, and controlled by and in sympathy with "Manchukuo".

Hsiao Chen-ying, the new Mayor of Tientsin, and Ch'en Chueh-sheng, who is also participating in the negotiations, have favored accession to the Japanese demands, but General Sung Che-yuan has opposed their acceptance, according to the official quoted. General Chang Tzu-chung is even more definitely hostile to them, and it is said that he will continue armed opposition until he is driven out.

As the quid pro quo for accession to their demands, the Japanese military have promised to abstain from any action which might disturb public order either in Peiping or Tientsin. The informant interprets this as a veiled threat that unless the demands

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

- 3 -

demands are complied with, and Chang's opposition to further encroachments in Chahar ceases, some Japanese demarche will occur either in Peiping or Tientsin which will compel Chinese compliance.

The net effect of the present stalemate will be, the informant believes, that General Sung will be forced either to yield or to surrender his present positions as Chairman both of the Hopei-Chahar Administrative Council and of the Hopei Provincial Government. He does not believe that Sung will yield.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
RSW:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed original.
JB

5
J. K.

065

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

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

TELEGRAM RECEIVED

LMS _____ GRAY AND SPECIAL GRAY

1-1338

FROM Peiping via N. R.
Dated January 13, 1936
Rec'd 2:10 p. m.

Secretary of State,
Washington.

793.94

15, January 13, 4 p. m. ★

One. Doihara arrived yesterday at Tientsin. Vice Chief of Staff of Kwantung army Itagaki arrived Tientsin January 9. Manchukuo Vice Minister for Foreign Affairs Ohashi arrived in Peiping January 4, subsequently visiting Taiyuanfu and Tsinanfu, and has allegedly returned to Manchuria. According to some reports Itagaki has visited Tsinanfu and Tsingtau, meeting Military Attache Isogai at the latter place.

Two. These movements of important Japanese have aroused apprehension that fresh developments in the extension of Japanese control are imminent.

Three. *The following reasonable*
~~The first time incorrect~~ explanation has been advanced by a junior Japanese diplomatic official. Ohashi's trip is without much significance as he came for the purpose of "explaining" Manchukuo to Chinese leaders and without permission of the Kwantung army. Itagaki came to solve the internal Japanese military problems and will return soon to Manchuria. He

confirms

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JAN 20 1936
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

LMS 2-No. 15, January 13, 4 p. m. from Peiping via N. R.

confirms reports of jealousy of the Japanese North China garrison of the Kwantung army's direction of affairs in North China. However, Doihara has come to stay until the powers of the Kopei Chahar Political Council are satisfactorily enlarged, that is, until the desired degree of autonomy has been attained in finance and in foreign affairs, which include closer relations with Manchukuo and agreement for action against communism, and in economy.

Four. Reports continue to be received to the effect that Li Shou Hsin and tractable Mongols are beginning or will shortly begin to separate inner Mongolia in Suiyuan from Chinese authority as they have apparently done successfully in Chahar.

To Tokyo by mail.

CSB

JOHNSON

84-2

0658

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

No. 115

AMERICAN CONSULATE GENERAL,

Tientsin, China, December 19, 1935.

Subject: Situation at Tangku.



CONFIDENTIAL

RECEIVED
DEPARTMENT OF STATE
JAN 3 1936

The Honorable
 Nelson Trusler Johnson
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's despatch No. 107, dated December 17, 1935, and to its telegram of December 18th, and to report that the Peace Preservation Corps of the de-militarized zone, under the control of Yin Ju-keng, the self-appointed head of the "autonomous" government of that zone, remains in control of Tangku, according to information given this afternoon to an officer of this Consulate General.

The informant also stated that press reports that General Sung Che-yuan had withdrawn the contingent of his troops now stationed at Hsinho to permit the peaceable occupation of that city by Yin's men were without foundation. Sung's troops had originally been ordered to Tangku to take

over

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JAN 31 1936

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

-2-

over the port from the troops of Chang Chen which had been ordered withdrawn, but unfortunately had not arrived there before the main body of Chang's troops had left. Yin seized the opportunity which this interval afforded him, and ordered his Peace Preservation Corps to take over the policing of the place. The informant asserted that there had been no prior arrangement by which Yin had been given permission to take this step.

One of the first acts of the Hopei-Chahar Administrative Council will be, the informant stated, to attempt to settle the whole question of the government of the De-militarized Zone. Negotiations toward that end have already been begun, and a tentative settlement reached, in accordance with which the De-militarized Zone will be made a special area, with Yin Ju-keng as its Commissioner with the title of T'e Pieh Ch'u Hsing Cheng Chang Kuan (特別區行政長官). His office will be called the T'e Pieh Ch'u Hsing Cheng Chang Kuan Kung Shu (特別區行政長官公署).

The concession on the part of Sung Che-yuan which this arrangement represents was made, the official quoted states, only because of the strong backing which the Japanese military have given Yin. Yin will not, however, be permitted to continue in possession of Tangku, it being the informant's impression that Sung intends to insist that the

limits

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

-3-

limits of the Special Area be coterminous with those of the De-Militarized Zone provided for in the Tangku Truce, and that, in consequence, Yin will be obliged to withdraw his claim to jurisdiction over the whole area of those hsien through which the Tangku Truce Line passes, one of which is Ningho Hsien in which Tangku lies.

Respectfully yours,

J. K. Caldwell,
 American Consul General.

800
 RSW:HK

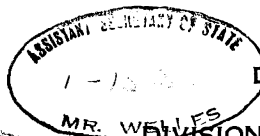
transmitted in duplicate.
 Copy to Embassy, Nanking.
 Five copies to Department without covering despatch.

A true copy of
 the signed original. *JK*

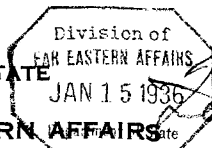
5 Carbon Copies

Received *2/21*

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



DEPARTMENT OF STATE



DIVISION OF FAR EASTERN AFFAIRS



CONFIDENTIAL

January 11, 1936.

Subject: The Situation in North China.

S:
 Mr. Secretary.

Although the situation in North China has outwardly been fairly quiet during most of the past fortnight, indications are not wanting that the situation continues to be grave.

Reports from the Embassy in China are to the effect that the Chinese Government made toward the end of 1935 to the Japanese Government a proposal for a fundamental readjustment of Sino-Japanese relations through proper diplomatic channels but that according to available information no progress in this matter has thus far been made, the Japanese military, as stated in the press, showing little or no interest therein; that the Japanese military are apparently continuing to establish their control of Chahar Province north of the Great Wall through a Mongol peace preservation corps susceptible to Japanese direction and that "Manchukuo" troops (believed to be this peace preservation corps) have interfered with the functioning of several Chinese post offices in Chahar Province; that the Chairman of the Hopei-Chahar Political Council is understood

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

- 2 -

understood to have been promised by the Chinese Government all revenues except postal and customs; and that students are continuing their propaganda against Japan and North China autonomy, which agitation in some places is regarded by leading educators with apprehension because of their feeling that radical elements are gaining influence among the students.

Reports have also been received stating that several incidents (the more serious ones being (a) the alleged looting of Japanese shops and destruction of Japanese flags at Taku by Chinese soldiers, and (b) the alleged firing upon Japanese military at a Peiping city gate by Chinese guards) which occurred recently have caused considerable dissatisfaction on the part of the Japanese military with the Chairman of the Political Council and are regarded by them as indicative of the anti-Japanese attitude of the Chinese troops; that a responsible Japanese official expressed the view that this insult to the Japanese army would be the subject of demands, and that demands (including an apology by the Chairman of the Political Council, the dismissal of the Chinese authorities involved, indemnification for damages, et cetera) with regard to the Taku incident had already been made; that the Shanghai

correspondent

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

- 3 -

correspondent of the NEW YORK TIMES has reported that the situation in North China is more serious than it was in June or December of last year and that the Chairman of the Political Council has been given what is tantamount to an ultimatum requiring the establishment of the virtual independence of Hopei and Chahar; and that the Chinese have evidence of Japanese attempts to provoke a declaration of autonomy by the municipal government of Tsingtao.

Although the present situation is somewhat obscure, it would seem that the Japanese military are becoming dissatisfied with the new arrangement in North China and are prepared to exert pressure to bring the new administration into line with their wishes, or, if necessary, to encompass its downfall and replacement by more subservient Chinese. At the time of the inauguration of the new administration about a month ago, Chinese and Japanese officials, it will be recalled, predicted that the new arrangement would prove unsatisfactory to both the Chinese and the Japanese and prominent Japanese officers expressed themselves as favoring an independent North China. At present Japanese pressure may be designed to cause China to offer more favorable terms as a basis for diplomatic negotiation or to bring about

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

- 4 -

about directly and without embarrassing commitments on the part of Japan the extension of Japanese dominance or control, an objective which seems to be borne out by the course of events. However, whatever the objectives, both the Chinese and Japanese Governments seem anxious to avoid an armed clash but the feeling which has been aroused and the forces which have been set in motion on both sides by persistent Japanese aggression may defeat this common desire.

Japan's interest in the creation of a Mongol buffer state between China and Asiatic Russia is well known and recent operations in Chahar would appear to be intended to bring about an early declaration of independence by the Mongol Autonomous Council (its headquarters are in Suiyuan Province, west of Chahar) and the union of its member banners and tribes with the Mongols of "Manchukuo". The inclusion of Chahar within the sphere of Japanese control would be an important step in Japan's empire building and in the event of a Russo-Japanese war would increase the vulnerability of the Trans-Siberian Railway.

60 m.m.H.
 FE:MSM/VDM

SKH

1664

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

COPIES SENT TO

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

Canton (via N. R.)

Dated January 14, 1936

Rec'd 2:15 p. m.

Secretary of State

Washington.

January 14, 3 p. m.

Division of
FAR EASTERN AFFAIRS
JAN 14 1936
Department of State

793.94

Students of Chungshan University after holding demonstrations against Nanking Government and its Japanese policy clashed yesterday morning with police who finally opened fire wounding a number of students and according to the most reliable information available killing one or more. Strictest censorship prevails and local authorities while tacitly admitting that police or troops fired upon demonstrators when less violent measures proved ineffectual, decline to admit that any deaths resulted. Japanese Consul General's protest against students' demonstrations had inflamed students particularly those of Chungshan University who have led agitation against Nanking Government and the Japanese. Chancellor Tsou Lu of that University and heads of other leading educational institutions have tendered their resignations because of their inability to control their students.

Martial law was suddenly declared last night. Local authorities

793.94/7660

F/FG

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

FS 2-January 14, 3 p. m. from Canton

authorities have just requested consular authorities to advise their nationals to remain off of streets after 8 p. m. tonight and during period of martial law. Appropriate action has been taken by this and other consulates. All student meetings and demonstrations have been strictly forbidden and Chungshan University and other educational institutions are now surrounded by troops in force with machine guns. City swarming with armed patrols and foreigners are being subjected to interrogation by such patrols while Chinese and all vehicles are being thoroughly searched. Authorities appear to have situation well in hand.

CSB

SPIKER

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

TELEGRAM RECEIVED

LMS

1-1336

FROM GRAY and SPECIAL GRAY
 Peiping via N. R.

Dated January 14, 1936

Rec'd 2:55 p. m.

Secretary of State
 Washington.

Division of
 FAR EASTERN AFFAIRS
 JAN 15 1936
 Department of State

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

17, January 14, 4 p. m.

Embassy's 15, January 13, 4 p. m.

One. It has been announced that General Sung will appoint (without Nanking's approval) Shih Yu San as commander of the Peace Preservation Corps of Peiping. Sung has asked, however, that the Government cancel the existing order for Shih's arrest. Shih is regarded as a renegade and has frequently caused disturbances.

Two. There are reports that Sun Tien Yin, who revolted in 1934, and Liu Kueit'Ang, who ravaged the countryside in that year, may be given posts by Sung.

Three. The Economic Committee of the Hopei Cha-
 har Political Council was inaugurated January 11th.
 It is understood that its first problem is to assist the shopkeeper's of Peiping, of whom five thousand are in difficulties, to tide over Chinese New Year (January 24).

Four. It is reported that the Foreign Affairs Committee of the Council will be inaugurated January 15 or 16 with Chen Chung Fu as head. Chen who has

been

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JAN 20 1936

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

LMS 2-No. 17, January 14, 4 p. m. from Peiping via N. R.

been living recently in Tientsin, resided twenty years in Japan where he assisted Sun Yat Sen prior to the revolution. He is said to be a violent opponent of Chiang Kai Shek.

Five. It is understood that Sung and Itagaki plan to leave Peiping together today or tomorrow for Tientsin for discussion of the North China situation.

KLP:HPD

JOHNSON

85-2

7669

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

TELEGRAM RECEIVED

1-1236
FS

FROM

GRAY

Canton via N. R.

Dated January 15, 1936

Rec'd 8:55 a. m.

793.94

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
JAN 15 1936
Department of State

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

January 15, 3 p. m.

Referring to my telegram of January 14, 3 p. m.,
martial law is being rigidly enforced and situation
appears to be well in hand. There are rumors that
student demonstration was deliberately engineered by
certain individuals who seek to drive Chancellor Chou
Lu from office allegedly because of his recent friend-
liness toward Nanking Government but actually because
he has control of expenditure of one million dollars
grant made by Nanking to Chungshan University.

793.94/7662

CSB

SPIKER

FILED
JAN 20 1936

0670

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

TELEGRAM RECEIVED

FS

1-1336

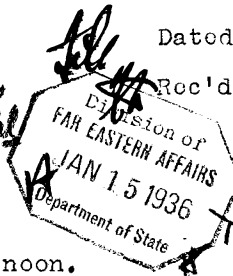
FROM GRAY AND SPECIAL GRAY

Peiping via N. R.

Dated January 15, 1936

Rec'd 9:15 a. m.

Secretary of State,
Washington.



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

793.94/7663

18, January 15, noon.

Embassy's 17, January 14, 4 p. m. / 7661

One. In addition to appointments previously reported, Sung Che Yuan has appointed his own men to important posts in several other organizations which control revenue. These posts were previously held by appointees of Nanking.

Two. The character of Sung's regime is becoming increasingly autonomous in line with Japanese desires. A junior Chinese official under Sung states that the latter intends to retain all revenues of Hopei and Chahar, remitting none to Nanking, including postal and customs revenue. The local postal authorities received notice yesterday from Sung that revenue from the sale of revenue stamps should not (repeat not) be forwarded to Nanking. However, the local customs authorities have yet not received a comparable order.

JAN 20 1936

FILED

Repeated to Nanking and Tokyo.

CSB

86-1

JOHNSON

F/G

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[illegible]

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

0671

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

DOCUMENT FILE

NOTE

SEE 893.101-Tientsin/20 FOR Desp.#113 to Embassy

FROM Tientsin (Caldwell) DATED Dec.19,1935.
/H// NAME 1-1127 ...

REGARDING: Japanese demands in regard to Chahar Province:It is reported that the new Mayor of Tienstin,Hsiao Chen-ying, acceded to these demands,as the price of his post. This report not confirmed,and nature of demands not known.

fre

793.94/7665

7665

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

4E

TELEGRAM RECEIVED

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

1-1336

FROM

FS

GRAY

Singapore

Dated January 16, 1936

Rec'd 7:45 a.m.

Secretary of State
 Washington.

RECEIVED
 DIVISION OF
 FAR EAST AFFAIRS
 JAN 16 1936
 Department of State

793.94

January 16, 11 a. m.

Following from newspaper STRAITS TIMES January 15th.

"Complete accord between General Chiang Kai Shek and Hu Wan Min which means that all Chinese political leaders can work together for the reconstruction of China and to resist Japanese aggression, was announced by Wei Tao Ming former Mayor of Nanking and delegate from Chiang who arrived at Singapore today to meet Hu on arrival from Europe in the Italian liner VICTORIA.

Wei, who is member of the National Reconstruction Commission and was Minister of Justice in 1928-29 will travel to China on the VICTORIA with Hu and the Cantonese delegation which arrived at Singapore on Monday.

He said there was no friction or rivalry between Canton and Nanking regarding the return of Hu."

Hu arrived at Singapore yesterday and is quoted by STRAITS TIMES as saying that he will go to Nanking.

WSB

MCLNELLY

793.94/7666

FILED
 JAN-17 1936

F/FG

1674
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

FE
TELEGRAM RECEIVED

MJP

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

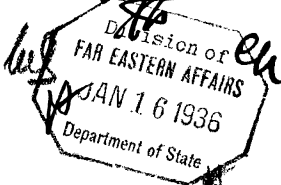
FROM

Peiping

Dated January 16, 1936

Rec'd 8:40 a. m.

Secretary of State,
Washington.



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

22, January 16, 5 p. m.

The following telegram has been received from the
Consul General at Mukden:

"January 16; 10 a. m. Reliable source states that
two thousand additional Japanese troops are now being
transferred from Korea to North China."

JOHNSON

WYC:CSB

793.94/7667

FILED
JAN 16

F/FG

0675

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 22) of January 16, 1936, from the American Ambassador at Peiping, reads substantially as follows:

In a telegram of January 16, the Consul General at Mukden states that, according to reliable information, 2,000 more Japanese soldiers are now being sent to North China from Korea.

793.94/7667

FE:EGC

FE

m.m.H

I-16-36

067F

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

FE

TELEGRAM RECEIVED

LMS

1-1236

FROM

GRAY and SPECIAL GRAY

Peiping via N. R.

Dated January 16, 1936

Rec'd 11:10 a. m.

793.94

Secretary of State
 Washington.

Division of
 FAR EASTERN AFFAIRS
 JAN 16 1936
 Department of State

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

21, January 16, 4 p. m.

One. Conversations continue at Tientsin with
 Sung, Hsiao Chen Ying, Doihara, Toda and others par-
 ticipating. Developments are kept secret.

Two. Various Japanese observers express the
 opinion that Yin Ju Keng's area will not be merged
 with the Hopei-Chahar Political Council until the
 latter reaches a degree of autonomy comparable to
 that of the former.

Three. It is reported in the press that Sugiyama,
 vice chief of staff at Tokyo, will shortly visit Man-
 churia and North China. The informant mentioned in
 the Embassy's despatch 3235 of January 4, 1935, states
 that Sugiyama is one of the four or five most influen-
 tial Japanese military officers and that his primary
 purpose is to study the government of China situation
 from the viewpoint of a possible Russian military ad-
 vance. The informant states that Japanese military
 officers believe that Russia is preparing to attack

Manchukuo

87-1

793.94/7668

FILED

F/FG

JAN 20 1936

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

LMS 2-No. 21, January 16, 4 p. m. from Peiping via N. R.

Manchukuo through outer Mongolia, an opinion which the informant does not hold, and that therefore the Japanese military are now more interested in Chahar and Suiyuan than in other parts of North China. He said that Doi-hara will remain in Tientsin to advise Sung until March when he will be transferred to Japan to command a brigade. He also states that the Japanese are still dissatisfied with Sung.

To Tokyo by mail.

CSB

JOHNSON

87-2

0678

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

FE

TELEGRAM RECEIVED

CA

Gray and Special Gray

NANKING VIA N.R.

1-1336

FROM Dated Jan. 16, 1936.

Rec'd 4:02 p.m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 JAN 17 1936
 Department of State

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

17, Jan. 16, 10 a.m.

7631

7578

This office's 9, Jan. 9, 3 p.m; 157, Dec. 27, 5 p.m.

and previous.

One. No disquieting developments have accompanied the gathering at Nanking of some 120 student delegates and 180 representatives of universities and schools who have come to the capital at Chiang's invitation to discuss the widespread student agitation. The visitors were taken about yesterday in buses and entertained at the Officers' Moral Endeavor Association where the meetings are being held and which is heavily guarded by gendarmes and armed police.

. According to a reliable official source, they are being shown air fields and military schools with a view to impressing them with the Government's military preparedness. This source states that official secrecy is being maintained concerning the discussions which are understood to comprise chiefly (one) an exchange of views and (two) an exposition by Chiang of the Government's policy toward Japan. This source states that Chiang will probably "call their bluff" by indicating that students who desire to fight for

their

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CA --2-- 17, Nanking Jan. 17.

their country will be given opportunity to join the army.

Two. The general opinion here appears to be (one) that the "conference" will have little beneficial effect on student activity in uniting parts of the country, especially since some of the delegates have reportedly been repudiated by the student bodies they purport to represent, and (two) that the conference is too late to be effective, Chiang's creation having been designed as a soporific to student demonstrators at a time when they were getting out of control and the authorities were not prepared to handle the situation.

PECK

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/90 FOR #99 to Embassy

FROM Tientsin (Caldwell) DATED Dec 7, 1935
 TO NAME 1-1127 ...

REGARDING: North China autonomy; troop concentrations; negotiations;
 supervision of rolling stock; establishment of air field;
 reconnaissance flights; statements of various Japanese of-
 ficials; Chinese Government mandates; crystalization of
 Chinese sentiment; summary of Chinese-Japanese troop move-
 ments and present locations in the Tientsin-Peiping area.

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B. Relations with Other Countries.

1. Japan. During November the relations

between China and Japan as they affected this consular district were concerned almost exclusively with the efforts made by the officials of the Japanese military in Tientsin and Peiping to bring about the separation of North China from the Central Government of China, and with the attempts of the Chinese provincial and national authorities to stave off that separation.

a. Attempts to establish autonomy.

In the course of these efforts there appeared four more or less distinct attempts to establish autonomous regimes over various areas in North China: the five province autonomy movement; the assumption of control over the Demilitarized Zone by Yin Ju-keng (); the demonstrations for autonomy in Tientsin; and the pressure on General Sung Che-yuan () to declare the establishment of an autonomous government over Hopei and Chahar.

(1). The Five Province Autonomy Movement.

(a). Negotiations between Doihara, Hsiao, and Sung.* On November 6 General Doihara, the head of the Japanese military mission

in

* For Hsiao's part in these negotiations see enclosure No. 3 to despatch No. 74 of November 20, 1935, to the Embassy.

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in Mukden and generally credited with having been one of the founders of "Manchukuo", arrived in Tientsin, ostensibly on a personal visit. The evident political tension which had resulted from the warning delivered to the Chinese authorities of Hopei by the Japanese in the latter part of October, from the direct arrests of Chinese by Japanese gendarmerie, and from the Japanese military maneuvers just then drawing to a close, increased sharply with his appearance.

He entered almost at once into negotiations with Hsiao Chen-ying (), the newly appointed Chairman of Chahar, who had come to Tientsin to effect the release of a Chinese army officer seized by Japanese gendarmes. Hsiao returned on November 9 to Peiping, followed several days later by Doihara.

In Peiping General Sung Che-yuan was included in the discussions. Informed Chinese asserted that Doihara was insisting on the establishment of an autonomous government over the five provinces of Hopei, Chahar, Suiyuan, Shantung and Shansi, before the 20th of November.

(b). Japanese troop concentration at Shanhaikuan. Apparently as a show of force in support of General Doihara's demands, the Kwantung Army despatched over 2,000 troops from Chinchow to Shanhaikuan on November 15.

(c)

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(c). Hsiao's statement.*

Three days later Hsiao Chen-ying issued a statement to newspaper representatives in Peiping which revealed the full gravity of the Japanese demands. According to Hsiao, General Doihara had threatened to set up a "Huapeikuo" by force of arms if an autonomous government for the five northern provinces was not established by November 20. The Chinese negotiators had been, he said, fighting desperately for time, and had repeatedly wired to the Central Government for instructions. No satisfactory reply had been forthcoming, and accession to Japanese demands seemed the only way out.

(d) Nanking Government orders the suspension of negotiations. Hsiao's revelations evidently startled both Nanking and Tokyo into a realization of the serious implications of the Kwantung Army's course in North China; on the evening of November 19th the Central Government wired Hsiao to discontinue negotiations, while in Shanghai the Japanese Ambassador to China entrained for Nanking to confer with General Chiang Kai-shek (). Two days later General Sung Che-yuan received instructions, confirming those given Hsiao, ordering him to postpone action on the autonomy issue.

(e) Collapse of the movement. ** It was reported that Nanking's action had

* See also ...

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had been based on assurances received from Tokyo that Japanese troops would invade Hopei only if National Government troops entered the province. With the threat of the use of force withdrawn, the movement for an autonomous government for Huapei, which owed its existence to that threat, collapsed. Colonel Takahashi, Assistant Japanese Military Attache, issued a statement to the effect that General Doihara had been without authority to conduct negotiations. The General had meanwhile returned to Tientsin.

(2). Independent government in the Demilitarized Zone. During the Hsiao-Doihara negotiations, Yin Ju-keng, the Administrative Inspector of the Luan-Yu Area of the Demilitarized Zone, had several conferences with Hsiao in Peiping, with General Tada in Tientsin, and with Colonel Takeshita, the representative of the Kwantung Army at Shanhaikuan. Shortly thereafter he wired Sung Che-yuan and Han Fu-ch'u (), urging them to cooperate in the maintenance of the territory about to be lost and in the relief of the people, whose difficulties he ascribed to the misgovernance of the Kuomintang. On November 22 he ordered all revenues formerly remitted to the Hopei Provincial Government to be held within the Zone; two days later he declared the Zone to be autonomous and established a council of nine to assist him in ruling it.

He

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He effected a slight enlargement of the Zone by declaring that those hsien which had been cut into two sections by the Tangku Truce lay wholly within the jurisdiction of the new government.

His appointment of an inspector for that section of the Pei-Ning Railway which lay between Shanhaikuan and Hsinho gave rise to fears that he intended to seize the road, but actually no change in its status occurred.

It was reported from Paotingfu that over half of the hsien in the Zone promptly wired the Provincial Government pledging their continued loyalty.

(3). Autonomy demonstrations in Tientsin.* For Tientsin was reserved a most convincing display of the inanity of the contention that the various autonomy movements which have occurred recently in Hopei spring from "the spontaneous desire of the masses". After the city had been deluged for several days with handbills and posters emanating from the "Universal Peace Society" - with headquarters in the Japanese Concession - attacking Chiang Kai-shek and urging the masses of North China to assert their right to govern themselves, a corps of some two hundred armed and uniformed men - also said to have come from the Japanese Concession - on November 25th took

* See this Consulate General's despatches No. 77

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took possession of a lecture hall on the principal street of the Chinese city and hung banners over the door naming the hall the "Headquarters of the Dare-to-Die Army for the Self-Defence of the Masses of North China".

Representatives of the same group appeared at both the Mayor's office and the Bureau of Public Safety with demands that the city be turned over to them; in both instances they are reported to have admitted under questioning that the Japanese had sent them, whereupon the Chinese authorities informed the Japanese Barracks of that claim and procured Japanese assistance in dispersing them.

No effort was made by the Chinese police to interfere with the establishment of its headquarters by the "Dare-to-Die Army". In the afternoon the mob which had formed before the lecture hall tore down from the building the banners of the "Army". That evening the "Army" itself was quietly withdrawn, and the Tientsin autonomy movement collapsed.

(4). Sung pressed to declare autonomy for Hopei and Chahar. On November 25 Generals Sung Che-yuan and Ch'in Te-chun (), accompanied by Hsiao Chen-ying, returned to Peiping, whither on the same day General Doihara also repaired. It was soon evident that the pressure on General

Sung

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Sung was being renewed, this time to force him to establish an autonomous regime covering Chahar and Hopei.*

b. Other acts of the Japanese military bearing upon the separation of Huapei from China. Before and during the various manipulations through which the Japanese military in North China apparently hoped to effect the establishment of a new regime in this area, there occurred a series of loosely related acts which taken together tended to modify the situation in a way favorable to such a change.

(1). Troop concentrations.

The action of the Kwantung Army in bringing over 2,000 troops to Shanhaikuan during the five-province autonomy negotiations has already been noted. When General Doihara returned to Peiping, presumably to urge General Sung to set up an autonomous government for Hopei and Chahar, another 2,000 men were brought down to the Kwantung Army barracks on the "Manchukuo side of Shanhaikuan, and all of the garrisons within the wall from Shanhaikuan to Peiping were reported to have been reinforced to about double their usual number.**

(2). Troop maneuvers. Large scale troop maneuvers, participated in by all of the Japanese forces in North China, were begun on November 4 and lasted for three days. In a realistic war-game one army attempted to take Peiping while
 another

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another defended it; planes were employed by both sides, and blank cartridges used.

Later in the month the Embassy guard held their own maneuvers to the east of Peiping. The sound of gunfire was audible in the East City, and Chinese there, remembering Mukden, expected momentarily the capture of the old capital.

(3). Direct arrests. While the troop maneuvers just referred to were disquieting the ignorant peasantry who find it difficult to distinguish between a real war and a war-game, the policy of "direct arrests" was working havoc among the already demoralized intelligentsia of North China.

Following the official Japanese protest against the revival in North China of "Blue Shirt" and other anti-Japanese activities, delivered last month, the Chinese authorities themselves began a series of arrests - in one instance the police even raided their own headquarters - but the Japanese military were not satisfied, and presented as proof of the "insincerity" of the Chinese certain orders to the "Blue Shirts" purporting to have been signed by General Chiang himself, and with them a book of photographs and secret instructions. On the basis of this alleged evidence, the Japanese military and gendarmerie began making arrests on their own account.

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By them the field of suspects was widened to embrace, according to generally accepted reports, a list of some 130 of the leading teachers, authors, and journalists in North China who were believed to be unduly critical of Japan. Many whose names were reported to be listed left the North.

Varying statements have appeared of the actual arrests made, and although their number will probably never be accurately known, it is unlikely that it exceeded twenty-five or thirty in all.

(4). Supervision of rolling stock.* On the morning of November 27 Japanese soldiers appeared at the Fengtai yards on the P'ing-Han line, and at the Central Station in Tientsin, with instructions to prevent the southward movement of freight traffic. It was alleged that their object was to prevent the withdrawal of rolling stock to Central China, where it might be used in the transportation of troops. After several hours of negotiating it was agreed that each railway would return an empty freight car for every additional loaded one which went south on its tracks, and on this basis freight traffic was resumed. Small squads of Japanese soldiers continued, however, to check the southbound rolling stock on both lines.

(5)

* See also this Consulate General's despatch
 of 1935 to the Embassy.

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(5). Establishment of an air field in Tientsin.* In the latter part of November Japanese soldiers took possession - in accordance, they asserted, with an arrangement with the owners - of part of the buildings and a large plot of ground of the International Race Course near Tientsin. There a large landing field was made ready awaiting the arrival, according to rumors circulated widely among the Chinese, of a fleet of forty Japanese planes.

(6). Reconnaissance flights. Japanese military flights over Tientsin and the surrounding hsien continued daily throughout November.

(7). Statements of various Japanese officials. An important factor in the preparation of the minds of the people of Huapei for some change in their government was the issuance from time to time by presumably responsible Japanese military and civil officials of statements predicting that change. Typical of these was the forecast of General Matsui, a retired member of the Supreme War Council of Japan and an expert on Chinese affairs, while visiting Tientsin, that an autonomous government would shortly be established in North China; the statement by General Doihara on November 19 that all preparations for the establishment of the new government had been completed; and the
 statement

* See also this Consulate General's despatch No. 86 of November 27 to the Embassy.

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statement of the Foreign Office spokesman in Tokyo that General Han Fu-chu () would join the movement and that the Foreign Office would have "to see the baby" before they would be able to determine whether the new government should be recognized.

c. Chinese response to the threatened separation of Huapei from China. The precedent of "Manchukuo"; the ease with which General Doihara seemed to be achieving his aims in "Huapei"; the apparent indifference of the Nanking Government; and the recent settlement of the Hsiangho revolt, in which the rebel leaders were left for some time in control of the city and then allowed to leave it unpunished, proved misleading indications of the nature of the reactions of the Chinese government and people to the threatened loss of the Northern provinces.

(1). Chinese Government mandates.

On the evening of November 26 the National Government issued a series of important mandates directed at bringing the course of events in North China more nearly under its control. These mandates ordered:

- (a) the abolition of the Peiping Branch Military Commission, its affairs to be dealt with directly by the Military Commission;
- (b) the appointment of General Sung Che-yuan as Pacification Commissioner for Hopei and Chahar;

(c)

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(c) the appointment of General Ho Ying-ch'in as the ranking officer in charge of the affairs of the Executive Yuan in Peiping;

(d) the dismissal and arrest of Yin Ju-keng, the leader of the autonomy movement in the Demilitarized Zone, and the abolition of the two areas within the Zone.

With the promulgation of these mandates it became clear that General Chiang intended to make an effort to retain control of North China. The affairs of the Branch Military Commission were wound up on November 30, and it was reported that General Ho intended to come to Peiping - in the face of General Tada's statement that he would not negotiate with him if he did come, and of General Doihara's hint that he was sure that it would be a long time before General Ho returned to the North.

At the close of the month under review General Sung was still declining the post of Pacification Commissioner, and Yin Ju-keng was reported to have been assured the protection of the Japanese military in his open defiance of the Nanking Government's order for his arrest.

(2). Formal protests of the Chinese Government. Reports in the vernacular press state that the National Government followed the promulgation of the mandates referred to above by lodging a formal protest with the Nanking office of the Japanese Embassy against the connection of Japanese army officers with movements for autonomy

in

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in North China. Earlier in the month the Chinese had lodged a similar protest against the practice of "direct arrests" in Peiping and Tientsin, and had procured a promise that such arrests would cease.

(3). Crystalization of Chinese sentiment. Although the fear of "direct arrest" by the Japanese, and the repressive measures taken in the past by the Chinese Government itself, have tended to kill the free expression of public opinion in the North, there were growing evidences during the month of Chinese opposition to autonomy. One of the recent open expressions of that feeling was contained in the telegram despatched by the leading educators in Peiping urging the maintenance of the territorial and administrative integrity of the nation.

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Enclosure No. 1 to Despatch No. 99 dated
 December 7, 1935, from J. K. Caldwell, American
 Consul General at Tientsin, China, on subject of
 Political Report.

SUMMARY OF CHINESE-JAPANESE TROOP MOVEMENTS AND PRESENT
 LOCATIONS IN THE TIENTSIN-PEIPING AREA.
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793.94
 In order to evaluate properly the significance of recent Chinese-Japanese troop movements and their present locations in north China, it is necessary to review briefly such troop movements in this area as far back as June of this year (1935).

At that time, Japan, taking advantage of seemingly unwarranted "incidents", served heavy demands on Chinese local and national authorities. Those demands resulted in removal of the Hopei provincial seat of government from Tientsin to Paotingfu; removal of Chinese Gendarmes from Peiping to the south, and out of the province; and withdrawal of Nanking and former Manchurian troops from Hopei to other provinces. It was learned then that Japan would limit the number of Chinese troops in Hopei to five (5) divisionsnone of which could "belong" to Nanking. Those sweeping changes resulted from negotiations between General Ho Ying-ch'ing (Minister of War for China) and Lieutenant General Umezu (then commanding the Japanese Army Troops in north China); since referred to as "the Ho-Umezu agreement".

In line with the foregoing, the following Chinese troop movements have been made to date:

Period	Unit	From	To
June	3rd M.P. Regiment	Peiping	Kaifeng
	2nd Division		
	13th Division (All personal troops of Chiang Kai-shek)	Hopei	Sian (Shensi)
	31st Army Corps (113, 114, 115 divisions and 1st Cav. Div.)	Hopei	Sian (Shensi)
	132nd Division (All formerly Northeastern-Manchurian troops)	Chahar	Peiping vicinity
July	53rd Army Corps (111, 130 Div., 2nd Cav. Div., 7th Art. Brig.) (All formerly Northeastern-Manchurian troops)	Peiping vicinity	Paotingfu, Shihchia-chuang, Kaifeng vicinity.
	6th Cav. Div. (All formerly Northeastern-Manchurian troops)	Hopei	Shensi
Oct.	29th Army Corps (1 Special Service Brig.) (Formerly Northeastern-Manchurian troops)	Chahar	Peiping vicinity
	116th Div. (Formerly Northeastern-Manchurian troops)	Peiping	Chochow, Hopei.

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As the above southward troop movements were being made, Chiang Kai-shek began moving Central Government units up towards the threatened north. Following troops were moved:

Period	Unit	from	To
Aug.	25 Div. (personal troops of Chiang Kai-shek)	Sian(Shensi)	Loyang(Honan)
Sept.	67th Army Corps(108,110, 129 Div.)		
	57th Army Corps(109,115 Div.)	Hupei	Shensi

After above troop movements had been effected, the following Battle Order, Chinese, obtains, todate, in the five northern, and adjacent, provinces:

CHAHAR

29th Army Corps: (Former Northeastern-Manchurian troops) *

(37, 38 Div.	16,000
1st Inf. Brigade	800
2nd Inf. Brigade	2,000
4 Garrison Regiments)	5,000
	<u>23,800</u>

HOPKI

51st Army Corps:

(114, 115, 118 Divisions	26,000
1, 3 Cav. Div.	4,500
6 Artillery Brigades	2,000
1st Trans. Reg't.	1,500
One Comm. Detch.)	1,800

32nd Army Corps:

(139, 141, 142 Div.	21,000
4 Cavalry Div.	1,500

53rd Army Corps:

(112, 116, 119, 129, 130 Div.	30,000
2 Cav. Div.	1,500
1 Eng. Reg.)	1,500

63rd Army Corps:

(1, 91 Div.)	15,000
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Peace Preservation Corps:

(2, 3 Corps, and 117 Brig.)	9,000
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Personal Troops of Chiang Kai-shek:

23rd Div.	10,000
7th Art. Reg't.	1,600
7th Route Army: (61 Div)	7,000

29th Army Corps:

(Hqrs, and 2nd Div.)	18,000
	<u>151,900</u>

SHANTUNG

3rd Route Army:

(20,22,29,74,81 Div.	47,000
Pistol Brig.	4,000
Military Police)	6,200
	<u>57,200</u>

SUIYUAN

34th Army Corps:

(70th Div.	6,000
1,2,3,4, Brigades)	8,000

35th Army Corps:

(73rd Div.	9,000
23,24 Art. Regts)	1,600
	<u>24,600</u>

*This is apparently an error: the 29th Army is believed to have been -2- a part of the Kuominchun.

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SHANSI

33rd Army Corps: (69 Div).....	8,000
34th Army Corps: (61, 66 Div)	13,000
35th Army Corps: (72 Div)	9,000
81st Army Corps: (66 Div)	8,000
North Shansi Emergency Corps: (five brigades) ..	21,000
Artillery Regiments: (Eight)	6,400
	<u>64,000</u>

SHENSI

17th Route Army: (68 Div)	10,000
38th Army Corps:	
(1, 17, 42nd Div.	28,000
6 Cav. Div.	2,000
Guard Div.	6,000
Special Service Corps	2,000
Artillery Corps	2,000
Garrison Corps	8,000
67th Army Corps: (108, 129 Div)	12,000
57th Army Corps: (109, 115 Div)	12,000
31st Army Corps:	
(113, 114, 115 Div.	18,000
1st Cav. Div.)	3,000
6, 24 Cav. Div.)	6,000
	<u>51,000</u>

HONAN

<u>Personal troops of Chiang Kai-shek:</u>	
(Two Art. Reg.	3,200
2nd Div.	14,000
Reg. M.P.	1,500
10 Cav. Div.	3,000
13, 14 Cav. Brig.	4,200
1 Comm. Regt.....	1,600
25th Div.)	18,200
<u>Central Government Troops:</u>	
67th Army Corps: (107, 110, 117 Div.	14,000
8 Art. Brig.	3,000
7 " "	2,700
7th Route Army: (60, 78 Div)	16,000
15th Route Army: (35, 72, 65, 45, 52, 56 Div.	47,000
2, 13 Cav. Brig)	4,100
40th Army Corps:	
(39, 84 Div.	20,000
5 Cav. Div.	1,500
24 Cav. Brig.	5,000
118 Inf. Brig.	5,000
	<u>145,800</u>

RECAPITULATION

- a. Troops in Peiping-Tientsin Area:
- | | |
|--------------|----------------|
| Chahar | 23,800 |
| Hopei | 151,900 |
| | <u>175,700</u> |
- b. Troops in other north China provinces:
 (Generally north and west of Kalgan Pass, and west of the Peiping-Hankow Railway; very easily isolated by prompt dispatch of troops to strategic localities):
- | | |
|---------------|---------------|
| Suiyuan | 24,600 |
| Shansi | 64,000 |
| | <u>88,600</u> |
- c. Troops in neighboring provinces:
 (generally SOUTH and WEST of Yellow river; easily isolated by prompt dispatch of troops to strategic localities, and employment of air against bridges and thin lines of communications):
- | | |
|----------------|----------------|
| Shantung | 57,200 |
| Honan | 145,800 |
| Shensi | 51,000 |
| | <u>253,000</u> |

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a.	175,700
b.	88,000
c.	<u>253,000</u>
Grand Total	516,700

The normal Japanese garrison in north China is disposed as follows:

Tientsin	.....	1030
Peiping	.....	300
Tangku	.....	63
Tangshan	.....	153
Luanchow	.....	81
Changli	.....	21
Chinwangtao	.....	48
Shanhaikuan	.....	<u>156</u>
		1852

Within the past ten days, it is believed they doubled all the above garrisons. A reinforced brigade has been moved into Shanhaikuan (but on their side of the Wall) and one also to Kupeikow (but reported on this side of the Wall).

The first troops most likely to be used for service in north China, would come from the Kwantung Army. It has 4 Divisions of 16,500 men each, 2 Cavalry Brigades of 1,700 each, and Service troops, bringing the total up to 91,960. But, it is not believed that more than two (2) of these divisions could be safely withdrawn. However, the Army of Chosen (Korea) has two divisions, one of which would also probably be available.

RECAPITULATION

Troops in north China 7,000
 (approximately)

Available within 7 days 49,000
 56,000

Attached hereto is a map* indicating troop disposition, as of this date (November 30, 1935), of Chinese-Japanese force, in the Tientsin-Peiping area, and about 48 hours distant therefrom. (The Demilitarized Zone is shaded in green).

M. B. DEPASS, JR.,
 Captain, 15th Infantry,
 S-2.

* Not enclosed. RSW

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NOTE

SEE 893.00 P.R./102 FOR #134

FROM China (Johnson) DATED Dec 20, 1935
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Dissatisfaction of Japanese with
China's monetary decree; tension at Shanghai; autonomy
movement in North China; situation at the close of November.

FRG.

793.94/ 7671

7671

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

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11. Foreign Relations:

A. Relations with the United States:

Nothing to report.

B. Relations with other countries:

1. Japan:

793.94
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The dissatisfaction of the Japanese military with the slow attainment of their aims in China was crystallized into action again in November, primarily because of the decree announced by the National Government on November 3 for the suspension of redemption of bank notes and the making of the new issue of the three Government banks legal tender throughout China. This decree brought vocal Japanese disapproval and contributed toward an acceleration of activities intended to separate North China from the authority of the National Government and the development of a threatening situation in Shanghai.

a. China's monetary decree: Japanese dissatisfaction.

Japanese diplomats and military officers were dissatisfied with the decree. They felt that there ought to have been prior consultation with the Japanese authorities, whereas actually the Japanese Ambassador was given his first intimation of the National Government's intention only on November 2, an intimation so vague that he did not even report it to Tokyo by telegraph. The Japanese further believed that

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1. Ambassador's telegram 68 of November 2, 10 a.m. from Hanking.

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the British authorities had been consulted before the step was taken, this belief being based on the presence in China of Sir Frederick Smith-Cook, Financial Adviser attached to the British Embassy, and on the rapidity with which the British authorities expressed approval of the decree, as illustrated by the issuance on November 4 by the British Ambassador of an order in support of the decree. Presumably the Japanese military were incensed for the additional reasons that (1) the issuance of the decree indicated Chinese cooperation with a Western power instead of with Japan and an unanticipated courage on the part of the usually vacillatory National Government, (2) the new policy might strengthen the National Government, and (3) the decree might result in draining North China of silver, thereby interfering with the plans of the Japanese military for the economic development of that region. Japanese diplomats were especially perturbed because the good relations which had been established in October between them and the Japanese military were seriously impaired by the action of the National Government, for the reason that the Japanese military were of the opinion that efficient diplomats would have discovered beforehand that such a step was contemplated.

Whatever their actual feelings, Japanese diplomats and military officers professed that their dissatisfaction was because the policy was erroneous in that it was unnecessary and could not succeed unless supplemented by a foreign loan. Some Japanese representatives, especially the military,

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stated definitely that the policy would not be permitted to take effect in North China; and at least one Japanese consular officer in a province south of the Yangtze River informed the local authorities that compliance with the order would end his cooperation in attempting to prevent the smuggling of silver out of that province by Japanese subjects.² The ultimate attitude of the Japanese (presumably depended on whether British (and American) financial support would be obtained by China, whether the policy would interfere with Japanese plans for penetration into China, and whether Japan's trade with China would be adversely affected.³

b. China's Monetary Decree: Tension at Shanghai:⁴
MURDER OF 2 JAPANESE:

The murder on December 9 of a member of the Japanese landing party at Shanghai by a person unknown and the subsequent activities of the Japanese police and military forces in Shanghai created a situation of greater intensity than would have developed had there not already existed uneasiness because of Japanese dissatisfaction with China's monetary decree and because of persistent reports that the National Government was seriously considering resistance by force to fresh Japanese aggressions. The situation was aggravated by the smashing on November 11 of windows of a Japanese shop. As a result of alarming rumors, a considerable exodus took place of residents of Chapei to other parts of Shanghai which were regarded as

safer

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- 2. Foochow's despatch to Embassy 43, November 29.
 - 3. Embassy's telegram 119, November 6, 3 p.m.
 - 4. Shanghai's telegrams 668 and 674 of November 10, 12 noon, and November 14, 4 p.m.

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safer in case of hostilities between Japanese and Chinese forces. Before the month ended, however, the situation had become calm, although the murderer of the Japanese was not discovered.

3. China's monetary decree: Autonomy movement in North China.

It was presumably in part the announcement of the monetary decree which brought Major General Ishihara to Tientsin on November 6 to accelerate the machinations of certain Japanese and Chinese for the establishment of an autonomous regime in North China.

arrests of Chinese: ⁵Resignation of the Mayor of Peiping: Abolition of the Peiping Branch Military Council.

Before the arrival of Ishihara, however, there had occurred during the early days of the month under review minor developments deriving from Japanese pressure. (1) Subordinates of General Sung Cho-yuan in Peiping and Japanese gendarmes in Tientsin and Peiping arrested some tens of Chinese whom the Japanese regarded as actively anti-Japanese. Their names were allegedly on a list, prepared by Japanese, of one hundred or more Chinese whom the Japanese regarded as objectionable. Although the list included the names of some prominent Chinese, such as that of Dr. Chiang Wenlin, Chancellor of the National University of Peking, there were among those actually arrested no persons of especial prominence. (2) The Mayor of Peiping, Mr. Yuan Liang, resigned his post, his resignation being accepted November 8. Al-

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5. Embassy's telegram 181, November 6, 5 p.m.

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though the Japanese Assistant Military Attaché stationed at Peiping denied that the resignation was in compliance with a Japanese demand, it was, according to a highly placed Chinese official, the result of one of three demands presented late in October by the Japanese military, the other two being the abolition of the Peiping Branch Military Council (which was ordered by the National Government November 28 and effected November 30) and the abolition of all so-called blue shirt activities in North China, which the Chinese claimed, probably erroneously, had been effected some months previously.

The intentions of the Japanese:

With Doihara's arrival at Tientsin, it became increasingly evident that he intended to effect within a short space of time the creation of an autonomous regime for the five northern provinces, failing which he might be satisfied for the time being with the autonomy of Shantung, Hebei, and Chahar, or even with a new regime in the latter two provinces. It was evident, also, that in addition to Doihara the Kwantung Army and Japanese military officers stationed in North China were definitely in favor of such a move. There were, however, some indications of indecision on the part of the authorities at Tokyo, and, as the month progressed, there was evidence that efforts were being made by some Japanese authorities to scale down the scope of the immediate plans of the military with respect to North China. These efforts, if they existed, may have been the result of such factors as a firmer attitude on

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6. Embassy's despatch 113, December 8.

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the part of General Chiang Kai-shek, the approach of the London Naval Conference, and evidences that Great Britain and the League might take effective measures with regard to Italian aggressions against Abyssinia, acts in some ways parallel, it was believed, to those of Japan in China. The constant claims of the Japanese that Japanese had no connection with the autonomy movement were palpably false.

The attitude of Chinese leaders in the North: Desire for autonomy seemed definitely to be limited to a few Chinese who believed that their own selfish interests would be served through cooperating with the Japanese in establishing a new regime. They included a comparatively small number of persons belonging to the Kuifu, Chihli, and Kweichow elites and a few monarchists and old North-easterners. Their chief negotiator was apparently Hsiao Chen-yin, civilian follower of General Sung Che-yuan, although considerable credit in this regard was given by some observers to Ch'en Chuoh-sheng, General Sung's Chief Councillor, whose mother is a Japanese. Ch'en is understood to have had close relations with Toihara in past years.

Other Chinese leaders gave evidence of strong disinclination for autonomy, including General Sung Che-yuan, the seeming ambiguity of whose attitude was presumably due to the extreme difficulty of his position. On the one hand, he was confronted by Japanese military force and on the other he received no indication - until the latter part of November - that he could expect any assistance from the National Government in his dilemma. This placed General Sung in the position

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position of being forced either (1) to succumb to Japanese pressure for a declaration of autonomy and to be declared a traitor to China or (2) to resist Japanese pressure without hope of aid from the National Government in case the Japanese military took punitive action. The difficulty of Lung's position was also in part due to the fact that his subordinate, Hsiao Chen-yin, was working with the Japanese and had succeeded in surrounding Lung with his own men, a state of affairs which was probably confusing to a military man of General Lung's mental simplicity.

The course of negotiations for autonomy:

Obscurity still surrounds the course of the negotiations during November for autonomy in North China. It became gradually evident, however, as the month progressed, and that the leaders of Chentung, Shansi, and Suiyuan Provinces would not accede at that time to Japanese representations. Eventually it appeared that the Japanese would be content for the time being with effecting the establishment of a new regime in Hopei and Chahar Provinces. Their contentment presumably arose from the conviction that success there would be followed eventually by similar success in the other provinces.

Reports became more frequent about the middle of November, especially from Japanese sources, that an autonomous regime would be established within a few days, the exact date being given variously as the 17th, 19th, and 21st. The Chinese leaders, however, turned out to be less tractable

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than the Japanese anticipated, and it became evident that some arrangement would be reached which would affect only Chahar and Hopei and which would not of the surface be so severe a break with the National Government as had been thought.

A sudden relaxation in the tensiety of the situation took place on November 20: General Sung went into seclusion in his house in the British Concession at Tientsin; immediately thereafter Doihara left Peiping for Tientsin, and the anticipated arrival of General Han Fu-chu and General Shang Chen, Chairman of the Hopei Provincial Government, to take part in the negotiations did not materialize.

It is still uncertain why the Japanese plans for a declaration of autonomy about the 19th of the month failed. The immediate reason, however, for the breaking off of negotiations at Peiping was the receipt on November 19 by General Sung and Hsiao Chen-ying of telegrams from General Chiang Kai-shek directing them to cease negotiations with the Japanese. General Sung is understood to have welcomed this order as giving him a respite from Japanese pressure. (These telegrams were the first move on the part of the National Government except the ineffective despatch to Peiping earlier in the month of General Hsiung Pin, a negotiator of the Tangku Truce, who, after a day or two of futile effort to improve the situation, left the city on November 13 for the south.) Other factors which may have played a part were (1) General Chiang Kai-shek's speech at Nanking on the 19th with regard to foreign relations, a speech which seemed momentarily to improve Sino-
Japanese

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Japanese understanding; (2) the constant publicity given by foreign press correspondents to daily developments; (3) the extraordinary press statement on November 18 of Hsiao Chen-ying in which, apparently instigated by the Japanese, he gave a startling description of the alleged plan for autonomy and of Japanese pressure for the adoption of the plan; (4) conversations between General Sung and leading educators of Peking strongly opposed to autonomy; (5) alleged opposition to autonomy under Japanese influence by some of General Sung's military subordinates, and (6) the possibility that some arrangement was made in the meeting between Arita and General Chiang covering the situation.

The last ten days of the month, as a result of the developments outlined above, were passed in a state of uncertainty, with interest primarily engaged in an increasing display of Japanese military force, in Japanese interference with Chinese railways, and in activities of minor figures intended to achieve autonomy.

Display of Japanese military strength: 7

Reports began to circulate on November 15 of an increase in Japanese military strength at Shanhaikwan. From that time on there continued to be movements which, notwithstanding the Japanese claim that they were routine manoeuvres, could be interpreted only as either for the purpose of intimidation or of preparation for possible warfare. The Japanese North China Garrison was increased by several hundred men, and at least some of these were from the Korean

KOREA

7. Embassy's telegram 131, November 16, 12 noon.

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arriving to all available information, the motivation of his declaration was largely selfishness. In addition to being genuinely pro-Japanese, he had presumably cut himself off from any possibility of favor by the National Government because of his bitter criticisms of the Kuomintang prior to the declaration of autonomy. The effect of the creation of the new council upon the revenues of the area, including the revenues of the Peiping-Hukden Railway which passes through it, was awaited with apprehension. As no adequate Chinese force is permitted to enter the area under the terms of the Tangku Truce of 1933, the only official action taken as a result of Yin's declaration was the issuance by the National Government of an order for his arrest as a rebel.¹⁰ Yin, however, has not been arrested.

The situation at the close of November:

The situation in North China at the close of November awaited the arrival at Peiping, at the instance of General Chiang Kai-shek, of General Ho Ying-ch'in, the Minister of War, and General Hsiung Shih-hui, Chairman of Kiangsi Province, General Ch'ao Yi, Chairman of Fokien Province, Mr. Yin T'ung, Managing Director of the Peiping-Hukden Railway, and Mr. Yu Chin-ho, former Commissioner of Public Safety at Peiping, accompanying him. It was presumed that General Song would withstand Japanese pressure (he and Doihara had both returned to Peiping on November 25 to resume conversations) until the arrival of the above-mentioned officials.

5.

10. Nanking's telegram 111, November 26, 6 p.m.

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

SECRETARY OF STATE
JAN 8 1936
NOTED

DCR

January 2, 1936.

CONFIDENTIAL

1936 JAN 16 PM 1 00

Annex to memorandum on

DIVISION OF
FAR EASTERN AFFAIRS
JAN 18 1936
Department of State

DIVISION OF
EVIDENCE OF JAPANESE INITIATIVE IN THE
AUTONOMY MOVEMENT IN NORTH CHINA

793.94

Tokyo's despatch No. 1567, November 29, 1935, Japanese Attitude Toward Autonomy in North China, in general confirms FE's memorandum of December 28, 1935, on Evidence of Japanese Initiative in the Autonomy Movement in North China, and in a few respects the despatch adds new material to that part of the memorandum which bears on the Japanese origin of the North China autonomy idea.

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The despatch states that the TOKYO ASAHI of November 8, 1935, ascribed to Mr. Goro Morishima (the emissary sent by the Japanese Foreign Office in October to instruct Foreign Office representatives in China) a statement which indicates a high degree of official Japanese activity in a matter elsewhere referred to by Japanese officials as a Chinese internal question. In the words of the despatch (page 3), "Mr. Morishima stated at Shimonoseki, on his return to Japan, in early November, more than two weeks prior to the declaration on November 24 of the autonomous regime in eastern Hopei, "that stability in North China required a regime which would not be directly controlled by Chiang Kai-shek, but which would nevertheless be linked with the Nanking Government

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ment and at the same time be friendly to Japan. He said that the Japanese officials in North China were carefully searching for a suitable man to head such a regime. Mr. Morishima expressed himself as not in favor of Marshal Feng Yu-hsiang for the post, but was inclined to favor General Sung Che-yuan."

The most detailed and revealing pronouncement with regard to the then still not established regime was contained in the YOMIURI of November 20 quoting the views of the War Office on the north China situation as follows (page 7 of the despatch):

"1. The new government to be established in North China is the result of a popular autonomous movement which had its origin in ill-feeling against the Nanking Government's anti-Japanese policy, and its move to cooperate with the Soviets in disregard of the interests of the people, and which was spurred by the currency reform. The Japanese Army is ready to give full support to the movement on the condition that the new regime adopts a friendly policy toward Japan and Manchukuo and agrees to cooperate in stamping out Red activities.

"2. It is of no concern to the Japanese Army whether Nanking recognizes the new situation in the north, but if armies of the Central Government enter Hopei Province it will be regarded as a violation of the Umezu-Ho agreement, and if the Peiping-Tientsin railway is violated it will be regarded as a violation of the Boxer Treaty and 'no consideration will be given'. Even if a clash between the forces of the new regime and of the Central Government should take place in Shantung Province, 'protection by force' shall be carried out, as it has been before, in order to safeguard Japanese interests.

"3. Reports that the autonomy movement in North China is preliminary to establishment of a 'second Manchukuo' to be eventually merged with Manchukuo, are ridiculous figments of the imagination. The Army's chief desire is the establishment of peace in the Far East based on friendly relations among Japan, Manchukuo and China, and cooperation to check the bolshevization of East Asia and exploitation by the Kuomintang."

cc m.m.d.
CC/DLY

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DOCUMENT FILE

NOTE

SEE 893.00 P.R./101 FOR #56

FROM China (Nanking) (Peck) DATED Dec 9, 1935
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: North China situation.

FRG.

793.94/7673

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Japan.

"Second Phase" of Japanese Policy - Alleged Autonomy Movement in North China. (1)

NOTE: There began in November the implementation of what has been called the "second phase" of Japan's program in China and the extension of Japanese hegemony as part of plans to solve to Japan's satisfaction the conflict of interests in the Far East. At the end of October the Japanese Foreign Minister outlined Japan's policy toward China as embracing three considerations: 1. Sino-Japanese cooperation against the spread of communism in the North-west (a move against Russia with particular reference to Inner-Mongolia and designed also for the protection of Manchukuo); 2. Abandonment by China of the policy of playing one foreign country against another (diplomatic reliance upon Japan and the elimination of European and American influence in China); 3. Economic cooperation between China and Manchukuo (de facto recognition of Manchukuo) and cooperation with Japan for the development of North China; predicated partially upon the assumption that the new state can not otherwise develop economically and its political integrity can not be secure so long as it is bordered on the south by an enemy.)

The first physical expression of this "second phase" was an attempt to foster an autonomy movement in North China. General Gohara seems to have been the moving figure and to have acted on his own initiative beyond his authority. He was supported to some extent by the Manchu Army but that support was in excess of plans of the War Office made independently of or in conjunction with the civil department of the Government. Considerable impetus was given to Japanese activities by the nationalization of silver on November 3 which surprised and greatly annoyed the Japanese military and others, partially because of their fear that silver might be drained from North China.

(For an outline of developments in North China, see

Beiping's monthly review.)

Japanese

1. referenced monthly list of telegrams for November.
2. 72, November 11, 2 p.m.

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Japanese activities in the North toward the end of October and the beginning of November found the Chinese Government apparently unprepared to take any decisive line of action and this inertia developed into a feeling of discouragement and near desperation. The growing sentiment for armed resistance against the Japanese, evolved from a feeling that in May and June the Government had yielded to the limit in North China and that further capitulation would result only in further demands, became accentuated and was fostered by (1) an assumption that the League, having acted against Italy, could not now refuse to act against Japan; and (2) the spread of reports which were apparently true that Chiang Kai-shek had been making military preparations for the defense of territory south of the Hopei border. (In addition to the troops of Chang Hsueh-liang in Shensi, said to number some 200,000, troops have been quietly stationed at strategic points as follows⁽³⁾: about 250,000 men in Anhwei, Chekiang and Kiangsu; about 90,000 in the "Hankow area" some 30,000 square kilometers in size, and some 30,000 along the Lunghai Railway. Han Fu-chai was secretly placed in charge of the defense of Szechuan, Hunan and Anhwei and was supplied with 10,000,000 rounds of ammunition and \$10,000,000). This sentiment for resistance was not, however, translated into action.

The creation of a buffer state in the North between the rest of China and "Manchukuo" has long been a Japanese aspiration. It was apparent in Hankow before the middle of the month that Japanese activities in the North were

giving

3. 10P, November 26, 12 noon.

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giving substance to the recent statement of a Japanese embassy spokesman in Peking that some kind of special administration must be set up in the North.⁽⁴⁾ Reports that the autonomy of several northern provinces would be declared by November 20 were a few days before that date admitted by officials of the Chinese Foreign Office to be probably true. It was considered that Chung Shu-yuen could not avoid meeting Japanese wishes unless he either resisted them by force of arms or resigned and officials in Peking generally excused him for the action he was expected to take on the ground that he could not successfully fight the Japanese and that his resignation would not benefit the National Government.⁽⁵⁾

Meanwhile the Japanese embassy at Peking pressed the Foreign Office for action on Mr. Hirota's program. No demands were presented⁽⁶⁾ but Japanese diplomatic representatives insisted that China: 1) cease relying upon support from nations other than Japan; 2) remove all obstacles to free intercourse between Manchukuo and China; and 3) take joint action with Japan to combat the communist menace in North China. The first point was emphasized because of Japanese suspicions in connection with the nationalization of silver November 3; the Japanese argued that the Chinese would not have made such move without prior promise of a loan, they were not satisfied with British denials that a loan had been promised and they believed that, for their own protection,

they

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- 4. 55, November 8, 9 a.m.
 - 5. 50, November 19, 4 a.m.
 - 6. 60, November 15, 3 p.m.

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They must work to eradicate British influence in the Far East. The mere recognition of Manchukuo was not asked and the British force anticipated that it could probably be possible to reach amodus operandi providing for the resumption of communications and other normal relations between the peoples of Manchuria and China. insistence upon the third point was predicated partially upon an acute suspicion that China and the Soviet Union had a military understanding which the Chinese categorically denied. (The subject of an autonomous state in North China was not officially broached by Japanese diplomatic representatives. The position of the Chinese Government as expressed to the Japanese was that Japan should first treat China as a sovereign state and that while Chinese agreement might be given to principles underlying the three points, the Chinese Government could offer no suggestions as to how they might be effectuated.

The Chinese Government continued practically inactive with regard to North China, confining itself, for lack of any definite plan, to attempts to retain the loyalty of the Northern leaders concerned. (Han Fu-chu's loyalty appears never to have been in serious doubt; Chang Chen like Lung was considered a creature of circumstance; Wang Chen-ying was believed to be the principal Chinese collaborator in favor of "autonomy" with support by Chin Tse-chun and Chang Teh.) An unexpected move was made, however, on November 19, just before the date of the expected declaration of "autonomy"; General Chiang Kai-shek issued a peremptory order to Wang Chen-yuan to cease negotiations and the "autonomy" program, concerning which Chinese

officials

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officials in Japan had been unable to agree, temporarily collapsed. The Japanese proposed it was in London and it was reported that on November 20 he gave assurances to Chinese officials that no Japanese military action except defensive action would be taken in China and that Generalissimo Chiang Kai-shek had made an agreement with Japanese representatives covering the demilitarization of Peking and other parts of North China. In the evening of November 20 Generalissimo Chiang Kai-shek conferred for over three hours. Official versions of this conference indicated that it had been satisfactory and it appeared that a compromise had been reached which had at least averted the crisis temporarily.

Both Chinese and Japanese officials stated privately, however, that the conference had been unproductive.

According to a Japanese official ⁽¹⁾ Mr. Ariyoshi (1) dwelt at length on the militarization of silver which he stated would not be successful and pointed out that Japan was always prepared to discuss such matters with China with a view to individual action by Japan or joint action with other countries; (2) called attention to the "confused administrative" situation in North China where, he stated, four co-equal government organs functioned without a guiding superior organ and numerous Chinese leaders were plotting for personal advantage; he suggested that some special form of administration for the area would be advantageous. The official stated that Chiang's replies were evasive "as they always are."

The Chinese

- 7. 59, November 20, 6 p.m.
- 8. 36, November 21, 10 a.m.; 97, November 21, 2 p.m.
- 9. 103, November 22, 10 a.m.

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The Chinese version of the conference was that Chiang told the Japanese ambassador he was in constant communication with Chinese officials in the North, all of whom were loyal, and that if any unfortunate situation should threaten he personally would attend to it, that Mr. Arisawa gave assurances that no Japanese military action would be taken in the North except defensive action. The explanation of Chiang's unexpected order to Chung Sheng-yuan to cease negotiations was that reports by his intelligence agents of indecision within the Japanese cabinet coincided with a movement by some of Chung's subordinate officers to defeat Japan's pro-Japanese efforts and these circumstances led Chiang to hazard "calling Chiang's bluff".⁽¹⁰⁾ According to one Chinese official the Japanese Emperor was understood to have issued a rescript against military action in Northeastern North China or at Shanghai except defensive action. This was testament to an about face by the Japanese Government probably caused, according to this source, by (1) the Japanese Government's desire to disassociate itself from the conspiracy in the North because of possible, if not probable, action by the League similar to the application of sanctions against Italy; and (2) probable adverse effects at the forthcoming naval conference at which Japan hopes to press successfully its demand for naval parity.

Following the inauguration at Tungkow on the morning of November 26 of the "Eastern Hopei Communist Prevention Autonomous Council", the Executive Yuan at Nanking in special meeting⁽¹¹⁾ on the same day (1) ordered

local

10. 100, November 26, 10 a.m.
11. 111, November 26, 6 p.m.

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local authorities in the North to arrest Yin Ju-keng as a rebel; (2), abolished the Weiping Branch Military Council; (3), appointed Chang-chin as its resident representative in Weiping, Director of the Weiping Office of the Executive Yuan; and (4), appointed Chung-tsun Tsai as its administrator for Taipei and Tainan.

Spokesmen of the Japanese Embassy described the steps taken by the Chinese Government as a "unilateral" and "unsatisfactory" solution of the problems presented to General Chiang by Mr. Miyoshi on November 20. It was not expected that any real attempt would be made to arrest Yin Ju-keng and Chinese officials stated that no military action against Yin's regime was contemplated. Doubts that General So would accept his new post were freely expressed, even by the semi-official Central News Agency.

The Japanese military occupation on November 25 of the Fengtai and Weiping Changyuan stations and the international Peace Track at Pientain were considered by the Foreign Office as an encroaching gesture by the Japanese military to the steps taken by the Chinese Government November 26 which constituted a repudiation of the Japanese thesis that some kind of semi-independent administration be set up in the North.⁽¹²⁾ Japanese anxiety over the possible removal of silver from the North as a result of the nationalization decree of November 3 was probably also behind the move. The Chinese Government continued to urge Sung to remain firm against Japanese pressure and to withdraw his refusal to assume the new post

12. 114, November 28, 5 p.m.

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post given him, General Chang Chen, Chairman of Upper
 Szechwan, was sent to Shanghai to continue discus-
 sions with the Japanese Ambassador, but no change oc-
 curred in the status of Sino-Japanese official relations
 until November 20 or 21 when the Foreign Office lodged
 two written protests with the Japanese Embassy here:
 (1) against occupation of the railway stations mentioned
 above; and (2) against Japanese instigation of the so-
 called anti-Japanese movement. (13) The latter protest, according
 to a Foreign Office source, cited specific instances, one
 being the visit to Shanghai of three Japanese Army officers
 who, it was claimed, insisted upon talking with Chang Chen
 although Chang was ill in hospital, told them that Wang
 Chao-yuan and Ren Su-shu had agreed to the establishment
 of an autonomous five province regime and said that there
 was the only Chinese leader concerned who was withholding
 cooperation from the scheme, these statements being entire-
 ly false.

The Foreign Office made known on November 20 that the
 Chinese Ambassador at Washington would probably be instructed
 to call at the Department in connection with the North China
 situation. (12)

On November 29 the Foreign Office sent the American
 Embassy (and other diplomatic missions) a note repudiating
 (14)
 Yin Ju-keng's activities and naming him a rebel. On
 November 30 General Ho Ying-chin, accompanied by General
 Chen Yi (Chairman of Fukien), General Hsiung Hai-hui

(Chairman)

13. 116, November 29, 9 p.m.;
 119, November 30, 11 a.m.
 14. 121, December 1, 9 a.m.

0720

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

- 10 -

(Chairman of Hsiangsi) and Yin Tung, former managing
director of the Heping-Hsioning Railway, left Hanking
by private train ostensibly for Heping⁽¹⁵⁾ (General Ho
stopped at Tsinan and then proceeded to Heping before
continuing North).

0721

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

TELEGRAM RECEIVED

AU

1-1336

GRAY

FROM

Nanking via N.R.

Dated January 17, 1936

Rec'd 11:15 a.m.

Secretary of State

Washington

19, January 17, 9 a.m.

My 17, January 16, 10 a.m.

It is learned from apparently reliable sources that on January 15 the student representatives presented questions and "demands" by delegations from different localities and that the following ten subjects were those in which the greatest number of delegations concurred: one. Referring to General Chiang's statement to the Kuomintang Congress on November 19 that "we shall not talk lightly of sacrifices until we are driven to the last extremity which makes sacrifices inevitable", the students inquired at what stage the limit of endurance would be reached and resistance to Japanese aggression would begin. Two. They inquired concerning the exact extent of China's military preparedness. They presented the following "petitions" or "demands". Three. That traitors be punished. Four. That autonomy movements in North China be suppressed. Five. That revision of school text books in North China to meet Japanese wishes be opposed. Six. That the ~~press~~ ^{freedom of the Press} be restored. Seven. That open diplomacy be

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

Division of
FAR EASTERN AFFAIRS
JAN 17 1936
Department of State

795.94/7674

FILED

JAN 22 1936

F/FG

0722

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

AU -2- #19, January 17, 9 a.m. from Nanking
be practiced instead of secret diplomacy. Eight. That
the government do its best to organize the Chinese masses.
Nine. That the greatest care be taken in readjusting
Sino-Japanese relations. Ten. That the Hopei-Chahar
Political Council be abolished.

General Chiang spoke to the student representatives
from January 16, 3 p.m. to January 16, 7 p.m., the seven
main points of his address being as follows: (1). War
against Japan is only a question of time and when it comes
the whole nation will be mobilized and responsibility
will not rest on the students alone. (2). China at
present is inferior to Japan in this detail of pre-
paredness and organization and war cannot be declared
recklessly. (3). Reviewing the history of Sino-Japanese
relations, he said that since the Sino-Japanese war in
1894 Japan has been determined to invade China for, in the
view of the Japanese, China is Japan's only economic
outlet. (4). The so called "continental policy" has
become the traditional policy of Japan and it means "down
with the Kuomintang and down with ^{Chiang} Kai Shek". *ff V*
(5). China, also, has a traditional policy, which is the
policy of the Kuomintang, no surrender to Japan. There
were no secret clauses in the Tangku truce and no such
thing exists as the so called Ho-Uyemetsu agreement.
(6). To meet the special situation education in China
will be on an extraordinary basis designed to meet the
special

88-2

172

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

AU -3- #19, January 17, 9 a.m. from Nanking

special needs. (7). The entire nation should be reassured that Chiang Kai Shek will never surrender to Japan nor sign any agreement injuring the state. He does not fear death for the cause. The press is under strict orders to publish no information regarding statement made by Chiang and I suggest that this message be treated temporarily as confidential. Repeat to Peking.

PECK

WWC:GW

88-3

0724

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

TELEGRAM RECEIVED

MJP

1-1336

FROM GRAY

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Nanking via N R

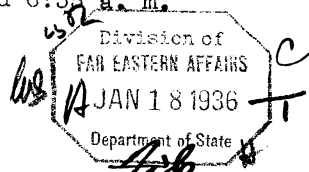
Dated January 18, 1936

Rec'd 6:55 a. m.

Secretary of State,
Washington.

20, January 18, 11 a. m.

My 19, January 17, 9 a. m.



793.94

One. The student "conference" closed yesterday evening and the delegates are departing today. The general impression is that the students are going away disappointed and that the mayors will be found not (repeat not) to have gained the obedience of the students to the government's wishes in respect to a cessation of demonstrations, although they may have given the authorities in some places a respite in which to take forceful measures against a recrudescence of large scale agitation.

Two. It is reliably reported that Chiang's remarks cited in my 19 January 17, 9 a. m. were so cloaked in verbosity that their effect upon many of the delegates was lost.

PECK

CSB

793.94/7675

JAN 21 1936

FILED

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072

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

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1-1336

CORRECTED COPY
FROM

FS

GRAY

Nanking via N. R.

Dated January 18, 1936

Rec'd 4:15 p. m.

Secretary of State,
Washington.

21, January 18, 4 p. m.
My 20, January 18, 11 a. m.

793.94/7676
7675-
Div of
FAR EASTERN AFFAIRS
JAN 20 1936
Department of State
C
T

793.94/7676

The officers of educational institutions gathered here for the "Conference" have issued a manifesto in an apparent effort to meet the wishes of the students and at the same time support Chiang Kai Shek. The manifesto calls for (1) full confidence in the government together with maintenance of sovereignty and territorial integrity and opposition to any separatist movement; (2), every effort to realize a system of education that fits the needs of a perfidiousness of national crisis; and (3), the restraint of student strikes and activities which are detrimental to good discipline.

JAN 22 1936

ECC:EMB

PECK

F/FG

0728

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

1122

Corrected copy
TELEGRAM RECEIVED

GRAY
~~ESPIONAGE~~ *nanjing viator*

1-1330

Dated January 18, 1936

FROM

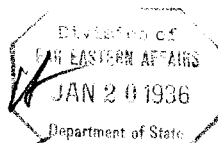
Received 4:15 p.m.

Secretary of State,

Washington

21, January 18, 4 p.m.

My 20, January 18, 11 a.m. / 7675



The officers of educational institutions gathered here for the "Conference" have issued a manifesto in an apparent effort to meet the wishes of the students and at the same time support Chiang Kai Shek. The manifesto calls for (1) full confidence in the government together with maintenance of sovereignty and territorial integrity and opposition to any separatist movements; (2) every effort to realize a system of education that fits the needs of a perfidiousness of national crisis; and (3) the restraint of student strikes and activities which are detrimental to good discipline.

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JAN 22 1936

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0727

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

TELEGRAM RECEIVED

JS

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

FROM PEIPING

Dated January 19, 1936

Rec'd 2:37 a.m.

Secretary of State
Washington, D.C.

25, January 19, noon

Embassy's 18, January 15, noon

One. The Consul General at Tientsin reports that he
has been informed by the Commissioner of Customs at
Tientsin that the latter received written notice
January 18 from the Hopei Chahar Political Council
that he turn over to the Council all of the customs
revenue for January and his balance.

It is also reliably stated that the Salt Commission-
er has received similar instructions

Repeated to Nanking and Tokyo

JOHNSON

JS

of paraphrase
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793.94/7677

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JAN 22 1936

F/FG

89-1

0728

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 25) of January 19, 1936, from the American Ambassador at Peiping, reads substantially as follows:

The Commissioner of Customs at Tientsin has informed the American Consul General there that on January 18 he (the Commissioner) received from the Hopei-Chahar Political Council a written notice to turn over to the Council his balance and all of the customs revenue for January. According to a reliable statement, the Salt Commissioner has been similarly instructed.

793.94/7677

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FE:EGC

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FE
mmh

I-20-36

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

CA

GRAY AND SPECIAL GRAY

~~SECRET~~
~~Not to be closely paraphrased~~
~~before being communicated~~
~~to the press~~
1-1230

Peiping Via N. R.

Dated Jan. 19, 1936.

Rec'd 6:45 a.m.

Secretary of State,
Washington.

FROM
BUREAU OF
FAR EAST AFFAIRS
JAN 20 1936
Department of State

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

24, Jan 19, 11 a.m.

Embassy's 247, Dec. 27, 3 p.m. paragraph three.

There is now a report that Teh Wang has declared
autonomy assisted by Li Sho Shin (see Embassy's 8 Jan.
12, noon, paragraph two) and Mongol leader Jod Pach Moo
who is head of the Mongol forces mentioned in telegram.
According to this report, Changpei, north of Kalgan, is
the capital. Li's forces are the "first army of the
Mongolian Government," and Teh Wang during recent secret
visits to Hsinking has made a treaty with Pu Yi for mili-
tary equipment and support.

Two. Although some such development has been anti-
cipated during recent months because of the unsympathetic
treatment accorded Mongols by national and provisional
Chinese officials and because of Mongol's helplessness
before Japanese strength, it is possible that this report
emanates from Suiyuan Chinese officials for the purpose
of discrediting Teh Wang. It would seem that, if the declar-
ation has not actually been made, it is imminent. By mail
to Tokyo.

JOHNSON.

CSB

793.94/7678

JAN 23 1936

FILED JAN 23 1936

F/FG

0731

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

TELEGRAM RECEIVED

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

FROM

GRAY & SPECIAL GRAY

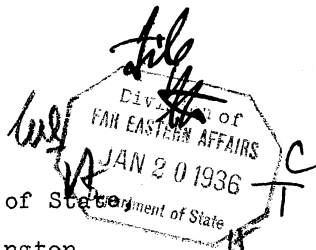
Peiping via N. R.

Dated January 20, 1936

Rec'd 10:30 a. m.

1-1336

FS



Secretary of State
 Washington.

26, January 20, 3 p. m. /7677

Embassy's 25, January 19, noon.

Local postal official states that his office has received no (repeat no) order from the Hopei-Chahar Political Council to turn over revenue other than revenue obtained from revenue stamps reported in Embassy's 18, January 15, noon.

Two. Foreign Affairs Committee of the Council was inaugurated this morning. It has ten members with Chen Chung Fu as chairman. (See paragraph 4 of Embassy's 17, January 14, 4 p. m.). The Chairman of the Economic Committee (reference paragraph three of the above mentioned telegram) is Hsiao Chen Ying.

Three. According to one of Sung Che Yuan's subordinates the office of the special delegate of the Ministry of Foreign Affairs at Peiping will soon be abolished as a result of the inauguration of the Foreign Affairs Committee.

Four.

90-1

793.94/7679

JAN 22 1936

F/FG

0731

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

FS 2-No. 26, January 20, 3 p. m. from Peiping

Four. The Peiping-Tientsin garrison headquarters was abolished January 15 and the Hopei-Chahar Pacification headquarters, of which Sung is Commissioner, was inaugurated the same day.

Five. The Embassy is informed that the dispute between Yin Ju Keng and the Peiping-Mukden Railway over railway revenue from that part of the line which runs through the demilitarized zone has been settled by the railway agreeing to pay Yin \$100,000 per month and that Yin's railway office has been abolished.

By mail to Tokyo.

WWC:GW

JOHNSON

90-2

0732

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

TELEGRAM RECEIVED

FS

1-1336

FROM GRAY

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

Canton via N.R.

Dated January 20, 1936

Rec'd 10:20 a. m.

Secretary of State

Washington.

January 20, 3 p. m.

Hu Han Min arrived Hong Kong yesterday from Europe and was enthusiastically welcomed by Nanking and Canton representatives, the latter including Marshal Chen Chi Tang, Provincial Chairman Lin Yun Kai and Mayor Liu Chi Wen and their staffs. General Li Tsung Jen, the Kwangsi leader, is reported to have reached Canton last night and to plan to proceed to Hong Kong to call on Hu unless latter comes to Canton in the next few days.

Two. Hong Kong authorities took extraordinary precautions to insure Hu's personal safety. He declined to receive press representatives but issued ambiguous statement to the press to the effect that China's national crisis had prompted his return, that his principles in the matter are well known from his many utterances and writings in the past few years and that "briefly speaking, the party should restore its original principles" and that "the Government must become responsible and

efficient

793.94/7680

JAN 22 1936

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

FS 2-January 20, 3 p. m. from Canton

efficient if China is to weather the present crisis".

Part two follows by land wire. To Peiping and Nanking

only. (See Peiping's #27 of 1/21/36
793.94/7681)

CSB

SPIKER

1734
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FS

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

FROM

Peiping

Dated January 21, 1936

Rec'd 6:50 a. m.

Secretary of State,
Washington.

27, January 21, 2 p. m.

With reference to Canton's January 20, 3 p. m.,

Spiker reports that according to a reliable source events may be moving toward a crisis because of the alleged determination of Hu Han Min and his faction to resume active cooperation with Nanking, that Chen Chi Tang, who is opposed to this, may force Chou Lu from office, that the clash between police and students is far from settled, and that trouble may be expected from quarters sympathetic to the students and hostile to Chen among which the Nineteenth Route Army faction is said to be playing the most active role.

By mail to Tokyo.

CSB

JOHNSON

of paraphrase
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O.N.I. AND M.I.D.

52
EASTERN AFFAIRS
JAN 21 1936
Department of State
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JAN 22 1936

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0735

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 27) of January 21, 1936, from the American Ambassador at Peiping, reads substantially as follows:

The Consul General at Canton reports that reliable information indicates that, on account of the reported determination of Hu Han-min and his clique to cooperate again actively with Nanking, events may be moving toward a crisis; that Chen Chi-tang who is opposed to cooperating with Nanking may force Chou Lu out of office; that the trouble between students and the police is by no means settled; and that trouble may be looked for from quarters that are sympathetic to the students and opposed to Chen, among which the Nineteenth Route Army clique is reported to be taking the most active part.

793.94/7681

EGC.
FE:EGC

SR
FE

I-21-36

0736

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

SECRETARY OF STATE
 JAN 20 1936
 NOTED

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 18, 1935.

CONFIDENTIAL

Subject: The situation in North China.

793.94

S:
 Mr. Secretary.

During the past week the situation in North China has not been materially altered, but Japanese pressure has continued and important developments in connection therewith have occurred.

The Embassy in China reported that on January 12 the Kwantung Army's experienced political agent (Doihara) returned to North China and that according to a Japanese official informant he would remain there until the Hopei-Chahar Political Council obtained the desired degree of autonomy in finance, in economy, and in foreign affairs (including closer relations with "Manchukuo" and agreement for action against communism) -- according to another informant Doihara will go to Japan in March to take command of a brigade --; that frequent reports indicate that the activities of a renegade Chinese leader and tractable Mongols (who are under Japanese direction) are being extended westward from Chahar Province into Suiyuan Province for the purpose of separating Inner Mongolia from China; that the Chairman of the Hopei-Chahar Political Council has announced the intention to appoint

(without

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JAN 9 1936

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

- 2 -

(without Nanking's approval) as commander of the Peace Preservation Corps at Peiping another renegade ex-general, whose arrest has been sought by Nanking for some time; that the Chairman has replaced with his own men Nanking's appointees holding important posts in several revenue producing organizations; that he has ordered the Peiping postal authorities not to remit to Nanking the revenue from the sale of revenue stamps (the retention of postal and customs revenues is said also to be intended); that the character of the Hopei-Chahar régime is becoming increasingly autonomous in line with Japanese desires; and that conversations continue at Tientsin between the Japanese military and members of the Hopei-Chahar Political Council, the developments being kept secret. However, according to press reports in China some local incidents have been settled and Japanese quarters have expressed satisfaction with the results obtained.

Mukden reported information from a reliable source to the effect that two thousand Japanese troops are being moved from Korea into North China.

Canton reported that a clash occurred between the police at Canton and students of the Chungshan University who had been holding demonstrations against the National Government and its Japanese policy, that one or more students were believed to have been killed and that the
 city

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

- 3 -

city was placed under martial law.

Nanking reported that no disquieting developments accompanied the gathering at the capital of student delegates and representatives of universities and schools in response to General Chiang Kai-shek's invitation to discuss student agitation. Secrecy has been maintained concerning the discussions which took place but according to confidential information General Chiang, in reply to the opposition expressed by the delegates to the Government's attitude toward the autonomy movement and toward Japan, spoke at great length concerning the condition of the country and the position of the Government with particular reference to Sino-Japanese relations and gave assurances that he will never surrender to Japan nor sign an agreement injuring the State. The opinion prevails at Nanking that the "conference" will have little or no effect (it will be recalled that the Government's reason for calling the "conference" was to gain a respite from student agitation).

The press have reported the occurrence of an incident (the capture by Mongols of seven "Manchukuo" soldiers intrenched in Mongol territory) on the border between Outer Mongolia and "Manchukuo", and the lodging by the

Mongol

0735

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

- 4 -

Mongol government of a protest with Hsinking. Press reports have mentioned the appearance of an article in a new Japanese magazine published at Peiping dealing with the Manchu restoration under the caption "P'u Yi, Emperor of China", in which article it is stated that "North China's destiny of unity, stability and permanency points to the restoration of the Manchu empire."

It is evident that the Japanese are again more active in North China and that the relations between the Hopei-Chahar Political Council and Nanking are becoming more tenuous. Japanese efforts are apparently directed toward extending the so-called semi-autonomous territory (comprising Hopei and Chahar Provinces) to include neighboring provinces, toward increasing the degree of its autonomy or bringing about an independent North China, toward effecting closer association with "Manchukuo" -- the possibility of a Manchu restoration at Peiping, a subject which has been referred to from time to time since 1931-32 by Japanese military officers, cannot be dismissed as chimerical. An increase in the Japanese garrison in North China would seem to indicate that the Japanese intend to take a more active part in the affairs of that area. Very important developments may take place between now and March 1.

FE:MSM/VDM

0741

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

INTERNATIONAL MISSIONARY COUNCIL

Composed of the following Organizations

NATIONAL MISSIONARY COUNCIL OF AUSTRALIA
SOCIÉTÉ BELGE DE MISSIONS PROTESTANTES
NATIONAL CHRISTIAN COUNCIL OF CHINA
CONSEIL PROTESTANT DU CONGO
DANSK MISSIONSRÅD
DEUTSCHER EVANGELISCHER MISSIONSRAT
SOCIÉTÉ DES MISSIONS ÉVANGÉLIQUES DE PARIS
CONFERENCE OF MISSIONARY SOCIETIES IN GREAT
BRITAIN AND IRELAND

NATIONAL CHRISTIAN COUNCIL OF INDIA, BURMA, AND
CEYLON
NATIONAL CHRISTIAN COUNCIL OF JAPAN
KOREAN NATIONAL CHRISTIAN COUNCIL
COMMITTEE ON COOPERATION IN LATIN AMERICA
NEAR EAST CHRISTIAN COUNCIL
NETHERLANDSCHE ZENDINGSRaad
NETHERLANDS INDIA
NATIONAL MISSIONARY COUNCIL OF NEW ZEALAND
NORSK MISSIONSRÅD

FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA
(UNITED STATES AND CANADA)
NATIONAL CHRISTIAN COUNCIL OF THE PHILIPPINE
ISLANDS
NATIONAL CHRISTIAN COUNCIL OF SIAM
MISSIONARY SOCIETIES OF SOUTH AFRICA
SUOMEN LÄHETYSNEUVOSTO
SVENSKA MISSIONSRÅDET
ASSOCIATION OF MISSIONARY SOCIETIES IN SWITZER-
LAND

CABLEGRAMS: INTMISSION, New York
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TELEPHONE: CHelsea 3-0973

Chairman: JOHN R. MOTT, 230 Park Avenue, New York City
Secretaries: J. H. OLDHAM; WILLIAM PATON, 2 Eaton Gate, London, S.W.1
A. L. WARNSHUIS, 156 Fifth Avenue, New York City

SUITE 1219
156 FIFTH AVENUE
NEW YORK, N. Y.

January 15, 1936.

Dr. Stanley K. Hornbeck, Chief,
Division of Far Eastern Affairs,
Department of State,
Washington, D.C.

My dear Hornbeck:

For your information I enclose a copy of a paper which is
explained in the letter at the top of the first page.

Yours faithfully,

A. L. Warnshuis

793.94/7683

ALW:W



JANUARY 18 1936

793.94/7683

FILED
JAN 20 1936

F/FG

0741

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

UNIVERSITY OF HANKING

Department of History

Dec. 5, 1935

Dr. H. L. Jarnshuis
New York

Dear Dr. Jarnshuis:

Mr. W. P. Mills and I have been working recently with an excellent Chinese group on the present peril of partition and domination. We both felt that you would be interested in the results, and might be able to make quiet use of them as showing the desperateness of the situation. High officials have said the memorandum before Chiang, Wang, Soong, Kiang, and others chiefly concerned with the making of policy.

No other copies are being sent to America save to our denominational secretaries and to three or four academic friends of influence who are closely concerned. Mr. Paton was intensely interested, and spent much of his time in Hanking with our group upon these issues and their implications.

With cordial good will,

(Signed) M. S. Bates

EXPLANATORY NOTE TO ACCOMPANY

"Memorandum on Policy Toward Japan"

I. NATURE OF THE JAPANESE PROGRAM IN CHINA. Concrete demands have not been presented (Nov. 25). Statements by the Japanese Foreign Minister, the Ambassador to China, the Commander-in-Chief for North China, and other official declarations mark out with repetition the following lines: Concern for raw material, especially in North China, and frequently referring to the growing of cotton and to minerals. Control of the railways giving access to the Mongolian frontier, with a view to "joint action against communists." Insistence in varying degrees upon the autonomy of North China, frequently defined as five or six provinces reaching southward to include Shantung and Shansi. "Economic cooperation" without limitation of area, but frequently with emphasis upon the relations of the three states -- Japan, Manchukuo, and China. "Military cooperation," with emphasis upon the anti-communist campaign, especially if there is risk of communist remnants fleeing to the northwest. "Cultural cooperation" which is explained as the revision of school textbooks and the suppression of all anti-Japanese activities. Revision of tariffs according to Japanese desires. Abstention from any international loans or the securing of any sort of international aid for China that is not first approved by Japan.

These statements speak for themselves to any one generally familiar with the situation. It may be well to point out that since 1932 the Chinese newspapers and publishers have been under strict control, almost pitifully subservient to the desire to avoid offence to Japan. There has been no anti-Japanese movement of any sort, and remarkably few expressions of hostility have appeared. The papers are usually unable to print even the despatches of the official Japanese news services, because in times like these they are considered provocative of anti-Japanese feeling!

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

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II. SOVIET TENDENCIES OF OFFICIAL AND INTELLIGENT OPINION.

1. Since the pressure of last May and June in North China, an increasing belief that armed resistance is necessary. This includes the highest circles, with very few exceptions; and represents a marked change from any earlier situation. There is difference of view as to the time that resistance will become inevitable - or expedient.

2. To the stream of Japanese provocations and threats since September, a feeling that no reasonable process of negotiation has any hope whatever. There must soon be a choice between absolute submission with loss of an important part of the country and partial control of the remainder; or a war that would probably be disastrous.

3. The positive idea of war gains ground rapidly. A. The desperate response to continued goading and intimidation, which is cumulative since 1931. B. Some encouragement by the uncompromising stand of Abyssinia and the stirring of Europe by her resistance; the turn to collective sanctions; the active presence of Russia in the League. C. Hope for Russian aid to China, not only on the grounds of the general setting and her opposition to Japan, but in particular over the threat through North China to Mongolia and Turkestan. This hope is amalgamated with the wish to turn away from the Chinese civil war against communists, and to direct red activity against Japan as the communists suggested in 1931. D. With some persons a revulsion against the calculated "realism" which has always yielded to the threat of force, and a swing toward idealism willing to contemplate danger for self and country, to take the risks of a communist association with its danger to property and existing institutions, to feel that nothing can be worse than spineless submission by a Government anxious to hold its own place. E. A strong sense that a clear call to stand against Japan would unite with the Central Government those elements, especially in Canton and in certain northern quarters, who have never been heartily cooperative. Moreover, boldness as against Japan is increased by the appearance of a full Cantonese delegation in the National Party Conference for the first time in a number of years, and is turned into measure upon the chief leaders by the insistence of the Cantonese that a policy of assistance is the condition of their support of the Central Government. Thus any one who urged caution is made to appear as the immediate betrayer of national unity, though the realities of the Cantonese attitude are of course not so simple as the outward presentation. F. Finally, there is a strong inner pressure of accumulated restraint and suspicion, developed through three years of Government subservience to the Japanese since the half-secret truce following the Manchurian and Shanghai conflicts of 1931-1932. The Chinese Government has not dared to declare openly the nature of the agreements which it was forced to reach with the Japanese, and strict control of the Chinese press has accentuated the distrust which is also kept alive by natural rumor and innuendo. In this atmosphere those who count the cost are considered as supporting dubious deals with the oppressive invader, and the feeling of relief is open opposition to Japan.

III. PREPARATION OF THE MEMORANDUM. A rigorous questionnaire upon the immediate problems was presented to a group of Chinese professors of political science and international relations, two or three government officials concerned with economic matters, two or three western friends, and (in private) to certain of the staff of the Ministry for Foreign Affairs. Two main conferences were held with careful preparation, as also many smaller discussions inside and outside this particular group. There was a high degree of unanimity as to the program of negotiation, though not as to the measure

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

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of reliance upon force. The memorandum was drafted by the initiators of the enterprise with English and Chinese counterparts and much mutual criticism. It was warmly welcomed and approved in the Ministry for Foreign Affairs, and there is reason to believe that it is also being used in other high official circles.

The Memorandum is pointed to practical political and military leaders with the primary aim of diverting outlook from war to negotiation. All the ideas and to some extent the form are related to immediate conditions and opinions around us, and have been tried out in frank discussion with interested and competent Chinese. Most of the thought is neither original nor unique, but it is hoped that a brief yet fairly comprehensive statement will help to support healthy elements in official circles. Facts and probable consequences tend to lose their meaning in the swing toward force as the only response. Obviously the paper is not suited to publication. It is being sent to a few friends as a contribution toward understanding of the situation and its issues.

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

DECLARATION OF POLICY TOWARD JAPAN

We realize that Japan is continuing to press our Government for further privileges and control, not only in North China but extending throughout the country. We also realize something of the peril for the Government and for the nation if no reasonable means of settlement can be found. We wish in a small way to support our leaders against those whose judgment is obscured by fear, by despair, or by group emotion; and to offer aid toward courageous decision on the basis of careful thought for what will do most to protect the improvement and development of China on the progressive lines attempted in recent years.

We believe that the Government itself feels the necessity for forming now a definite and firm policy toward Japan, with positive efforts to meet the Japanese advance. As soon as possible the direction of this policy should be made known, with an appeal for public understanding and support, which would largely replace the present fear and distrust that inevitably arise from official silence and unofficial rumors. Such a course, with reasonable relaxation of censorship, would increase confidence and courage within official circles as well as among the people, and provide a better basis for opposing unreasonable demands. It would also gain understanding in other countries of the crisis now confronting us.

I. The Government has honestly tried to avoid trouble with Japan. But past submissions have failed to bring relief from continued Japanese aggression, and a more vigorous policy must be found. Many persons naturally propose armed resistance. But we respectfully suggest that this should not be the first or main reliance, for the following reasons:

A. The internal weakness of China at the present time:

- (1) Economic. The general poverty is now emphasized by unusual depression, troubles of banking and currency, flood and famine, while heavy taxation does not meet even the normal needs when war is not expected.
- (2) Political. Unification is not yet complete, and the conflicting interests of South, West, and North are further complicated by personal and factional ambitions as well as by communists and other hostile forces.
- (3) Industrial. We have not the materials nor the equipment for manufacturing many of the essentials of large-scale warfare, and what we do have is largely dependent upon imports or upon the coast cities at once vulnerable to Japan.

B. The probable results of warfare. Because of the great superiority of the Japanese in artillery and in airplanes, the power of their navy to take the chief cities of China and also to provide for the landing of troops at will (as at Lu-ho), and their overwhelming economic and industrial resources as compared with China's, disastrous consequences must be faced:

- (1) Blockade with seizure of the chief ocean and river ports, and possession of strategic points on the eastern and central railways. This would quickly break down effective resistance by China, and effectually prevent any real development in the future.
- (2) Utter financial and economic collapse, involving all banks and all extensive trade. Misery and starvation for many millions of people, in addition to the vast numbers already in distress.
- (3) Failure of government securities and all normal means of borrowing. Loss of most of the government revenue (customs, salt, commodity taxes centered near the coast, and so on) at the very time of greatest financial necessity.

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

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- (4) Psychological and political perils on our side -- discouragement and division in repeated defeat, the opportunities for puppets and traitors, the practical difficulties of co-operation among remaining leaders without good communications and necessary finance.
- (5) Grave injury to national unity through Japanese partition and occupation, with their effects upon Chinese political organs and local interests.
- (6) Risk of communism and disintegration in a situation of bankruptcy and weakened government, with general discontent and bodies of defeated, unpaid soldiers to reckon with.
- (7) If pushed into the far western areas, the Government would have such poor communications and such a limited base in finance and in mineral resources that it could do little for the rest of China.

C. There is no real hope of alliance or of considerable foreign aid at this time:

- (1) The United States and Great Britain are increasingly determined to avoid any war as a matter of major policy, and certainly so for anything less than a matter of critical importance to them. For them and for other western countries, the wish to avoid difficulties in the Far East is intensified by the internal problems of the economic depression and by the pressing fears and crises in Europe.
- (2) Russia is so much occupied with basic internal development that she has continually submitted to any sort of Japanese provocation that did not seriously invade Soviet territory. This attitude is further confirmed by the fear of German action in the next two years, and corresponding anxiety lest any quarrel with Japan would invite Germany to attack at once and involve Russia in disaster.
- (3) Russia's actual relations with China must be honestly faced. The reality has been a double policy -- Red Imperialism in Manchuria (as in 1929), in Mongolia, in Sinkiang; violent social revolution, supported directly and continuously against the Kuomintang, "the bloody butchers of the workers and peasants." Can the Russians give aid, considering their distance and the means of communication? Would they give aid, in view of their own problems and attitudes? If so, what would be the true purposes and the probable results of their intervention in a weak and precarious China? What would be its effects upon Japanese policy, and upon the attitudes of other countries?

II. The great risks of armed resistance should not be run unless every possibility of negotiation and adjustment is exhausted. Real hope for the future must be based upon vigorous improvement in China and with alteration of the international situation.

A. The one thing certain is that the conditions of five, ten, twenty years ahead will be greatly different from those of today: critical changes are possible in Japanese internal position and policy, in British and American situations and foreign policies, in the League and collective international action if the next two years in Europe drive the nations more and more to depend upon that method. Compare the opportunity of Japan in 1915-1920, extending her place in China, in the Russian sphere of Manchuria, and in Siberia as far as she wished; yet required to give up a great deal of that extension by the international pressure of 1922-1922. But if China's present situation is greatly worsened by continued passive agreement to Japan's encroachments, there is little hope for the

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

3.

future. Likewise, if the situation is fundamentally altered by war and Japanese conquests, internal improvement and external aid become much more difficult.

B. Thus there is imperative need for vigorous negotiation, to grant what can reasonably be granted to Japan, and openly to stand against any commitment that would hinder fundamental progress in the future. Our Government could take a good position by promptly proposing some adjustments on its own initiative:

- (1) Economic cooperation should be favored wherever due regard for the interests of both countries can be maintained. Technical experts and advisers should be welcomed wherever administrative freedom is not infringed.
- (2) Tariff revision should be considered in a friendly manner, and favors granted on a basis of reciprocal advantage.
- (3) Improvement of international communications should be furthered for mutual benefit. For example, joint or reciprocal air services operating from China to Japan and "Manchukuo" might be suggested. It is far better to arrange on a commercial basis what otherwise may be forced upon us by a political or even by a military move.
- (4) If the Japanese Government will show reciprocity in friendly management of its policies, and will restrain the declarations of its officers and official news services, the Chinese Government will be aided in its strict control of anti-Japanese activity.

C. On some matters much might be yielded in negotiation, if more safety could thereby be secured for the development of basic central interests in our country:

- (1) More concession in economic opportunities in North China than for the country as a whole, realizing that there we have an extended land frontier with Japanese interests, through communications with Manchuria have a long and useful history and are now reestablished, the actual political and military control by our Government is not adequate over some of our own officials, and already we have been pledged in various agreements to recognize a special situation in the northern provinces.
- (2) The recognition of "Manchukuo," in view of the fact that we already have dealt with them in frontier matters and in communications, and probably must do so more extensively in the tri-state economic cooperation emphasized by the Japanese. Such recognition should be considered only if it brings great advantages, and if it is approved in Geneva as part of an entire settlement of Sino-Japanese relations.

D. There are some possible demands along lines on which the Government has at various times felt it necessary to yield for the sake of peace. But continued concessions in these matters would seriously damage the sovereignty of China and restrict our development, and ought therefore to be openly refused:-

- (1) Interference with internal administration.
- (2) Control of military development. The suggested "joint action against communists" should be carefully guarded in accord with these principles.
- (3) Control of natural resources.
- (4) Control of communications.
- (5) Dictation as to currency or loans.
- (6) Restrictions upon normal relations with other countries.

E. In the course of the negotiations, certain principles may be usefully set forth at whatever time and in whatever specific applications may prove most advantageous:

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

4.

- (1) Constructive and lasting cooperation must be on the basis of bilateral interest and benefit.
- (2) The greatest aid to economic improvement in China and to Japanese trade with China would be the restoration of normal relationships between China and Japan, based on mutual respect and general international practice.
- (3) We share the Japanese fear of radicalism in a country bordering Russia for thousands of li, and are surprised that steps are proposed by Japan to weaken the actual power and also the standing of our National Government, which has stood so firmly against the Reds and is regarded by them as their determined enemy.
- (4) Anti-Japanese movements have been closely controlled. Lasting removal of anti-Japanese feeling can be brought about by fair and friendly policies on the part of both Governments, each with consideration for the internal problems of the other.
- (5) The carrying out of the whole program of negotiation here outlined may perhaps be supplemented by (a) special effort to maintain the highest quality of diplomatic representation in the capitals of the Great Powers and at Geneva, in order that the explanation of China's position may come with effectiveness and tact; (b) the sending of well-selected generals to Tokyo to get into direct touch with leading Japanese military men in regard to the entire relationship of the two countries.

III. A. Our real policy should be active, intelligent negotiation; compromise where possible, but vigorous maintenance of the essentials of national life. If after effort in constructive negotiation, the demands prove too great for any settlement, they should be openly refused, and a frank statement made to the Japanese, to the Chinese people, and to the world, something on these lines: "We have fully shown our willingness to cooperate on any reasonable terms beneficial to both countries. But we cannot honorably agree to a program that will greatly injure our own people and their future. If these relationships of nations are to be decided by warships, artillery, and bombing-planes, we plainly recognize that we are not able to contend successfully. But we give warning that excessive pressure upon the Chinese people will tend toward making a disorderly and radically-minded nation instead of the stable and soundly progressive one that is really in the interests of Japan as well as of China. If the relationships are to be decided by reasonable adjustments of the interests of neighbors, according to normal and healthy international practice, the present difficulties can soon be removed. We cannot and will not throw away the welfare of four hundred million people, nor break the essentials of our treaties with fifty nations."

B. In such a position China would be absolutely in the right and Japan absolutely in the wrong. Any act of force by Japan would stand utterly naked and impossible to cover by excuses. All forms of non-cooperation, including boycott, would be fully justified and approved. The Government may well consider the Germans' peaceful resistance against France in the Ruhr, and the concessions won from Great Britain by spiritual strength in India. The situations may be different, but valuable suggestions may be gained from such achievements. There would also be the best possible basis for sympathetic aid by other countries and for collective action when European difficulties are lessened. Since 1931 the Lytton Report and the Assembly's vote definitely crystallized western opinion on Japanese policy; Italy is terribly isolated; and gross aggression by Japan with continued injury to western commerce would

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

5.

work toward sharp opposition in the Far East. On the other hand, military acts on China's part interrupting and confusing the negotiations (no matter how well the acts might be justified in themselves), would seriously obscure the issue. Caution in this line would not damage China's military position, for in the nature of the case ultimate recourse to arms would not aim at sudden strokes, but rather to a long-time and widespread resistance to a Japanese invasion not yet begun.

C. We are not ready to say that this plan will work out with complete success. But under the actual circumstances, we believe it is the best line of policy that we can follow. If carried out wisely and persistently, it has a good chance:

- (1) to secure moderation of unreasonable demands;
- (2) in case the moderation is still insufficient and no conciliation is possible, to put China in the best situation for standing firmly against Japanese pressure, with unqualified good will toward us and hostility toward Japan among the other nations.

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

January 16, 1936.

My dear Warnshuis:

I acknowledge receipt of your letter of January 15, 1936, together with the enclosure from Mr. M. S. Bates of the University of Nanking, Nanking, China.

Your courtesy in forwarding the interesting enclosure is much appreciated.

Yours sincerely,

Stanley K. Hornbeck
[Signature]

793.94/7683

Dr. A. L. Warnshuis,

Secretary, International Missionary Council,
156 Fifth Avenue,
New York, New York.

K

[Signature]
FE:MSM/VDM

[Signature]
FE

OR *[Signature]*
JAN 18 1936

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

bi

TELEGRAM RECEIVED

JS

1-1336

FROM

CANTON (Via N.R.)

Dated January 22, 1936

Rec'd 7 a.m.

Secretary of State

Washington, D.C.

January 22, 3 p.m.

Referring to my telegram of January 14, 3 p.m.

I have been informed by municipal authorities that martial law was terminated last night and that the authorities consider the situation completely normal.

SPIKER

JS

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

Division of
FAR EASTERN AFFAIRS
JAN 22 1936
Department of State

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FILED

JAN 24 1936

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

FE

TELEGRAM RECEIVED

1-1236

FROM

FS

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

Shanghai

Dated January 23, 1936

Secretary of State,
Washington.

See for
Divis. Sec. 7:10 a. m.
FAR EASTERN AFFAIRS
JAN 23 1936
Department of State
of paraphrase

51, January 23, 4 p. m.

STRICTLY CONFIDENTIAL.

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

Mayor Wu told me this morning that the Japanese Consul General called on him recently saying that he had instructions from Tokyo to adopt a stronger attitude in dealing with the local Chinese authorities and that these instructions were issued because the attitude of the Nanking Government toward Japan had changed. See my despatch No. 66, January 10th.

Repeated to Department and Nanking.

KLP

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FILED
JAN 31 1936

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

(C)NFIDENTIAL)

P A R A P H R A S E

A strictly confidential telegram (No. 51) of January 23, 1936, from the American Consulate General at Shanghai reads substantially as follows:

On January 23 the American Consul General was informed by Mayor Wu that a short time ago the Japanese Consul General called on Mayor Wu and stated that he had been instructed by his Government to adopt a stronger attitude in his dealings with the Chinese authorities in Shanghai and that he had received these instructions because there had been a change in the Nanking Government's attitude toward Japan.

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

FE

TELEGRAM RECEIVED

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FS

1-1336

FROM
 Division of
 FAR EASTERN AFFAIRS
 JAN 23 1936
 Department of State
Ways

COPIES SENT TO
 C.N.I. AND M.I.D. *89 C*

GRAY

Peiping via N.R.

Dated January 23, 1936

Rec'd 9 a. m.

Secretary of State,
 Washington.

32, January 23, 4 p. m.

The following telegram has been received from the
 Consulate at Swatow:

"January 22, 2 p. m. Japanese cruiser YUBARI, Vice
 Admiral Hasegaya, arrived today on account of the alleged
 murder of Japanese constable yesterday. I am informed that
 Japanese refused to permit autopsy by a British physician
 at the request of Chinese authorities so that cause of
 death is not definitely known. Chinese are apprehensive
 that Japanese intend to make a major issue out of the
 incident. No demands have been made as yet."

KLP

JOHNSON

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FILED
 JAN 27 1936

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

TELEGRAM RECEIVED

MJP

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

FROM Peiping

Dated January 23, 1936

Received 10:00 a. m.

Division of
FAR EASTERN AFFAIRS

JAN 23 1936

Department of State

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

Secretary of State,
Washington.

33, January 23, 5 p. m.

Embassy's 21, January 16, 4 p. m.

Progress of Japanese activities and Sino-Japanese negotiations and conversations in Hopei and other provinces of North China continue to be obscure. It is believed that the Japanese are continuing their efforts to obtain the autonomy of the five provinces but find Sung, Han, and Yen difficult. It is thought that, if Sung does not (repeat not) come to terms with the Japanese, he will be forced out of Hopei. It is possible that the appointment of Shihyusan as commander of Peace Preservation Corps of Peiping, presumably at Japanese instance, may be a preparatory measure for removing Sung if necessary. It is said that, disregarding their personal feelings, there are important elements among the subordinates of Sung, Han, and Yen strongly opposed to submitting to the Japanese.

Two. Apparently Teh Wang has not yet (repeat not) declared

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JAN 30 1936

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

MJP -2- No. 33, January 23, 5 p. m. from Peiping

declared independence. (See Embassy's 24, January 19, 11 a. m.) According to a competent Chinese observer, the drive of Li Shou Hsin into Suiyuan awaits the melting of snows, one purpose of taking Suiyuan being to bring pressure on Yen to obtain his acquiescence to the Japanese program. The rumored appointment of the renegade Sun Tien Ying to a military post in Southern Hopei may also be a potential threat directed toward Yen.

Three. There are no (repeat no) indications here that the Kwantung army's plans for North China will be altered by possible Sino-Japanese conversations at Nanking.

By mail to Nanking and Tokyo.

JOHNSON

KLP

93-2

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 33) of January 23, 1936, from the American Ambassador at Peiping, reads substantially as follows:

It is still not easy to understand the progress of Sino-Japanese conversations and negotiations and Japanese activities in Hopai and other provinces of North China. The Japanese are thought to be going on with their efforts to bring about the autonomy of the five provinces but to be having difficulty in managing Yen, Sung, and Han. It is believed that Sung will be forced out of Hopai Province if he does not come to terms with Japan. The appointment, presumably in accordance with Japanese wishes, of Shih Yu-san as commander of the Peace Preservation Corps of Peiping may possibly be a step toward the removal of Sung if necessary. According to reports, there are important elements among the subordinates of Yen, Sung, and Han, who, disregarding their personal feelings, oppose strongly yielding to Japan. It seems that as yet Teh Wang has not announced independence. One competent Chinese observer stated that Li Shou-Hsin's advance into Suiyuan, one purpose of which is to force Yen to acquiesce in the Japanese program, awaits the melting of the snow. It may be also that the reported appointment to a military post in southern Hopai Province of Sun Tien-Ying, one of the so-called renegade ex-generals, is a potential threat aimed at Yen. There is nothing in

Peiping

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

- 2 -

Peiping indicating that the plans of the Kwantung
army relating to North China will be changed by pos-
sible conversations at Nanking between the Japanese
and Chinese.

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

FE

TELEGRAM RECEIVED

FS 1-1336 FROM PLAIN

COPIES SENT TO
D. AND W. L. D.

793.94
894.032

Nanking via H.R.
Dated January 23, 1936
Rec'd 9 a. m.

Division of
FAR EASTERN AFFAIRS
JAN 23 1936
Department of State
Secretary of State
Washington.

23, January 23, noon.

One. Following statement for the press has been received from the Foreign Office:

"Interview by press correspondents concerning Mr. Koki Hirota's reference, in his speech before the Japanese House of Peers last Tuesday, to alleged concurrence by China to Japanese three principles vis a vis China, one of which is stated to be China's recognition of the puppet state of 'Manchukuo', a spokesman of the Waichiaopu stated as follows: 'By the three principles Mr. Hirota must have meant those three points which he put forward to General Chiang Tzo Pin, then Chinese Ambassador to Tokyo, in September 1935 by way of reply to the Latter's proposals. It will be recalled that in the fall of last year the Chinese Government proposed, through Ambassador Chiang, to the Japanese Government certain fundamental measures for the improvement of the relations of the two countries. In reply, Mr. Hirota

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JAN 27 1936

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

FS 2-No. 23, January 23, noon from Nanking

Hirota informed Ambassador Chiang to the effect that the Chinese proposals, in principle, were not unacceptable to Japan but that before Japan's acceptance of the same China must agree to three things:

One. China must abandon her policy of playing one foreign country against another;

Two. China must respect the fact of the existence of the "Manchukuo";

Three. China and Japan must jointly devise effective measures for preventing the spread of Communism in regions in the northern part of China.

However, these three points were considered by the Chinese Government as being too vague in their phraseology, to serve as a subject for useful discussion. So the Japanese Government was requested to state the concrete terms embodied in these points, but up to the present time Japanese Government have not yet done so.

Further, Hirota's recent statement to the effect that China has indicated her concurrence to these points is, therefore, without foundation.

On the other hand, General Chang Chun shortly after assuming his duties as Minister for Foreign Affairs, has proposed that Sino-Japanese negotiations should be conducted according to regular procedure and through

93-2 diplomatic

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

FS 3-No. 23, January 23, noon from Nanking

diplomatic channels with a view to the fundamental readjustment of the relations between the two countries.

Now in his recent speech before the House of Peers,

Mr. Hirota not only expressed concurrence to General Chang's proposal but also reiterated Japanese fundamental policy of non-menace and non-aggression against neighboring countries in the hope of restoring the relations of the two countries to normalcy as well as adjusting their mutual interests. From this standpoint, there seems to be no divergence of views between the two sides. With these as a starting point in the negotiations between China and Japan there can be no doubt that the relations between the two countries will be greatly improved'."

GW:WWC

PECK

93-3

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

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Canton via N. R.

Dated January 25, 1936

Received 7 a. m.

Secretary of State
Washington.

Division
FAR EASTERN AFFAIRS
JAN 25 1936
Department of State

January 25, 11 a. m.

Following in supplement to Swatow's reports concerning shooting on January 21st of Japanese consular policeman at Swatow: On the following day Marshal Chen Chi Tang sent telegraphic instructions to the Swatow Municipal Government, (first), to send representative to call on Japanese Consul to express regret at death, irrespective of its cause, of the policeman; (second), to conduct strict investigation of the case and; (third), to assure Japanese Consul that if any Chinese found responsible for death as alleged by the Japanese Government the guilty party would be tried and punished to the fullest extent of the law, while Chinese authorities though accepting no official responsibility for act of individual will make small compassionate grant to family of deceased. Chinese feel that by such prompt action they should forestall any claim they have not done all that can reasonably be expected of them.

Two.

793.94/7689

FILED
JAN 28 1936

F/FG

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

FS 2-January 25, 11 a. m. from Canton

Two. Latest reports indicate that Hu Han Min will visit Canton prior to proceeding to Nanking, such visit being made as the result of earnest solicitation of ^{at} Marshal Chen who called on Hu/Ichang and is believed to be strongly opposing his Nanking visit.

HPD

SPIKER

076

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 28, 1936

~~1001~~
~~1002~~
~~1003~~

Shanghai's 54 of December 28, 1935, discusses the student demonstrations in Shanghai in connection with the autonomy movement in the North. These demonstrations were reported to the Department in Shanghai's telegram of December 20 and subsequent telegrams.

The main item to be noted is the apparent universality of popular feeling against the so-called autonomy movement; students, labor unions, professional men, et cetera joining in the protests to the Nanking Government. In the initial stages it is stated that the local Tangpu appears to have been engaged in fostering the manifestation of

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

2

popular disapproval of Nanking's supine attitude toward affairs in the North, probably as a result of strained relations between Chiang Kai-shek and the Kuomintang.

The Japanese made the usual representations as to the anti-Japanese character of the demonstrations.

6512
CSR

0764

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

No. 54

copy - FE
 DIVISION OF
 EASTERN AFFAIRS
 FEB 27 1936
 COPIES SENT TO
 O.N.I. AND A.I.D.
 EJR

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, December 28, 1935.

793.94

Subject: Student Demonstrations in connection
 with so-called Autonomous Movement
 in North China.

RECEIVED
 DEPARTMENT OF STATE
 JAN 27 AM 11 11 '36
 THE HONORABLE
 THE SECRETARY OF STATE,
 WASHINGTON.
 Sir:

For Distribution-Check		Yes	No
Grade	G		
For	Stanton		
To field	In U.S.A.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	ONI		
	MID		
			CSR

I have the honor to enclose a copy of a self-
 1/ explanatory despatch No. 40 of this date, with
 enclosure, from this Consulate General to the Embassy
 at Peiping in regard to the subject above mentioned.

ASSISTANT SECRETARY
 DEPARTMENT OF STATE
 FEB 7 - 1936

Respectfully yours,

Monnett B. Davis
 Monnett B. Davis,
 American Consul General.

Enclosure:

1/- Copy of despatch No. 40 to
 Embassy, Peiping, dated Decem-
 ber 28, 1935, with enclosure.

800
 EFS:NEW

In quintuplicate

793.94/7690

FILED
 FEB 10 1936

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

No. 40

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, December 28, 1935.

Subject: Student Demonstrations in connection
 with so-called Autonomous Movement
 in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to refer to this Consulate General's
 telegram of December 20, ⁷⁵⁵⁶ 4 p.m., and subsequent telegrams
 concerning recent student demonstrations in Shanghai and
 to give below for the information of the Embassy a summary
 of events connected with the initial phases of this mani-
 festation of popular feeling against the so-called autono-
 mous movement in North China.

The resentment with which various sections of the
 local population viewed the spurious autonomy movement
 in the North and the machinations of the Japanese mili-
 tarists was definitely voiced during the opening session
 of the First Plenary Session of the Central Executive
 Committee convened at Nanking during the first week in
 December. The Shanghai City Chamber of Commerce and
 over a hundred and fifty merchant guilds in Shanghai
 transmitted messages to the opening meetings of the
 First Plenary Session urging that the Government take
 definite and effective action to cope with the pre-
 carious situation in the North and to preserve Chinese

sovereignty

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

-2-

sovereignty over that area.

The student demonstrations which took place in Peiping on December 9th seem to have electrified Chinese students throughout the country into activity. In Shanghai the Federation of Shanghai Universities met on December 11th and the presence of the Presidents of the University of Communications, Kwang Hwa University, the University of Shanghai and other leading educational institutions lent importance to the meeting. During the course of the proceedings it was resolved, according to the CHEN PAO, a leading vernacular paper, to dispatch a telegram endorsing the manifesto issued by educationists in Peiping on November 24th regarding the preservation of the integrity of North China and to send another to educationists throughout the country urging that support be given to the stand taken by the student and cultural groups in Peiping.

On December 12th separate manifestoes were issued by the leading Chinese universities of Shanghai and on the same day the Committee of the Bar Association petitioned General Sung Che-yuan to release the students arrested in Peiping during the course of the demonstrations there. The most important and significant telegram issued on December 12th was that drafted and circulated to the country at large by a group of representatives of the local educational, banking, bar, professional and business circles. The message was forcefully worded and emanating from a group so thoroughly representative of the articulate section of the population of Shanghai is indicative of the extent and strength of the feeling regarding the situation in

North

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

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North China. It was urged that the cultural classes should "no longer remain calm but should immediately rise up and lead the masses to engage in a national salvation movement," and "that a weak policy will mean the dissolution of our race and will only facilitate the enemy in our gradual extermination." Some of the suggestions made in the message, a full translation of which is appended, were:

1. Hold fast the integrity of China's territory and our sovereign rights and reject any pact or agreement that is harmful to them.
2. Persistently oppose the special administrative organization in China that may be established by means of foreign influence, under whatever name it may be called.
3. Persistently oppose the North Eastern Problem and the North China Problem being treated and settled as district affairs; they are questions affecting the integrity of the territory and sovereign rights of China.
4. Demand that the National Government mobilize troops immediately to attack the rebellious organizations in East Hopei and the North East.
5. Demand the Government to resist the invasion of the enemy with all its forces and finances throughout the country."

On December 14th the principals of local universities and colleges called in a body on Mayor Wu Te-chen at the Civic Center and informed him that students and others connected with educational circles in Shanghai wished to know the truth about the Northern situation. They also informed the Mayor that the students and educationists of Shanghai desired the Government to protect the territorial integrity of China and to find means to reunite the country. The Mayor is understood to have promised to convey their wishes to the National

Government

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

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Government and advised the callers to take special precautions to prevent unruly students from taking any action which might lead to disorder. On the same day the General Labor Union of Shanghai telegraphed the National Government, requesting it to dispatch an expeditionary force to North China to punish the traitor Yin Ju-keng, and pointing out that the Union with its eight hundred thousand laborers was prepared to back up the Government.

On December 15th the Federation of Shanghai University Students met and drafted numerous resolutions calling upon the Government to preserve China's territorial integrity and to dissolve the so-called autonomous regime in Hopei. December 16th witnessed numerous meetings of students, while on the 17th, 18th and 19th almost hourly meetings occurred which were participated in by universities, middle schools, labor unions, trade guilds and various other organizations. It was not surprising, therefore, that this movement, which had been gradually gathering momentum over a period of weeks, should assume a more active form and result on the night of December 20th in a monster demonstration and parade of some four thousand students from the leading universities and colleges of the city.

The more openly active phase of student demonstrations will be covered in a subsequent despatch, but in connection with the movement prior to the night of December 20th it may be of interest to consider briefly the attitude of the Chinese authorities towards

this

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

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this manifestation of popular disapproval of events which have taken place in the North as well as the Japanese reaction thereto.

The indignation which the establishment of the so-called autonomous regime in North China has aroused in student, commercial, financial and professional circles has undoubtedly embarrassed the Chinese authorities as it has grown in volume and extent. General Chiang Kai-shek and the newly appointed cabinet may have been pleased to see mild popular disapproval expressed of recent developments in North China for internal political reasons but appear to have been opposed to any very active display of such sentiment and in particular have been apprehensive that the movement might lead to incidents which would still further involve the Government with the Japanese. This attitude is apparent from the various instructions issued by the Ministry of Education of the National Government and the various provincial bureaus. Following the demonstration in Peiping of December 9th, the Ministry of Education is understood to have issued instructions to the various Provincial Bureaus of Education to adopt precautionary measures and to advise the students to refrain from participating in demonstrations. This instruction resulted in the issuance of a circular order by the Shanghai Bureau of Education warning educational institutions not to permit their students to participate in illegal movements. The order is also understood to have instructed principals of schools that they should prohibit their students from holding demonstrations or suspending their studies and urged that suggestions regarding political developments in

the

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

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the North, which students might wish to put forward, should be submitted in writing to the Government. On December 18th, following student demonstrations in several cities and the issuance of an increasing number of telegrams and manifestoes by student and other organizations, the Ministry of Education again instructed the Shanghai Bureau of Education to take precautionary measures and to prevent demonstrations and similar forms of activity. Reliable reports received from the Settlement Police indicate that the local authorities did in fact take such secret precautionary measures as were possible and that the Shanghai Bureau of Education and the Shanghai City Government had what they believed to be reliable key men posted in all the large universities and colleges and therefore felt that they were in a position to prevent the holding of actual student demonstrations.

An interesting aspect of the initial stages of the movement is that the local Tangpu appears to have been indirectly but actively engaged in fostering this manifestation of popular disapproval of the events transpiring in the North. The none too cordial relations existing between the Kuomintang Party and General Chiang Kai-shek may constitute a partial explanation of the apparent desire of the Tangpu to embarrass him and his subordinates. The local Japanese press attributes the entire movement to the machinations of the Tangpu and states that student leaders have been paid from ten to fifteen dollars each. However, it is not believed that the Tangpu has distributed any very large sums in Shanghai and, furthermore, as the movement grew and became difficult to control the local

Tangpu

0771

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

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Tangpu appears to have shown a disposition to disassociate itself from the movement. In this connection it is reported that considerable pressure has been brought to bear by the local Chinese authorities on the Tangpu and that this has deterred that organization from more openly espousing the movement.

Needless to say the local Japanese authorities have watched developments with the closest attention. However, during the period under review the Japanese did no more than call the Mayor's attention to the increasing number of manifestoes and telegrams of a generally anti-Japanese tenor, being issued by numerous student and other organizations. Mayor Wu is understood to have assured the Japanese that he would do everything possible to prevent the occurrence of anything untoward or inimical to Japanese lives and property and it is believed that Japanese consular and diplomatic officials in Shanghai are in general disposed to accept his assurances as satisfactory. However, the less conciliatory attitude of Japanese naval and military officials continues to cause uneasiness and apprehension in official circles.

Respectfully yours,

Monnett B. Davis,
 American Consul General.

Enclosure:

1/- News article in translation from
 TA MEI WAN PAO of December 13, 1935.

800

EFS:NHW *non*

Original to Embassy, Peiping
Copy to Embassy, Nanking
In quintuplicate to Department in
despatch No. 54 of even date.

0772

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

Enclosure No. 1 to despatch No. 40 from Bonnett B. Davis,
American Consul General at Shanghai, China, dated December 28,
1935, on the subject "Student Demonstrations in connection with
so-called Autonomous Movement in North China."

C O P Y

SOURCE: TA MEI WAN PAO (Great American
Evening Newspaper) Chinese daily
published by SHANGHAI EVENING POST
& MERCURY, of December 13, 1935.

TRANSLATION

AGITATION AGAINST THE AUTONOMOUS MOVEMENT IN NORTH CHINA.

The manifesto issued by educational circles and the demonstration staged by university students of Peiping have rekindled the national salvation spirit in this locality which has been lying dormant for a number of years.

Today (December 12) about 300 important members of the local educational, banking, bar and other cultural bodies, headed by the Rev. Ma Siang Fah (), sent out a circular telegram to all the people throughout the country, declaring that the settlement of the North China and the North-east problems as local affairs will be refuted and suggesting the concentration of financial and military strength to resist the enemy's invasion. The telegram also requests the National Government to dispatch troops to suppress the rebellious organizations in East Hopei and the North-East.

The following is the text of the telegram:-

"Our national crisis is becoming more acute daily. The four North-Eastern provinces have been annexed and now the five provinces in North China are in danger. If we deal with our enemy by bartering our land, our enemy will not be satisfied unless all our land has been given up. At the present juncture when our national existence is at stake, our cultural circles, who are entrusted with the mission of guiding the community, should no longer remain calm and should immediately rise up and lead the masses to engage in a national salvation movement. We warmly support the 'last lesson' determination of our educational circles of Peiping and the enthusiastic movement started by the youths in North China for the salvation of their country. We should make up our minds before the knives of our enemy are laid to our necks. We should adopt effective measures to preserve our national strength and should struggle for the emancipation of our race. Events which have occurred during the past four years convince us that our enemy's aggression is not instigated by the ambitions of a few of our enemies but is the natural trend of the expansion of imperialism. The acute economic crisis and other factors have caused our enemies to pursue their 'continental' policy. It will be tantamount to asking a tiger for its skin if we still continue to employ methods of compromise, co-operation and rapprochement or

parley

0773

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

-2-

parley, in an attempt to pacify our enemy.

The struggle for the emancipation of the people is not only the duty of the Chinese people, but also the duty of all oppressed people. The greater the oppression by our enemies, the stronger will be the demand of the Chinese people for our emancipation. The sole way to salvation for the Chinese people will be to form as many people's bodies as possible and to fight to the death. All intellectual people in the world will sympathize with us deeply in such a sacred battle. A weak policy will mean the dissolution of our race and will only facilitate the enemy to our gradual extermination.

In consequence, our suggestions are:-

- 1) Hold fast the integrity of China's territory and our sovereign rights and reject any pact or agreement that is harmful to them!
- 2) Persistently oppose any special administrative organization in China that may be established by means of foreign influence, under whatever name it may be called!
- 3) Persistently oppose the North Eastern Problem and the North China Problem being treated and settled as district affairs! They are questions affecting the integrity of the territory and Sovereign Rights of China!
- 4) Demand that the National Government mobilize troops immediately to attack the rebellious organizations in East Hopei and the North-East!
- 5) Demand the Government to resist the invasion of the enemy with all its forces and finances throughout the country!
- 6) Punish traitors severely and confiscate their property!
- 7) Demand the absolute freedom for people to form societies, hold meetings, deliver speeches and issue publications!
- 8) People in the country should organize themselves better and adopt more effective measures for self-defence!"

Copied by NIEW *now*
 Compared with *Doc*

0774

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 28, 1936

~~MSH~~
~~WTT~~
~~MMH~~

Shanghai's 64 and 66 of January 4, 1936, refer to its telegram reporting the assassination of T'ang Yu-jen and states that little progress has been made toward the apprehension of those responsible for the crime, which was apparently for political reasons.

The crime, in certain circles, is laid at the door of the Blue Shirts and other assassinations of politicians friendly to Japan are expected by certain groups. The Japanese announce their conviction that this (as well as the attempt on the life of Wang Ching-wei) was carried out by the anti-Japanese group.

CSE

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

No. 64

Strictly Confidential.

For Distribution-Check		Yes	No
Grade			
For			
Davis			
To file in			
In U.S.A.			
ONI			
MID			

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 4, 1936.

Subject: Sino-Japanese Relations:
Assassination of T'ang Yu-jen.

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

THE HONORABLE

THE SECRETARY OF STATE,
WASHINGTON.

Sir:

1/ I have the honor to enclose a copy of a self-explanatory despatch No. 52 of this date, with enclosure, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate General despatch No. 52 with enclosure.

800
MBD MB

In Quintuplicate.

4 copies
Received

703.94/7691

FEB 10 1936

FILED

F/FG

0776

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

No. 52

Strictly Confidential.

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 4, 1936.

Subject: Sino-Japanese Relations:
Assassination of T'ang Yu-jen.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my despatch of today's date concerning local press comment upon the assassination of T'ang Yu-jen, former Vice Minister of Foreign Affairs, and to submit for the confidential information of the Embassy a summary of opinions that have been expressed in various quarters here as to the motives for the crime, the group responsible therefor, and developments that are expected to follow. THE CHINA WEEKLY REVIEW (American and Chinese registered) of January 4, 1936, states that there "has not so far been a single clue as to the identity of the assassins" despite the large reward offered for their arrest. Information from police sources bears out this statement. American newspaper correspondents and official Japanese also say they do not know who committed the deed but all apparently are convinced that it was political, that it was directed against the Japanese, and that further attacks on

politicians

0777

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

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politicians friendly to Japan may be expected.

It is worthy of note that information received from several different confidential sources, namely, a Chinese contact of the Treasury Attache, a Korean informer known to the Intelligence Office of the Fourth Marines, and the local correspondent of THE NEW YORK TIMES, who is in close touch with Japanese sources, is to the effect that a disposition to lay the crime at the door of the "C.C." or the "Two Chens" group of the "Blue Shirts" is gaining ground (see this office's confidential despatch No. 8304 of August 9, 1935). *re: the situation in Shanghai*

- 1/ There is enclosed for what it may be worth a copy of a memorandum received from a Chinese correspondent of the Treasury Attache whose name was not divulged. He is believed, however, to be the same as the one referred to in previous despatches as being prejudiced against General Chiang Kai-shek and the Soong group in general and closely allied with the Southwestern political faction. He points out that Chang Kia-ngau, newly appointed Minister of Railways, was displaced as Governor of the Bank of China by T. V. Soong, that the former is associated with the "Cheng-hsueh Hsi" or "Political Science Group", and that he and his associates are bitterly opposed by Chen Kuo-fu and his brother Chen Li-fu, said to be the leaders of the section of the so-called "Blue Shirts" already mentioned. It is believed that the preparation of this memorandum was occasioned by a rumor to the effect that Chang Kia-ngau is to be the subject of attack. There is enclosed a separate

list

0778

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

-3-

- 1/ list of persons mentioned in the memorandum together with their corresponding Chinese characters for the Embassy only.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosures:

- 1/- Memorandum re Cheng Kia-ngau and his political background.
- 2/- List of persons mentioned with Chinese characters for Embassy only.

800
MBB MB

Original to Embassy.

In Quintuplicate to Department by
despatch No. 64 of even date.

Copy to Embassy Lanking.

Copy to Embassy, Tokyo.

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

Enclosure No. 1 to despatch No 52 of Monnett B. Davis,
 American Consul General at Shanghai, China, dated January 4,
 1936, on the subject: "Sino-Japanese Relations: Assassination of T'ang Yu-jen."

COPY

January 2, 1936.

Mr. Chang Kia Ngau and his Political Background.

Mr. Chang Kia Ngau, sometimes known as Chang Kung Chuan, newly appointed Minister of Railways was formerly governor of the Bank of China. He was compelled to resign by Mr. T. V. Soong, who took over the bank by high-handed political tactics and made his predecessor Vice-governor of the Central Bank. Recently Mr. Chang was also appointed to head the Central Trust Bureau besides serving as one of the Vice-Governors of the Central Bank. His new appointment as Minister of Railways surprised many people because he was regarded as a man of very little political background. Some believe that he was given the Minister-ship of Railways by General Chiang Kai-shek to recompense his loss in giving up control over Bank of China to Mr. T. V. Soong. This may be true to some extent but to those who know Chinese politics well will not accept this explanation.

Although Mr. Chang Kia Ngau had been connected with the Bank of China for over twenty years, he still maintained a very close political connection with a group of politicians called the "Cheng Hsueh-Hsi" or the "Political Science Group." It must be remembered that he became the Governor of the Bank of China through the appointment of the former Minister of Finance in the Peking Government, Mr. Liang Chi-Chao, a leader of the "Yen-Chiu Hsi" or "The Research Group." In recent years the political group of "Yen Chiu-Hsi" practically lost out in Chinese government circles, so most of their members joined the circle of "Cheng Hsueh-Hsi" to carry on their activities. This "Chang-Hsueh Hsi" group always maintained a pro-Japanese policy ever since President Yuan Shi-Kai's regime. During the past few years this group joined hands with Wang Ching-Wei's "Kai Tau Pai" or the Reorganizationist Group and gradually established themselves under General Chiang Kai-shek's regime. Their outstanding leaders are General Huang Fu formerly Chairman of the North China Political Council and General Yang Yung-tai, Chief Secretary to the Chairman of the Military Affairs Commission and concurrently Chairman of the Hupeh Provincial Government. The other members of their group occupying important positions with the Nanking Government following General Chiang's appointment as President of the Executive Yuan are as follows:

Mr. Wang Wen Hao Chief Secretary of the Executive Yuan.
 Mr. Chiang Ting-fu, Head of the Political Bureau of the Executive Yuan.
 Mr. Wu Ting-Chang, Minister of Industry.
 Mr. Chang Kia-NGau, Minister of Railways.

Mr.

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

-2-

Mr. Chang Chun, Minister of Foreign Affairs, and
 General Chiang Hsiao-pin, Minister of Interior.

Positions other than cabinet posts held by members of
 this group are:

Dr. V. H. Ting, General Secretary of the Academia Sinica.
 General Huang Shao-hsiung, Chairman of the Chekiang
 Provincial Government.
 General Hsiung Hsi-hui, Chairman of the Kiangsi
 Provincial Government, and
 General Chen Yi, Chairman of the Fukien Provincial
 Government.

Mr. Chen Kuo-fu and his brother Chen Li-fu leaders
 of the so-called "C.C. Tuan" or the "Two Chens Group" a
 blue shirts organization with Central Kuomintang Head-
 quarters as its base of operations are now the bitterest
 enemies of the Cheng Hsueh-Hai group. The Blue Shirts
 planned the shooting of Mr. Tang Ching-wei so as to remove
 him from the political arena of Nanking. They expected that
 their group would be the natural successors to power but
 instead the "Cheng Hsueh-Hai" group with their clever
 political tactics and high-handed methods coupled with the
 assistance of Tang Ching-wei's group and the support of
 Japanese succeeded to gain control of Nanking's politics.
 On the other hand, General Chiang Kai-shek's chief purpose
 in organizing the Blue Shirts was to check all activities
 by terrorist methods. This has proven to be successful, but
 this does not mean that he intended to depend upon the Blue
 Shirts to run the Government. He fully realizes that the
 "Cheng Hsueh-Hai" people are much better and more capable
 politicians than the Blue Shirts. He could not make hi-
 self "Supreme" without securing their support, hence the
 situation.

Recently the Blue Shirts realized that they have lost
 their foothold in the government, so the students anti-
 Japanese movement was again stirred up in an effort to
 create a difficult situation for the "Chang Hsueh-Hai"
 group. The assassination of Tang Yu-jen, Pro-Japanese
 official under Tang Ching-wei and a link between Tang
 Ching-wei's group and the "Chang Hsueh-Hai" is another
 step taken by the Blue Shirts in their war against the
 Pro-Japanese setup in Nanking. It is believed many more
 Pro-Japanese officials are on their "black list". More
 killings are to be carried out in the near future.

Both Mr. Chang Kia Ngau, the new Railway Minister and
 Mr. Wu Ting Chang, the new Industry Minister had a secret
 understanding with the Japanese civil leaders. Mr. Wu
 visited Japan a few months ago as head of China's Industry
 Mission and Mr. Chang visited Japan last year. During
 their stay in the Island Empire, both of them made exten-
 sive connections with Japanese financiers and industry
 magnates. It is believed their visits really paved the
 way for their recent appointment to the Chinese Government.

Copied by MB
 Compared with MHV MU

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

No. 66

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 MS
 JAN 27 1936
 Department of State

FE
 ACK

AMERICAN CONSULAR SERVICE.

American Consulate General,
 Shanghai, China, January 4, 1936.

Subject: Sino-Japanese Relations:
 Assassination of T'ang Yu-jen.

To, Dis. Bureau-check		Yes	No
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For	Davis	In U.S.A.	<input checked="" type="checkbox"/>
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		MID	

THE HONORABLE
 THE SECRETARY OF STATE,
 WASHINGTON.

COPIES SENT TO
 C.N.E.A. 1/1/36

RECEIVED
 DEPARTMENT OF STATE
 JAN 27 AM 11 36

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 55 of this date, with enclosures, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
 Monnett B. Davis,
 American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
 General despatch No. 55
 with enclosures.

300
 MBD MB

In Quintuplicate.

793.94/7692

FEB 10 1936 F/FG

DEPARTMENT OF STATE
 FEB 10 1936
 ASSISTANT SECRETARY OF STATE

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

No. 58

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 4, 1936.

Subject: Sino-Japanese Relations:
Assassination of T'ang Yu-jen.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my telegram of
December 25, 1935, 11 p.m. ⁷⁹³⁴⁴⁷⁵⁷⁰ concerning the assass-
ination of Mr. T'ang Yu-jen and to state that accord-
ing to police reports he was mortally wounded as he
was about to enter his residence at 235 Rue Gaston
Kahn in the French Concession at 4:45 p.m. on Christmas
day. He was attacked by two unidentified persons who
opened fire on him at close range and then escaped in
an automobile.

Although strenuous efforts have been put forth by
both foreign and Chinese authorities in an endeavor to
apprehend those responsible for the crime little progress
appears to have been made in this direction. For obvious
reasons the people here incline to believe that the same
organization or group that perpetrated the similar but
unsuccessful attempt on Wang Ching-wei carried out this
attack, and that Mr. T'ang's closeness to the Japanese
caused

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

-2-

caused him to be selected as a victim. The SHANGHAI NICHU NICHU (Japanese) of December 26, 1935, published a statement attributed to a spokesman for the Japanese Embassy expressing regret that persons engaged in bringing about Sino-Japanese cooperation are being attacked by terrorists, a circumstance that will cast a shadow over Japanese relations with China and if continued will give rise to a situation to which the Japanese cannot remain indifferent. In conversation members of the staffs of the Japanese Embassy and Consulate General say that they do not know who the assassins are but that they are convinced the crime was carefully planned and carried out by a powerful group bitterly opposed to Sino-Japanese friendship.

The English language press in Shanghai has been very sympathetic toward the victim and his family and has condemned in no uncertain terms this act of terrorism. Clippings of editorials that appeared in three of the daily papers are enclosed as of possible interest.

1/2/3/

Respectfully yours,

Monnett B. Davis,
 American Consul General.

Enclosures:

- 1/- Editorial from THE SHANGHAI TIMES of December 27, 1935.
- 2/- Editorial from THE CHINA PRESS of December 27, 1935.
- 3/- Editorial from THE NORTH CHINA DAILY NEWS of December 27, 1935.

800
 MBM MB

In Quintuplicate to Department by
 despatch No. _____ of even date.

Copy to Embassy, Nanking.

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

Enclosure No. 1 to despatch No. 55 of Mornett B. Davis,
 American Consul General at Shanghai, China, dated December
 30, 1935, on the subject "Assassination of Tang Yu-jen".

Shanghai, Friday, December 27, 1935. (British).

Shanghai, Friday, December 27, 1935

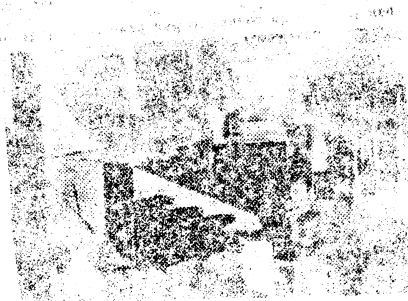
ASSASSINATION OF MR. TANG YU-JEN

The assassination in front of his house in the French Concession on Christmas Day of Mr. Tang Yu-jen, former Vice-Minister of Foreign Affairs, coming so closely after the murderous attack on Mr. Wang Ching-wei at the opening of the Kuomintang Congress on November 1, has created a painful impression both in China and abroad. Mr. Tang was a close friend of Mr. Wang and fully endorsed his foreign policy; and, curiously enough, it was on his return from a visit to Mr. Wang that he was cruelly shot down by his cowardly assassins. There can be little else in most people's minds than a strong suspicion that the murder of Mr. Tang is due to the activities of the same body of men as the attempt upon Mr. Wang Ching-wei; it is not well, we know, to jump to too hasty conclusions but the circumstances in this case are singularly insistent. To find out who these men are, and to bring them to book for their crimes, is the duty of the Chinese Government which, we feel sure, will receive all the aid it needs to this end from the police both here and elsewhere. That this latest affair should cause serious misgivings is only natural. Of late, there has been much underground talk of a new faction in the Kuomintang which is not only credited with being anti-Japanese (and perhaps even anti-foreign) but with plotting to remove from the scene men who have been closely connected with China's public affairs during the past few years and especially those who have had anything to do with foreign policy. It is even said that this group hopes in the near future to make a bid for supreme power in this country. No doubt, many of these rumours must be received with the proverbial grain of salt but "there is no smoke where there is no fire" and hence widespread misgivings that certain Radical elements in this country are plotting to make trouble.

The killing of Mr. Tang has aroused a great sensation in Japan, says Reuter, and it is pointed out that if Chinese statesmen are liable to become victims of terrorists, none will dare to promote better Sino-Japanese relations and a dark shadow will be cast over relations between the two countries. There is no doubt that Mr. Tang, whose father (an early revolutionary) owed much to Japanese friends, and who himself was educated at Keio University, was a convinced advocate of Sino-Japanese friendship but there is no evidence that he ever acted in a manner which was detrimental to China's true interests. Rather did he hold that real peace and prosperity for China could only be achieved by a proper understanding with her neighbour. For ourselves, we can only feel that if a terrorist campaign is to be

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

There is no doubt that Mr. Tang, whose father (an early revolutionary) owed much to Japanese friends, and who himself was educated at Keio University, was a convinced advocate of Sino-Japanese friendship but there is no evidence that he ever acted in a manner which was detrimental to China's true interests. Rather did he hold that real peace and prosperity for China could only be achieved by a proper understanding with her neighbour. For ourselves, we can only feel that if a terrorist campaign is to be opened up in this country, not only will Sino-Japanese relations be affected but that the political situation of China will be altered for the worse. We cannot recall an instance when the secret use of the bullet and the bomb ever added to the political stability of any country and we should not expect that China would illustrate the exception that proves the rule. We can only hope that the Government at Nanking will fearlessly carry out its duty and endeavour to see that the miscreants who are at the bottom of the unpleasant developments, of which people generally are only too painfully aware, are caught and punished. With the emergence of General Chiang Kai-shek to a greater political power our hopes were stimulated that the murky recesses of Chinese politics would have to accept the admission of some rays of light but our hopes are tainted with the fear that the efforts of any one man to obtain a single-hearted, clear-cut and definite policy must necessarily be to some extent vitiated by the intrigues of a host of malcontents who are struggling to serve their own ends under shelter of the mists of confusion and uncertainty which still hide China's political future.



Mr. Tang, Chinese Minister to the United States, in 1945.

Mr. Tang, Chinese Minister to the United States, in 1945.

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

Enclosure No. 2 to the letter No. 55 of Monnett E. Davis,
 American Consul General at Shanghai, China, dated December
 30, 1935, on the subject "Assassination of Tang Yu-jen".

SOURCE: CHINA PRESS.
 December 27, 1935 (Chinese
 edition, version registered).

Shanghai, Friday, Dec. 27, 1935

TANG YU-JEN

IN less than two months a second attempt was made on the life of another high official of the Foreign Office, and with a fatal result. The assassination of Mr. Tang Yu-jen on Christmas was as shocking as it was unexpected. The tragedy was all the more appalling because its victim had conscientiously ignored the advice of employing body guards.

The motive of this sensational crime is not yet known. Conjecture would be not only injudicious but also highly dangerous. It may be accepted with a good measure of reason, however, that, hardly entrenched in his position as the Vice-Minister of Communications, he could not have been considered a threat to any party by virtue of his new office.

On the surface there appears to be a possibility, however faint it may be, that the present crime was not unconnected with that perpetrated on Mr. Wang Ching-wei for whom Mr. Tang's loyalty was only too well known. Unfortunately in the second case Providence was less kindly, and China had to suffer the loss of a promising political leader whose services to the nation had barely begun.

Irrespective of the actual motive, the assassination cannot be too strongly condemned. M. Tang was after all only a cog in the network of wheels in a gigantic governmental machine. His was not the duty to formulate the policy of state but to carry out what the government had seen fit to adopt. Alone he could not have done much for or against any policy; without him the policy of the government need not necessarily be altered. The commission of a cowardly crime can accomplish little save the creation of a reign of terror whose force must sooner or later spend itself.

In these days of national emergency, the maintenance of law and order should be the first duty of every patriotic Chinese. However much one may disagree with the policy of the government at any given time, one may properly offer criticism in a constructive manner. Indeed it were better to risk incurring the displeasure of the authorities for the sake of voicing candid views than silence opposition by criminal means. It is honorable to sacrifice one's own position or even life for the assertion of a principle; it is contemptible to murder another whose policy one disapproves. In the one case one may expound one's own belief publicly and win support; in the other one may

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

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Even as we deplore and deprecate the assassination in question, we would request of the competent authorities the fullest exercise of vigilance in future and the prompt apprehension of the culprits. Not only must the law be permitted to vindicate itself, but also the real motive of the crime must be discovered to prevent similar ugly recurrences. Mr. Tang may have given his life for the cause he tried to serve to the best of his knowledge, but others like him must not be again exposed to the danger of political snipers.

...the principal losers here are the Chinese people and other firms in the area. I have been made aware of the situation in the area and the need for a complete investigation of the situation. The investigation should be completed as soon as possible and the results should be made known to the public.

...of the situation of the area and the need for a complete investigation of the situation. The investigation should be completed as soon as possible and the results should be made known to the public.

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

Enclosure No. 3 to despatch No. 55 of Monnett E. Davis,
American Consul General at Shanghai, China, dated December
30, 1935, on the subject "assassination of T'ang Yu-jen".

SOURCE: THE CHINA PRESS,
December 27, 1935 (British).

FOUL MURDER

The murder of Mr. Tang Yu-jen, following so closely upon the attempted assassination of Mr. Wang Ching-wei, and especially in view of the close association of the two men, is a matter of very grave concern. It had been hoped that the political assassination which had died down considerably in recent years had been completely ended, but these two incidents indicate the existence of a body of men who will be baulked by no obstacle to the attainment of their political desires. It seems clear from the reports to hand that the crime was committed by a group of Chinese, and until further investigations have been made, which, it is hoped, will lead to the arrest and conviction of the culprits, it would be idle to speculate as to which particular group they belonged. Mr. Tang was regarded as having strong pro-Japanese feelings probably arising from the fact that he had received the latter portion of his education in Japan, where he had graduated. As Chief Secretary to the Central Political Council, and vice-Minister for Foreign Affairs, Mr. Tang played a considerable rôle in the affairs of his party, and when Mr. Wang Ching-wei resigned from the Ministry for Foreign Affairs, Mr. Tang relinquished both his positions, being later appointed by the new government vice-Minister of Communications and adviser to the Ministry for Foreign Affairs, neither of which offices he had taken up at the time of his death. He was a young man of forty-two years of age and it was confidently thought that he had a very promising career ahead of him. There will, consequently be no small amount of grief over the Government's loss, and also for his relatives who have been bereaved by the cowardly hand of the assassin.

Such crimes as these cannot be too strongly reprobated. There are those, it is true who endeavour to find in the motives underlying such murders a grain of excuse on the ground that politics inspired them. They find in the fact that political beliefs inspire such acts, not only an excuse but a positive justification, which confers upon the murderers some degree of false glory, which they cannot be said to have in the eyes of all reasonable-minded people. Cowardliness and futility brand these murders for what they are, mere crimes which should be punished in exactly the same way as any other murder, where profit or hate are the motive. It cannot be elevated into some glorious action in behalf of the country, or for the vindication of a principle. Assassinations are cowardly because their very nature requires that the victim should be taken unawares, generally by more persons than himself. They are futile because no movement, no government which is really worth while can be stopped or thwarted by the bullet or knife of the murderer. If beneath this dastardly act there was a desire to prevent the government from following whatever policy it has decided upon vis-à-vis

realisation of what is to be done in the best interests of the country.

Yet this murder has a lesson which it might pay the Japanese authorities concerned to learn fully. It is that while the leaders at Nanking are prepared to give Japan that co-operation which she so imperiously demands, Nanking fully realises that there is a large body of public opinion which resents what has been done to China in past years. These people are naturally suspicious and resentful of any proposal which tends towards a better understanding between the two countries and to accuse General Chiang Kai-shek of "insincerity" is completely to fail to understand the problem with which he and his government is faced. Much has to be done in China before the greater part of public opinion will eagerly assent to a rapprochement with their Japanese neighbours. The necessary change of sentiment can only be brought about slowly, and, until it has occurred, there will be many Chinese who will resent any fundamental change in Chinese policy. Assassinations will not stop a development of that policy, nor even arrest it, and from that point of view Mr. Tang's murder may be considered to have little ultimate bearing upon the outcome of these attempts to secure a better understanding between the two countries. Nevertheless this assassination taken in conjunction with the attempt on Mr. Wang Ching-wei must not in any way be minimised. Not only in the best interests of the country, but also for the protection of ministers who may have to carry out a policy which may be temporarily unpopular, it is highly desirable that the culprits should be apprehended and brought to speedy trial. It is necessary that a determined effort should be made to stamp out once and for all that school of political thought which fancies that problems can best be solved by the assassin's knife or bullet. From a local point of view it is also necessary, for the port has been comparatively free from political assassination for some years past, and it is hoped that that pleasant state of affairs can again be restored. In the meantime it is only possible to offer condolences to the Nanking Government on the tragic loss of so promising an official, and to the bereaved family sympathy in their sorrow. They have at least the proud knowledge that he died the death of a patriot in the service of his country, just as much as if he had met his end in battle with his nation's foes.

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

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

TELEGRAM RECEIVED

FS

1-1236

SPECIAL GRAY

FROM

Nanking via N. R.

Dated January 27, 1936

Rec'd 10 a. m.

Secretary of State
 Washington.

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

24, January 27, 11 a. m.

Isogai, Japanese Military Attache, interviewed
 Chiang Kai Shek, January 25, prior to returning to
 Japan. I have reliable information that he produced
 the impression that he favors the contention of the
 Chinese Government that negotiations concerning Sino-
 Japanese relations should be taken out of the hands of
 military leaders and returned to regular diplomatic
 channels. The Chinese attributed this attitude to his
 being a representative of the War Office and his conse-
 quent jealousy of the Kwangtung army officers now prominent
 in Northern negotiations. The Chinese authorities believed
 that the Japanese Government has decided to follow policy
 of nibbling and continuous moderate pressure for the time
 being instead of taking any drastic step. They think that
 this advice was given by Suma during recent Tokyo visit.
 Suma himself told a foreign news correspondent after his
 return to Nanking January 22 that the Japanese Government
 intended

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

FS 2-No. 24, January 27, 11 a. m. from Nanking

intended to be "very patient" in dealing with the Chinese.

Repeated to Department and Peiping.

HPD

PECK

94-2

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 30, 1936

MEMO
FOR
THE

Tientsin's 116 of December 20, 1935, reports that apparently reliable sources state that the Japanese reinforcements at Shan-haikuan have not been withdrawn, that there are still some 5,000 troops at that place, and that such withdrawals of troops and supplies which have taken place are only to very nearby points.

Tientsin previously reported, as coming from a reliable source, that the Japanese troops had been withdrawn.

CS/R
CSR

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[Handwritten signature]

2013 3 22

Tientsin, China, December 20, 1935.

I.D. *[Signature]*

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SECRETARY
STATE
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I have the honor to report that although the information contained in my telegram of December 13, 4 p.m., a copy of which was sent to the Embassy, that the Japanese reinforcements sent to Shanhaikuan within the last month had been withdrawn, was obtained from the Intelligence Officer of the U. S. A. T. C., who was convinced of its correctness, I am now in receipt of the following apparently contradictory information which has been obtained from two separate and also apparently reliable sources.

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1936

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

- 2 -

to a nearby point on the railway where there is
said to be a store of Japanese war materials; and
some airplanes have been withdrawn from Shanhaikuan,
but, probably, only to points within easy flying
distance from the Wall.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
JKC:JB

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Nanking.

A true copy of
the signed origi-
nal. *VB*

793.94

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

0795

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 30, 1936

~~MMH~~
~~WTH~~
~~MMH~~

Tsinan's 3 of December 18, 1935, reports that, in support of the stand of the Peiping students, the men students of various education institutions have gone on strike and have issued a manifesto opposing the autonomy movement. The Provincial Chairman has warned the students that they will be dismissed if the strike continues and has permitted no demonstrations. The authorities have the situation well in hand.

CSR
CSR

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 145

Peiping, December 27, 1935.

Subject: Student movement in Tsinan against
autonomy in North China.

793.94

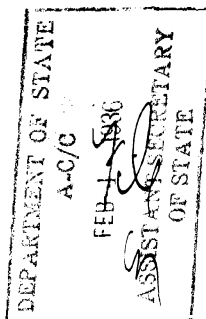
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DIVISION OF
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AND RECORDS

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

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

Sir:

I have the honor to enclose a copy of despatch
No. 3 of December 18, 1935, addressed to the Embassy
by the Consul at Tsinan, describing the methods adopted
successfully by the local authorities to control the
activities of students opposed to autonomy in North
China.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure as stated.
800 China.
LES-SC
Original and three copies to Department.
Copy to Embassy, Nanking.

793.94/7696

FILED
FEB 6 - 1936

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

No. 3

ENCLOSURE NO. 1
TO DISPATCH NO. 145

AMERICAN CONSULATE,
Tsinan, China, December 18, 1935.

Subject: Students Strike in Tsinan
against Autonomy.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to report that the men students of the various educational institutions in Tsinan with the exception of Cheloo University and the primary schools went on strike yesterday in support of the stand of the Peiping students against autonomy. They have issued a manifesto voicing their own opposition to the movement for autonomy in North China.

A parade through the city streets was planned for yesterday but was halted by the Bureau of Public Safety. I am reliably informed that General Han Fu-chu has cut off all telephone communication between Cheloo University students and the strikers in the city of Tsinan and has warned the striking students that they will be dismissed if the strike continues and arrested if they parade.

The Provincial Commissioner of Education is reported

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

- 2 -

to have advanced the winter vacation, ordinarily beginning about January 18, 1936, to start as of today's date and the students have been ordered to disperse to their homes. Big sword men are stationed at the school gates and patrol the streets to prevent the organization of student demonstrations, and are expected to enforce the dispersal order within a few days time.

It seems probable that as a result of their prompt action the authorities have the situation well in hand. If they succeed in dispersing the students to their homes during the next few days for the three weeks holiday, there will probably be no demonstration of any importance by the Tsinan student body. Moreover, there is considerable doubt as to just how long the winter vacation is to be this year as the proclamation of the Commissioner of Education merely stated that "the students would be notified to appear to start studying again next spring."

Respectfully yours,

Horace H. Smith,
American Consul.

In quintuplicate to Embassy, Peiping.
Copy to Embassy, Nanking.
Copies to Tsingtao and Chefoo.

800
HHS:KCC

A true copy of
the signed original.
KCC

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

January 30, 1936.

MSM:
 MDM:

Peiping's 154, January 3, 1936,
 transmits a memorandum of a conversation
 between Mr. John Thompson (the SAN
 FRANCISCO NEWS) and Mr. Peck.

Mr. Thompson in his travels in
 the Far East interviewed many Chinese
 and obtained the following opinions:
 (1) the Chinese were playing a double
 game with the Japanese by appearing to
 yield but in reality making secret prepar-
 ations to fight; (2) the Chinese attached
 great importance to the Nine Power Treaty
 as protecting them against Japanese ag-
 gression; and (3) that China was nego-
 tiating for the aid of Soviet Russia.
 Mr. Thompson also related a conversation
 with General Parker in which the latter
 expressed the opinion that a protective
 bloc (against Japan) was being formed
 by the Philippine Islands, the Straits
 Settlements, the Dutch East Indies and
 French Indo-China.

Mr. Peck stated that he had advised
 Mr. Thompson not to instill any false
 hope in the minds of the Chinese as to
 the help China might receive from the
 United States or in fact from any foreign
 power.

CSR
 CSR/VDM

080



No. 154

Subject: Conversations of Mr. John Thompson
of THE SAN FRANCISCO NEWS. ✓

793.94

For Discharge		Yes	No
Grade			✓
For			✓

DIVISION OF
COMMUNICATIONS
AND RECORDS

Handwritten signatures and initials are present at the bottom of the document. On the left, there are initials that appear to be 'AR' and a signature that looks like 'LH'. On the right, there is a large, stylized signature that appears to be 'LH' or 'LH' with a flourish, and below it, the word 'LH' is written again.

7935.94/7697

FEB 3 - 1936

I have the honor to enclose a copy of a letter of December 19, 1935, addressed to me by Mr. Peck, Counselor of the Embassy at Nanking, in which he reports comments made to him by Mr. John Thompson, Foreign Editor of THE SAN FRANCISCO NEWS, following interviews which Mr. Thompson had with various Chinese officials and with General Parker in Manila.

William Loring Johnson

F/FG

1
 Received
 Charles J. ...

710
Original and 1 copy to the Department.
Copy to American Embassy, Nanking.
EC/rd

10802

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

154
Nanking, December 19, 1935.

CONFIDENTIAL.

Dear Mr. Ambassador:

I received a call this morning from Mr. John Thompson, Foreign Editor of THE SAN FRANCISCO NEWS. I met Mr. Thompson in San Francisco in July of this year, when I was there on home leave, and was then surprised at Mr. Thompson's knowledge of Chinese persons and politics. He has recently been to Manila among the journalists invited by the Government of the Philippine Commonwealth and is now on his leisurely return journey to the United States. He plans to call on you in Peiping. Mr. Thompson tells me that he speaks French, German and Italian, and is now studying Japanese.

Mr. Thompson says that he has been making a point of obtaining as many interviews with prominent Chinese as he could, among those interviewed at Shanghai being Dr. H. H. Kung. This morning he called on Dr. T. T. Li, in company

with

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

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

- 2 -

with Mr. George K. T. Wang, representative in Nanking of the United Press. Both of these gentlemen said that Dr. T. T. Li spoke to them very frankly, under a pledge of confidence, in regard to Sino-Japanese relations. Mr. Wang remarked that Dr. Li admitted that the Chinese Government is playing a "double-faced game" with Japan, i.e., appearing to yield to Japan while secretly making preparations to resist by force of arms; Dr. Li thought that no considerable length of time would elapse before China and Japan engaged in armed conflict. I warned both Mr. Wang and Mr. Thompson that they should conscientiously observe the pledge of confidence imposed by Dr. Li. Mr. Thompson refrained from giving me more than a hint of what Dr. Li had said during the interview. He said that Dr. Li had undertaken to obtain other interviews for him with prominent Chinese.

Mr. Thompson said that in his conversations with Chinese leaders in Shanghai and elsewhere he had received the impression that the Chinese attach great importance to the Nine Power Treaty as an international instrument from which China may hope to derive assistance from abroad to protect it from Japanese aggression. Mr. Thompson said that he had made the comment, to Chinese who advanced

this

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

- 3 -

this view, that China would never receive effective assistance from foreign countries in its conflict with Japan until China did something to help itself, that is, fight.

I thought it advisable to advise Mr. Thompson to be careful not to instill any false hope in the minds of the Chinese and pointed out that while it might be true that foreign nations would not actively intervene on China's behalf, at least to the extent of fighting, unless China should itself employ armed resistance, it did not necessarily follow that if China should oppose Japan with force of arms, foreign nations would join the fray on China's behalf. I said that the Chinese with whom he spoke might draw an erroneous inference of this sort.

Mr. Thompson said that he had talked with General Parker in Manila and the latter had told him that some sort of combination was being formed by the Philippine Islands, the Straits Settlements, the Dutch East Indies and French Indo-China for the purpose of resisting Japanese aggression. Mr. Thompson inferred from this that a bloc was being formed among some of the principal nations for the purpose of restraining Japan. He said that he had reason to think that Great Britain and the United

States

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

- 4 -

States, especially, were confidentially discussing measures designed to put a curb on Japanese territorial expansion at the expense of China. He did not think that the measures under consideration were military ones, but were, rather, economic, something in the nature of an embargo

I said that even in reference to economic measures, I thought he should be cautious in arousing hope on the part of the Chinese that Great Britain or the United States would actively intervene on China's behalf against Japan. I asked Mr. Thompson whether he could imagine the American people consenting to go to war in connection with an area where the interests of the United States are as slight as they are in China, and whether he could imagine that either a Democratic or Republican administration would be willing to incur large economic losses by the enforcement of an economic blockade against Japan. He admitted that either hypothesis was very improbable.

I am writing rather fully in regard to Mr. Thompson, in view of his announced intention to call on you in Peiping. He seems to be an intelligent man, but somewhat lacking in a sense of proportion. I should prefer that you did not tell Mr. Thompson that I reported to you any of the remarks he made to me.

Yours sincerely,

Willys R. Peck.

Original and two copies to Peiping

WRP:MM

A true copy of
the signed original
is at

mm

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

- 5 -

December 20, 1935.

P.S.

Mr. Thompson has called again today and in the course of his remarks said that when he was in Canton he was given to understand that the National Government can rely upon assistance from the Soviet Government if hostilities begin between China and Japan. When I questioned Mr. Thompson just how positive this assertion had been, he said that his informant, apparently a responsible person in the regime at Canton, had said, "Chiang Kai-shek is negotiating with the Government in Moscow. That's enough for you to know, isn't it?"

I would not trouble you with a report of a remark apparently unimportant, were it not that we seem to be witnessing the progress of national movements which will be far reaching in time and in area, and one cannot disregard any indications of the direction those movements are taking.

Willys R. Peck.

Original and two copies to Peiping.

WRP:MM

A true copy of
the signed orig.
incl.

mm

1807

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

DEPARTMENT OF STATE

RECEIVED
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

January 25, 1936.

1936 JAN 27 PM 1 07

Subject: The Situation in North China.

793.94
DIVISION OF
COMMUNICATIONS
S: AND RE

Mr. Secretary.

Reports received during the week from the Embassy and certain consulates in China indicated that Japanese pressure continued unabated. These reports stated in substance that the Foreign Affairs Committee of the Hopei-Chahar Political Council had been inaugurated and that its establishment was expected to result in the closing of the Office of the Special Delegate of the Ministry of Foreign Affairs at Peiping; that both the customs and salt gabelle authorities at Tientsin had received written notices from the Hopei-Chahar Political Council to turn over to the Council all revenues; that, although the progress of Japanese activities and Sino-Japanese negotiations in China continued to be obscure, the indications were that the Japanese were continuing their efforts to obtain the autonomy of the five provinces (Shantung, Shansi and Suiyuan in addition to Hopei and Chahar) but were meeting with opposition from certain local Chinese leaders; that the Japanese Consul General at Shanghai had been instructed to adopt a stronger attitude

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

- 2 -

attitude in dealing with the local Chinese authorities; and that on January 22 a Japanese cruiser arrived at Swatow because of the alleged murder of a Japanese constable which incident had given rise to considerable apprehension on the part of the Chinese.

A press despatch of January 24 from Nanking reported a high official of the Japanese Foreign Office as stating at Nanking that patience and forbearance will characterize Japan's policy toward China as it is realized that the prompt solution of many outstanding Sino-Japanese problems is not possible.

The increasing frequency of clashes between outposts along the unmarked border between "Manchukuo" and Outer Mongolia is deserving of note as a source of possible trouble between Japan and Russia. Recent press despatches from Tokyo and Moscow report another clash and the consequent customary mutual recriminations in regard to its origin.

The outstanding development in Sino-Japanese relations during the week was the speech of the Japanese Foreign Minister to the Japanese Diet. He described Japan's "three-point program" toward China as comprising mainly (a) the cessation by China of all anti-Japanese acts and China's active and effective collaboration with Japan;

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

- 3 -

Japan; (b) the recognition by China of "Manchukuo"; and (c) the suppression of communist activities, a matter which was characterized as being of vital importance to China and to the people of eastern Asia. He explained that these points involve no new principles and are merely "elemental concepts" which should "constitute the common cause of all the nations in eastern Asia" and added that the Chinese Government expressed its concurrence in the program and had proposed the opening of negotiations along the above lines. However, in a statement for the press the Chinese Foreign Office declared with regard to the above statement of the Japanese Foreign Minister that the Chinese Government had not concurred in the three-point program, that it was too vague to serve as a subject for discussion and that the Chinese Government had requested the Japanese Government to state the concrete terms embodied in the program.

It will be recalled that this three-point program which was formulated at Tokyo last autumn was presented to the Nanking Government and that that Government made toward the end of 1935 to the Japanese Government a proposal for a fundamental readjustment of Sino-Japanese relations through proper diplomatic channels.

A

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

- 4 -

A significant feature of the speech of the Japanese Foreign Minister insofar as it relates to Japan's program in China is the definiteness or even bluntness with which it was expressed. For the first time the Japanese Foreign Minister made specific mention of recognition by China of "Manchukuo" as one of the points of Japan's program, although the qualifying statement was added that temporary measures might be devised pending the establishment of formal diplomatic relations. The Foreign Minister envisages in his speech an East Asian bloc (comprising Japan, China and "Manchukuo"), dominated by Japan and designed to advance Japanese interests in that area at the expense of the interests of the western powers. It may be added that the course of events to date indicate an unswerving purpose on the part of Japan to carry forward its program of empire building.

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FE:MSM/VDM

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13347 FOR #148

FROM China (Johnson) DATED Dec 27, 1935
 TO NAME 1-1127 ***

REGARDING: Political situation in Canton:-
 Sino-Japanese relations: Unification of China.

FRG.

793.94/7699

7699

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

TELEGRAM RECEIVED

FS

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

FROM

Tokyo

Dated January 30, 1936

Rec'd 5:17 a. m.

Secretary of State,

Washington.

19, January 30, noon.

CONFIDENTIAL.

In recent conversation my British colleague asked the Minister for Foreign Affairs as to the truth of the local press report that one of the three Japanese requirements for a Sino-Japanese rapprochement was that China should recognize Manchukuo. Hirota replied that such was not (repeat not) the case. He realized that China could not possibly recognize Manchukuo under present circumstances but hoped that the situation could be gradually developed with recognition as an ultimate aim. For the present he merely wished to see an improvement in the factual relations between China and Manchukuo involving customs ports, et cetera. He also hoped that the Chinese Government would cease to refer to Manchukuo as "a puppet state".

In the same conversation Clive said that he considered the alleged autonomous government in East Hopei a farce and that Yin Ju King is notoriously a "scalawag". Hirota

did

if paraphrase
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O.N.I. AND M.I.D.

CSA
Division of
EASTERN AFFAIRS
JAN 30 1936
Chc
Department of State

793.94/7700

FEB 1 - 1936

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

FS 2-No. 19, January 30, noon from Tokyo

did not commit himself.

Repeated to Peiping by mail.

CSB

GREW

95-2

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

.. (CONFIDENTIAL)

P A R A P H R A S E

A confidential telegram (No. 19) of January 30, 1936, from the American Ambassador at Tokyo, reads substantially as follows:

During the course of a conversation recently the British Ambassador inquired of the Japanese Minister for Foreign Affairs with regard to the truth of a Tokyo press report to the effect that recognition of "Manchukuo" by China was one of the three requirements for a rapprochement between Japan and China. The Minister for Foreign Affairs replied that this was not a requirement and stated that he realized that under present circumstances it would not be possible for China to recognize "Manchukuo" but he expressed the hope that there could be a gradual development in the situation looking toward recognition as an ultimate aim. It was the Foreign Minister's wish merely to see for the present improvement in the actual relations between China and "Manchukuo" with special reference to customs ports, et cetera, and his hope that the Nanking Government would no longer refer to "Manchukuo" as "a puppet state". The British Ambassador expressed the opinion, during the course of this same conversation, that Yin Ju-king is notoriously a "scalawag" and the alleged autonomous government in East Hopei Province is a farce. The Foreign Minister did not commit himself on this point.

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

TELEGRAM RECEIVED

LMS

1-1336

GRAY and SPECIAL GRAY

FROM

Peiping

Dated January 30, 1936

Rec'd 11:30 a. m.

Secretary of State,
 Washington.

DIVISION OF
 EAST ASIAN AFFAIRS
 JAN 30 1936
 Department of State

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

40, January 30, 4 p. m.

One. Embassy's 26, January 20, 3 p. m. Paragraph

One.

Local post office official states that he has been instructed by his Ministry to turn over to them as from January 1st 40 per cent of revenue obtained from sale of revenue stamps. There is doubt whether the council will be satisfied with this.

Two. Embassy's 25, January 19, noon. The Embassy has been reliably informed that customs revenues at Tientsin are not (repeat not) being remitted to the council but are being sent daily to the inspector general.

Three. Reports are conflicting with regard to the situation existing at Changping which is about 30 miles northwest of Peiping on the Peiping-Suiyuan Railway and on the border of the demilitarized zone in area claimed by Yin Ju Kong. One informant with official sources states

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FEB 1 - 1936

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

LMS 2-No. 40, January 30, 4 p. m. from Peiping.

states today that the magistrate opened the gates to a force which was variously reported as belonging to either Liu Kwei Tang or Yin Ju Keng and that some of Sung's soldiers are outside the town. If the force within the town is being used as an instrument for extension of Yin's or Manchukuo's power, undisputed occupation of Changping would be a step toward gaining control of the railway and would make possible the separation of Sung's troops in Hopei from his one division in Chahar which would probably prevent Sung's taking early action to restrain Li Shou Hsin's forces from taking Kalgan, a probability which is now being rumored.

Four. The press reports bandits of Liu Kwei Tang, numbering 500 out of a total force of 1500, have entered the northern tip of Honan. In line with the statements in the Embassy's 33, January 23, 5 p. m., ⁷⁶⁸⁷ with regard to the possible use of Sun Tien Ying and Shih Yu San to assist in the establishment of an autonomous North China, some observers are of the opinion that Liu may be used to effect the inclusion of Honan north of the Yellow River in such a regime. By mail to Tokyo.

WSB

JOHNSON

96-3

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

TELEGRAM RECEIVED

JS

1-1826

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

FROM

PEIPING

Dated February 4, 1936

Rec'd 2:40 a.m.

Secretary of State,
 Washington, D.C.

Division of
 FAR EASTERN AFFAIRS

FEB 4 - 1936

Departments

of paraphrase
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 O.N.I. AND M.I.D.

793.94

44, February 4, noon

Embassy's 33, January 23, 5 p.m. /7687

One. Two councilors of Sung Che Yuan state in
 conversation that the Japanese military are continuing
 to press Sung hard for a declaration of complete autonomy
 and that Sung is still loathe to do so.

Section two follows.

JOHNSON

JS

FEB 6 1936
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

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

FS

1-1226

FROM

SPECIAL GRAY & GRAY

Peiping via N. R.

Dated February 4, 1936

Rec'd 7:30 a. m.

Secretary of State,
Washington.

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

44, February 4, noon. (SECTION TWO).

One of the informants states that Sung definitely will not (repeat not) comply and that this will result in the instigation of disturbances by the Japanese for the purpose of effecting a way out of the seeming dead-
bck.

Two. The Consul at Tsinanfu has sent the following telegram:

"February 3, 11 a. m. Han Fu Chu, said to be inspecting troops at Liaochenghan and Sung Che Yuan, said to be sweeping tombs at Loling, are reliably reported to have conferred in Tehchow February 1st. Speculation in informed circles whether the purpose of the conference was to arrange closer cooperation in resistance to or acceptance of Japanese demands."

Three. Details of conversations between Japanese and Yin Ju Keng and Sung's men and between Japanese and Shansi and Shantung officials are lacking. It is understood that Doihara intends to remain in Hopei for some

time.

793.94/7702

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

FS 2-No. 44, February 4, noon from Peiping

time. The Chief of Staff of the Japanese North China garrison went yesterday to Yin's so-called capital. Conversations at Tokyo of Japanese military, including Major General Isogai, Japanese Military Attache, and Lieutenant Colonel Ikeda, staff officer of the North China garrison, are regarded as having significance in connection with the future course of the Japanese military in North China.

Four. Embassy's 40, January 30, 4 p. m., paragraph one. It is learned from local official source that the Post Office has received a request from the Hopei-Chahar Political Council for a complete accounting of all receipts and expenditures as from January 1st. The Post Office has requested instructions from Nanking.

By mail to Tokyo.

HPD

JOHNSON

97-3

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

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 44) of February 4, 1936, from the American Ambassador at Peking, reads substantially as follows:

According to statements made in conversation by two of Sung Che-yuan's councilors, the Japanese military are still exerting great pressure on Sung to declare complete autonomy and Sung is still averse to taking this action.

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 1, 1936.

Conversation:

General Fang Chen-wu;
Mr. Hornbeck.

793.94

Subject: China and factors in the Far Eastern situation.

General Fang Chen-wu called on me this morning, and a brief conversation was held, at the General's request.

General Fang is an "Anhui man". He participated actively, as a young man, in the revolutionary military activities of 1911 and '12 in China. He was comrade-in-arms of my old friend General Chu Jui. It is my understanding that in recent years he has been somewhat at outs with General Chiang Kai-shek and that some sixteen months ago he was "sent away" from China on a world tour. He has visited extensively in Europe and has recently come to this country. The Chinese Ambassador informed me yesterday that he had recently had a conversation with General Fang, but not at the Chinese Embassy.

General Fang brought with him to me an interpreter, a Mr. Chang, of Shensi Province. It became clear to me during the conversation that General Fang understood English and at two or three points he spoke in English -- with somewhat of a Japanese accent. The conversation dealt largely

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

- 2 -

largely with the general problem of "peace", the Nine Power Treaty, the situation in China, and public opinion in the United States. I gained the impression that General Fang feels that the Chinese Government should resist Japan with force. General Fang stated that he well realized that the United States would not and should not be expected to fight any battles on China's behalf but that he wondered how far the United States would go on behalf of peace. It was the opinion of all present that both the people of China and the people of the United States emphatically desire peace.

Mark

FE:SKH:EJL

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

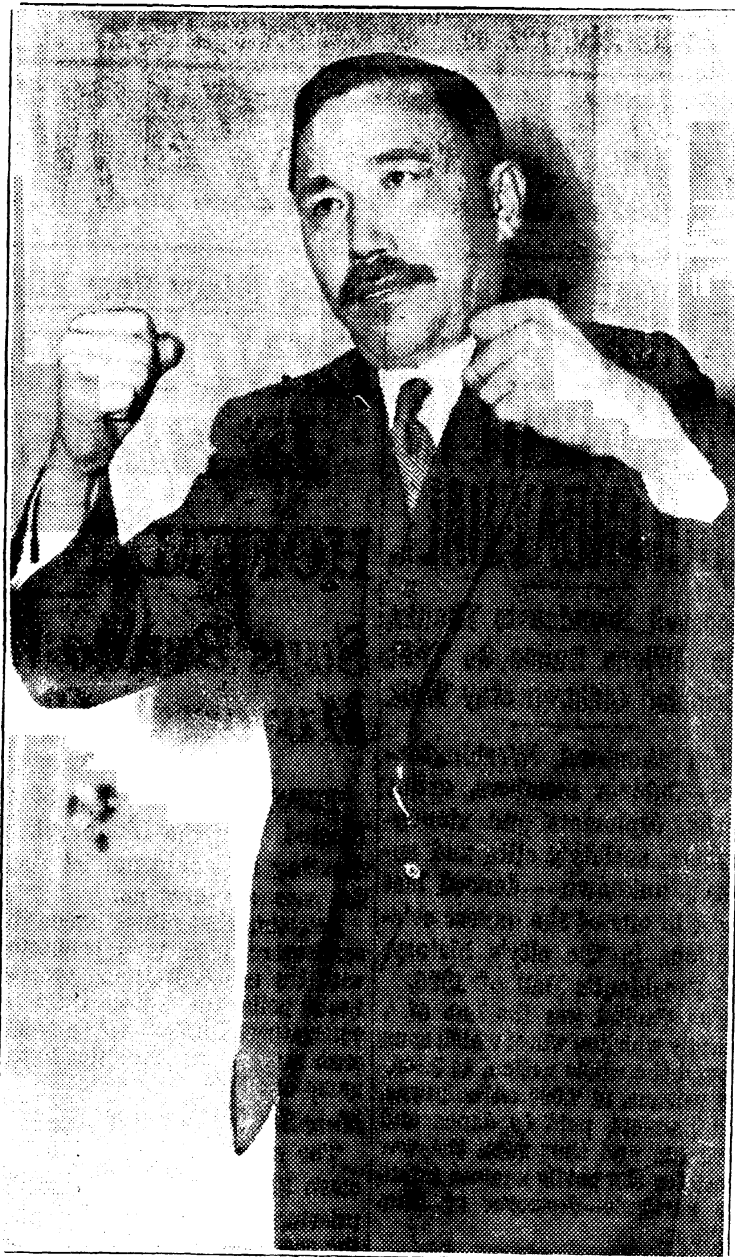
JAN 31 1936

Washington Herald

WARLORD

Preaches United

CHINA!



GEN. CHEN-WU FANG
"We Hope for World Backing"

Fang Predicts Coup If China Backs Japan

By PETER FINNEY

If the Nanking government recognizes Manchukuo it will incite a mass uprising of 400,000,000 Chinese resulting in overthrow of the present regime and immediate declaration of war against Japan, it was predicted last night by General Chen-Wu Fang, rebellious Chinese leader, now organizing a world-wide anti-Japanese movement.

In an interview with the Washington Herald, the short but powerfully-built militarist said certain European powers, attempting to clear up the Manchukuo situation, are now prevailing on the Chinese government to recognize Japan's aggressiveness.

With the Chinese of Europe already organized by Fang, he will

work for a time in the United States and then go to the Straights Settlements, Siam, India and neighboring countries to enlist the support of 8,000,000 there.

If, by that time, he said, the Nanking state has not surrendered to European influence toward Manchukuo, he will demand that the present dictator, Chiang-Kai-Shek, declare war on the Japanese now in Manchuria.

General Fang said the greatest problem facing China today is the extirpation of Japan aggressors, and added:

"In the event of war we hope the United States will stand by the Stimson 'non-recognition' principle and that Europe will respect her obligations under the League covenant."

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

INTERNATIONAL MISSIONARY COUNCIL

Composed of the following Organizations

NATIONAL MISSIONARY COUNCIL OF AMERICA SOCIÉTÉ BELGE DE MISSIONS PROTESTANTES NATIONAL CHRISTIAN COUNCIL OF CHINA CONSEIL PROTESTANT DU CONGO DANSKE MISSIONSRAAD DEUTSCHER EVANGELISCHER MISSIONSBUND SOCIÉTÉ DES MISSIONS ÉVANGÉLIQUES DE PARIS CONFERENCE OF MISSIONARY SOCIETIES BRITAIN AND IRELAND	NATIONAL CHRISTIAN COUNCIL OF INDIA, BURMA, AND CEYLON NATIONAL CHRISTIAN COUNCIL OF JAPAN KOREAN NATIONAL CHRISTIAN COUNCIL COMMITTEE ON COÖPERATION IN LATIN AMERICA NEAR EAST CHRISTIAN COUNCIL NEDERLANDSCHE ZENDINGSRAAD NEW ZEALANDS INDIA NATIONAL MISSIONARY COUNCIL OF NEW ZEALAND DANSKE MISSIONSRAAD	FOREIGN MISSIONS CONFERENCE OF NORTH AMERICA (UNITED STATES AND CANADA) NATIONAL CHRISTIAN COUNCIL OF THE PHILIPPINE ISLANDS NATIONAL CHRISTIAN COUNCIL OF SIAM MISSIONARY SOCIETIES OF SOUTH AFRICA SUOMEN LÄHETYSNEUVOSTO SVENSKA MISSIONSRADET ASSOCIATION OF MISSIONARY SOCIETIES IN SWITZER- LAND
--	--	---

CABLEGRAMS: INTMISSION, New York
MISSIONS CODE
TELEPHONE: CHLSEA 3-0973

Chairman: JOHN R. MOTT, 230 Park Avenue, New York City
Secretaries: J. H. OLDHAM; WILLIAM PATON, 2 Eaton Gate, London, S.W.1
A. L. WARNSHUIS, 156 Fifth Avenue, New York City

SUITE 1219
156 FIFTH AVENUE
NEW YORK, N. Y.

January 24, 1936.

Dr. Stanley K. Hornbeck, Chief,
Division of Far Eastern Affairs,
Department of State,
Washington, D.C.

Dear Dr. Hornbeck:

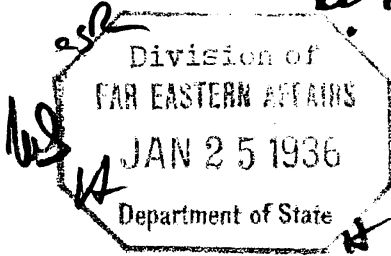
For your information I enclose two more recent statements that
have come from China.

Yours faithfully,

A. L. Warnshuis

ALW:W

793.94



793.94/7704

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FEB 3 1936

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

The statement issued by leading Chinese educationalists, signed by Dr. Herman C. E. Liu, President of The University of Shanghai; Dr. T. H. Lee, President of the Fudan University, Dr. F. C. Yen, Superintendent of the Chinese Red Cross Hospital; Mr. Thomas M. Pohou, Mrs. S. C. Leung, Mrs. Herman Liu, Messrs. K. Z. Loh, T. L. Chen, Y. T. Yu, T. L. Chang, Messrs. Kiang Wen-hao, Chen Tieh-sheng, Y. H. Geng, Ying Shukuei, Robert Ting, Hsu Chung-shih, Yu Shu-hsun, K. S. Tang, and Rev. T. C. Yu, and Misses Kiang Wen-hao, Hsia Tsui-i, Chen Tei-chiang and Li Kuan-fang, follows in part: "We believe that every people has its right of existence, and of the preservation of its national integrity. The recent events in North China have made it plain to us that all our sufferings, compromises, and yielding since September 18, 1931, have not only failed to satisfy the insatiable demands of our aggressor, but have almost plunged our nation into the depths of an unfathomable abyss. For this reason, actuated by a sense of love for the truth, we feel the imperative need for a united front among all our people, to fearlessly oppose any attempt at the splitting of our territory, and any method calculated to deceive us into acquiescence, or to intimidate us into surrender of our rights. We love peace, but we love justice even more; we are against any action that will lead to unnecessary sacrifice, but we are not afraid to shed our blood for the sake of truth and justice. We shall therefore do our utmost to back up the nation-wide movement of resistance that is now before us." the statement concluded.

The above is a clipping from a recent issue of a Shanghai English language newspaper.

J.M.D.

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

CONFIDENTIAL - NOT FOR PUBLICATION

Persecution of Christian Leaders in Manchuria

Midst the tension of resentment, hate, and fear engendered by the studied aggressions of the Japanese military upon Chinese soil, we look to the small group of F.O.R.-minded missionaries and still smaller group of awakened and courageous Christian nationals in both nations for action to create and maintain good will across this widening chasm. That is happening to the Christian leaders in Manchuria now is of prime concern to us, not just because they are our fellow Christians, but because of what their fate means to the cause of good will in the Pacific and because of what it presages for the ever-widening area in North China upon which the Japanese army is now trying to lay its hands.

The following is a first-hand account from one who succeeded in getting out of Manchukuo before falling prey to the same treatment which others underwent. No names will be mentioned because to do so would invite further sufferings at the hands of the Japanese secret police who would easily trace out the links by which this information is given to the outside world and who may be counted upon to read this story. But every statement is completely factual and first-hand. It is neither the product of propaganda nor hysteria. Further my acquaintance with this person goes back over a number of years. Some of this may have reached America in news despatches.

This program instituted by the all-powerful Japanese secret police attached to Manchukuo began first at Kirin where a number of prominent Christian leaders were seized, among them a Pastor, the Secretary of the Y.M.C.A. and a Christian doctor. Then a raid was made at Chinchow where three teachers and ten students of the mission Junior High School were seized with the result of the school breaking up. The Girls' School teachers who were also wanted, fled and the pupils scattered.

On the 8th and 9th of October, these mid-night arrests began in Mukden, when five Christian doctors were taken from their homes, three of whom were teachers in the Mukden Medical College (missionary). At the same time four graduate nurses from the hospital, a Christian doctor in private practice, a Y.M.C.A. secretary, and some important Christian laymen who were employed in the British-owned Hongkong and Shanghai Bank and the British-American Tobacco Company were also taken in the drag net. The procedure was always the same, a sudden descent in the middle of the night, a certain person whose name had been listed seized, a minute and long search of the house for any incriminating document, and the carrying off of all personal papers or letters. On the 11th, two leading pastors and the head of the Women's Bible School were carried off, together with a theological student who happened to be secretary of a "One Cent Society," a local Christian enterprise for raising funds through small daily contributions toward the education of worthy students. The student handed over the minutes of the society as evidence of its harmlessness but the roster of names became a further means of molesting others. The members of this society had to undergo questioning and search for evidences of Communist activity and anti-Japanese sentiments. All these people were kept incarcerated in separate tiny rooms and no clothing or bedding of more than single thickness would be permitted to be sent in by their families lest something be concealed in them. Often these were refused. On the 17th a similar raid was staged at the capital Ch'angch'un and the Chinese members of a team conducting a short term Bible school were seized and taken on the 21st to Mukden by the secret police.

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

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There were many other individuals, largely belonging to the families of these leaders, put under arrest. The missionaries of the Scotch and Irish Presbyterian missions who work in Manchukuo, with the aid of the British Consul at Mukden made protests to those higher up against these rude and illegal arrests which were breaking up the work of their institutions and creating such unjust hardship, and they had been promised that the raids would cease. If some one else was wanted, it had been agreed, that a decent procedure would be followed. But these promises were ignored. On the morning of the 19th three of the doctors were released but within two days Dr. B- was rearrested, again in the middle of the night. Many head nurses were taken and there were always Japanese detectives hanging around the hospital. Demands were made for some of the students and still others of the doctors, two or whom managed to escape in disguise. Reuter's telegrams of October 20 gave 60 arrests in the week.

What these people had to undergo can be understood by what one person told my friend after being released. Each person was faced with the three-fold charge of being "Anti-Manchukuo," "Opposed to Japan" and "Communist propagandist." In the brutal third-degree examination to which each was subjected the Japanese secret police tried to force a confession. They were bullied with charges of having political connections with people in China proper, or of being Communistically inclined, or with "harboring thoughts opposed to Manchukuo"! The doctors were lectured to confess having written letters to the League of Nations, and attempts were made to force the doctors who had been long in service in the Medical College to tell "what the English thought" and "where their secret wireless was." During this ordeal seven kinds of torture were used, beginning with slapping and beating across the face by the examining officer until the face was insensible to pain and the mouth bled, forcing cold water by a pump down the nostrils and mouth to the point of suffocation repeatedly (the scalp bled at the hair roots under this treatment), beating the ends of the fingers and toes with a notched bamboo strip, twisting and crushing the fingers while rods were held between the joints, beating the ankle bones with bottles, and whipping the bare body, laid out with arms and legs trussed up on a bench, with a horse hair whip heavy with water. The narrator swooned after the third blow so he did not know how long this whipping was kept up. One doctor was told that they were "pus sores on the body of Manchukuo. The pus would have to be squeezed out." Again they were asked "Why don't you do the way the other people in Manchukuo do?" (Referring to the practices of drug-taking, gambling, etc., which under Japanese manipulation are ruining the Chinese population of Manchuria physically and morally.) "You are too good to be Manchukuoese." A recent despatch announces that a few individuals have been released on their signed statement that they will not leave the country!

These are the facts of what has been going on and is still going on as far as we are able to know. Why is it being done? The Scotch-Irish missionaries on the ground have interpreted it as largely anti-British, as striking at them and Britain through the bodies of their Christian leaders because Britain continues to refuse to recognize Manchukuo. (Presumably these missionaries are responsible for that!) Again it has been suggested that Tokyo has been putting on pressure because of the continued lawlessness in Manchuria and the Secret Police in approved fashion have hit upon something easy and within reach. Most certainly it is because the Christian body in spite of its comparative smallness in numbers, now that all Chinese leadership has practically been driven from the country and all higher education transferred to Japanese hands, represents the strongest and most independent and intelligent center of spiritual resistance to the program of the enslavement of Manchukuo. And it is the educated leaders they have seized in every case. The action of the Educational Bureau in the province of Kirin in enforcing the worship of Confucius upon all schools, during

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

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which all must bow to the ground and kotos four times, is aimed directly at Christian schools. No meetings of any kind, even committee meetings or meetings of foreign missionaries conducted in English, can be held without sending an agenda to the special department of the Educational or Religious Board, and entertaining a spy during the meeting. But only recently has direct action been used to cripple the work of Christian teaching, preaching, and healing.

Such action does not make less the demand for Christians to go the limit in trying to combat hate and preserve fellowship. But if the Christian leadership of China is to taste the same thing in the immediate future especially in North China, and Christians in Japan are to be kept gassed by propaganda and paralyzed by threats, what missionaries can do to keep the bridges of good will standing will be of very limited effectiveness. When missionaries themselves are members of nations against whom the Japanese military harbor suspicion and resentment the situation is still more difficult.

November 1935.

0829

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

February 1, 1936.

Dear Dr. Warnshuis:

The receipt is acknowledged of your letter of
January 24, 1936, enclosing two recent statements
which you have received from China.

I am appreciative of your kindness in making
this interesting information available.

Sincerely yours,

SKH
Stanley K. Hornbeck,
Chief,
Division of Far Eastern Affairs.

Dr. A. L. Warnshuis,
Secretary, International Missionary Council,
156 Fifth Avenue,
New York, New York.

CSR
FE:CSR/VDM

W. M. W.
FE:W. M. W.

1507
FEB 7 1936.

793.94/7704

0831

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

February 1, 1936.

Subject: The Situation in North China.

FEB 4 - 1936

NOTED

S:

Mr. Secretary.

During the past week no important developments have occurred in North China. Although the indications are that the situation as described in recent memoranda of FE, particularly those of January 18 and 25, has not been materially changed, there have been certain developments of a negative character which might possibly signify that the tactics of the Japanese military which have been pursued for many months have been superseded for the time being by the more moderate tactics of the Japanese Foreign Office. The Embassy has reported that a senior Japanese Embassy official at Nanking stated to a press correspondent that the Japanese Government intended to be "very patient" in dealing with China (which report confirms the press despatch mentioned in the memorandum of January 25); that the Chinese authorities hold the view that the Japanese Government had decided to follow for the time being a policy of nibbling and continuous moderate pressure instead of taking any drastic

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drastic steps; that the customs revenues at Tientsin are being remitted daily to the Inspector General of Customs (and are not being turned over to the Hopei-Chahar Political Council as the latter had demanded); and that the Chinese Ministry of Communications has instructed the post office at Peiping to hand over to the Council forty per cent of the revenues obtained from the sale of revenue stamps (and not all as was demanded by the Council).

The growing frequency and seriousness of the incidents along the "Manchukuo"-Soviet (East Siberian) border and the "Manchukuo"-Outer Mongolian border may have been a factor in bringing about what appears to be a moderation of Japanese pressure on China. A Moscow press despatch of January 30 reported that the Soviet Government had protested to the Japanese Embassy there against the invasion of Soviet territory by a force of Japanese and "Manchukuo" troops numbering over one hundred. This invasion, it was stated, occurred in the same area into which a detachment of deserting "Manchukuo" soldiers recently fled after having killed their Japanese officers. The Embassy at Moscow reported that according to an official informant Soviet-Japanese incidents are beginning to be viewed in Moscow with

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some concern and that the feeling exists that the outbreak
of a Soviet-Japanese war in the spring or summer of the
current year was well within the realms of possibility.

W.D. M.H.
FE:MSM/VDM

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

G-2 Report

FOR OFFICIAL USE
 ONLY

CHINA (Political)

Subject: Foreign Relations

North China Autonomy, Summary
of the First Phase.

Introduction: The efforts of Japan to establish a North China regime independent of Nanking have reached the end of a phase. Current "Comments" and other G-2 Reports show that "autonomous" areas have at last been created in the North and discuss the nature of these administrations. The establishment of these "states" has been the result of many weeks of effort on the part of Japan. A coordinated summary of the events leading up to this result is given for purposes of reference and possible historical value.

The reports to the Embassy of the United States Consul-General at Tientsin, Mr. J. K. Caldwell, give a very clear narrative and analysis of this so-called movement. They are here drawn upon for the benefit of the War Department.

During November the relations between China and Japan were concerned almost exclusively with the efforts made by the officials of the Japanese military in Tientsin and Peiping to bring about the separation of North China from the Central Government of China, and with the attempts of the Chinese provincial and national authorities to stave off that separation.

(a) Attempts to Establish Autonomy.

In the course of these efforts there appeared four more or less distinct attempts to establish autonomous regimes over various areas in North China: The five province autonomy movement; the assumption of control over the Demilitarized Zone by Yin Ju-keng; the demonstrations for autonomy in Tientsin; and the pressure on General Sung Che-yuan to declare the establishment of an autonomous government over Hopei and Chahar.

(1) The Five Province Autonomy Movement.

a. Negotiations Between Doihara, Hsiao and Sung.

On November 6th General Doihara, the head of the Japanese military mission in Mukden and generally credited with having been one of the founders of "Manchoukuo", arrived in Tientsin ostensibly on a personal visit. The evident political tension which had resulted from the warning delivered to the Chinese authorities of Hopei by the Japanese in the latter part of October, from the direct arrests of Chinese by Japanese gendarmerie, and from the Japanese military maneuvers just then drawing to a close, increased sharply with Doihara's appearance.

He entered almost at once into negotiations with Hsiao Chen-ying, the newly appointed Chairman of Chahar, who had come to Tientsin to effect the release of a Chinese army

From M/A, China

Report No. 9260

December 20, 1935

793.94/7706

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

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Subject: Foreign Relations

North China Autonomy, Summary
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officer seized by Japanese gendarmes. Hsiao returned on November 9th to Peiping, followed several days later by Doihara.

In Peiping General Sung Che-yuan was included in the discussions. Informed Chinese asserted that Doihara was insisting on the establishment of an autonomous government over the five provinces of Hopei, Chahar, Suiyuan, Shantung and Shansi, before the 20th of November.

b. Japanese Troop Concentration at Shanhaikwan.

Apparently as a show of force in support of General Doihara's demands, the Kuantung Army despatched over 2,000 troops from Chinohow to Shanhaikwan on November 15.

c. Hsiao's Statement.

Three days later Hsiao Chen-ying issued a statement to newspaper representatives in Peiping which revealed the full gravity of the Japanese demands. According to Hsiao, General Doihara had threatened to set up a "Huapeikuo" by force of arms if an autonomous government for the five northern provinces was not established by November 20th. The Chinese negotiators had been, he said, fighting desperately for time, and had repeatedly wired to the Central Government for instructions. No satisfactory reply had been forthcoming, and accession to Japanese demands seemed the only way out.

d. Nanking Government Orders the Suspension of Negotiations.

Hsiao's revelations evidently startled both Nanking and Tokyo into a realization of the serious implications of the Kuantung Army's course in North China; on the evening of November 19th the Central Government wired Hsiao to discontinue negotiations, while in Shanghai the Japanese Ambassador to China entrained for Nanking to confer with General Chiang Kai-shek. Two days later General Sung Che-yuan received instructions, confirming those given Hsiao, ordering him to postpone action on the autonomy issue.

e. Collapse of the Movement.

It was reported that Nanking's action had been based on assurances received from Tokyo that Japanese troops would invade Hopei only if National Government troops entered the province. With the threat of the use of force withdrawn, the movement for an autonomous government for Huapei, which owed its existence to that threat, collapsed. Colonel Takahashi, Assistant Japanese Military Attache, issued a statement to the effect that General Doihara had been without authority to conduct negotiations. The General had meanwhile returned to Tientsin.

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(2) Independent Government in the Demilitarized Zone.

During the Hsiao - Doihara negotiations, Yin Ju-kang, the Administrative Inspector of the Luan-Yu Area of the Demilitarized Zone, had several conferences with Hsiao in Peiping, with General Tada in Tientsin, and with Colonel Takeshita, the representative of the Kuantung Army at Shanhaikwan. Shortly thereafter he wired Sung Che-yuan and Han Fuch'u, urging them to cooperate in the maintenance of the territory about to be lost and in the relief of the people, whose difficulties he ascribed to the misgovernance of the Kuomintang. On November 22nd he ordered all revenues formerly remitted to the Hopei Provincial Government to be held within the Zone; two days later he declared the Zone to be autonomous and established a council of nine to assist him in ruling it.

He effected a slight enlargement of the Zone by declaring that those Hsien which had been cut into two sections by the Tangku Truce lay wholly within the jurisdiction of the new government.

His appointment of an inspector for that section of the Pei-Ning Railway which lay between Shanhaikwan and Hsinho gave rise to fears that he intended to seize the road, but actually no change in its status occurred.

It was reported from Paotingfu that over half of the Hsien in the Zone promptly wired the Provincial Government pledging their continued loyalty.

(3) Autonomy Demonstrations in Tientsin.

For Tientsin was reserved a most convincing display of the inanity of the contention that the various autonomy movements which have occurred recently in Hopei spring from "the spontaneous desire of the masses". After the city had been deluged for several days with handbills and posters emanating from the "Universal Peace Society" - with headquarters in the Japanese Concession - attacking Chiang Kai-shek and urging the masses of North China to assert their right to govern themselves, a corps of some two hundred armed and uniformed men (also said to have come from the Japanese Concession) on November 25th took possession of a lecture hall on the principal street of the Chinese city and hung banners over the door naming the hall the "Headquarters of the Dare-to-Die Army for the Self-Defense of the Masses of North China."

Representatives of the same group appeared at both the Mayor's office and the Bureau of Public Safety with demands that the city be turned over to them; in both instances they are reported to have admitted under questioning that the Japanese had

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sent them, whereupon the Chinese authorities informed the Japanese barracks of that claim and procured Japanese assistance in dispersing them.

No effort was made by the Chinese police to interfere with the establishment of its headquarters by the "Dare-to-Die Army". In the afternoon the mob which had formed before the lecture hall tore down from the building the banners of the "Army". That evening the "Army" itself was quietly withdrawn, and the Tientsin autonomy movement collapsed.

(4) Sung Pressed to Declare Autonomy for Hopei and Chahar.

On November 25th Generals Sung Che-yuan and Chin Te-chun, accompanied by Hsiao Chen-ying, returned to Peiping, whither on the same day General Doihara also repaired. It was soon evident that the pressure on General Sung was being renewed, this time to force him to establish an autonomous regime covering Hopei and Chahar.

(b) Other Acts of the Japanese Military Bearing Upon the Separation of Huapei from China.

Before and during the various manipulations through which the Japanese military in North China apparently hoped to effect the establishment of a new regime in this area, there occurred a series of loosely related acts which taken together tended to modify the situation in a way favorable to such a change.

(1) Troop Concentrations.

The action of the Kuantung Army in bringing over 2,000 troops to Shanhaikwan during the five-province autonomy negotiations has already been noted. When General Doihara returned to Peiping, presumably to urge General Sung to set up an autonomous government for Hopei and Chahar, another 2,000 men were brought down to the Kuantung Army barracks on the "Manchoukuo" side of Shanhaikwan, and all of the garrisons within the wall from Shanhaikwan to Peiping were reported to have been reinforced to about double their usual number.

(2) Troop Maneuvers.

Large scale troop maneuvers, participated in by all of the Japanese forces in North China, were begun on November 4th and lasted for three days. In a realistic war-game one army attempted to take Peiping while another defended it; planes were employed by both sides, and blank cartridges used.

Later in the month the Embassy Guard held their own maneuvers to the east of Peiping. The sound of gunfire was audible in the East City, and Chinese there, remembering Mukden, expected momentarily the capture of the old capital.

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(3) Direct Arrests

While the troop maneuvers just referred to were disquieting the ignorant peasantry who find it difficult to distinguish between a real war and a war-game, the policy of "direct arrests" was working havoc among the already demoralized intelligentsia of North China.

Following the official Japanese protest against the revival in North China of "Blue Shirts" and other anti-Japanese activities, delivered last month, the Chinese authorities themselves began a series of arrests - in one instance the police even raided their own headquarters - but the Japanese military were not satisfied, and presented as proof of the "insincerity" of the Chinese certain orders to the "Blue Shirts" purporting to have been signed by General Chiang himself, and with them a book of photographs and secret instructions. On the basis of this alleged evidence, the Japanese military and gendarmerie began making arrests on their own account.

By them the field of suspects was widened to embrace, according to generally accepted reports, a list of some 130 of the leading teachers, authors, and journalists in North China who were believed to be unduly critical of Japan. Many whose names were reported to be listed left the North.

Varying statements have appeared of the actual arrests made, and although their number will probably never be accurately known, it is unlikely that it exceeded twenty-five or thirty in all.

(4) Supervision of Rolling Stock.

On the morning of November 27th Japanese soldiers appeared at the Fengtai yards on the P'ing-Han line, and at the Central Station in Tientsin, with instructions to prevent the southward movement of freight traffic. It was alleged that their object was to prevent the withdrawal of rolling stock to Central China where it might be used in the transportation of troops. After several hours of negotiating it was agreed that each railway would return an empty freight car for every additional loaded one which went south on its tracks, and on this basis freight traffic was resumed. Small squads of Japanese soldiers continued, however, to check the southbound rolling stock on both lines.

(5) Establishment of an Air Field in Tientsin.

In the latter part of November Japanese soldiers took possession - in accordance, they asserted, with an arrangement with the owners - of part of the buildings and a large plot of ground of the International Race Course near Tientsin. There a

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large landing field was made ready awaiting the arrival, according to rumors circulated widely among the Chinese, of a fleet of forty Japanese planes.

(6) Reconnaissance Flights.

Japanese military flights over Tientsin and the surrounding Hsien continued daily throughout November.

(7) Statements of Various Japanese Officials.

An important factor in the preparation of the minds of the people of Huapei for some change in their government was the issuance from time to time by presumably responsible Japanese military and civil officials of statements predicting that change. Typical of these was the forecast of General Matsui, a retired member of the Supreme War Council of Japan and an expert on Chinese affairs, while visiting Tientsin, that an autonomous government would shortly be established in North China; the statement by General Doihara on November 19th that all preparations for the establishment of the new government had been completed; and the statement of the Foreign Office spokesman in Tokyo that General Han Fu-ch'u would join the movement and that the Foreign Office would have "to see the baby" before they would be able to determine whether the new government should be recognized.

(c) Chinese Response to the Threatened Separation of Huapei from China.

The precedent of "Manchoukuo"; the ease with which General Doihara seemed to be achieving his aims in "Huapei"; the apparent indifference of the Nanking Government; and the recent settlement of the Hsiangho revolt, in which the rebel leaders were left for some time in control of the city and then allowed to leave it unpunished, proved misleading indications of the nature of the reactions of the Chinese Government and people to the threatened loss of the Northern provinces.

(1) Chinese Government Mandates.

On the evening of November 26th the National Government issued a series of important mandates directed at bringing the course of events in North China more nearly under its control. These mandates ordered:

- a) The abolition of the Peiping Military Commission, its affairs to be dealt with directly by the Military Commission;
- b) the appointment of General Sung Che-yuan as Pacification Commissioner for Hopei and Chahar;

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c) the appointment of General Ho Ying-chin as the ranking officer in charge of the affairs of the Executive Yuan in Peiping;

d) the dismissal and arrest of Yin Ju-keng, the leader of the autonomy movement in the Demilitarized Zone, and the abolition of the two areas within the Zone.

With the promulgation of these mandates it became clear that General Chiang intended to make an effort to retain control of North China. The affairs of the Branch Military Commission were wound up on November 30th, and it was reported that General Ho intended to come to Peiping - in the face of General Tada's statement that he would not negotiate with him if he did come, and of General Doihara's hint that he was sure that it would be a long time before General Ho returned to the North.

At the close of the period here under review General Sung was still declining the post of Pacification Commissioner but has assumed office as Hopei Chairman, and Yin Ju-keng was reported to have been assured the protection of the Japanese military in his open defiance of the Nanking Government's order for his arrest.

(2) Formal Protests of the Chinese Government.

Reports in the vernacular press state that the National Government followed the promulgation of the mandates referred to above by lodging a formal protest with the Nanking office of the Japanese Embassy against the connection of Japanese army officers with movements for autonomy in North China. Earlier in the month the Chinese had lodged a similar protest against the practice of "direct arrests" in Peiping and Tientsin, and had procured a promise that such arrests would cease.

(3) Crystallization of Chinese Sentiment.

Although the fear of "direct arrest" by the Japanese, and the repressive measures taken in the past by the Chinese Government itself, have tended to kill the free expression of public opinion in the North, there were growing evidences during the month of Chinese opposition to autonomy. One of the recent open expressions of that feeling was contained in the telegram despatched by the leading educators in Peiping urging the maintenance of the territorial and administrative integrity of the nation. Student demonstrations are described in current "Comments".

Source: Tientsin Consular reports to Embassy
and study in M/A Office.

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

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CHINA (Political)

Subject: Foreign Relations

North China Autonomy, Summary
 of the First Phase.

COMMENTS: General Ho Ying-chin has come and gone
 and an autonomous government is in operation in the North.
 Events since its establishment are still too recent for
 inclusion in an analytic summary such as this report.

B A T

Joseph W. Stilwell
 Colonel, Infantry
 Military Attache

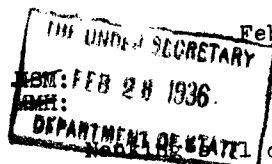
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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 20, 1936.



of January 18, 1936,
 transmits a memorandum prepared by
 Third Secretary Douglas Jenkins, Jr.,
 in regard to the Fifth National Congress
 of Kuomintang Delegates.

The activities of this Congress have already been in great part brought to the attention of the Department but the memorandum sets forth in all detail the organization and proceedings of the Congress. Certain marked paragraphs will be found of interest as will be the concluding section in its entirety. It should be noted that (1) little of any concrete value was accomplished by the Congress, (2) the policy announced by Chiang Kai-shek in his address to the Congress sought to fulfill two purposes, i.e. to make a statement acceptable to the Japanese and to convince the nation that Chiang was working for the best interests of the country and was prepared to lead his troops to battle if and when the necessity arose, and (3) while a larger membership was accorded to the Southwest (to placate that section) in the central and supervisory committees Chiang enhanced his power and prestige.

The

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The third paragraph (pages 2 and 3) of the transmitting despatch will be found of considerable interest, it being stated therein that Chiang Kai-shek sees little prospect of waging war against Japan with any degree of success at the present time.

CSR
CSR/VDM

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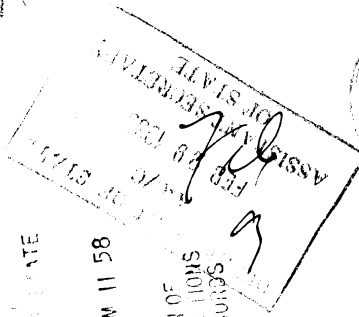


EMBASSY OF THE
 UNITED STATES OF AMERICA
 Nanking, January 18, 1936.

No. 71.

Subject: Fifth National Congress of
 Kuomintang Delegates.

793.94



DEPARTMENT OF STATE

1936 FEB 10 AM 11 58

DIVISION OF
 CONSULS
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The Honorable
 The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to refer to my telegram No. 106 of
 1/ November 5, 2 p.m., 1935, and to include herewith a memo-
 randum covering the Fifth National Congress of Kuomintang
 Delegates, which was held in Nanking November 12 - 23,
 1935. This memorandum was prepared by Third Secretary
 Douglas Jenkins, Jr., and I believe that it is to be
 commended for the thorough manner in which all the ac-
 tivities of the Congress have been described, and for
 the understanding way in which the achievements of the
 Congress are appraised under the heading "Conclusions".

As pointed

Noted on 2/10/36

M. O.

F/FG

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As pointed out by Mr. Jenkins in describing "Conditions at the Opening of the Congress", public interest in the deliberations of the Congress largely centered upon what was expected of it in the way of dealing with Japanese encroachments in North China. The Department's attention is invited, therefore, to General Chiang Kai-shek's speech on the subject summarized on pages 9-11 of the memorandum. In touching upon the matter of Japanese aggression on China, the Congress passed a resolution containing the following statement, quoting and approving the "policy of conciliation of Japan" as described by General Chiang:

"At the fourth regular meeting of the present Congress, Comrade Chiang Chung-cheng (Chiang Kai-shek), while reporting on foreign relations, said, inter alia, 'So long as the maintenance of peace does not become entirely hopeless, we shall not abandon peace; nor shall we talk lightly of sacrifice unless and until the final crisis comes.' He also said, 'Within the limits of non-encroachment on our sovereign rights, we shall seek harmonious relations with the various friendly Powers; and on the basis of reciprocity and equality, we shall seek economic cooperation with them.'"

"The Congress firmly believes that these points revealed by Comrade Chiang constitute the fundamental policy pursued by the Central Authorities in coping with the national emergency, and that their correctness is unquestionable."

It will be observed that this policy is tantamount to one of yielding at all points, provided there is no encroachment on China's sovereign rights and no violation of reciprocity and equality.

From a source believed to be reliable, this office has learned that General Chiang gave a dinner to the more important persons present in Nanking during the Congress, on or about November 18. On this occasion, after excluding all persons but the invited guests and three confidential secretaries, he explained this policy in detail.

He

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He asserted that if open hostilities were allowed to break out between China and Japan, the Japanese could seize North China and all important ports along the coast within two months. He said that war between China and Japan in the present state of China's military equipment and lack of internal communications would be an irreparable disaster. On this account he was convinced that the only policy practicable was to deal with Japan through diplomatic means on the one hand and, on the other hand, to develop the internal strength of the nation with all possible energy, one of the most important objectives being to construct strategic railways. In other words, General Chiang believed that war with Japan should be deferred at almost any cost until there was prospect that the war might be waged with some sort of success.

It is said that General Chiang's arguments were so persuasive that even Mr. Tsou Lu, a leading delegate from Canton, said that he concurred with General Chiang. The press has published statements made by Mr. Tsou Lu that he agreed with the policy of the National Government vis-a-vis Japan, and this is the more remarkable in view of Mr. Tsou Lu's previous fiery exhortations that China declare immediate war against Japan and his scathing criticisms of the Nanking regime and of General Chiang Kai-shek for their allegedly supine attitude.

Respectfully yours,

For the Ambassador:

Willis H. Peck
 Willis H. Peck,
 Counselor of Embassy.

Enclosure: ✓

1/ Memorandum dated
 January 11, 1936.

Original and four copies to the Department
 Copy to the American Embassy, Peiping.
 WRP:MM/MCL

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MEMORANDUM.

January 11, 1936.

Fifth National Congress of Kuomintang Delegates.

Conditions at the Opening of the Congress

The sixth and last session of the Fourth Central Executive and Central Supervisory Committee closed on November 6, less than a week before the convocation of the Fifth National Congress of Kuomintang Delegates. This plenary session of the two committees handed on to the Congress for action the major questions facing the nation.

Conditions in North China were most discouraging. The Japanese were pressing for the establishment of an autonomous regime in the north, which if created would mean the virtual independence of that area from the control of the Central Government. To oppose Japanese advances in the north by military force could only result in defeat for China, which in turn would mean further encroachment by Japan on China. With this practically insoluble question confronting the Government, the nation focused its eyes upon the Congress with the hope that it would evolve some workable solution which would satisfy the Japanese and at the same time hold the country together.

Another question which was receiving the attention of a large part of the thinking population was that of the establishment of constitutional government. It was felt by many that the period of political tutelage of the Kuomintang had been carried far enough and that the Party should bestir itself and set in motion the machinery required to institute constitutional government.

This

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This question received much publicity in the press. Editorials appeared in many of the important vernacular newspapers throughout the country. The general tenor of the press editorials was that the government should not be a hidebound Party organization, but that room should be made to admit persons other than Party members who possessed the ability and had a will to work for China; in this way, the press held, greater service to the state could be obtained. In conjunction with the press campaign for constitutionalism, the newspapers simultaneously stressed the necessity for freedom of speech. They pointed to the unfavorable aspects of press censorship, laying stress on the point that although the Government had guaranteed the freedom of the press it had made the proviso that no matter inimical to the Government should be published. This proviso, so long as the Government censors were given the power to enforce it, was, the press pointed out, equivalent to prohibiting the press from publishing anything which might in any way be interpreted as being unfavorable to the Government and the Party. Thus the press was estopped from performing its proper functions: to mirror public opinion, and to serve as a forum for the debate of questions of interest to the public.

The sixth plenary session of the Fourth Central Executive and Central Supervisory Committees sent Mr. Tai Chi-tao, President of the Examination Yuan, and Mr. Ma Chao-chun, Mayor of Nanking, to the Southwest to endeavor to persuade the Southwest leaders, especially Generals Chen Chi-tang and Li Tsung-jen, to come to Nanking and join in the deliberations of the forthcoming Fifth Congress of Kuomintang Delegates.

Considerable

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Considerable publicity was given this mission and the press urged the necessity for a united front in order to steer the nation through its present difficulties. Although neither General Chen nor General Li came to Nanking a considerable group of Southwest delegates did attend the Congress meetings. The delegation was headed by Mr. Tsou Lu, President of the Sun Yat-sen University at Canton and one of the "elder statesmen".

General Chen Chi-tang was reported by the Kuo Min News Agency to have telegraphed to the central authorities confirming the satisfactory outcome of the mission and stating that with the exception of those delegates who were unable to attend because of the pressure of their duties or because of ill health all Southwest members would attend.

Two important figures from the north, Generals Feng Yuxiang and Yen Hsi-shan, who have not in the past cooperated to any great extent with the Nanking Government, supported it on this occasion by attending the Congress and urging through open telegrams published in the press that the various factions "bury the hatchet" and meet in Nanking in order that a united front might be achieved.

Such a show of unity was made at the opening of the deliberations of the Congress that it was felt in some quarters in Nanking that the possibility of a united China was disturbing the Japanese and for this reason they were preparing to take more drastic steps in North China with a view to separating that section completely from the control of the central authorities.

Opening of the Congress

The Congress was officially opened on November 12, the sixty-ninth

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sixty-ninth anniversary of the birth of Dr. Sun Yat-sen. The members of the Congress, which consisted of 103 members of the Central Executive and Central Supervisory Committees and 405 delegates representing the various grades of Party Headquarters throughout China and abroad, first attended a memorial ceremony held at the Sun Yat-sen Mausoleum in commemoration of Dr. Sun's birth. At ten o'clock, following the memorial ceremony, the delegates assembled at the National Party Headquarters, where the Congress was officially declared open by Mr. Lin Sen, Chairman of the National Government and a member of the Central Supervisory Committee, who presided.

According to the organic law of the Kuomintang the National Congress of Party Delegates is scheduled to meet biennially. The Fourth Congress was held in 1931. The Fifth Congress which was originally due to be held in 1933 was twice postponed because of existing conditions.

In his opening address before the Congress Mr. Lin Sen referred to the postponement of the Congress and stated that one of the important reasons for its postponement was to allow all Party workers sufficient time to offer their valuable opinions and suggestions to the Congress in order to make the spirit of unity more manifest.

He drew attention to the fact that since the holding of the Fourth Congress the national crisis had steadily become more acute. This he attributed to the fact that in addition to external aggression the nation had continually been beset by floods, droughts, banditry and violent

economic

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economic changes. Critics of the Party, he said, considered that it had failed to meet these difficulties, while those in sympathy felt that marked progress had been made.

Mr. Lin pointed out that the work of the Congress was twofold, to examine the work of the Party in the past and what was more important, to plan the future work of the Kuomintang along lines which would enable the Party members and the Chinese people to strive jointly for the salvation and revival of the nation. He urged the delegates to bear this fact in mind when deliberating over subjects such as the institution of constitutional government, the future political program both foreign and domestic, the program for national reconstruction, and the drafting of a practical formula to arouse the patriotism of the Chinese people and to urge them to work together to meet the national crisis.

In conclusion Mr. Lin urged the Party members to follow the teachings of the late Dr. Sun Yat-sen and to sacrifice their personal freedom and contribute their talents to the task of national salvation.

As November 12 was a National Holiday, the Congress after completing its formal opening ceremony adjourned until the following day.

Organization of the Congress

Organic Law

The organic law governing the organization of the Fifth National Congress of Kuomintang Delegates as adopted by the Central Executive Committee is quoted below. The text is quoted from an English translations released by the semi-official Kuo Min News Agency.

Article 1.

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Article 1. The Fifth National Congress of Kuomintang Delegates shall be constituted of delegates duly elected by the various local Party Headquarters in accordance with law.

The qualifications of the afore-mentioned delegates shall be examined by a Credentials Examination Committee appointed by the Central Executive Committee.

Article 2. Members of the Central Executive and Central Supervisory Committees shall have the right to attend the Fifth National Congress.

Reserve members of the Central Executive and Central Supervisory Committees may attend as observers.

Article 3. The Fifth National Congress shall have a Presidium.

The Presidium shall be composed of a number of persons duly nominated by the Central Executive Committee and approved by the Congress.

Article 4. The Fifth National Congress shall have a Secretariat.

The Secretariat shall carry out its duties in accordance with the orders of the Presidium. The regulations governing its organization shall be determined separately.

Article 5. The duration of the Congress is fixed at five days. In case of necessity, it may be prolonged.

Article 6. Meetings of the Fifth National Congress shall be convened only when a majority of the total number of delegates are present.

Resolutions of the Congress shall be adopted only with the concurrence of a majority of the total number of delegates present.

When the votes, for and against, are even, the Chairman shall cast the deciding vote.

Article 7.

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Article 7. When necessary, the Fifth National Congress may, on the decision of the Presidium or at the joint request of over forty delegates, hold its meetings in camera.

Article 8. The rules of procedure for the Fifth National Congress shall be determined separately.

Article 9. The Fifth National Congress may organize committees for various purposes.

Article 10. The expenditure for the Fifth National Congress shall be determined by the Central Executive Committee.

Article 11. This organic law shall be adopted and enforced by the Central Executive Committee.

The Presidium

In accordance with the organic law the Congress elected a Presidium of twenty-three members. In this body rested the virtual control of the Congress. The membership of the Presidium was as follows:

Chiang Kai-shek	Wang Ching-wei
Yu Yu-jen	Sun Fo
Lin Sen	Tai Chi-tao
Chu Cheng	Chang Chi
Ku Meng-yu	Tsou Lu
Chen Kuo-fu	Hsu Chung-chih
Yen Hsi-shan	Feng Yu-hsiang
En-Ko-Pa-Tu	Wu Chung-hsin
Shih Tzu-chou	Mei Kung-jen
Wang Chuan-sheng	Lin Tieh
Pan Kung-chan	Mai Huan-chang
Lo Ching-tao	

On the recommendation of the Central Executive Committee the Congress confirmed the appointment of Yeh Chu-tsang as

Secretary

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Secretary General of the Congress, and Messrs. Wang Chikiang, Wang Tzu-chuang and eleven others as Secretaries.

The Proposal Examination Committees

The Presidium, with the approval of the Congress, established five committees to examine the various proposals submitted to the Congress as well as separate committees for the examination of Party regulations and readjustment of resolutions. The various committees and their conveners were as follows:

Party Affairs, 46 members, Chen Li-fu and Chen Kung-po as conveners.

Political Affairs, 53 members, Shao Li-tzu and Wu Te-chen as conveners.

Economics, 34 members, H. H. Kung and Liu Chi-wen as conveners.

Education, 32 members, Wu Chih-hui and Tsai Yuanpei as conveners.

Military Affairs, 27 members, Ho Ying-chin and Chu Pei-te as conveners.

Committee for Examination of Party Regulations, 43 members, Shao Yuan-chung and Li Wen-fan as conveners.

Committee for Readjustment of Resolutions, 9 members, Yeh Chu-tsang convener.

Work of the Congress

Message Despatched to Hu Han-min

One of the first acts of the Congress was to pass a resolution instructing the Presidium to cable Mr. Hu Han-min, Dr. Wang Chung-hui, and all other members of the Central Executive and Central Supervisory Committees residing abroad, in the name of the Congress, urging them to return to China to share the responsibility of overcoming the national emergency. In reply to the Presidium's message Mr. Hu Han-min cabled that he would return as soon as his health permitted.

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This action of the Congress was probably prompted by a desire to indicate to the nation that it was seeking to achieve unity within the ranks of the Party, and to stress the necessity for disregarding minor differences in the face of the national emergency.

Commendation of Lin Sen, Chiang Kai-shek and the
 Rear and File.

In pursuance of a resolution adopted by the Congress the Secretariat despatched messages of commendation to Mr. Lin Sen, Chairman of the National Government, General Chiang Kai-shek, Chairman of the Military Affairs Commission, and the officers and men of the bandit suppression forces at the front.

General Chiang Kai-shek's Speech

One of the most important pronouncements of the Congress was contained in a speech delivered before the fourth regular meeting of the Congress on November 19 by General Chiang Kai-shek. This speech was taken as a declaration of the broad general principles upon which China's foreign policy was based.

In opening his address General Chiang said that it was most gratifying to note that the work of the Congress was being undertaken with a spirit of unity and cooperation which augured well for the future of the nation. He then stated that he was taking the opportunity to present to the Congress without reserve a picture of China's foreign policy during the past few years.

He drew attention to the fact that ever since the Mukden incident of September 18, 1931, the nation had been in a continuous state of distress and suffering. During this time, he said, he believed the nation had come to the

realization

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realization that the "Nationalist Movement" dealt not only with foreign relations, but with internal regeneration, as well. In other words, he stated, "While we must strive for equality and independence among nations, as our Leader has enjoined, we must also learn to be strong and self-reliant".

He pointed out that while under certain circumstances two nations may be bitter enemies, existing conditions might easily be altered with the result that the two nations could be nothing but friends. Therefore, in arriving at a definite foreign policy, he said, the welfare of the nation as a whole should be considered and not the temporary interests and sentiments of a part. Furthermore, he pointed out, strength lies in friendship, and "if we become strong and self-reliant, it is not impossible that our foes of today may become our friends of tomorrow". For this reason he emphasized that during the national crisis China should do its utmost to help itself and seek its own salvation.

He drew attention to the fact that China was passing through a transitional stage and that during such a period clashes between the old order and the new were to be expected. Under these circumstances, he said, all efforts should be directed to the completion of the ground work for building up the nation and too great heed should not be paid to temporary difficulties. China should, he said, be prepared to respond with promptness and resolution to the rapidly changing international situation.

His only direct reference to Japan was to point out that all nations were interested in the peace of China and that it was only natural that Japan, China's neighbor, should take a deep interest in peace in eastern Asia.

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The following closing paragraph of the Generalissimo's speech is quoted from an official English translation released by the Ministry of Foreign Affairs.

"From the three points mentioned above, we may draw the conclusion that if international developments do not menace our national existence or block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature. At the same time we should seek harmonious international relations provided there is no violation of our sovereignty. We should seek economic cooperation based upon the principle of equality and reciprocity. Otherwise, we should abide by the decision of the Party and the Nation and reach a resolute determination. As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing, for the life of an individual is finite while the life of a nation is infinite. Granted a limit to conditions for peace and a determination to make the supreme sacrifice, we shall exert our best efforts to preserve peace with the determination to make the final sacrifice in order to consolidate and regenerate our nation. I believe this is the basic policy of our Party for the salvation and upbuilding of our nation.

Mr. Tsou Lu's Speech

Another important speech delivered before the delegates to the Congress was made by Mr. Tsou Lu, the leader of the Southwest delegates, at the weekly memorial service held on November 18 which was attended by the delegates to the Congress.

In opening his address Mr. Tsou stated that the gathering of delegates from all parts of the country as well as from Chinese communities abroad gave him a feeling of joy and at the same time of trepidation.

His joy he explained was due to the fact that in the midst of political dissension representatives from all parts of the nation had vied with one another in attending the Congress. From this fact as well as from his observa-

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observations of the actions of the Congress he said he was convinced that all had decided to sink their personal differences and to cooperate for the common weal. This manifestation of unity he believed was not only the good fortune of the Party but of the Nation.

His trepidation he explained grew out of the realization that this spirit of unity must be backed by concrete measures. If no definite measures were devised for tackling the national crisis, he said, the delegates would leave the Congress disappointed. Moreover, if the central authorities did not formulate definite plans, the various Party members would devise their own schemes, which would result in even more divergent political views and troublous times for the state than it had experienced in the past.

Should no definite plans be drafted by the Congress, he said, it would be well nigh impossible for the central authorities to convene another conference in which all quarters, regardless of political views, would be represented.

In closing he stated, "I therefore hope that all comrades, especially those who are in charge of Party and Government affairs, will not neglect their duties and overlook the present situation!"

Twelve Rules of Conduct

In connection with the "New Life Movement" sponsored by General Chiang Kai-shek the Congress passed a recommendation of the Presidium listing twelve rules governing the conduct of all Party members.

The resolution recalled that Dr. Sun Yat-sen had realized that the state was formed by the aggregation of the

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the people and that on the integrity of the people rested the foundation of the nation. In pursuance of this thesis the Congress therefore had drafted a set of rules governing the conduct of Party members. The twelve rules are quoted as follows:

1. Loyalty and courage are the fundamentals of patriotism.
2. Filial piety and obedience are the fundamentals for regulating the family.
3. Kindness and love are the fundamentals of social intercourse.
4. Right ~~business~~ and good faith are the fundamentals of business enterprise.
5. Peace is the fundamental principle of life.
6. Courtesy is the fundamental principle of administration.
7. Obedience is the fundamental principle of responsibility.
8. Diligence and thrift are the fundamentals of service.
9. Cleanliness is the fundamental principle of physical well being.
10. Helping others is the fundamental principle of happiness.
11. Knowledge is the fundamental principle for the promotion of world welfare.
12. Perseverance is the fundamental principle of success.

The Draft Constitution

The Congress passed a resolution proposed by the Presidium naming twenty-five members to constitute a

committee

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committee to examine the proposal for the convocation of the National Peoples' Congress and the publication of the draft constitution. Messrs. Wu Chih-hui and Chang Chi were appointed conveners of the committee and all members of the Presidium were made ex officio members.

In accordance with the recommendations of this committee the Congress delegated the duty of determining the dates for publication of the official draft constitution and for the convocation of the National Peoples' Congress to the new (Fifth) Central Executive Committee which was to be chosen by the Congress.

The Congress accepted the draft document as presented to it by the sixth plenary session of the Fourth Central Executive Committee with the reservation that it be studied and revised by the Fifth Central Executive Committee.

Local Self Government

In order to hasten the completion of the period of political tutelage and prepare the nation for the advent of constitutional government, the Congress stressed the necessity for the institution of local self government. In spite of numerous governmental instructions for the promotion of local self government none of the 1900 districts in China has reached the standard of self government as laid down by Dr. Sun Yat-sen. This lack of progress the Congress attributed to the negligence of local officials in putting the scheme into practical execution and the lack of cooperation between local Party and Government authorities.

In order to remedy this situation the Congress adopted the following measures which are quoted from the semi-official Central News Agency:

1. A

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1. A definite time limit shall be fixed for the completion of the enforcement of local self government in various districts in the country with the exception of recovered areas and other districts under special circumstances.

2. A Local Self Government Planning Commission shall be organized under the Central Kuomintang Headquarters within one month from date. Under the Commission shall be organized the following committees: the Organization Committee, the People's Training Committee, the Rural Production Committee, the "Pao Chia" (mutual guaranty) Committee, the Cooperative Committee, the Census Committee, and the Land Committee.

3. A Branch Local Self Government Planning Commission shall be organized jointly by the local Party and Government authorities in each district. Under the direction of the Local Self Government Planning Commission in Nanking, this branch commission shall take charge of all matters relating to the planning and enforcement of local self government. Under it may also be organized various subcommittees. Its staff members shall be appointed from staff members of the local Party and Government organs in a concurrent capacity.

4. In the enforcement of local self government special emphasis shall be laid on the education, livelihood and protection of the people. The "Pao Chia" system shall be enforced throughout the country before the end of June, 1936.

5. The district government shall designate definite tax proceeds for the enforcement of local self government. If these are not sufficient, subsidies may be obtained

from

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from the provincial government. Tax yields thus designated for the enforcement of local self government either by the district government or the provincial government shall not be diverted to other uses.

6. The enforcement of local self government shall, hereafter, be considered the principal work of the local tangpu.

7. A local Self Government Training Institute shall be established by the Central Kuomintang Headquarters within two months from date for the training of workers in local self government work.

Other Resolutions

During the course of its deliberations the Congress considered a large number of proposals covering a variety of subjects. The following brief descriptions of certain of the more important of the proposals and the action taken by the Congress in regard thereto, give a general picture of the scope and work of the Congress:

With regard to the proposal for the removal of the press censorship and the restoration of freedom of speech, the Congress decided to instruct the Fifth Central Executive Committee to institute the necessary improvements in the methods of publicity.

The proposal for the promotion of overseas Party affairs "in order to consolidate the foundations of the Party and the State" was referred to the Fifth Central Executive Committee for enforcement.

In accordance with the report of the Proposal Examination Committee on Political Affairs it was decided to refer the proposal for the establishment of legations in Central America to the National Government for consideration.

In

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In order effectively to protect the cotton textile industries and to remove the difficulties now confronting Chinese manufacturers the Congress adopted the following proposals:

1. Regarding the immediate relief of the cotton textile industry, the matter should be referred to the Government;

2. Regarding the reduction of interest on credit loans and of freight rates in order to relieve the native industries as a whole, the Congress adopted the proposal in principle with instructions that the Government fix the interest rate on industrial loans and make arrangements for the reduction of freight charges. These instructions were referred to the organs concerned for execution.

The proposal for the determination of a fundamental policy of water conservancy was adopted in principle and referred to the National Government for enforcement.

With a view to consolidating the organization of the Central Government and amalgamating and abolishing superfluous organs in order to promote efficiency and save expenditure the Congress resolved that:

1. The Central Executive Committee be instructed to draw up concrete measures for improving the organization of the Central Government with a view to enhancing administrative efficiency.

2. All proposals relating to the organization of the Central Government, submitted to the Fifth National Congress of Kuomintang Delegates, should be referred to the Central Executive Committee.

With regard to the proposal for the active enforcement
of

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of the land policy of the Kuomintang and for the establishment of a land bank, the Congress adopted the proposal and set forth three measures for its enforcement as follows:

1. Creation of a central organ for land administration;
2. Establishment of military, police and people's land reclamation experimental areas;
3. Establishment of a special land bank.

The proposal that State banks grant loans on preferential terms in order to facilitate rural, industrial and commercial rehabilitation and promote national productivity was referred to the National Government.

Political and Military Reports Approved

The Congress approved the political report submitted by General Chiang Kai-shek, Chairman of the Military Affairs Commission, and the military report submitted by General Ho Ying-chin, Minister of War. In its resolution adopting the reports, the Congress pointed out that in spite of the fact that the nation has been confronted with unprecedented difficulties during the past four years, progress had been made in obtaining the cooperation of the people, and that this cooperation had been manifested in such concrete results as the improvement of highways, telegraphs and other means of communication, and in the gradual materialization of the program for mass education. In military affairs the Congress pointed out that progress had been made in bandit suppression and the organization and morale of the military forces had been strengthened.

However, the resolution went on to say, there was still a great deal of room for improvement and it urged that the Government should take measures to improve administrative

efficiency

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efficiency and to consolidate the nation. With reference to military matters the Congress stressed that the military forces should be reorganized and better equipped and that the program of military education should be pushed throughout the country.

4th C. E. C. and C. S. C. Reports Approved

The reports of the Fourth Central Executive and Central Supervisory Committees were approved and adopted by the Congress. In its resolution approving the reports the Congress briefly reviewed them. It cited the fact that the nation during the life of the two Committees had encountered a grave emergency and had suffered from domestic trouble and external aggression. It referred briefly to the hostilities which occurred in Shanghai in 1931 and necessitated the removal of the national capital to Loyang, to the loss of Jehol shortly thereafter, and to the inability of the nation to continue armed resistance in the north.

With reference to the nation's foreign policy the resolution as published in translation by the Kuo Min News Agency stated in part as follows:

"At the fourth regular meeting of the present Congress, Comrade Chiang Chung-cheng (Chiang Kai-shek), while reporting on foreign relations, said, inter alia, 'So long as the maintenance of peace does not become entirely hopeless, we shall not abandon peace; nor shall we talk lightly of sacrifice unless and until the final crisis comes.' He also said, 'Within the limits of non-encroachment on our sovereign rights, we shall seek harmonious relations with the various friendly Powers; and on the basis of reciprocity and equality, we shall seek economic cooperation with them.'

"The

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"The Congress firmly believes that these points revealed by Comrade Chiang constitute the fundamental policy pursued by the Central Authorities in coping with the national emergency, and that their correctness is unquestionable."

With reference to the anti-Communist activities of the national forces the resolution stated, "At the last Congress, a resolution was adopted for the complete suppression of the 'Red' bandits. The Fourth Central Executive Committee, in pursuance of this resolution, entrusted Comrade Chiang Chung-cheng (Chiang Kai-shek) with supreme command of the bandit suppression forces."

"Following several concerted attacks and envelopments, the bandit lairs were captured and destroyed, and the principal menace was removed. The remnant bandits who have fled to the Kweichow-Yunnan-Szechuan-Kansu borders have also suffered heavy losses."

"The Congress is particularly gratified with the untiring efforts of Comrade Chiang in quelling the domestic trouble."

In pursuance of the policy of endeavoring to unite the nation and concentrate its efforts, the resolution stated, the Fourth Central Executive Committee had endeavored to harmonize the views of all Party members with the successful result that the atmosphere at the present Congress was one of cooperation and enthusiasm. Moreover, the resolution pointed out, in recent years the Government had spared no effort to promote productive reconstruction and the education of the people, with the result that material progress had been made and the people had been led to repose confidence in the Party principles.

Election

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Election of 5th C.E.C. and 5th C.S.C.

The last two regular meetings of the Congress were devoted almost entirely to carrying out one of its major functions, the election of new Central Executive and Central Supervisory Committees. These Committees, which will remain in office until the convocation of the next (the Sixth) National Congress of Kuomintang Delegates, will during the interim while the Congress is not in session serve as the highest authority of the Party and through it, in reality, of the Government.

The Fourth Central Executive Committee consisted of 72 regular members and 48 reserve members, and the Fourth Central Supervisory Committee had 24 regular members and 16 reserve members, making a total membership for the two Committees of 160. The total membership of the two Committees was increased by the Congress to 260 in order to afford an opportunity for the inclusion of a larger representation from the Southwest.

The regulations governing the election of members to the Fifth Central Executive and Central Supervisory Committees are interesting because of the ingenious method employed, which placed in the hands of the Presidium the power practically to choose a majority of the two Committees. The regulations as published in translation by the Kuo Min News Agency are quoted in full:

A. TOTAL NUMBER OF THE TWO CENTRAL COMMITTEES:

The total number of members and reserve members of the Central Executive and Central Supervisory Committees is fixed at 260, to be composed of:

120 regular and 60 reserve members of the Central Executive Committee, and

50 regular and 30 reserve members of the Central Supervisory Committee.

B. MODE

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B. MODE OF ELECTION:

1. Nomination of Candidates:

(a) Incumbent members and reserve members of the Central Executive and Supervisory Committees are ex officio candidates.

(b) Delegates who have been elected as members of the Presidium of the Congress -- who are not members of the two Central Committees -- are also considered ex officio candidates.

(c) Eighty candidates are to be first nominated by the Presidium.

(d) Every five members of the Central Executive and Supervisory Committees and the delegates attending the Congress may nominate one candidate; no one is allowed to nominate twice (nominate more than one candidate). It must not be specified whether the candidates are nominated for membership on the Central Executive or Supervisory Committees.

(e) The 23 members of the Presidium may nominate candidates in accordance with the measures provided in the preceeding section (d).

The candidates to be nominated in the aforementioned five ways will total altogether 361, to be embodied in one complete list.

2. Procedure of Election:

(a) Election of 208 regular members and reserve members of the two Central Committees will be made by vote from amongst the 361 candidates in the list (representing four-fifths of the total number of 260).

Of the 208, one hundred will be regular and fifty reserve members of the Central Executive Committee; and forty will be regular members and eighteen reserve members of the Central Supervisory Committees.

Election is to be by open ballot in two separate votes for members of the Central Executive and members of the Central Supervisory Committees. Votes are to be cast for electing 150 regular members of the C.E.C. and 58 regular members of the C.S.C.

The reserve members of the Central Executive and Supervisory Committees will consist of candidates securing comparatively lessor votes.

(b) After the completion of the above mentioned election, the Presidium will designate 60 names from the list of non-elected candidates and submit these names to the Congress delegates who will vote again

for

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for 52 out of the 60 nominees (representing one-fifth of the total of 260 members of the two Central Committees). Of the 52, twenty will be regular and ten reserve members of the Central Executive Committee and 10 regular and 12 reserve members of the Central Supervisory Committee.

The method of election of (b) will be similar to (a). (Votes are to be cast for electing 30 regular members of the C.E.C., and 22 regular members of the C.S.C.).

Two hundred and eight members were duly elected in accordance with the prescribed procedure. However, at the final meeting instead of having the Presidium nominate sixty candidates from which fifty-two would be chosen by the Congress, the Presidium, professedly in order to save time but actually at the instance of Chiang Kai-shek, submitted a list of only fifty-two candidates and designated General Chiang Kai-shek to give a report on the candidates and their biographies. After hearing the explanations given by General Chiang the Congress unanimously elected the fifty-two candidates.

The complexion of the two Committees after the election remained virtually unchanged, all of the more important members being re-elected. Of the seventy-two members of the Fourth Central Executive Committee fifty-three were re-elected, among them being; Chiang Kai-shek, Hu Han-min, Wang Ching-wei, Sun Fo, Chu Cheng, Yu Yu-jen, Tai Chi-tao, Ho Ying-chin, Feng Yu-hsiang, Yen Hsi-shan, Chen Chi-tang, T. V. Soong, and H. H. Kung. Of the twenty-four members of the Fourth Central Supervisory Committee twenty were re-elected including; Lin Sen, Hsiao Fu-cheng, Wang Chung-hui, Tsai Yuan-pei, and Li Tsung-jen.

1/ A complete list of the regular and reserve members of the two Committees elected by the Congress is attached to this report.

closing

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Closing of the Congress - Manifesto Issued

The Congress was officially closed on November 23. At the closing ceremony General Chiang Kai-shek read the manifesto, which had been drafted by a special committee appointed for that purpose. The manifesto was in the nature of a summary of the work of the Congress and an outline of the policy to be pursued by the Party in the future.

The manifesto opened with the statement that the nationalist movement as laid down by the late Dr. Sun Yat-sen calls for the achievement of China's freedom and independence, the founding of a nation of the people and the realization of world brotherhood, the salvation of China through peaceful struggle, the unification of China's four hundred millions, and the establishment of a nation based upon the Three People's Principles, i.e., Livelihood, Democracy and Nationalism. The Kuomintang, the manifesto stated, had taken upon itself the task of carrying this movement into execution.

The manifesto pointed out that the Congress had been convened at a time when the nation was facing a crisis. United effort by the Party and the people for the salvation of the nation was essential. It was heartening, therefore, to note the manifest enthusiasm of the people in sharing in the task which would eventually result in the revival of China.

The following considerations were laid down in the manifesto as being important in bringing about the salvation and reconstruction of the country:

The ancient virtues of the nation should be upheld in order to right the moral sense of the people.

Scientific

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Scientific education should be promoted and so directed as to meet the actual needs of the nation.

Popular education should be extended.

The nation's economy should be developed in order to improve the livelihood of the people. Among the urgent steps to be taken under this heading were mentioned; the fixing of an administrative system for water control; the development of the nation's communication systems; the encouragement of agriculture; afforestation; and reclamation; the development of the nation's industries; and the fixing of a land administrative policy.

The caliber of public functionaries should be improved through the strict enforcement of a system of examinations.

A sense of respect for law should be built up and the judicial machinery should be made independent.

Efforts should be made to rid the nation of corrupt officials.

In order to unify the nation the administration of the frontier provinces should be improved and the border peoples educated and assisted.

Constitutional government should be introduced in the not too distant future and local self government fostered. The National People's Congress, which will act on the Constitution, should be convened during the year 1936.

The teachings of the late Party Leader should be followed and propagated.

Conclusions

Little of any concrete value was accomplished by the Congress. Its actions consisted largely of long recitations of the various difficulties through which the country had passed since the last Congress, held in 1931, and of expres-

sions

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expressions of hope for the future based on an assumption that unity within the ranks of the Party was being achieved and the nation as a whole was coming more and more to pin its faith on the Kuomintang and the policies for which it stands. The resolutions adopted by the Congress were largely in the nature of recommendations to the various Party and Government organs concerned to effect various improvements, leaving the definite means of so doing to be devised by the organs themselves.

The most important and pressing question with which the Congress had to deal was that of foreign relations, the position to be taken vis-a-vis Japan. This matter was, in so far as the Congress dealt with it, covered by General Chiang Kai-shek's speech. In speaking of the policies laid down therein the Congress said "their correctness is unquestionable".

In reviewing the speech it appears that General Chiang endeavored to achieve two divergent ends simultaneously. He was anxious to make an open statement which would be accepted by the Japanese as sufficient assurance that the Government was going to follow a policy of "sincerity" and cooperation with them. This is hoped would act as a check upon Japanese activities in north China by allaying any cause which they might consider to exist for military action. At the same time he was endeavoring to make a statement to the delegates to the Congress—who included a large representation from the southwest—from which they and the nation would be able to get the interpretation that the Government, and General Chiang Kai-shek in particular, was working for the best interests of the country, and that should the necessity to use military force be forced upon China, the Generalissimo was prepared to lead his troops to battle.

With

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With two such divergent objectives in view it was impossible for the General's speech to be anything other than evasive. Its general tenor was a repetition of the policy previously endorsed by General Chiang Kai-shek and Mr. Wang Ching-wei of striving for internal reconstruction and unification, while resisting Japanese aggressions by diplomatic means, but refraining from the use of military force.

With respect to unity between the various factions, and especially cooperation between the central authorities and the southwest, a great deal was made of the attendance at the Congress of a large delegation from the southwest and of other leaders formerly on none too friendly terms with the authorities in Nanking such as Generals Feng Yu-hsiang and Yen Hsi-shan. However, two of the most sought for delegates, Generals Chen Chi-tang and Li Tsung-jen, refused to be lured to the meeting, attributing their absence to the pressure of official duties at home. The Congress' invitation to Mr. Hu Han-min, the veteran Party leader, met with a reply to the effect that his health was still not good enough to warrant his return to China from his wanderings abroad.

In his speech Mr. Tsou Lu, leader of the southwest delegation, pointed to the large and diverse representation at the Congress as an indication that national unity was nearer of realization than ever before. However, he closed his address with a thinly veiled threat that should the Congress not evolve a workable scheme for meeting the national emergency--in other words a scheme along the lines sponsored by the southwest--no hope of another such meeting with representatives from all corners of the country could be held, but instead even more divergent opinions and internal dissension than had existed in the past were of necessity to be expected.

With

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With reference to the question of the institution of constitutional government in the near future, the Congress was evasive. It passed a long set of regulations providing for the institution of local self government throughout the nation, a feature which it stated it felt was essential for the institution of constitutionalism. It reviewed the draft constitution, which has already been reviewed time and again, and then made provisions for the draft document to be submitted to the Fifth Central Executive Committee for further examination and revision. It did instruct the Fifth Central Executive Committee to set a date for the publication of the official draft document, and to name a date for the convocation of the National People's Congress, which body will have authority to adopt a permanent constitution, not later than the end of 1936. At the same time that it stressed the necessity for the inauguration of constitutional government, it expressed the opinion that "Although the political tutelage work has been enforced in China for many years, the program has not yet been completed. An immediate introduction of a constitutional form of government will overlap the procedure." Thus the Congress stressed not so much the early institution of constitutional government as the preparation of the way for this move by the fostering of local self-government.

No particular significance can be attached to the election of the new Central Executive and Supervisory Committees. Aside from increasing their number to allow for the inclusion of a greater number of delegates from the

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the southwest, in order to placate that section, there was little change in the complexion of the two bodies.

The whole organization of the Congress, as exemplified by the organic law and the rules governing the procedure for the choosing of members of the two Central Committees, was so arranged as to place control of the body in the hands of the Presidium, over which stood General Chiang Kai-shek. Through all of the actions of the Congress could be seen the Generalissimo's guiding hand. Its pronouncement on foreign policy was a direct quotation of his speech, and the election of members to the two Central Committees was largely directed by him. On the second ballot when General Chiang proposed fifty-two names, one fifth of the total number, they were automatically passed by a unanimous vote.

Enclosure:

1/ As stated.

DJ:T

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FIFTH C.E.C. REGULAR MEMBERS

A. 100 elected by votes of Congress delegates:

Chiang Kai-shek 蔣介石	Ting Wei-fen 丁惟汾	Tseng Yang-fu 曾養甫
Wang Ching-wei 汪精衛	Chang Hsueh-liang 張學良	Liu Lu-yin 劉廬隱
Hu Han-min 胡漢民	T. V. Soong 宋子文	Chen Cheng 陳誠
Tai Chi-tao 戴季陶	Pai Chung-hsi 白崇禧	Chou Fu-hai 周佛海
Yen Hsi-shan 閻錫山	Liu Chih 劉峙	Hsu An-tseng 徐恩曾
Feng Yu-hsiang 馮玉祥	Ku Chu-tung 顧祝同	Hung Lan-yu 洪蘭友
Yu Yu-jen 于右任	Chu Chia-hua 朱家驊	Yu Ching-tang 余井塘
Sun Fo 孫科	Yang Chieh 楊杰	Chen Tseh 陳策
Wu Te-chen 吳鐵城	Ma Chao-chun 馬超俊	Shao Yuan-chung 邵元冲
Yeh Chu-tsang 葉楚傖	Chang Chih-chung 張治中	Chang Tao-fan 張道藩
Ho Ming-chin 何應欽	Tseng Kwang-chin 曾擴情	Chen Fu-lei, 陳布雷
Chu Pei-teh 朱培德	Ho Chung-han 胡衷寒	Fang Chih 方治
Tsou Lu 鄒魯	Chiang Ting-wen 蔣鼎文	Chen Kung-po 陳公博
Chu Cheng 居正	Fang Chiao-hui 方覺慧	Liang Han-tsao 梁寒操
Chen Kuo-fu 陳果夫	Chen Chi-tang 陳濟棠	Li Tsung-huang 李宗黃
Ho Cheng-chun 何成濬	Huang Mu-sung 黃慕松	Liu Chi-wen 劉紀文
Chen Li-fu 陳立夫	Chien Ta-chun 錢大鈞	Hsu Yuan-chuan 徐源泉
Shih Ying 石瑛	Han Fu-chu 韓復榘	Pan Kung-chan 潘公展
H. H. Kung 孔祥熙	Ho Chien 何健	Wang Fa-chin 王法勤

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FIFTH C.E.C. REGULAR MEMBERS (Con'd.)

Po Wen-wei 柏文蔚	Chou Po-min 周伯敏	Wang Chi 王祺
Wang Lu-I 王陸一	Wang o-ling 王柏齡	Huang Hsu-chu 黃旭初
Chang Chun 張羣	Miao Pei-cheng 苗培成	Tai Kwei-sheng 戴愧生
Liu lei-chih 劉維熾	Liu Chien-chun 劉健羣	Yu Hsueh-chung 于學忠
Wu Hsing-ya 吳醒亞	Ku Cheng-kang 谷正綱	Chen Chao-ying 陳肇英
Ting Chao-wu 丁超五	Mei Kung-jen 梅公任	Chang Chung 張中
Chao Tai-wen 趙戴文	Yu Han-mou 余漢謀	Hsiao Tung-tzu 蕭同茲
Chiang Po-cheng 蔣伯誠	Cheng Chan-nan 鄭占南	Chou Chi-kang 周啟剛
Ku Meng-yu 顧孟餘	Wang Shu-fang 王淑芳	Mai Tsu-wu-Teh 麥斯武德
Kan Nai-kwang 甘乃光	Chu Chao-liang 朱紹良	Wei Li-huang 衛立煌
Chen Chi-cheng 陳維誠	Lin I-chung 林翼中	Hung Lu-tung 洪陸東
Hsiao Chi-san 蕭吉珊	Fu Cheng-lun 谷正倫	Chiao I-tang 焦易堂
Wang I-cheh 王以哲	Fu Tso-yi 傅作義	Li Cheng-tah 李生達
Li Wen-fan 李文範	Wu Chung-hsin 吳忠信	Tien Kün-shan 田昆山
Chang Li-sheng 張麗生		

B. 20 designated by the Presidium

and passed by Congress:

Lo-Sang-Chien-Tsan 羅桑堅贊	Tang Yu-jen 唐有壬	Wang Chun 王均
Kung-Chiao-Chung-Ni 貢覺仲尼	Wang Chuan-sheng 王泉笙	Hsiung Shih-hui 熊式輝
Li Yang-ching 李揚敬	Miao Pei-nan 繆培南	Hsia Tou-yin 夏斗寅

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B. 20 designated by the Presidium
and passed by Congress: (Con'd.)

Lu Chung-lin

盧鍾麟

Wang Po-chun

王伯群

Hsu Kan

徐堪

Fu Ping-chang

傅秉常

Liu Hsiang

劉湘

Chen Shao-kuan

陳紹寬

Chen Yi

陳儀

Feng Hsueh-pei

彭學沛

Mao Tsu-chuan

茅祖權

Shen Hung-lieh

沈鴻烈

Lo Ching-tao

樂景濤

FIFTH C.E.C. RESERVE MEMBERS

A. 50 elected by votes of Congress delegates:

Wu Kai-hsien

吳開先

Hsueh Tu-pi

薛萬福

Yeh Hsiu-feng

葉秀峰

Lai Lien

賴連

Ku Cheng-ting

谷正鼎

Chen Tiao-yuan

陳調元

Yu Fei-peng

俞飛鵬

Ching Heng-i,

經亨頤

Hsiao Tseng

蕭登

Wu I-feng

吳抱峯

Chen Shu-jen

陳樹人

Li Pin-hsien

李品仙

Teng Chiao-yen

鄧家彥

Lin Tieh

林添

Chu Chi-ching

朱霽青

Shih Tzu-chou

時子周

Chen Ching-yun

陳慶雲

Wang Yung-pin

王用賓

Liu Chien-hsu

劉建緒

Fu Wu-lin

傅汝霖

Chang Chiang

張強

C. T. Wang

王正廷

Huang Chi-lu

黃季陸

Tang Sheng-chih

唐生智

Huang Shih

黃實

Yu Chun-hsien

余俊賢

Li Jen-jen

李任仁

Mme. Sun Yat-sen

宋慶齡

Tseng Chung-min

曾件鳴

Chang Ting-fan

張定璠

Wu Pao-feng

吳保豐

Lo Chia-lun

羅家倫

Chao Ti-hua

趙扶華

Li Ching-chai

李敬齋

Yang Yung-tai

楊永泰

Lo I-chun

羅益羣

Ni-Ma-O-Teh-So-Erh

尼馬鄂特索爾

Ma Hung-kwei

馬鴻逵

Hsieh Tso-min

謝作民

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FIFTH C.E.C.RESERVE MEMBERS (CON'D.)

A. 50 elected by votes of Congress delegates: (Con'd.)

Tuan Hsi-peng 段錫朋	Chen Fang-hsien 陳訪先	Chang I-tung 鄧亦同
Chen Pan-ling 陳平嶺	Li Tzu-tsung 李嗣聰	Chang Chen 張貞
Wang Mou-kung 王懋功	Cheng Chien 程潛	Chang Chih-pen 張知本
Yang Ai-yuan 楊愛源	Chang Fang 張仿	

B. 10 designated by the Presidium and
passed by the Congress:

Chen Mao-yuan 陳耀垣	Chao Yun-yi 趙允義	Shih Ching-ting 石敬亭
Chao Pei-lien 趙子廉	Cu Fang-pu 區芳浦	Wu Ching-hsiung (John C. H. Wu) 吳經熊
No-Na 諾那	Cheng Tien-ku 程天放	
Wang Kun-lun 王昆崙	Chan Chu-ssu 詹菊似	

FIFTH C.S.C.REGULAR MEMBERS

A. 40 elected by votes of Congress delegates:

Lin Shen 林森	Shao Li-tzu 邵力子	Chang Fa-kwei 張發奎
Chang Chi 張繼	Li Tsung-jen 李宗仁	Madame Wang Ching-wei 陳璧君
Tsai Yuan-pei 蔡元培	Hsieh Chih 謝持	En-Ke-Pa-Tu 恩克巴圖
Wu Chih-hui 吳稚暉	Yang Hu-cheng 楊衢成	Liu Ya-tzu 柳亞子
Chang Chin-kiang 張靜江	Wang Chung-hui 王寵惠	Chiang Tso-pin 蔣作賓
Wang Hu 楊電	Hsu Chung-chih 許崇智	Chu Min-yi 褚民誼

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FIFTH C.S.C. REGULAR MEMBERS (Con'd.)

A. 40 elected by votes of Congress delegates:

Cheng Tien-fang 程天放	Li Lieh-chun 李烈鈞	Mai Huan-chang 麥煥章
Hu Tsung-nan 胡宗南	Sun Lien-chung 孫連仲	Lin Yun-kai 林雲陔
Hsiang Han-ping 香翰屏	Hsueh Yo 薛岳	Hsiao Fu-cheng 蕭佛成
Huang Shao-hsiung 黃紹竑	Liu Chen-hua 劉鎮華	Ho Yao-tsu 何耀祖
Sung Cheh-yuan 宋楚元	Lung Yun 龍雲	Wang Tzu-chwang 王子壯
Shang Chen 商震	Li Fu-lin 李福林	Tan Chen 覃振
Shao Hua 邵華	Pang Ping-hsun 龐炳勳	Yao Ta-hai 姚太海
Li Shih-tseng 李石曾		

B. 10 designated by the Presidium and
passed by the Congress:

Chang-chia 章嘉	Sheng Shih-tsai 盛世才	Wang Shu-han 王樹翰
Hsiung Ke-wu 熊克武	Wang Ping-chun 王秉鈞	Hsu Yung-chang 徐永昌
an-Chin 安欽	Ssu-lun 司倫	Chang Jen-min 張任民
Chin Te-shun 秦德純		

FIFTH C.S.C. RESERVE MEMBERS

A. 18 elected by votes of Congress delegates:

Lu Tang-ping 魯蕩平	Wang Shih-chieh 王世杰	Ho Ssu-yuan 何思源
Lei Chen 雷震	Liu Wen-tao 劉文島	Liu Shou-chung 劉守中
Ou-yang-ke 歐陽格	Li Tzu-wen 李次溫	Tan Tao-yuan 譚道源

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FIFTH C.S.C. RESERVE MEMBERS (CONT'D.)

A. 18 elected by votes of Congress delegates: (Cont'd.)

Peng Kuo-chun 彭國鈞	Madame Shao Yuan-chung 張默君	Tang Shao-yi 唐紹儀
Wen I-yu 聞亦有	Ti Ying 狄膺	Ma Lin 馬麟
Teng Ching-yang 滕青陽	Yang Shu-kan 楊庶堪	Guo Tai-chi 郭泰祺

B. 12 designated by the Presidium and
 passed by the Congress:

Tsui Kwang-hsiu 崔廣芳	Li Chi-an 李倚庵	Pu Tung 潘伯
Pan Yun-chao 潘雲超	Hsiao Chung-chen 蕭忠成	Huang Lin-shu 黃麟書
Ho Shih-chen 何世楨	Sun Ching-ya 孫鏡亞	Lu Yu-kang 陸幼剛
Hu Wen-tsan 胡文燦	Chen Chia-yu 陳嘉佐	Yang Hsi-chi 楊熙績

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FE
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Nanking, January 18, 1936.

10.71.

Subject: Fifth National Congress of
Kuomintang Delegates.

*Kuomintang, Sessions,
 Committees, etc.*

793.94/7707

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to refer to my telegram No. 106 of
 1/ November 5, 2 p.m., 1935, and to include herewith a memo-
 randum covering the Fifth National Congress of Kuomintang
 Delegates, which was held in Nanking November 12 - 23,
 1935. This memorandum was prepared by Third Secretary
 Douglas Jenkins, Jr., and I believe that it is to be
 commended for the thorough manner in which all the ac-
 tivities of the Congress have been described, and for
 the understanding way in which the achievements of the
 Congress are appraised under the heading "Conclusions".

As pointed

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As pointed out by Mr. Jenkins in describing "Conditions at the Opening of the Congress", public interest in the deliberations of the Congress largely centered upon what was expected of it in the way of dealing with Japanese encroachments in North China. The Department's attention is invited, therefore, to General Chiang Kai-shek's speech on the subject summarized on pages 9-11 of the memorandum. In touching upon the matter of Japanese aggression on China, the Congress passed a resolution containing the following statement, quoting and approving the "policy of conciliation of Japan" as described by General Chiang:

"At the fourth regular meeting of the present Congress, Comrade Chiang Chung-cheng (Chiang Kai-shek), while reporting on foreign relations, said, inter alia, 'So long as the maintenance of peace does not become entirely hopeless, we shall not abandon peace; nor shall we talk lightly of sacrifice unless and until the final crisis comes.' He also said, 'Within the limits of non-encroachment on our sovereign rights, we shall seek harmonious relations with the various friendly Powers; and on the basis of reciprocity and equality, we shall seek economic cooperation with them.'

"The Congress firmly believes that these points revealed by Comrade Chiang constitute the fundamental policy pursued by the Central Authorities in coping with the national emergency, and that their correctness is unquestionable."

It will be observed that this policy is tantamount to one of yielding at all points, provided there is no encroachment on China's sovereign rights and no violation of reciprocity and equality.

From a source believed to be reliable, this office has learned that General Chiang gave a dinner to the more important persons present in Nanking during the Congress, on or about November 18. On this occasion, after excluding all persons but the invited guests and three confidential secretaries, he explained this policy in detail.

He

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He asserted that if open hostilities were allowed to break out between China and Japan, the Japanese could seize North China and all important ports along the coast within two months. He said that war between China and Japan in the present state of China's military equipment and lack of internal communications would be an irreparable disaster. On this account he was convinced that the only policy practicable was to deal with Japan through diplomatic means on the one hand and, on the other hand, to develop the internal strength of the nation with all possible energy, one of the most important objectives being to construct strategic railways. In other words, General Chiang believed that war with Japan should be deferred at almost any cost until there was prospect that the war might be waged with some sort of success.

It is said that General Chiang's arguments were so persuasive that even Mr. Tsou Lu, a leading delegate from Canton, said that he concurred with General Chiang. The press has published statements made by Mr. Tsou Lu that he agreed with the policy of the National Government vis-a-vis Japan, and this is the more remarkable in view of Mr. Tsou Lu's previous fiery exhortations that China declare immediate war against Japan and his scathing criticisms of the Nanking regime and of General Chiang Kai-shek for their allegedly supine attitude.

Respectfully yours,

For the Ambassador:

Willys R. Peck,
 Counselor of Embassy.

Enclosure:

1/ Memorandum dated
 January 11, 1936.

Original and four copies to the Department
 Copy to the American Embassy, Peiping.

WRP:MM/MCL

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MEMORANDUM.

January 11, 1936.

Fifth National Congress of Kuomintang Delegates.

Conditions at the Opening of the Congress

The sixth and last session of the Fourth Central Executive and Central Supervisory Committee closed on November 6, less than a week before the convocation of the Fifth National Congress of Kuomintang Delegates. This plenary session of the two committees handed on to the Congress for action the major questions facing the nation.

Conditions in North China were most discouraging. The Japanese were pressing for the establishment of an autonomous regime in the north, which if created would mean the virtual independence of that area from the control of the Central Government. To oppose Japanese advances in the north by military force could only result in defeat for China, which in turn would mean further encroachment by Japan on China. With this practically insoluble question confronting the Government, the nation focused its eyes upon the Congress with the hope that it would evolve some workable solution which would satisfy the Japanese and at the same time hold the country together.

Another question which was receiving the attention of a large part of the thinking population was that of the establishment of constitutional government. It was felt by many that the period of political tutelage of the Kuomintang had been carried far enough and that the Party should bestir itself and set in motion the machinery required to institute constitutional government.

This

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This question received much publicity in the press. Editorials appeared in many of the important vernacular newspapers throughout the country. The general tenor of the press editorials was that the government should not be a hidebound Party organization, but that room should be made to admit persons other than Party members who possessed the ability and had a will to work for China; in this way, the press held, greater service to the state could be obtained. In conjunction with the press campaign for constitutionalism, the newspapers simultaneously stressed the necessity for freedom of speech. They pointed to the unfavorable aspects of press censorship, laying stress on the point that although the Government had guaranteed the freedom of the press it had made the proviso that no matter inimical to the Government should be published. This proviso, so long as the Government censors were given the power to enforce it, was, the press pointed out, equivalent to prohibiting the press from publishing anything which might in any way be interpreted as being unfavorable to the Government and the Party. Thus the press was estopped from performing its proper functions: to mirror public opinion, and to serve as a forum for the debate of questions of interest to the public.

The sixth plenary session of the Fourth Central Executive and Central Supervisory Committees sent Mr. Tai Chi-tao, President of the Examination Yuan, and Mr. Ma Chao-chun, Mayor of Nanking, to the Southwest to endeavor to persuade the Southwest leaders, especially Generals Chen Chi-tang and Li Tsung-jen, to come to Nanking and join in the deliberations of the forthcoming Fifth Congress of Kuomintang delegates.

Considerable

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Considerable publicity was given this mission and the press urged the necessity for a united front in order to steer the nation through its present difficulties. Although neither General Chen nor General Li came to Nanking a considerable group of Southwest delegates did attend the Congress meetings. The delegation was headed by Dr. Taou Lu, President of the Sun Yat-sen University at Canton and one of the "elder statesmen".

General Chen Chi-tung was reported by the Luo Lin News Agency to have telegraphed to the central authorities confirming the satisfactory outcome of the mission and stating that with the exception of those delegates who were unable to attend because of the pressure of their duties or because of ill health all Southwest members would attend.

Two important figures from the north, Generals Feng Yuxiang and Yen Hsi-shan, who have not in the past cooperated to any great extent with the Nanking Government, supported it on this occasion by attending the Congress and urging through open telegrams published in the press that the various factions "bury the hatchet" and meet in Nanking in order that a united front might be achieved.

Such a show of unity was made at the opening of the deliberations of the Congress that it was felt in some quarters in Nanking that the possibility of a united China was disturbing the Japanese and for this reason they were preparing to take more drastic steps in North China with a view to separating that section completely from the control of the central authorities.

Opening of the Congress

The Congress was officially opened on November 12, the sixty-ninth

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sixty-ninth anniversary of the birth of Mr. Sun Yat-sen. The members of the Congress, which consisted of 103 members of the Central Executive and Central Supervisory Committees and 405 delegates representing the various grades of Party Headquarters throughout China and abroad, first attended a memorial ceremony held at the Sun Yat-sen Mausoleum in commemoration of Mr. Sun's birth. At ten o'clock, following the memorial ceremony, the delegates assembled at the National Party Headquarters, where the Congress was officially declared open by Mr. Lin Sen, Chairman of the National Government and a member of the Central Supervisory Committee, who presided.

According to the organic law of the Kuomintang the National Congress of Party Delegates is scheduled to meet biennially. The Fourth Congress was held in 1931. The Fifth Congress which was originally due to be held in 1933 was twice postponed because of existing conditions.

In his opening address before the Congress Mr. Lin Sen referred to the postponement of the Congress and stated that one of the important reasons for its postponement was to allow all Party workers sufficient time to offer their valuable opinions and suggestions to the Congress in order to make the spirit of unity more manifest.

He drew attention to the fact that since the holding of the Fourth Congress the national crisis had steadily become more acute. This he attributed to the fact that in addition to external aggression the nation had continually been beset by floods, droughts, banditry and violent

economic

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economic changes. Critics of the Party, he said, considered that it had failed to meet these difficulties, while those in sympathy felt that marked progress had been made.

Mr. Lin pointed out that the work of the Congress was twofold, to examine the work of the Party in the past and what was more important, to plan the future work of the Kuomintang along lines which would enable the Party members and the Chinese people to strive jointly for the salvation and revival of the nation. He urged the delegates to bear this fact in mind when deliberating over subjects such as the institution of constitutional government, the future political program both foreign and domestic, the program for national reconstruction, and the drafting of a practical formula to arouse the patriotism of the Chinese people and to urge them to work together to meet the national crisis.

In conclusion Mr. Lin urged the Party members to follow the teachings of the late Dr. Sun Yat-sen and to sacrifice their personal freedom and contribute their talents to the task of national salvation.

As November 12 was a National Holiday, the Congress after completing its formal opening ceremony adjourned until the following day.

Organization of the Congress

Organic Law

The organic law governing the organization of the Fifth National Congress of Kuomintang Delegates as adopted by the Central Executive Committee is quoted below. The text is quoted from an English translation released by the semi-official Hwa Min News Agency.

Article 1.

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Article 1. The Fifth National Congress of Kuomintang delegates shall be constituted of delegates duly elected by the various local Party Headquarters in accordance with law.

The qualifications of the afore-mentioned delegates shall be examined by a Credentials Examination Committee appointed by the Central Executive Committee.

Article 2. Members of the Central Executive and Central Supervisory Committees shall have the right to attend the Fifth National Congress.

Reserve members of the Central Executive and Central Supervisory Committees may attend as observers.

Article 3. The Fifth National Congress shall have a Presidium.

The Presidium shall be composed of a number of persons duly nominated by the Central Executive Committee and approved by the Congress.

Article 4. The Fifth National Congress shall have a Secretariat.

The Secretariat shall carry out its duties in accordance with the orders of the Presidium. The regulations governing its organization shall be determined separately.

Article 5. The duration of the Congress is fixed at five days. In case of necessity, it may be prolonged.

Article 6. Meetings of the Fifth National Congress shall be convened only when a majority of the total number of delegates are present.

Resolutions of the Congress shall be adopted only with the concurrence of a majority of the total number of delegates present.

When the votes, for and against, are even, the Chairman shall cast the deciding vote.

Article 7.

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Article 7. When necessary, the Fifth National Congress may, on the decision of the Presidium or at the joint request of over forty delegates, hold its meetings in camera.

Article 8. The rules of procedure for the Fifth National Congress shall be determined separately.

Article 9. The Fifth National Congress may organize committees for various purposes.

Article 10. The expenditure for the Fifth National Congress shall be determined by the Central Executive Committee.

Article 11. This organic law shall be adopted and enforced by the Central Executive Committee.

The Presidium

In accordance with the organic law the Congress elected a Presidium of twenty-three members. In this body rested the virtual control of the Congress. The membership of the Presidium was as follows:

Chiang Kai-shek	Wang Ching-wei
Yu Yu-jen	Lin Fo
Lin en	Tai Chi-tao
Chu Cheng	Chang Chi
Ku Meng-yu	Tsou Lu
Chen Kuo-fu	Hsu Chuang-chih
Yen Hsi-shan	Feng Yu-hsiang
Yeh-Ho-Pa-Tu	Ku Chung-hsin
Chih Tzu-chou	Wei Kung-jen
Wang Chuan-sheng	Lin Tieh
Pan Kung-chen	Mai Huan-chang
Lo Ching-tao	

On the recommendation of the Central Executive Committee the Congress confirmed the appointment of Yeh Chu-tsang as

Secretary

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Secretary General of the Congress, and Messrs. Wang Chi-king, Wang Tzu-chuen and eleven others as Secretaries.

The Proposed Examination Committees

The Presidium, with the approval of the Congress, established five committees to examine the various proposals submitted to the Congress as well as separate committees for the examination of Party regulations and readjustment of resolutions. The various committees and their conveners were as follows:

Party Affairs, 46 members, Chen Li-fu and Chen Tung-po as conveners.

Political Affairs, 50 members, Shao Li-tzu and Lu Te-chien as conveners.

Economics, 34 members, H. H. Kung and Liu Chi-wei as conveners.

Education, 32 members, Lu Chih-hui and Tsai Yuan-pai as conveners.

Military Affairs, 27 members, Ho Ying-chin and Chu Tai-te as conveners.

Committee for Examination of Party Regulations, 43 members, Shao Yuan-chung and Li Jen-fan as conveners.

Committee for Readjustment of Resolutions, 9 members, Yeh Chu-tsang convener.

Work of the Congress

Message Despatched to Hu Han-min

One of the first acts of the Congress was to pass a resolution instructing the Presidium to cable Mr. Hu Han-min, Mr. Wang Chung-hui, and all other members of the Central Executive and Central Supervisory Committees residing abroad, in the name of the Congress, urging them to return to China to share the responsibility of overcoming the national emergency. In reply to the Presidium's message Mr. Hu Han-min cabled that he would return as soon as his health permitted.

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This action of the Congress was probably prompted by a desire to indicate to the nation that it was seeking to achieve unity within the ranks of the Party, and to stress the necessity for disregarding minor differences in the face of the national emergency.

Commendation of Lin Sen, Chiang Kai-shek and the Gork and File.

In pursuance of a resolution adopted by the Congress the secretariat despatched messages of commendation to Mr. Lin Sen, Chairman of the National Government, General Chiang Kai-shek, Chairman of the Military Affairs Commission, and the officers and men of the bandit suppression forces at the front.

General Chiang Kai-shek's Speech

One of the most important pronouncements of the Congress was contained in a speech delivered before the fourth regular meeting of the Congress on November 19 by General Chiang Kai-shek. This speech was taken as a declaration of the broad general principles upon which China's foreign policy was based.

In opening his address General Chiang said that it was most gratifying to note that the work of the Congress was being undertaken with a spirit of unity and cooperation which augured well for the future of the nation. He then stated that he was taking the opportunity to present to the Congress without reserve a picture of China's foreign policy during the past few years.

He drew attention to the fact that ever since the Mukden Incident of September 18, 1931, the nation had been in a continuous state of distress and suffering. During this time, he said, he believed the nation had come to the

realization

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realization that the "Nationalist Movement" dealt not only with foreign relations, but with internal regeneration, as well. In other words, he stated, "While we must strive for equality and independence among nations, as our leader has enjoined, we must also learn to be strong and self-reliant".

He pointed out that while under certain circumstances two nations may be bitter enemies, existing conditions might easily be altered with the result that the two nations could be nothing but friends. Therefore, in arriving at a definite foreign policy, he said, the welfare of the nation as a whole should be considered and not the temporary interests and sentiments of a part. Furthermore, he pointed out, strength lies in friendship, and "if we become strong and self-reliant, it is not impossible that our foes of today may become our friends of tomorrow". For this reason he emphasized that during the national crisis China should do its utmost to help itself and seek its own salvation.

He drew attention to the fact that China was passing through a transitional stage and that during such a period clashes between the old order and the new were to be expected. Under these circumstances, he said, all efforts should be directed to the completion of the ground work for building up the nation and too great heed should not be paid to temporary difficulties. China should, he said, be prepared to respond with promptness and resolution to the rapidly changing international situation.

His only direct reference to Japan was to point out that all nations were interested in the peace of China and that it was only natural that Japan, China's neighbor, should take a deep interest in peace in eastern Asia.

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The following closing paragraph of the Generalissimo's speech is quoted from an official English translation released by the Ministry of Foreign Affairs.

"From the three points mentioned above, we may draw the conclusion that if international developments do not menace our national existence or block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature. At the same time we should seek harmonious international relations provided there is no violation of our sovereignty. We should seek economic cooperation based upon the principle of equality and reciprocity. Otherwise, we should abide by the decision of the Party and the Nation and reach a resolute determination. As far as I am concerned, I will not evade my responsibility. We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable. The sacrifice of an individual is insignificant, but the sacrifice of a nation is a mighty thing, for the life of an individual is finite while the life of a nation is infinite. Granted a limit to conditions for peace and a determination to make the supreme sacrifice, we shall exert our best efforts to preserve peace with the determination to make the final sacrifice in order to consolidate and regenerate our nation. I believe this is the basic policy of our Party for the salvation and upbuilding of our nation.

Mr. Tsou Lu's Speech

Another important speech delivered before the delegates to the Congress was made by Mr. Tsou Lu, the leader of the Southwest delegates, at the weekly memorial service held on November 18 which was attended by the delegates to the Congress.

In opening his address Mr. Tsou stated that the gathering of delegates from all parts of the country as well as from Chinese communities abroad gave him a feeling of joy and at the same time of trepidation.

His joy he explained was due to the fact that in the midst of political dissention representatives from all parts of the nation had vied with one another in attending the Congress. From this fact as well as from his observa-

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observations of the actions of the Congress he said he was convinced that all had decided to sink their personal differences and to cooperate for the common weal. This manifestation of unity he believed was not only the good fortune of the Party but of the Nation.

His trepidation he explained grew out of the realization that this spirit of unity must be backed by concrete measures. If no definite measures were devised for tackling the national crisis, he said, the delegates would leave the Congress disappointed. Moreover, if the central authorities did not formulate definite plans, the various Party members would devise their own schemes, which would result in even more divergent political views and troublous times for the state than it had experienced in the past.

Should no definite plans be drafted by the Congress, he said, it would be well nigh impossible for the central authorities to convene another conference in which all quarters, regardless of political views, would be represented.

In closing he stated, "I therefore hope that all comrades, especially those who are in charge of Party and Government affairs, will not neglect their duties and overlook the present situation.

Twelve Rules of Conduct

In connection with the "New Life Movement" sponsored by General Chiang Kai-shek the Congress passed a recommendation of the Presidium listing twelve rules governing the conduct of all Party members.

The resolution recalled that Dr. Sun Yat-sen had realized that the state was formed by the aggregation of

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the people and that on the integrity of the people rested the foundation of the nation. In pursuance of this thesis the Congress therefore had drafted a set of rules governing the conduct of Party members. The twelve rules are quoted as follows:

1. Loyalty and courage are the fundamentals of patriotism.
2. Filial piety and obedience are the fundamentals for regulating the family.
3. Kindness and love are the fundamentals of social intercourse.
4. Righteousness and good faith are the fundamentals of business enterprise.
5. Peace is the fundamental principle of life.
6. Courtesy is the fundamental principle of administration.
7. Obedience is the fundamental principle of responsibility.
8. Diligence and thrift are the fundamentals of service.
9. Cleanliness is the fundamental principle of physical well being.
10. Helping others is the fundamental principle of happiness.
11. Knowledge is the fundamental principle for the promotion of world welfare.
12. Perseverance is the fundamental principle of success.

The Draft Constitution

The Congress passed a resolution proposed by the Presidium naming twenty-five members to constitute a

committee

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committee to examine the proposal for the convocation of the National Peoples' Congress and the publication of the draft constitution. Messrs. Lu Chih-hui and Chang Chi were appointed conveners of the committee and all members of the Presidium were made ex officio members.

In accordance with the recommendations of this committee the Congress delegated the duty of determining the dates for publication of the official draft constitution and for the convocation of the National Peoples' Congress to the new (Fifth) Central Executive Committee which was to be chosen by the Congress.

The Congress accepted the draft document as presented to it by the sixth plenary session of the Fourth Central Executive Committee with the reservation that it be studied and revised by the Fifth Central Executive Committee.

Local Self Government

In order to hasten the completion of the period of political tutelage and prepare the nation for the advent of constitutional government, the Congress stressed the necessity for the institution of local self government. In spite of numerous governmental instructions for the promotion of local self government none of the 1900 districts in China has reached the standard of self government as laid down by Dr. Sun Yat-sen. This lack of progress the Congress attributed to the negligence of local officials in putting the scheme into practical execution and the lack of cooperation between local Party and Government authorities.

In order to remedy this situation the Congress adopted the following measures which are quoted from the semi-official Central News Agency:

1. A

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1. A definite time limit shall be fixed for the completion of the enforcement of local self government in various districts in the country with the exception of recovered areas and other districts under special circumstances.

2. Local Self Government Planning Commission shall be organized under the Central Kuomintang Headquarters within one month from date. Under the Commission shall be organized the following committees: the Organization Committee, the People's Training Committee, the Rural Production Committee, the "Pao Chia" (mutual guaranty) Committee, the Cooperative Committee, the Census Committee, and the Land Committee.

3. Branch Local Self Government Planning Commission shall be organized jointly by the local Party and Government authorities in each district. Under the direction of the Local Self Government Planning Commission in Nanking, this branch commission shall take charge of all matters relating to the planning and enforcement of local self government. Under it may also be organized various subcommittees. Its staff members shall be appointed from staff members of the local Party and Government organs in a concurrent capacity.

4. In the enforcement of local self government special emphasis shall be laid on the education, livelihood and protection of the people. The "Pao Chia" system shall be enforced throughout the country before the end of June, 1936.

5. The district government shall designate definite tax proceeds for the enforcement of local self government. If these are not sufficient, subsidies may be obtained

from

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from the provincial government. Tax yields thus designated for the enforcement of local self government either by the district government or the provincial government shall not be diverted to other uses.

6. The enforcement of local self government shall, hereafter, be considered the principal work of the local tangpu.

7. A local self Government Training Institute shall be established by the Central Kuomintang Headquarters within two months from date for the training of workers in local self government work.

Other Resolutions

During the course of its deliberations the Congress considered a large number of proposals covering a variety of subjects. The following brief descriptions of certain of the more important of the proposals and the action taken by the Congress in regard thereto, give a general picture of the scope and work of the Congress:

With regard to the proposal for the removal of the press censorship and the restoration of freedom of speech, the Congress decided to instruct the Fifth Central Executive Committee to institute the necessary improvements in the methods of publicity.

The proposal for the promotion of overseas Party affairs "in order to consolidate the foundations of the Party and the State" was referred to the Fifth Central Executive Committee for enforcement.

In accordance with the report of the Proposal Examination Committee on Political Affairs it was decided to refer the proposal for the establishment of legations in Central America to the National Government for consideration.

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In order effectively to protect the cotton textile industries and to remove the difficulties now confronting Chinese manufacturers the Congress adopted the following proposals:

1. Regarding the immediate relief of the cotton textiles industry, the matter should be referred to the Government;

2. Regarding the reduction of interest on credit loans and of freight rates in order to relieve the native industries as a whole, the Congress adopted the proposal in principle with instructions that the Government fix the interest rate on industrial loans and make arrangements for the reduction of freight charges. These instructions were referred to the organs concerned for execution.

The proposal for the determination of a fundamental policy of water conservancy was adopted in principle and referred to the National Government for enforcement.

With a view to consolidating the organization of the Central Government and amalgamating and abolishing superfluous organs in order to promote efficiency and save expenditure the Congress resolved that:

1. The Central Executive Committee be instructed to draw up concrete measures for improving the organization of the Central Government with a view to enhancing administrative efficiency.

2. All proposals relating to the organization of the Central Government, submitted to the Fifth National Congress of Kuomintang Delegates, should be referred to the Central Executive Committee.

With regard to the proposal for the active enforcement
of

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of the land policy of the Kuomintang and for the establishment of a land bank, the Congress adopted the proposal and set forth three measures for its enforcement as follows:

1. Creation of a central organ for land administration;
2. Establishment of military, police and people's land reclamation experimental areas;
3. Establishment of a special land bank.

The proposal that state banks grant loans on preferential terms in order to facilitate rural, industrial and commercial rehabilitation and promote national productivity was referred to the National Government.

Political and Military Reports Approved

The Congress approved the political report submitted by General Chiang Kai-shek, Chairman of the Military Affairs Commission, and the military report submitted by General Ho Ying-chin, Minister of War. In its resolution adopting the reports, the Congress pointed out that in spite of the fact that the nation has been confronted with unprecedented difficulties during the past four years, progress had been made in obtaining the cooperation of the people, and that this cooperation had been manifested in such concrete results as the improvement of highways, telegraphs and other means of communication, and in the gradual materialization of the program for mass education. In military affairs the Congress pointed out that progress had been made in bandit suppression and the organization and morale of the military forces had been strengthened.

However, the resolution went on to say, there was still a great deal of room for improvement and it urged that the Government should take measures to improve administrative

efficiency

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efficiency and to consolidate the nation. With reference to military matters the Congress stressed that the military forces should be reorganized and better equipped and that the program of military education should be pushed throughout the country.

4th C. E. C. and C. E. C. Reports Approved

The reports of the Fourth Central Executive and Central Supervisory Committees were approved and adopted by the Congress. In its resolution approving the reports the Congress briefly reviewed them. It cited the fact that the nation during the life of the two Committees had encountered a grave emergency and had suffered from domestic trouble and external aggression. It referred briefly to the hostilities which occurred in Shanghai in 1931 and necessitated the removal of the national capital to Loyang, to the loss of Jehol shortly thereafter, and to the inability of the nation to continue armed resistance in the north.

With reference to the nation's foreign policy the resolution as published in translation by the Kuo Min News Agency stated in part as follows:

"At the fourth regular meeting of the present Congress, Comrade Chiang Chung-cheng (Chiang Kai-shek), while reporting on foreign relations, said, inter alia, 'So long as the maintenance of peace does not become entirely hopeless, we shall not abandon peace; nor shall we talk lightly of sacrifice unless and until the final crisis comes.' He also said, 'Within the limits of non-encroachment on our sovereign rights, we shall seek harmonious relations with the various friendly Powers; and on the basis of reciprocity and equality, we shall seek economic cooperation with them.'

"The

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"The Congress firmly believes that these points revealed by Comrade Chiang constitute the fundamental policy pursued by the Central Authorities in coping with the national emergency, and that their correctness is unquestionable."

With reference to the anti-Communist activities of the national forces the resolution stated, "At the last Congress, a resolution was adopted for the complete suppression of the 'Red' bandits. The Fourth Central Executive Committee, in pursuance of this resolution, entrusted Comrade Chiang Chung-choang (Chiang Kai-shek) with supreme command of the bandit suppression forces."

"Following several concerted attacks and envelopments, the bandit lairs were captured and destroyed, and the principal menace was removed. The remnant bandits who have fled to the Kweichow-Yunnan-Szechuan-Kansu borders have also suffered heavy losses."

"The Congress is particularly gratified with the untiring efforts of Comrade Chiang in quelling the domestic trouble."

In pursuance of the policy of endeavoring to unite the nation and concentrate its efforts, the resolution stated, the Fourth Central Executive Committee had endeavored to harmonize the views of all Party members with the successful result that the atmosphere at the present Congress was one of cooperation and enthusiasm. Moreover, the resolution pointed out, in recent years the Government had spared no effort to promote productive reconstruction and the education of the people, with the result that material progress had been made and the people had been led to repose confidence in the Party principles.

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Election of 5th C.E.C. and 5th C.S.C.

The last two regular meetings of the Congress were devoted almost entirely to carrying out one of its major functions, the election of new Central Executive and Central Supervisory Committees. These Committees, which will remain in office until the convocation of the next (the Sixth) National Congress of Communist Delegates, will during the interim while the Congress is not in session serve as the highest authority of the Party and through it, in reality, of the Government.

The Fourth Central Executive Committee consisted of 72 regular members and 46 reserve members, and the Fourth Central Supervisory Committee had 24 regular members and 16 reserve members, making a total membership for the two Committees of 160. The total membership of the two Committees was increased by the Congress to 260 in order to afford an opportunity for the inclusion of a larger representation from the Southwest.

The regulations governing the election of members to the Fifth Central Executive and Central Supervisory Committees are interesting because of the ingenious method employed, which placed in the hands of the Presidium the power practically to choose a majority of the two Committees. The regulations as published in translation by the Tuo Min News Agency are quoted in full:

A. TOTAL NUMBER OF THE TWO CENTRAL COMMITTEES:

The total number of members and reserve members of the Central Executive and Central Supervisory Committees is fixed at 260, to be composed of:

120 regular and 60 reserve members of the Central Executive Committee, and

50 regular and 30 reserve members of the Central Supervisory Committee.

B. MODE

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B. MODE OF ELECTION:

1. Nomination of Candidates:

(a) Incumbent members and reserve members of the Central Executive and Supervisory Committees are ex officio candidates.

(b) Delegates who have been elected as members of the Presidium of the Congress -- who are not members of the two Central Committees -- are also considered ex officio candidates.

(c) Eighty candidates are to be first nominated by the Presidium.

(d) Every five members of the Central Executive and Supervisory Committees and the delegates attending the Congress may nominate one candidate; no one is allowed to nominate twice (nominate more than one candidate). It must not be specified whether the candidates are nominated for membership on the Central Executive or Supervisory Committees.

(e) The 23 members of the Presidium may nominate candidates in accordance with the measures provided in the preceding section (d).

The candidates to be nominated in the aforementioned five ways will total altogether 361, to be embodied in one complete list.

2. Procedure of Election:

(a) Election of 208 regular members and reserve members of the two Central Committees will be made by vote from amongst the 361 candidates in the list (representing four-fifths of the total number of 260).

Of the 208, one hundred will be regular and fifty reserve members of the Central Executive Committee; and forty will be regular members and eighteen reserve members of the Central Supervisory Committees.

Election is to be by open ballot in two separate votes for members of the Central Executive and members of the Central Supervisory Committees. Votes are to be cast for electing 150 regular members of the C.E.C. and 58 regular members of the C.S.C.

The reserve members of the Central Executive and Supervisory Committees will consist of candidates securing comparatively lessor votes.

(b) After the completion of the above mentioned election, the Presidium will designate 60 names from the list of non-elected candidates and submit these names to the Congress Delegates who will vote again

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for 52 out of the 60 nominees (representing one-fifth of the total of 260 members of the two Central Committees). Of the 52, twenty will be regular and ten reserve members of the Central Executive Committee and 10 regular and 12 reserve members of the Central Supervisory Committee.

The method of election of (b) will be similar to (a). (Votes are to be cast for electing 30 regular members of the C.E.C., and 22 regular members of the C.S.C.).

Two hundred and eight members were duly elected in accordance with the prescribed procedure. However, at the final meeting instead of having the Presidium nominate sixty candidates from which fifty-two would be chosen by the Congress, the Presidium, professedly in order to save time but actually at the instance of Chiang Kai-shek, submitted a list of only fifty-two candidates and designated General Chiang Kai-shek to give a report on the candidates and their biographies. After hearing the explanations given by General Chiang the Congress unanimously elected the fifty-two candidates.

The complexion of the two Committees after the election remained virtually unchanged, all of the more important members being re-elected. Of the seventy-two members of the Fourth Central Executive Committee fifty-three were re-elected, among them being; Chiang Kai-shek, Hu Han-min, Wang Ching-wei, Sun Fo, Chu Cheng, Yu Yu-jen, Tai Chi-tao, Ho Ying-chin, Feng Yu-hsiang, Yen Hsi-shan, Chen Chi-tang, T. V. Soong, and H. H. Kung. Of the twenty-four members of the Fourth Central Supervisory Committee twenty were re-elected including; Lin Sen, Hsiao Fu-cheng, Wang Chung-hui, Tsai Yuan-pei, and Li Tsung-jen.

1/ A complete list of the regular and reserve members of the two Committees elected by the Congress is attached to this report.

Closing

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Closing of the Congress - Manifesto Issued

The Congress was officially closed on November 23. At the closing ceremony General Chiang Kai-shek read the manifesto, which had been drafted by a special committee appointed for that purpose. The manifesto was in the nature of a summary of the work of the Congress and an outline of the policy to be pursued by the party in the future.

The manifesto opened with the statement that the nationalist movement as laid down by the late Dr. Sun Yat-sen calls for the achievement of China's freedom and independence, the founding of a nation of the people and the realization of world brotherhood, the salvation of China through peaceful struggle, the unification of China's four hundred millions, and the establishment of a nation based upon the Three People's Principles, i.e., Livelihood, Democracy and Nationalism. The Kuomintang, the manifesto stated, had taken upon itself the task of carrying this movement into execution.

The manifesto pointed out that the Congress had been convened at a time when the nation was facing a crisis. United effort by the Party and the people for the salvation of the nation was essential. It was heartening, therefore, to note the manifest enthusiasm of the people in sharing in the task which would eventually result in the revival of China.

The following considerations were laid down in the manifesto as being important in bringing about the salvation and reconstruction of the country:

The ancient virtues of the nation should be upheld in order to right the moral sense of the people.

Scientific

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Scientific education should be promoted and so directed as to meet the actual needs of the nation.

Popular education should be extended.

The nation's economy should be developed in order to improve the livelihood of the people. Among the urgent steps to be taken under this heading were mentioned; the fixing of an administrative system for water control; the development of the nation's communication systems; the encouragement of agriculture; afforestation; and reclamation; the development of the nation's industries; and the fixing of a land administrative policy.

The caliber of public functionaries should be improved through the strict enforcement of a system of examinations.

A sense of respect for law should be built up and the judicial machinery should be made independent.

Efforts should be made to rid the nation of corrupt officials.

In order to unify the nation the administration of the frontier provinces should be improved and the border peoples educated and assisted.

Constitutional government should be introduced in the not too distant future and local self government fostered. The National People's Congress, which will act on the Constitution, should be convened during the year 1936.

The teachings of the late Party Leader should be followed and propagated.

Conclusions

Little of any concrete value was accomplished by the Congress. Its actions consisted largely of long recitations of the various difficulties through which the country had passed since the last Congress held in 1931, and of expressions

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expressions of hope for the future based on an assumption that unity within the ranks of the Party was being achieved and the nation as a whole was coming more and more to pin its faith on the Kuomintang and the policies for which it stands. The resolutions adopted by the Congress were largely in the nature of recommendations to the various Party and Government organs concerned to effect various improvements, leaving the definite means of so doing to be devised by the organs themselves.

The most important and pressing question with which the Congress had to deal was that of foreign relations, the position to be taken vis-a-vis Japan. This matter was, in so far as the Congress dealt with it, covered by General Chiang Kai-shek's speech. In speaking of the policies laid down therein the Congress said "their correctness is unquestionable".

In reviewing the speech it appears that General Chiang endeavored to achieve two divergent ends simultaneously. He was anxious to make an open statement which would be accepted by the Japanese as sufficient assurance that the Government was going to follow a policy of "sincerity" and cooperation with them. This is hoped would act as a check upon Japanese activities in north China by allaying any cause which they might consider to exist for military action. At the same time he was endeavoring to make a statement to the delegates to the Congress—who included a large representation from the southwest—from which they and the nation would be able to get the interpretation that the Government, and General Chiang Kai-shek in particular, was working for the best interests of the country, and that should the necessity to use military force be forced upon China, the Generalissimo was prepared to lead his troops to battle.

With

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With two such divergent objectives in view it was impossible for the General's speech to be anything other than evasive. Its general tenor was a repetition of the policy previously endorsed by General Chiang Kai-shek and Mr. Tang Ching-wei of striving for internal reconstruction and unification, while resisting Japanese aggressions by diplomatic means, but refraining from the use of military force.

With respect to unity between the various factions, and especially cooperation between the central authorities and the southwest, a great deal was made of the attendance at the Congress of a large delegation from the southwest and of other leaders formerly on none too friendly terms with the authorities in Nanking such as Generals Fang Yu-hsiang and Yen Hsi-shan. However, two of the most sought for delegates, Generals Chen Chi-tang and Li Tsung-jen, refused to be lured to the meeting, attributing their absence to the pressure of official duties at home. The Congress' invitation to Mr. Lu Han-min, the veteran Party leader, met with a reply to the effect that his health was still not good enough to warrant his return to China from his wanderings abroad.

In his speech Mr. Tsou Lu, leader of the southwest delegation, pointed to the large and diverse representation at the Congress as an indication that national unity was nearer of realization than ever before. However, he closed his address with a thinly veiled threat that should the Congress not evolve a workable scheme for meeting the national emergency--in other words a scheme along the lines sponsored by the southwest--no hope of another such meeting with representatives from all corners of the country could be held, but instead even more divergent opinions and internal dissension than had existed in the past were of necessity to be expected.

With

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With reference to the question of the institution of constitutional government in the near future, the Congress was evasive. It passed a long set of regulations providing for the institution of local self government throughout the nation, a feature which it stated it felt was essential for the institution of constitutionalism. It reviewed the draft constitution, which has already been reviewed time and again, and then made provisions for the draft document to be submitted to the Fifth Central Executive Committee for further examination and revision. It did instruct the Fifth Central Executive Committee to set a date for the publication of the official draft document, and to name a date for the convocation of the National People's Congress, which body will have authority to adopt a permanent constitution, not later than the end of 1936. At the same time that it stressed the necessity for the inauguration of constitutional government, it expressed the opinion that "Although the political tutelage work has been enforced in China for many years, the program has not yet been completed. An immediate introduction of a constitutional form of government will overlap the procedure." Thus the Congress stressed not so much the early institution of constitutional government as the preparation of the way for this move by the fostering of local self-government.

No particular significance can be attached to the election of the new Central Executive and Supervisory Committees. Aside from increasing their number to allow for the inclusion of a greater number of delegates from
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the southwest, in order to placate that section, there was little change in the complexion of the two bodies.

The whole organization of the Congress, as exemplified by the organic law and the rules governing the procedure for the choosing of members of the two Central Committees, was so arranged as to place control of the body in the hands of the Presidium, over which stood General Chiang Kai-shek. Through all of the actions of the Congress could be seen the Generalissimo's guiding hand. Its pronouncement on foreign policy was a direct quotation of his speech, and the election of members to the two Central Committees was largely directed by him. On the second ballot when General Chiang proposed fifty-two names, one fifth of the total number, they were automatically passed by a unanimous vote.

Enclosure:

1/ As stated.

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FIFTH C.E.C. REGULAR MEMBERS

A. 100 elected by votes of Congress delegates:

Chiang Kai-shek 蔣介石	Ting Wei-fen 丁惟汾	Tseng Yang-fu 曾養甫
Wang Ching-wei 汪精衛	Chang Hsueh-liang 張學良	Liu Lu-yin 劉蘆隱
Hu Han-min 胡漢民	T. V. Soong 宋子文	Chen Cheng 陳誠
Tai Chi-tao 戴季陶	Pai Chung-hsi 白崇禧	Chou Fu-hai 周佛海
Yen Hsi-shan 閻錫山	Liu Chih 劉峙	Hsu An-tseng 徐恩曾
Feng Yu-hsiang 馮玉祥	Yu Chu-tung 顧祝同	Hung Len-yu 洪蘭友
Yu Yu-jen 于右任	Chu Chia-hua 朱家驊	Yu Ching-tang 俞井塘
Sun Fo 孫科	Yang Chieh 楊杰	Chen Tsch 陳策
Wu Te-chen 吳鐵城	Ma Chao-chun 馬超俊	Shao Yuan-chung 邵元冲
Yeh Chu-tsang 葉楚傖	Chang Chih-chung 張治中	Chang Tao-fan 張道藩
Ho Ying-chin 何應欽	Tseng Kwang-chin 曾擴情	Chen Fu-lei, 陳布雷
Chu Pei-teh 朱培德	Ho Chung-han 賀衷寒	Fang Chih 方治
Tsou Lu 鄒魯	Chiang Ting-wen 蔣鼎文	Chen Kung-po 陳公博
Chu Cheng 居正	Fang Chiao-hui 方覺慧	Liang Han-tsao 梁寒操
Chen Kuo-fu 陳果夫	Chen Chi-tang 陳濟棠	Li Tsung-huang 李宗黃
Ho Cheng-chun 何成濬	Huang Mu-sung 黃慕松	Liu Chi-wen 劉紀文
Chen Li-fu 陳立夫	Chien Ta-chun 錢大鈞	Hsu Yuan-chuan 徐源泉
Shih Ying 石瑛	Han Fu-chu 韓復榘	Pan Kung-chan 潘公展
H. H. Kung 孔祥熙	Ho Chien 何健	Wang Fa-chin 王法勤

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FIFTH C.E.C. REGULAR MEMBERS (Con'd.)

Po Wen-wei 柏文緯	Chou Po-min 周伯敏	Wang Chi 王祺
Wang Lu-I 王陸一	Wang Fo-ling 王相齡	Huang Hsu-chu 黃旭初
Chang Chun 張羣	Miao Pei-cheng 苗培成	Tai Kwei-sheng 戴愷生
Liu lei-chih 劉維熾	Liu Chien-chun 劉健羣	Yu Hsueh-chung 于學忠
Wu Hsing-ya 吳醒亞	Ku Cheng-kang 谷正綱	Chen Chao-ying 陳肇英
Ting Chao-wu 丁超五	Mei Kung-jen 梅公仁	Chang Chung 張中
Chao Tai-wen 趙戴文	Yu Han-mou 余漢謀	Hsiao Tung-tzu 蕭同茲
Chiang Po-cheng 蔣伯誠	Cheng Chan-nan 鄭占南	Chou Chi-kang 周啟剛
Ku Meng-yu 顧孟餘	Wang Shu-fang 王淑芳	Mai-Ssu-Wu-Teh 麥斯武德
Kan Nai-kwang 甘乃光	Chu Shao-liang 朱紹良	Wei Li-huang 衛立煌
Chen Chi-cheng 陳維誠	Lin I-chung 林翼中	Hung Lu-tung 洪陸東
Hsiao Chi-san 蕭吉珊	Ku Cheng-lun 谷正倫	Chiao I-tang 焦易堂
Wang I-cheh 王以哲	Fu Tso-yi 傅作義	Li Sheng-tah 李生達
Li Wen-fan 李文範	Wu Chung-hsin 吳忠信	Tien Kyn-shan 田昆山
Chang Li-sheng 張麗生		

B. 20 designated by the Presidium

and passed by Congress:

Lo-Sang-Chien-Tsan 羅桑堅贊	Tang Yu-jen 唐有土	Wang Chun 王均
Kung-Chiao-Chung-Ni 貢覺仲尼	Wang Chuan-sheng 王東笙	Hsiung Shih-hui 熊式輝
Li Yang-ching 李揚敬	Miao Pei-nan 繆培南	Hsia Tou-yin 夏斗寅

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B. 20 designated by the Presidium
 and passed by Congress: (Con'd.)

Lu Chung-lin

Wang Po-chun

Hsu Kan

Fu Ping-chang

傅秉常

Liu Hsiang

Chen Shao-kuan

Chen Yi

Jeng Ksueh-pei

鄭學沛

Mao Tsu-chuan

Shen Hung-lieh

Lo Ching-tao

蔣經國

FIFTH C.E.C. RESERVE MEMBERS

A. 50 elected by votes of Congress delegates:

Hu Kai-hsien

Hsueh Tu-pi

Yeh Hsiu-feng

Lai Lien

Ku Cheng-ting

Chen Tiao-yuan

Yu Fei-peng

Ching Heng-i,

Hsiao Tseng

Wu I-feng

Chen Shu-jen

Li Pin-hsien

Teng Chiao-yen

鄧家彥

Lin Tieh

Chu Chi-ching

Shih Tzu-chou

Chen Ching-yun

Wang Yung-pin

Liu Chien-hsu

Fu Ju-lin

Chang Chiang

C. T. Tang

Huang Chi-lu

Tang Sheng-chih

Huang Shih

Yu Chun-hsien

余俊賢

Li Jen-jen

Hme. Sun Yat-sen

Tseng Chung-min

Chang Ting-fan

Wu Pao-feng

Lo Chia-lun

Chao Ti-hua

Li Ching-chai

Yang Yung-tai

Lo I-chun

Ni-Ma-O-Teh-Su-Erh

Ma Hung-kwei

Hsieh Tso-min

謝作民

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

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FIFTH C.E.C.REG. RVE MEMBERS (CON'D.)

A. 50 elected by votes of Congress delegates: (Con'd.)

Tuan Hsi-peng 譚希鵬	Chen Fang-hsien 陳芳先	Cheng I-tung 鄭永同
Chen Pan-ling 陳平陵	Li Tzu-tung 李祖聰	Chang Chen 張震
Chang Mou-kung 張謀功	Cheng Chien 程 健	Chang Chih-pen 張志本
Yang Ai-yuan 楊愛源	Chang Fang 張 芳	

B. 10 designated by the Presidium and
 passed by the Congress:

Chen Mao-yuan 陳耀垣	Chao Yun-yi 趙允義	Shih Ching-ting 石敬亭
Chao Pei-lien 趙日原	Cu Fang-pu 屈芳甫	Cu Ching-hsiung (John C. H. Wu)
No-Na 諾那	Cheng Tien-ku 程天啟	
Wang Kun-lun 王昆倫	Chan Chu-ssu 詹菊似	

FIFTH C.S.C.REGULAR MEMBERS

A. 40 elected by votes of Congress delegates:

Lin Shen 林 森	Shao Li-tzu 邵力子	Chang Fa-kwei 張 介 奎
Chang Chi 張 健	Li Tsung-jen 李 宗 仁	Madame Wang Ching-wei 陳 健 廷
Tsai Yuan-pei 蔡 元 培	Hsieh Chih 謝 偉	En-Ke-Pa-Tu 恩克巴圖
Wu Chih-hui 吳 稚 暉	Yang Hu-cheng 楊 杏 城	Liu Ya-tzu 柳 亞 子
Chang Chin-kiang 張 靜 江	Wang Chung-hui 王 寵 惠	Chiang Tso-pin 蔣 作 賓
Wang Hu 楊 亮	Hsu Chung-chih 許 崇 智	Chu Min-yi 褚 民 誼

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

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FIFTH C.S.C. REGULAR MEMBERS (Con'd.)

A. 40 elected by votes of Congress delegates:

Chang Tien-fang 杜天芳	Li Lieh-chun 李烈鈞	Mai Huan-chang 麥軒章
Hu Tsung-nan 胡宗南	Lun Lien-chung 倫連仲	Lin Yun-kai 林雲快
Hsiang Han-ping 香翰屏	Hsueh Yo 薛岳	Hsiao Fu-cheng 蕭佛成
Huang Shao-hsiung 黃少雄	Liu Chen-hua 劉鎮華	Ho Yao-tsu 何耀祖
Sung Cheh-yuan 宋哲元	Lung Yun 龍雲	Lang Tzu-chwang 王字昌
Shang Chen 商震	Li Fu-lin 李福林	Tan Chen 譚振
Shao Hua 邵華	Fang Ping-hsun 龐炳勳	Yao Ta-hai 姚太海
Li Shih-tseng 李石生		

B. 10 designated by the Presidium and
 passed by the Congress:

Chang-chia 章志	Sheng Shih-tsai 盛世才	Wang Shu-han 王樹涵
Hsiung ke-wu 熊克武	Wang Ping-chun 王秉鈞	Hsu Yung-cheng 徐永昌
An-Chin 安恩	Ssu-lun 司倫	Chang Jen-min 張仁民
Chin Te-shun 秦德純		

FIFTH C.S.C. RESERVE MEMBERS

A. 18 elected by votes of Congress delegates:

Lu Tang-ping 盧定平	Wang Shih-chieh 王世杰	Ho Ssu-yuan 何思源
Lei Chen 雷震	Liu Wen-tao 劉文島	Liu Shou-chung 劉守中
Ou-yang-ke 歐陽格	Li Tzu-wen 李次溫	Tan Tao-yuan 譚道源

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FIFTH C.S.C. RESERVE MEMBERS (CONT'D.)

A. 18 elected by votes of Congress delegates: (Cont'd.)

Peng Kuo-chun 彭國鈞	Madame Shao Yuan-chung 張默君	Tang Shao-yi 唐紹儀
Wen I-yu 聞亦有	Ti Ying 狄膺	Ma Lin 馬麟
Teng Ching-yang 鄧青陽	Yang Shu-kan 楊庶堪	Guo Tai-chi 郭泰祺

B. 12 designated by the Presidium and
passed by the Congress:

Tsui Kwang-hsiu 崔廣秀	Li Chi-an 李倚庵	Fu Tung 傅桐
Pan Yun-chao 潘雲超	Hsiao Chung-chen 蕭忠貞	Huang Lin-shu 黃麟書
Ho Shih-chen 何世楨	Sun Ching-ya 孫鏡亞	Lu Yu-kang 陸幼剛
Hu Wen-tsan 胡文燦	Chen Chia-yu 陳嘉佑	Yang Hsi-chi 楊熙績

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 18, 1936.

MSM:
 WTT:
 MAM:

Tientsin's 128 to the Embassy of January 10, 1936, transmits memoranda of conversations with Japanese and Chinese officials in regard to the political situation in North China.

(1) A Japanese consular official confirmed that protest had been lodged with Sung Che-yuan against allegedly anti-Japanese acts on the part of the 29th Route Army at Taku early in January and he stated that dismissal of the local authorities responsible had been demanded.

(2) The managing director of the Pei-Ning Railway (concurrently Chief Counselor of the Peiping-Tientsin Garrison Headquarters) stated that the Japanese had not taken over Tangku. He stated further that the line between Hsiuho and Shanhaikwan (taken over by Yin Ju-keng) would be returned to the Chinese authorities within a few days. He remarked that the autonomous government of the Demilitarized Zone was to be done away with and that Yin was to be given a position of a slightly higher rank than he had held before as well as a position in the Hopei-Chahar

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

- 2 -

Political Council. He believed the general situation in Hopei and Chahar to be improved.

(3) Hsiao Chen-ying, Mayor of Tientsin, stated that "the diplomatic relations of China with certain powers were always in an unfortunate state due to the fact that China was a very weak country", in the course of the conversation repeatedly stressing the weakness of China. He observed further that, although an improvement of conditions was superficially apparent, in reality conditions were getting worse each day. He stated that Tangku was not part of the Demilitarized Zone (although Yin Ju-keng continued in control of the port at Tangku) and that the Hopei-Chahar Political Council would not permit Tangku becoming part of the zone.

CSR
CSR/VDM

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

Copy for the Department.

No. 128

AMERICAN CONSULATE

Tientsin, China, January 11, 1936.

Subject: Transmitting memoranda of conversations
with Japanese and Chinese officials
on the local political situation.

For Information Check		Yes	No
Grade	M	In Field	<input checked="" type="checkbox"/>
For	Ward	In U.S.A.	<input checked="" type="checkbox"/>
		ONI - MID	

Honorable

Nelson Wesley Johnson,
 American Ambassador,
 Peiping.

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

1/11/36
 WJ
 m

I have the honor, in confirmation of telephone conversations between an officer of this Consulate General and a member of the staff of the Embassy yesterday, to enclose copies of memoranda covering

- 1/ a conversation between Consul Ward and Consul Kishi
- 2/ of January 9, 1936, and of my call on Mr. Ch'en Chueh-sheng, Managing Director of the Pei-Hing Railway, this morning.

There is also enclosed, as of possible interest

- 3/ to the Embassy, a copy of a memorandum covering my call

793.94/7708

FEB 26 1936

FILED

F/FG

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

- E -

call on Mr. Hsiao Chao-ying, the Mayor of Tientsin.

Respectfully yours,

J. F. Caldwell,
 American Consul General.

Enclosure:

- 1/. Memorandum of conversation with Consul Liabi on the situation at Tangku and Taku, January 8, 1936.
- 2/. Memorandum of call of the Consul General on Ch'ao Chao-sheng, the Managing Director of the Tai-Ying Railway, January 10, 1936.
- 3/. Memorandum of call of the Consul General on the Mayor of Tientsin, Hsiao Chao-ying, January 7, 1936.

SCC
 31:JE

Transmitted in duplicate.
 Five copies to the Department, without covering despatch.
 Copy to the Embassy, Beijing.

A true copy of
 the signed original.
JB

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

Enclosure No. 1 to despatch No. 120
 dated January 10, 1936, from the
 American Consul General, Pientain,
 China, on the subject of the local
 political situation.

American Consulate General, Pientain,

January 9, 1936.

CONFIDENTIAL

Subject: Conversation with Consul Kishi on
the situation at Tientsin and Taku.

Press reports in this morning's English language newspapers indicated that the Japanese Consul General had lodged certain demands with the Chinese authorities in connection with reported anti-Japanese actions committed by members of the 29th Route Army at Taku, and I called this morning on Consul Kishi to ask him to verify these reports. He stated that the report of the Local Agency appearing in this morning's PEKING AND TIENTSIN TIMES was essentially correct, the only error in it being that the Japanese authorities had demanded the dismissal of the local authorities responsible rather than the punishment of those responsible as the newspaper report has it.

1/ For convenience a copy of that report is attached.

Supplementing this press report Consul Kishi stated that on the 2nd, 3d, 4th and 5th of January anti-Japanese acts on the part of the 29th Route Army had occurred at Taku. The Japanese authorities considered the most serious of these acts to have been that of pulling down a Japanese flag and breaking the flagstaff. Consul Kishi did not know whether the flag had actually been torn, although the report which he had received was that a Chinese

officer

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

officer present when the flag was pulled down had yulled out, "Fear it, tear it". Disorders in the two stores attacked had been smashed and certain articles had been taken away. The Japanese police official sent to investigate the incident had been prevented from reaching the scene and the Chinese authorities at Taku had asked the Japanese officials there that they make no report of the affair to their superiors and that a local settlement be reached. This latter request the Japanese refused. Consul Kishi stated that, although these incidents were considered to be very serious in themselves, they were not expected to have far reaching effects and the Japanese authorities did not take a serious view of them. He added, however, that the 29th Route Army was definitely anti-Japanese, and he recalled that they had actually fought the Japanese in Jehol.

With reference to the situation at Tangku, Consul Kishi denied that any incident of any kind whatsoever had taken place. He stated that he could not believe the reports that Japanese troops had taken over the station at Tangku and he had not heard even of a clash between the troops of the 29th Route Army and the Pacan Tui of Yin Ju-kang although he believed that such a clash was entirely possible. As far as he knew there was no change in the present situation at Tangku.

Robert C. Ward,
 American Consul.

Enclosure:

1/, From the Peking and Tientsin Times, January 9, 1936.

800
 R.C.:JB

A true copy of
 the signed original.
 J.B.

PEKING & TIENTSIN TIMES

Tientsin, China, JAN 9 1938

FIVE "ANTI" INCIDENTS AT TAKU.

Raids On Japanese Stores Alleged.

LOCAL JOURNAL PUBLISHES DETAILS.

Consul-General To Lodge Protest.

Tientsin, Jan. 8.

Throwing light on the Taku incident, involving an insult offered by soldiers of the 29th Army to the Japanese flag, the *Keishin Nichi-Nichi Shimbun* to-day reported that soldiers of the 693rd. Regiment in the 132nd Division of the 29th Army committed five anti-Japanese acts, assisted by constables of the Public Safety Bureau.

Claiming that the same regiment traditionally bears a violent anti-Japanese idea the *Nichi-Nichi* said that the acts were premeditated ones, because they were committed in succession on January 1, 2, 3, 5 and 6.

A Chinese servant in the employ of Sadao Yamaji, proprietor of Yamaji and Company, was assaulted by Chinese soldiers when he was sent shopping at about 1 p.m. on January 1, the daily stated.

On learning that soldiers were assaulting his servant Yamaji proceeded to the scene, but he was beaten on the face with a club, and two constables threatened him at points of pistols. The soldiers and police showed disquieting indications after the assaulting affair.

Leading more than 20 soldiers the head of the third branch of the Public Safety Bureau visited Ohshima and Company at about 4 p.m. on January 2, and after binding an old Chinese maid they destroyed furniture and other articles by taking advantage of the absence of Kihachi Ohshima, proprietor of the store. The flag of the store was taken away by the soldiers.

Ohnishi and Company, a Korean store, was looted by more than ten Chinese soldiers at about 5 p.m. on January 2, and its flag was torn up by the soldiers. The proprietor, however, escaped their notice by hiding.

Ohshima, who was informed of the raid, tried to return from Tangku to Taku by a ferry boat on the afternoon of January 3, but he was beaten up by Chinese soldiers, who waylaid him, when he landed at Taku.

The journal said that Police-Sergeant Kataoka of the Japanese Consular Police at Tangku was prevented from landing at Taku when he tried to go there for an enquiry into details of the anti-Japanese acts, because of a threat issued by Chinese soldiers to the boatman.

Police-Inspector Onozaki and Police-Sergeant Hara of the Japanese Consular Police at Tientsin went to Taku, together with Mr. Lu Nan-sheng, Councillor of the Peiping-Tientsin Garrison Headquarters, and they made an enquiry into details of the incident, the journal remarked.—Domei.

CONSUL-GENERAL KAWAGOE PROTESTS.

Tientsin, Jan. 8.

Mr. Shigeru Kawagoe, Japanese Consul-General at Tientsin, who received a detailed report from Police-Inspector Onozaki, will shortly file a strong protest with the Chinese authorities against the Taku incident, the *Keishin Nichi-Nichi Shimbun* said to-day.—Domei.

Tientsin, Jan. 8.

A Note protesting against the Taku incident, involving raids upon Japanese stores and an insult to the Rising Sun flag, was despatched by Mr. Shigeru Kawagoe, Japanese Consul-General at Tientsin, to General Sung Cheh-yuan, Governor of Hopei Province and concurrently Commander of the 29th Army, this afternoon.

It was learned that Consul-General Kawagoe laid the following requirements through the Note:

- (1) Apology by General Sung.
- (2) Strict supervision of troops and the staff of the Public Safety Bureau at Taku.
- (3) Immediate apprehension of persons responsible for the incident and their punishment.
- (4) Indemnity for damages suffered by the Japanese residents.
- (5) Immediate cessation of anti-Japanese acts by troops and police.
- (6) Assurances for the future.

—Domei.

0928

American Consulate General, Montevideo.

This morning the Consul General, accompanied by Mr. Franklin Liu and myself, called by appointment on the Honorable Director of the Tai-Ping Rail way, Mr. Hsien Shueh-sheng, to report that official's call at the Consulate General.

The Consul General replied that he appreciated this offer very much and would certainly take advantage of it. Referring to the situation at Fungku, M. Caldwell asked if there had been any change within the last two or three days.

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Mr. Ch'en replied that the line between Hsinho and Chanhaikuan had been taken over by Yin Ju-kang who, it would be recalled, had established an autonomous government in the nineteen haies of the so-militarized one and three added haies. The question thus created would be settled within two days' time and the railroad would be returned to the Chinese authorities.

With the Consul General's permission I then asked for the line which was to be returned to Chinese authority extended. Mr. Ch'en said that it went all the way from Hsinho to Chanhaikuan. I asked if the Managing Director felt able at this juncture to inform us of the terms of the agreement which had been reached with Yin Ju-kang and under which the line was to be returned. For instance, what position was Yin to be given and what relation would the government in the so-militarized one have to the government of Hopei and Chahar?

In reply Mr. Ch'en said that the autonomous government of the so-militarized one was to be done away with, that Yin was to be given a position in east Hopei of a slightly higher rank than that which he held when he was the Special Administrative Inspector for the Luon-Yu district. He would also be given some post directly under General Jung Che-puen, probably as a member of the Hopei-Chahar Political Council. In response to further questions put to him by the Consul General and myself,

Ch'en

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

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Ch'en stated that the general situation in Hobei and Chahar was improving daily and that although a trivial incident occasionally occurred, such as those involving soldiers and Japanese at Taku and at the last date in Beijing, there was no pending issue of any importance which did not promise settlement. Mr. Ch'en indicated that a settlement of the last Chahar question was also imminent.

Reference was made to the Malone case, which is covered by a separate memorandum of identical date.

Robert . Lord,
 American Consul.

RDC
 R 12:38

A true copy of
 the signed original.
 JPB

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

enclosure No. 3 to despatch No. 118
 dated January 10, 1936, from the
 American Consul General, Tientsin,
 China, on the subject of the local
 political situation.

American Consulate General, Tientsin,

January 7, 1936.

RECEIVED

Subject: Call of the Consul General on the
Mayor of Tientsin, Hsiao Chen-yue.

This afternoon at two thirty the Consul General,
 accompanied by Mr. Franklin Liu and myself, called
 on the Mayor of Tientsin to repay his call at the
 Consulate General.

Considerable difficulty was encountered in the
 interpretation of the remarks of both the Consul
 General and the Mayor due to the fact that the
 Mayor used his own interpreter, a Mr. Kuan, an
 intelligent Chinese who used his own discretion as
 to which of the Mayor's remarks he should change
 and which he should omit entirely in his interpretation.

In the course of his remarks in Chinese, however,
 the Mayor made some surprising statements. One of
 these was that China did not really deserve the rank
 of a nation, that it was in fact not a nation. He
 said further that the diplomatic relations of China
 with certain powers were always in an unfortunate
 state due to the fact that China was a very weak
 country. He repeatedly stressed the weakness of
 China and when asked whether the situation was
 improving he replied that on the surface it would
 appear to have gotten slightly better within the

last

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last week or so but that in fact it was getting worse with every day that passed.

The Mayor said several times that he regretted very much that due to China's weakness a confusing political situation existed in North China which made it impossible for citizens of the United States to carry on legitimate and profitable trade.

Talked specifically about the situation at Tangku he said that Tangku was not a part of the de-militarized zone and that it was not the intention of the Hebei-Chahar Council to permit it to become part of the de-militarized zone. He stated that Yin continued in control of the port of Tangku but that there were troops of General Sung Shu-yuan within seven or eight Chinese li of Tangku.

The Mayor in closing his remarks renewed his offer to cooperate with the American Consulate General and the call was brought to a close.

Robert
 American Consul.

ROC
 10:30

A true copy of
 the signed original.
MB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 11, 1936.

~~MMT:~~
~~WTT:~~
 MMH:

Shanghai's 82 and 90 of January 10 and 13, 1936, transmit copies of despatches to the Embassy (66 and 74) in regard to student demonstrations against the so-called autonomous movement in North China.

A complete outline of the student demonstrations in Shanghai is set forth; the inception of these demonstrations on December 19; the various meetings of the students; the attempt by the Mayor to conciliate the students and to disperse the meetings; the scattering of anti-Japanese handbills in front of the headquarters of the Japanese Naval Landing Party (which act elicited strong protests on the part of the Japanese and aroused the fear that the Japanese would take drastic steps); the attempt to proceed to Nanking; and the return of the students to Shanghai on December 25.

The texts of the various protests against the establishment of an autonomous movement in North China are quoted. Dr. Robert E. Lewis, adviser to the Ministry of Foreign

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Affairs, is cited as stating that he had advised the authorities not to suppress outright the student movement but to merely confine the students' activities. He also stated that he anticipated ~~the~~ change in Nanking's policy.

The above information has been previously reported to the Department by despatch and telegram.

CSR
CSR/VDM

093

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

No. 82

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 10, 1936.

Subject: Student Demonstrations Against
So-called Autonomous Movement
in North China.

For Distribution Check		No.	No.
Grade	M	In U.S.A.	2
For	DAVIS	ONI	CSG
		91D	

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 66 of this date, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
Monnett B. Davis,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 66.

800
MBD MB

In Quintuplicate.

793.94/7709

FEB 17 1936

FILED

F/FG

0936

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

NO. 66

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 10, 1936.

Subject: Student Demonstrations Against
So-called Autonomous Movement
in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my telegram of
December 12, 1935, 5 p.m., ⁷⁵²⁰ and to page two of despatch
No. 40 ⁷⁶⁹⁰ of December 28, 1935, regarding protests made
by educators and others in Shanghai against the
establishment of an autonomous regime in North China,
and to quote translations of the texts of messages
sent in this connection.

The Presidents of seven of the leading universities
and colleges in Shanghai telegraphed the students of
Peiping on December 15, 1935, as follows:

"To the declaration of the twenty-fourth of November, stating so solemnly that the unity of the country should be, by all means, maintained, we hereby pledge our most loyal support. North China is the heart and the cultural center of our country. The very life of our country is dependent upon its safety. We protest against any attempt at or intention of disintegration, no matter what assumed name such a movement may take. We hope that the Central Government

will

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will, in the very near future, decide upon strategy for the maintenance of authority, even if such strategy may involve bloody sacrifice. We pledge our loyalty to our country."

On the same day this group sent, on behalf of members of the Federation of Universities and Colleges in this area, the following radiogram to students in all parts of China:

"The trouble in North China has grown beyond our tolerance. Our last resort is resistance. During such a national crisis, we firmly protest against any autonomy movement and any policy that may involve the loss of territory or authority. The students of Peiping have made a declaration. We appeal to students all over China for loyal backing."

Several days later a group of local Chinese who are influential in Christian circles issued the following public statement over their names, according to a notice received by this office through the mail:

"We believe that every people has a right to existence and to the preservation of their national integrity. Recent events in North China make it plain that all our sufferings and compromises, all our yielding since September 18, 1931 have not only failed to satisfy the insatiable demands of our aggressor, but have almost brought our nation into the depths of an unfathomable abyss. For this reason, actuated by a sense of love for the truth, we feel the imperative need for a united front among all our people in fearless opposition to any attempt to alienate our territory and to any measure calculated to deceive or intimidate us into acquiescence in the surrender of our rights. We love peace, but we love justice more. We are against any action that will lead to unnecessary sacrifice, but we are not afraid to shed our blood for the sake of truth and justice. We pledge ourselves to back up to the utmost the nationwide movement of resistance which has arisen throughout the country."

Dr.

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Dr. Robert E. Lewis, Adviser to the Ministry of Foreign Affairs, states that he has followed developments in connection with the student agitation very closely and that he advised the authorities orally and in writing not to suppress the movement outright but to confine their efforts to keeping the activities under control. He said after General Chiang Kai-shek's visit to Shanghai on January 5, 1936, that a change in policy was imminent, and that while he could not discuss the details in point a stiffening of Nanking's attitude toward Japan might be expected.

Respectfully yours,

Monnett B. Davis,
American Consul General.

800
MBD MB

In Quintuplicate to Department
by despatch No. 22 of even date.

Copy to Embassy, Nanking.

Copy to Embassy, Tokyo.



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 14, 1936

Central

Shanghai's 64 to the Embassy of January 10, 1936, summarizes an interview between Mr. J. H. Timperley (an American news correspondent) and T. V. Soong.

No new information is presented, Soong's views in regard to the Sino-Japanese situation and the currency question being well-known.

Mr. Timperley gained the impression that Soong was definitely pessimistic regarding future relations of China and Japan but that he was more optimistic regarding the internal situation and the financial position of the country.

CSR
 CSR

0940

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

NO. 79

AMERICAN CONSULATE GENERAL,

Shanghai, China, January 10, 1936.

CONFIDENTIAL

Stanton

ONI - MID

CSR

SUBJECT:

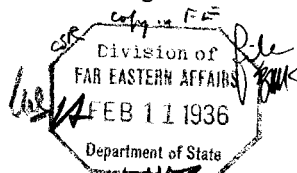
Sino-Japanese Relations:
Mr. J. H. Timberley's Inter-
view with Mr. T. V. Soong.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:



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

I have the honor to enclose a copy of a self-

1/ explanatory despatch No. 64 of this date, from
this Consulate General to the Embassy at Peiping
in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
Monnett B. Davis,
American Consul General.

Enclosure:

1/- Copy of despatch No. 64 to
the Embassy, Peiping, dated
January 10, 1936.

800
EFS:NHW

In quintuplicate

793.94/7710

FILED

F/FG

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

No. 64

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, January 10, 1936.

CONFIDENTIAL

Subject: Sino-Japanese Relations:
Mr. J. H. Timperley's Inter-
view with Mr. T. V. Soong.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to inform the Embassy that Mr. J. H. Timperley, a well known newspaper correspondent, has been in Shanghai for the past week. On January 7 Mr. Timperley called on Mr. T. V. Soong by appointment and in the belief that Mr. Soong's statements may be of possible interest to the Embassy there is given below a summary of the interview.

Mr. Timperley inquired whether in the opinion of Mr. Soong it was likely that the year 1936 would witness an open break between China and Japan and the commencement of hostilities. Mr. Soong, in reply, intimated that he believed such a contingency depended in large measure upon the general international situation and the Italo-Ethiopian conflict in particular inasmuch as the Japanese would, he believed,

proceed

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

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proceed more rapidly with their plans vis-a-vis China if the international situation was sufficiently serious to permit the carrying out of their plans without fear of European or American interference. Mr. Soong appeared to think that the world situation in general favored the plans of Japan.

Mr. Timperley inquired whether China might not provoke a conflict if there should be reached a point beyond which she would refuse to make further concessions to Japan. Mr. Soong's reply to this question is of interest. He stated that insofar as the National Government is concerned no such point of ultimate concession exists but that among individuals there definitely does exist such final limit. However, he stressed the point that this is individual rather than national and that therefore this final limit varies widely, rendering it practically impossible to carry out a fixed and definite policy in regard to Japan. Mr. Soong's views on this point are of particular interest inasmuch as it is being asked on all sides at the present time whether China has not reached the ultimate in concessions to the Japanese and whether she does not intend to resist further aggressions. Mr. Soong's statement would seem to indicate that the Chinese Government, as such, is not following any definite or carefully prepared plan in the conduct of its relations with Japan and that there is no definite intention on the part of the National Government to resist Japanese encroachments. On the contrary it would appear from his remarks that the likelihood of resistance hinges

largely

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

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largely on the attitude of a few individuals towards the Japanese problem. However, as opposed to this picture of a government uncertain in its attitude and policies, may be cited the fact that large quantities of special equipment, including heavy artillery, anti-aircraft guns, and munitions of all description, have been ordered from Europe and are steadily entering the country destined for the use of the Special Brigade of the Salt Revenue Guards and it is believed other picked units. These preparations would seem to indicate that the question of resistance is definitely occupying the attention of the National Government.

Mr. Soong questioned Mr. Timperley regarding the situation in North China and expressed surprise that he estimated the present regime in Hopei would remain in nominal control for another two or three months. He stated that all his information indicated that the present set-up in the North could not possibly last out the month and that he anticipated a rapid worsening of the situation. In this connection it may be of interest to note that Mr. Timperley learned during the course of an interview with Mr. K. A. Wakasugi, Counselor of the Japanese Embassy, that contrary to news reports, which have been given considerable prominence within the last week, of impending conferences between China and Japan to discuss all outstanding questions, no conferences with the National Government are contemplated by the Japanese, at least within the next two months. Mr. Wakasugi referred to the recent student activities and the general recrudescence of anti-Japanese feeling

and

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

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and intimated that such an atmosphere was in no sense conducive to the convening of a conference and that to call, or attempt to call, one at the present time would serve no useful purpose. Mr. Wakasugi also appeared to be of the opinion that the situation in North China showed no appreciable improvement.

In the course of the interview with Mr. Soong, Mr. Timperley referred to the various monetary measures recently introduced by the National Government. In discussing these measures Mr. Soong definitely expressed himself as in accord therewith and as satisfied in general with the manner in which they were being carried out. He also expressed no very great alarm over the financial condition of the country, which he described as being fair. The internal political situation he also characterized as not being entirely hopeless and as capable of adjustment, and stated that he thought China's other internal problems could be solved were it not for the fact that they are completely over-shadowed at the present time by the tense relations existing between China and Japan. In general Mr. Timperley gained the impression that Mr. T. V. Soong was definitely pessimistic regarding the future relations of China and Japan, but that he was somewhat more optimistic regarding the internal political situation and the financial position of the country.

Respectfully yours,

Monnett B. Davis,
 American Consul General.

800
 EFS:NMW/mwv

Original to Embassy, Peiping
Copy to Embassy, Hankow
In quintuplicate to Department
in despatch No. 49.

A true copy of
 the signed original.

094

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

NO. 90

AMERICAN CONSULATE GENERAL,

Shanghai, China, January 13, 1936

For Distribution-Check		Yes	No
Grade	2	✓	✓
For	Stanton	In U S A	✓
		ONI - MID	CSR

SUBJECT: Student Demonstrations in connection
 with so-called Autonomous Movement
 in North China.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

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

I have the honor to enclose a copy of a self-
 explanatory despatch No. 74 of this date, from
 this Consulate General to the Embassy at Peiping
 in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis

Monnett B. Davis,
 American Consul General.

Enclosure:

1/- Copy of despatch No. 74 to the
 Department of State, dated January
 13, 1936.

800
 EFS:NHW

In quintuplicate

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FILED
 FEB 17 1936

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

No. 74

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, January 18, 1936.

Subject: Student Demonstrations in connection
 with so-called Autonomous Movement
 in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

793.94/7690

I have the honor to refer to my despatch No. 40
 of December 28, 1935, concerning the initial phases
 of the popular manifestation of dissatisfaction with
 the establishment of the so-called autonomous state
 in North China and in supplement of the various tele-
 grams dispatched in connection with student demon-
 strations in Shanghai to give below a more detailed
 account of events.

During the afternoon of December 19, 1935, about
 four hundred students of the Chinan University held a
 meeting in the university premises in order to discuss
 recent developments in North China and the manner in
 which their disapproval of the autonomy movement might
 best be expressed. Following the adoption of a resolu-
 tion to march to the Civic Center and present certain
 demands to the Mayor, the students set forth from the
 university. Their numbers were continually increased

until

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

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until by 10 p.m. some four thousand students from the leading universities and colleges were parading in orderly manner along the extra-Settlement roads shouting slogans. They reached the Civic Center at daylight on the morning of the 20th. Mayor Wu Te-chen, learning of the arrival of the students at the Civic Center, and being anxious to placate them and prevent any serious developments, hurried to his office. He talked to them for some time in an effort to induce them to disperse quietly, informing them that he was in sympathy with the patriotic motive which had inspired them to publicly voice their views concerning developments in North China. Furthermore he assured them that their requests concerning the abolition of the so-called autonomous state and the release of their fellow students arrested in Peiping during the course of demonstrations in that city would be immediately transmitted to the authorities at Nanking (see telegram December 20, 4 p.m.). /7556

However, the Mayor's efforts were only partially successful, for the fever of mass activity spread rapidly through all the schools and colleges in Shanghai and resulted in a steady trek of students throughout the day to the Civic Center. The Mayor made repeated efforts to induce the students to disperse and invoked the assistance of the presidents and professors of various universities and colleges. The combined efforts of the civil and educational authorities, and the offer of free transportation from the Civic Center, finally resulted in the gradual dispersal of the students

congregated

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

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congregated at that point.

However, the placatory attitude of the Chinese authorities and the mounting sense of power which spreads so rapidly through mass movements resulted in a renewal of activity on December 21 and 22, during which period numerous student parades and meetings occurred and many posters and handbills were distributed both in the Chinese city and in the Settlement and extra-Settlement areas. This activity culminated on the morning of December 23 in some five hundred students marching to the North Railway Station and demanding free rail transportation to Nanking in order that they might impress upon the Government the necessity for action in connection with the autonomous movement in North China. The Chinese police attempted to prevent the students from entering the North Station, but were unsuccessful, and following the refusal of the railway authorities to grant free transportation the students boarded a train which was due to leave for Nanking and insisted that they be immediately transported to that city. The railway authorities retaliated by removing the engines from the railway station, and later on in the day closed the booking offices and canceled the dispatch of all trains. At about 7 p.m., General Tsai Ching-shun (蔡勁軍), Commissioner of Public Safety, and Mr. Pan Kung-chan (潘公展), Commissioner of Education, arrived at the station and attempted to persuade the students to agree to send five delegates to Nanking, the rest to return to their respective schools and colleges. However, this offer was rejected by the students, the number of whom continued

to

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

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to increase until there were almost two thousand encamped in the station on the morning of December 24.

The Chinese authorities made strenuous but peaceable efforts to induce the students to leave the station and repeatedly sent representatives from the Bureau of Education and the City Government, as well as the presidents of various universities, to interview them. These representatives endeavored to persuade the students that nothing was to be gained by tying up railway traffic and otherwise embarrassing the authorities, and informed them that the Mayor had telegraphed several times to the authorities at Nanking conveying their various requests and that in reply General Chiang Kai-shek had expressed the fullest sympathy with the patriotic motives which animated them and had requested that they disperse quietly. (See telegram of December 24, ⁷⁵⁶² 12 noon.) However, these efforts proved entirely unavailing, and there occurred on December 24 other events which indicated a growing restiveness on the part of the Japanese authorities, which in turn engendered genuine alarm and apprehension in Chinese official circles, and also among the Settlement authorities.

On the morning of December 24 a truck containing Chinese students and others passed the headquarters of the Japanese Naval Landing Party. While doing so quantities of particularly virulent anti-Japanese posters and handbills were thrown out. The Japanese naval authorities were much incensed and intimated to Mr. Ishii, the Japanese Consul General, that immediate action must be taken to prevent a recurrence of such incidents and that student activities must be brought under adequate control.

Thereupon

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

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Thereupon, Mr. Ishii attempted to see Mayor Wu, but found him in conference. He then called on Mr. Stirling Fessenden, Secretary General of the Shanghai Municipal Council, and complained that the students were obviously quite out of hand, and stated that he and the Japanese naval authorities felt that the attitude of the Settlement authorities, in common with that of the Chinese authorities, was entirely too conciliatory. He urged that more forceful methods be adopted in dealing with the students, failing which he feared that the Japanese naval authorities might feel compelled to take precautionary measures. Mr. Fessenden pointed out that the Settlement authorities and police were watching the situation most carefully; that the riot squads were standing by; that several platoons of the special Russian Unit had been mobilized; and that all possible precautionary measures had been taken. However, he is understood to have called particular attention to the fact that the position of the Council was a difficult one inasmuch as it did not wish to be the first to use force against the students, and that for obvious reasons the Settlement police were following the lead of the Chinese authorities. Subsequent to his conversation with Mr. Fessenden, Mr. Ishii again attempted to see the Mayor without success but did discuss the situation with him over the telephone. Mr. Ishii was understood to have called Mayor Wu's attention to the fact that the students appeared to be out of control and that the anti-Japanese character of their slogans and posters, as well as the incident of that morning, was causing the Japanese naval authorities to

take

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

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take a very serious view of the situation. The Mayor was understood to have assured Mr. Ishii that the students were not out of control and that he had just received instructions from Nanking which would enable him to take whatever action might be necessary, including the use of force, to disperse the students. (See telegram of December 24, 3 p.m. / 7562 and December 24, 5 p.m. / 7564)

These developments were followed in the afternoon of December 24 by further efforts on the part of the Chinese authorities through the medium of the presidents of various universities to induce the students to leave the North Station and disperse. However, the students refused to leave and accordingly the Chinese authorities decided to clear the station by entraining two thousand students ostensibly for Nanking. One train allegedly developed engine trouble at Kunshan, while the other broke down in the vicinity of Soochow. It was apparently the object of the Chinese authorities to discourage the students by these tactics and thus induce them to return quietly to Shanghai. However, the students were not to be deterred and displayed considerable enterprise and initiative by taking charge of the locomotives and finally bringing both trains safely into Soochow during the morning of December 25. At Soochow representatives of the Ministry of Education, who had instructions to proceed from Nanking and head off the students, went into conference with representatives of the students. They were not successful, however, in convincing them of the futility of proceeding to Nanking nor were the students impressed by the statements that their demands

had

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

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had been duly conveyed to the authorities at Nanking and were receiving most careful consideration. One train therefore steamed out of Soochow and slowly made its way to Kusi. A few miles beyond this point the pilgrimage was finally terminated for acting upon instructions from Nanking a bridge had been effectively put out of commission and the way was barred by the presence of several hundred fully armed gendarmes from Nanking. There followed numerous further conferences, but the students were definitely given to understand that they could not proceed to Nanking and must return to Shanghai. The return journey was accomplished rapidly and without incident, the students arriving at Nanziang on the evening of December 27 and being transported from that point in motor buses to their respective schools in Shanghai. (See telegrams of December 25, 11 a.m., December 26, 3 p.m., and December 27, 3 p.m.)

These events constituted a most difficult and delicate problem for the local Chinese authorities who, on the one hand, were fearful that the Japanese might take drastic action which would set Shanghai ablaze, and on the other were most reluctant to employ forceful measures against the students, knowing that their motives, if not their actions, were endorsed by the great mass of the citizenry of Shanghai. These manifestations of popular feeling, which in Shanghai are peculiarly subject to manipulation by unscrupulous or subversive elements, have caused the Chinese authorities much concern. It is not surprising, therefore,

that

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

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that the National Government has issued stringent instructions in an attempt to cope with the situation. Orders have been issued to the railway and steamship companies not to give passage to students desiring to travel to Hanking, while the Ministry of Education has urged all schools and universities to close earlier than is customary. The concern with which the leaders of the National Government appear to view the nationwide student opposition to events transpiring in North China is further evidenced by the fact that extensive arrangements have been made to receive at Hanking student representatives and educationists from all parts of the country in order that they may meet General Chiang Kai-shek on January 15 and learn directly from him the present policies and aims of the National Government in regard to Japan. How much will actually be divulged, and to what extent such revelations will satisfy this highly articulate element of the country, remains to be seen.

Respectfully yours,

Monnett B. Davis,
 American Consul General.

800
 EFD:NMW *nmw*

Original to Embassy, Peiping
Copy to Embassy, Hanking
In quintuplicate to Department
with despatch No. 92 of
January 13, 1936.

A true copy
 of the signed original.
 in.

0954

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

No. 133

AMERICAN CONSULATE GENERAL

Tientsin, China, January 15, 1936.

Subject: Transmitting a copy of a Memorandum on a Conversation between an Official of the Municipal Government and Consul Ward on the present Political Situation in North China.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

For Distribution Check	
Grade	M
Ward	ONI MID

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

I have the honor to refer to this Consulate General's despatch No. 131, dated January 14, 1936, transmitting the monthly political review for the Tientsin consular district, on pages two to five of which report will be found an account of the establishment of the Hopei-Chahar Political Council, and in connection with certain changes in the constitution of that Council which are reported to be imminent to enclose a copy of a memorandum of a conversation between an official of the Tientsin Municipal Government and Consul Ward of this office on the present political situation in North China.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800

RSW:HK

Enclosure: Copy of Memorandum as stated.
Transmitted in duplicate.
Five copies to Department without covering despatch.
Copy to Embassy, Nanking.

A true copy of
the signed original. HK

753.94/7712

FILED
FEB 26 1936

F/F/G

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

Enclosure No. 1 to despatch No. 133, dated Jan. 15, 1936, from the American Consulate General, Tientsin, on the subject of Transmitting a copy of a conversation between an official of the Municipal Government and Consul Ward on the present political situation in North China.

Tientsin, China, Jan. 15, 1936.

MEMORANDUM

Subject: Conversation between an official of the Municipal Government and Consul Ward on the present political situation in North China.

In the course of a call this afternoon on an official of the Municipal Government who has extensive personal connections with several of the reputed leaders of the pro-Japanese clique in North China, that official expressed the following views on the present political situation in North China.

The Japanese military in North China lead by Major General Saimura and General Yada, who are now working closely together, are engaged in an effort to force the Hobei-Chahar Political Council to bring about an effective severance of relations with the Nanking Government.

The first objective of the Japanese military is, he said, the amplification of the administrative organization of the Council by the addition to it of a number of bureaus and committees to be manned by Chinese supposedly in sympathy with Japan. If they succeed in bringing about the creation of such bureaus and committees they believe that the natural desire of the officials appointed to them to carry out the functions delegated to them will of its own force tend to pull North China away from the Nanking Government. They believe, for instance, that the creation of a Bureau of Foreign Affairs would naturally make the discussion of foreign affairs touching North China with the Nanking Government unnecessary.

The second objective of the Japanese military, according to the official quoted, is to bring into the Council the provinces

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

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of Shantung, Shansi and Suiyuan, thus expanding it to the five province autonomous government which was originally desired.

The informant believed that they would be largely successful in the accomplishment of their first object and that they would probably also succeed in the second although against considerable difficulty.

The effort to bring Shantung into the autonomous council has been checked for the time being at least by General Sun Fu-chu's continued objection to North China autonomy. He is not, however, friendly with Nanking, and some arrangement will probably be possible by which he will be brought into the autonomy movement.

General Yen Hsi-shan is also opposed to the movement and since he controls Fu Tso-i, the participation of Suiyuan in the enlarged council also depends upon the ability of the military representatives now dickering with General Yen to bring him into line. The informant believes that General Chang Hsueh-liang will have no influence on Yen and that the concentration of his troops along the western border of Shansi does not represent an effort on the part of the Central Government to coerce Yen Hsi-shan.

The informant does not believe that any settlement of the De-militarized Zone question is possible, since, in his opinion, the Japanese will insist on continuing the existence of a De-militarized Zone in East Hopei and will also continue to defend Yin Ju-keng. He believes, however, that a settlement of the Shanhai question will be reached within the next two or three days.

The informant stated that the expansion of the Council to include all of the five provinces of North China will probably be proclaimed shortly after the Chinese New Year.

Robert E. Ward,
American Consul.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 13, 1936.

~~MSM:~~

~~RCM:~~

~~MMH:~~

Tsingtao's 84 to the Embassy of December 27, 1935, reports the settlement of the Sino-Japanese controversy over the establishment of the "Chinese Produce and Securities Exchange" at Tsingtao (despatch No. 59 to the Embassy, October 17, 1935).

The nature and scope of their business being definitely defined both the Tsingtao Exchange (Sino-Japanese enterprise) and the Chinese Produce and Securities Exchange will continue to function. However, the profits are to be pooled and distributed 60% to the Tsingtao Exchange and 40% to the Chinese Produce and Securities Exchange. The capital of the old Tsingtao Exchange will be increased, all the increase going to the Japanese shareholders. The settlement also provides that the Chinese Produce and Securities Exchange must employ Japanese advisers.

It would appear that the Japanese have gained advantage in the settlement for, while the Chinese will operate the exchange, the concession to the

Japanese

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

- 2 -

Japanese of 60% of the joint profits indicates that the Chinese were unable to carry their contention to a right to operate an exchange along side of a Japanese one in Tsingtao. Nevertheless, the Chinese and Japanese official circles feel that a good settlement has been attained.

The despatch should be read in its entirety.

CSR
CSR/VDM

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

COPY FOR DEPARTMENT OF STATE.

No. 84

AMERICAN CONSULATE

Tsingtao, China, December 27, 1935.

Division of
 FAR EASTERN AFFAIRS
 FEB 11 1936
 Department of State
 58437

993.94

10 PM 3 40

SUBJECT: Sino-Japanese Controversy over
 Produce and Securities Exchange
 Settled.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

Sokobin
 Pol

Commerce

COPIES SENT TO
 O.N.E.

RECEIVED
 FILE - WASH

Sir: NOT TO

I have the honor to refer to this consulate's
 despatch No. 59/7487 of October 17, 1935, file No. 800/-
 331.7, subject: "Japanese Protest Against Establish-
 ment of Chinese Produce and Securities Exchange in
 Tsingtao" and to report now that the controversy has
 now been settled on the following basis:

1. Both the old Tsingtao Exchange (Sino-Japanese enterprise) and the new Chinese Produce and Securities Exchange will function. On the former, dealings for the time being will be in currency, cotton yarn and raw cotton; on the latter, in peanuts and peanut oil and in Chinese bonds. A joint committee will determine on which exchange other commodities will be transacted in the future.
2. The warehouses and tanks of the old Tsingtao Exchange are designated the official delivery depositories for the commodities handled on both exchanges.
3. Both exchanges will designate a third party

to...

793.94/7713

FEB 21 1936

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

- 2 -

to audit accounts of both exchanges, the profits of which will be pooled and distributed, 60% to the old Tsingtao Exchange and 40% to the new Chinese Produce and Securities Exchange.

4. Since the old Tsingtao Exchange was originally a Sino-Japanese enterprise, 50% of the shares of which were allotted to Chinese and the other 50% to Japanese, an increase in capital will now be effected, all the new stock going to a Japanese holding company so that Japanese dominance of the old Tsingtao Exchange may be made permanent and certain.

It is stated that since the Chinese would not recognize the Japanese claim to a monopoly, the concession as to pooling the profits and/or losses had to be granted to compensate the Japanese for their alleged franchise. In a local Japanese daily newspaper the Acting Japanese Consul General was reported as having made the following statement at a meeting of Japanese concerned for a report on the settlement of the controversy:

"From a legal viewpoint I hold that the new Chinese exchange should as a matter of course be abolished and I did address a despatch to the Mayor demanding that, but since the settlement arises from a mutual understanding reached by the business men of the two nations, I now offer my congratulations on the settlement...."

On the face of the conditions for the settlement of the controversy, it would appear that the Japanese have gained the day, for while the Chinese will operate their exchange, the concession to the Japanese of 60% of the joint profits indicates that the Chinese were unable to carry their contention to a right to operate an exchange alongside of a Japanese one in Tsingtao. Some of the details are still obscure to this consulate,

but...

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

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but such is the interpretation this office places on the announced terms of settlement.

It must also be added that the Chinese Produce and Securities Exchange must employ two Japanese advisers, and that Chinese and Japanese brokers already members of the old exchange may operate on the new one.

It is reported that the settlement is not altogether satisfactory to many Chinese and Japanese; the former feel that there is no just basis for the pooling and division of profits; the latter contend that the Japanese claim to monopoly for the Exchange has now been surrendered. Nevertheless, the Chinese and Japanese official circles feel that a good settlement has been attained.

Respectfully yours,

Samuel Sokobin,
 American Consul.

800/861.7
 SS/CML

Original to Embassy, Peiping.
 Five copies to Department of State,
 Copy to Embassy, Nanking,
 Copy to Tsinan-Chefoo.

A true copy of
 the signed original.
CML

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 19, 1936.

~~MSM:~~

~~WPI:~~

~~SMH:~~

~~SHH:~~

Shanghai's 89 of January 11, 1936, summarizes an article telegraphed to the NEW YORK TIMES by its correspondent in regard to the proposed agreement for joint military action by China, Japan and "Manchukuo" against communist uprisings proposed by Hirota as one of his "three points".

The article states that such joint action would open half of the provinces of China to penetration by Japanese forces and points out that if China formally agrees to this proposal China could not invoke sanctions against Japan. The spokesman for the Japanese Embassy at Shanghai is quoted as stating that Nanking has agreed in principle to negotiate on Hirota's three points, that the seizure of six Chahar districts was a warning to China to hasten formal agreement, and that if China does not sign such a pact Sung Che-yuan or a more amenable official will be required to sign such a pact. The article concludes that Japan desires a document similar to the Japanese-"Manchukuo" protocol and that the signing of the pact will give Japan a stronger hold on China than could have been obtained under the Twenty-one Demands.

CSA

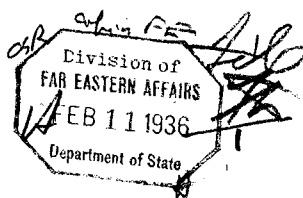
CSR/VDM

096

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

No. 89

Confidential.



AMERICAN CONSULAR SERVICE.

American Consulate General,
 Shanghai, China, January 11, 1936.

Subject: Sino-Japanese Relations: Proposed
 Agreement for Joint Military Action
 by China, Japan and "Manchukuo"
 Against Communist Uprisings.

For Distribution Check		Yes	No
Grade	For	✓	✓
In U.S.A.		✓	
ONI - MID		CSR	

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 73 of this date, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
 Monnett B. Davis,
 American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate General despatch No. 73.

800
 MBD MB

In Quintuplicate.

RECEIVED
 FEB 11 1936
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4 Carbon Copies
 127 Mr. B. Davis

FILED
 FEB 27 1936

F/FG

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

No. 73

Confidential.

AMERICAN CONSULAR SERVICE.

American Consulate General,
 Shanghai, China, January 11, 1936.

Subject: Sino-Japanese Relations: Proposed
 Agreement for Joint Military Action
 by China, Japan and "Manchukuo"
 Against Communist Uprisings.

The Honorable

Nelson Trusbr Johnson,

American Ambassador,

Peiping.

Sir:

I have the honor to report as of interest to the Embassy, in the event that the Peiping correspondent of the New York Times has not already supplied the information, that Mr. Hallett Abend telegraphed the New York Times today regarding Mr. Hirota's proposal for joint military action by China, Japan and "Manchukuo" against communism. He points out that if an agreement along these lines is concluded China may find broad specifications permitting Japan or "Manchukuo" to send armed forces anywhere in China where in the opinion of the War Offices of those countries there may be danger of Red uprisings, and that such an arrangement would open more than half the provinces of China to immediate penetration by alien armies, according to the latest official Japanese war map in the headquarters of General Tada. He says that it is noteworthy that Japan began

her

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

-2-

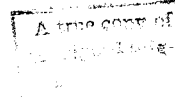
her insistence upon a triple military anti-Communist agreement since sanctions were voted against Italy, and draws the conclusion that China would not be able to invoke sanctions against Japan if the latter should obtain the former's signature to an agreement of the kind in question.

A spokesman for the Japanese Embassy in Shanghai is quoted as saying that Nanking agreed in principle to negotiate on Hirota's three points, that the recent seizure of six Charhar districts was intended as a warning to make China hasten to complete a detailed agreement for joint military action against the Communists, and that if a pact is not signed by Nanking Sung Cheh-yuan will be forced either to sign a similar document applying to Hopei and Charhar or be removed to make way for someone who will sign an agreement whereunder the Kwantung Army may dispatch forces into those provinces. Mr. Abend concludes his telegram with an expression of opinion to the effect that Japan apparently desires a document resembling the Japanese-"Manchukuo" protocol under which Japan agrees to cooperate in the maintenance of the national security of "Manchukuo" and has the right to station Japanese troops anywhere and in any number in that country, and that the signing of the proposed agreement would give Japan a far stronger hold upon this country than would have been obtained under the "Twenty-one Demands."

Respectfully yours,

Monnett B. Davis,
 American Consul General.

800
 MBD MB
 In Quintuplicate to Department
 by despatch No. 89 of even date.
 Copy to Embassy, Nanking.
 Copy to Embassy, Tokyo.



0966

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 11, 1936

Tsingtao's 88 to the Embassy of January 14, 1936, reports that the local administration has taken attitude as that of the Shantung Provincial Government in repressing student demonstrations. One meeting was held, at which objection was made to the early closing of the schools and at which it was advocated that students had the right to organize "patriotic associations", but the Mayor gave the students to understand that he would brook no demonstrations.

Shantung's contributions to the National University have been stopped because "flood relief is of more immediate importance".

CSR
CSR

096

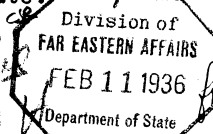
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Copy for Department of State.

No. 88

AMERICAN CONSULATE

Tsingtao, China, January 14, 1936.



793.94

SUBJECT: Student Agitation at Tsingtao.

10 11 3 44

RECORDS

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

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

Sir:

I have the honor to refer to this consulate's
despatch No. 83/7675 of December 21, 1935, file No. 800,
in which the consulate reported that with reference
to the student demonstration in connection with the
autonomy movement, the local municipal administration
had taken the same attitude as that of the Shantung
Provincial Government in repressing demonstrations.

I now have the honor to report that while it
appeared for a time that matters would not go beyond
the despatch of the telegram of sympathy by the students
of the National University of Shantung, recent develop-
ments have occurred which have caused the municipal
authorities to take this matter of student demonstra-
tion more seriously. The first development arose when
the time came for the local educational institutions
to select representatives to attend the convention at

Nanking...

793.94/7715

FEB 12 1936

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

- 2 -

Ranking which General Chiang Kai-shek proposes to address on national affairs. Apparently the authorities feared that these meetings would have for their purpose some other object than the mere selection of delegates; their fears were well founded, for, when on January 6 a group of 900 students met, the subjects discussed were the objection to the early closing of the schools and the right to organize "patriotic associations". These points were finally embodied in demands to be presented to the authorities who, expecting difficulties, had placed a large guard around the campus of the National University of Shantung where the meeting was held. In the absence of the Mayor, apparently a satisfactory settlement with the students had been made by those in authority, but upon the Mayor's return (he had been on a short visit to Tainan) he insisted that the schools must be closed before the usual date and that the regular examinations must be taken before the schools did close. The Mayor had his way and the schools did close on the 11th instant. It appears that the Mayor acted in such a way that there is no doubt that the students understand that the Mayor will not brook any demonstrations of which he disapproves and the result is that Tsingtao is altogether free from demonstrations of any kind; outside the school and within the school premises no disorder has taken place.

It must be said that there is little love lost between the Tsingtao Municipal Administration and the

National...

0969

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

National University of Shantung, since the latter institution is outside municipal activity and is also outside of provincial authority. For that reason, it is of interest to report that while the Shantung Provincial Government has in the past contributed amounts ranging from 30,000 to 60,000 dollars per month, it has been recently reported that General Han Fu-chü will decline to make any further contributions to the university, because "flood relief work is of more immediate importance". The university appears to be one of a very high standing; it has a very good staff and the students impress one as being a serious-minded body. The National Government feels that General Han Fu-chü's decision to withdraw support from the university is too drastic and it has despatched an official to Tsinan to entreat General Han to continue the contribution. So far General Han seems adamant in his determination not to contribute further.

Respectfully yours,

Samuel Sokobin,
 American Consul.

800/842
 SS/CML

Original to Embassy, Peiping.
 Copy to Embassy, Nanking.
 Five copies to Department of State.
 Copy to Tsinan-Chefoo.

A true copy of
 the signed original
CML

0971

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~MSLT~~
~~ITP~~

February 13, 1935

Shanghai's 77 to the Embassy of January 15, 1936, refers to the protest which the Japanese Consul General made against articles in the CHINA WEEKLY REVIEW and reports that the Japanese have informed the United States District Attorney that they wish to bring an action for criminal libel against Mr. Powell (editor and publisher of the paper) for alleged misstatements in regard to the Nakayama case.

CS/R
CSR

0971

Confidential.

Division of
 FAR EASTERN AFFAIRS
 FEB 11 1936
 Department of State
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LEGAL ADVISER
FEB 21 1935
DEPARTMENT OF STATE

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O.N.I. AND M.I.D.

793.94/7716

14

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FEB 22 1936

1/- Copy of Shanghai Consulate
General despatch No. 77.

In Quintuplicate.

F/FG

0972

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

no. 27

Confidential.

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 15, 1936.

Subject: Complaint Against the China
Weekly Review.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

793.94/7390

I have the honor to refer to this office's confidential despatch No. 8936 of October 23, 1935, and previous correspondence regarding the protest of the Japanese Consul General with regard to articles published recently in THE CHINA WEEKLY REVIEW (American and Chinese registered), and to report that the United States District Attorney for China has brought to the attention of this office what appears to be the next move on the part of the Japanese against Mr. J. B. Powell, editor and publisher of the periodical just mentioned.

It appears that Mr. O. Okamoto, a barrister-at-law and a member of Murakami & Company, a Japanese law firm in Shanghai, called on the District Attorney stating that he wished to bring an action for criminal libel against Mr. Powell for alleged misstatements in the issue of The China Weekly Review of November 23, 1935.

The

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

The article to which he referred is entitled "Conspiracy and Frame-ups in the Nakayama Case." According to penciled notes on a typewritten copy left by Mr. Okamoto with the District Attorney, it would appear that the statements to which exception will be taken are contained in the following quotations:

"The Japanese Special Naval Landing Party promptly laid hands on a Chinese alleyway sweep, Kuo Ah-ling, who worked close to the scene of the murder, and conveyed him to their barracks on Kiangwan Road, where he was detained for several days before being handed over to the Shanghai Municipal Police,"

and

"Kuo came into the hands of the Police Department of the International Settlement with visible marks of severe beatings on his body, beatings administered by the officers of the Japanese Naval Landing Party, who were interested, and who remained interested, in proving that the slayer of Nakayama was a Chinese. Kuo told the S.M.P. that the beatings had been administered in an effort to get him to confess that he was the slayer of Nakayama. This, however, he refused to do, declaring that he was entirely innocent."

The Embassy will be informed if there are further developments in this matter.

Respectfully yours,

Monnett B. Davis,
 American Consul General.

800
 MBD MB

In Quintuplicate to Department
 by despatch No. 93 of even date.

Copy to Embassy, Nanking.

Copy to Embassy, Tokyo.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1936.

~~MSM:~~

~~MMH:~~

~~SKM:~~

Peiping's despatch No. 175, January 16, 1935, in regard to "Current Public Opinion in China Regarding Sino-Japanese Relations". Copies in English translation of certain communications, manifestos and other printed material pertinent to the subject are transmitted.

The Embassy suggests that the first stimulus to the opposition to the autonomous movement in North China was given by the educators themselves and that therefore feeling in the student body became more rapidly ~~agitated~~ aroused. However, alarmed by the nationalistic emotions they had evoked the educators endeavored to check the student movement but efforts were unavailing and the students continued their organizing activities for the purpose of arousing public opinion in opposition to the autonomous movement. The Embassy concludes that although no strong action has been taken against the students' activities it appears probable that action will be taken if the student movement threatens to interfere with

political

0975

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

- 2 -

political affairs in North China.

The information contained in the various communications, manifestos and other printed material transmitted with the despatch is of academic interest only, being generally an elaboration of the information previously brought to the attention of the Department by despatch and telegram.

CSR
CSR/VDM

0974

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 175.

Peiping, January 13, 1936.

Subject: Current Public Opinion in China
Regarding Sino-Japanese Relations.



For Distribution Check		Yes	No
Grade	<input checked="" type="checkbox"/>		
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		ONI - M.I.D.	

COPIES SENT TO
O.N.I. AND M.I.D.

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to refer to the Embassy's
despatch No. 72 of November 12, 1935, on the
subject of current Chinese opinion with regard
to Sino-Japanese relations, and to enclose as
pertinent to the subject copies of certain
communications, manifestos and other printed
material, in English translation, which have
come to the attention of the Embassy in the
period subsequent to the establishment of Yin
Ju-keng's "East Hopei Anti-Communist Autonomous

Council"

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DIVISION OF
COMMUNICATIONS
AND RECORDS
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793.94/7717

FEB 10 1936

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

- Council" on November 25, 1935. This material
- 1/ comprises: 1) a news item appearing in the SHIH CHIEH JIH PAO (WORLD DAILY NEWS) of November 25, 1935, reporting the resolution of the meeting called on November 24 by Yin Ju-keng that there should be declared the autonomy of the demilitarized
 - 2/ zone; 2) a formal note from the Ministry of Foreign Affairs to the Embassy under date November 29 stating that the National Government had ordered the arrest
 - 3/ of Yin Ju-keng as a rebel; 3) a proclamation issued by Yin's "East Hopei Anti-Communist Autonomous
 - 4/ Council" about November 28; 4) a manifesto of December
 - 5/ 1 of the "Peiping Autonomous Commission"; 5) a manifesto of December 2 against the autonomy movement signed by
 - 6/ 351 educators; 6) a circular letter received from the student body of the National University of Peking under date December 3 denouncing the autonomy movement;
 - 7/ 7) a handbill dated December 9 issued by the Peiping Student Union explaining the reason for the student
 - 8/ strike and outlining the students' demands; 8) a manifesto of December 10 by the Peiping Student
 - 9/ Union; 9) a statement of about December 10 by the
 - 10/ Peiping Student Union; 10) a statement of about December 15 by the Student Union of the Peiping
 - 11/ Hung Ta Middle School; 11) an editorial appearing in the ASIA PEOPLE'S VOICE (Japanese-controlled Chinese-language newspaper, Peiping) under date December 17, advising the students to cease their activities and suggesting that certain Occidental "Imperialists"

were

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

- 12/ were interested in fomenting trouble by supporting such student activities; 12) a handbill received December 18, denouncing the establishment of the Hopei-Chahar Political Council on the same date;
- 13/ 13) an editorial appearing in the above-mentioned ASIA PEOPLE'S VOICE of December 18, constituting "respectful advice to the people of friendly countries" (not to support student activities);
- 14/ 14) an editorial appearing in the HSIN HSING PAO (NEW PROSPERITY DAILY, Japanese-controlled Chinese-language newspaper, Peiping) under date of December 18, offering an analysis of the student movement;
- 15/ 15) a manifesto of the student body of the Agricultural College of the National Peiping University issued under date of December 23 announcing their loyalty to the National Government and opposition to autonomist movements in North China and calling upon foreign Powers to observe treaty obligations as regards China;
- 16/ 16) an article by Dr. Hu Shih of the National University of Peking advising the students to return to their classes, as printed in the TA KUNG PAO (L'IMPARTIAL, Tientsin) of December 15; and
- 17/ 17) an article appearing in the Yenching University students' propagandist organ, the "Ninth-of-December Special Publication" (the big student demonstration was on December 9), under date of December 20 castigating Dr. Hu Shih for his "betrayal" of the country.

It will be observed from this material that

the

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Huefner NARS, Date 12-18-75

- 4 -

the recent political developments in North China have had corresponding reactions from sections of the population. The first stimulus to that opposition seems to have been given by the educators themselves, with the result that there developed more rapidly than could have happened otherwise a strong feeling in the student body. Apparently alarmed by the nationalistic emotions they evoked, local educators, and more particularly Dr. Monlin Chiang and Dr. Hu Shih of the National University of Peking, have endeavored to check the movement and cause the students to return to their classes, on the general grounds that, the protest of the students having become a matter of public record, student agitation can have no good results but will only interfere with the working out of the National Government's policies. These efforts of the educators have thus far proved largely fruitless, the students having continued their organizing activities and now having sent out into the countryside groups of students (totalling 500) for the purpose of arousing public opinion in opposition to current political tendencies in North China. The students of Peiping are reported to have refused to elect delegates for the scheduled meeting in Nanking with General Chiang Kai-shek.

As yet, no strong action has been taken by the Chinese administrative authorities in North China against the students' activities, but it seems

highly

0981

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 5 -

highly probable that such action will be taken in the event that the movement takes on a form which would threaten to interfere with political affairs in North China.

Attention at the moment centers on the scheduled meeting of Chiang Kai-shek with students and educators in Nanking on January 15.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosures: ✓

- 1/ Translation of news item appearing in the SHIH CHIEH JIH PAO (WORLD DAILY NEWS) November 25, 1935.
- 2/ Translation of note from the Foreign Office to the Embassy, November 29, 1935.
- 3/ Translation of proclamation of "East Hopei Anti-Communist Council" of about November 28, 1935.
- 4/ Translation of manifesto of "Peiping Autonomous Commission", December 1, 1935.
- 5/ Translation of manifesto of December 2, 1935, signed by 351 educators.
- 6/ Translation of circular letter from student body of National University of Peking, December 3, 1935.
- 7/ Translation of handbill of Peiping Student Union, December 9, 1935.
- 8/ Translation of manifesto of Peiping Student Union, December 10, 1935.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 6 -

- 9/ Translation of a statement by
Peiping Student Union, December
10, 1935.
- 10/ Translation of a statement by
Student Union of Peiping Hung
Ta Middle School, about December
15, 1935.
- 11/ Translation of an editorial
appearing in ASIA PEOPLE'S
VOICE, December 17, 1935.
- 12/ Translation of handbill received
December 18, 1935.
- 13/ Translation of editorial in
ASIA PEOPLE'S VOICE, December
18, 1935.
- 14/ Translation of editorial in
HSIN HSING PAO (NEW PROSPERITY
DAILY), December 18, 1935.
- 15/ Translation of manifesto of
student body of Agricultural
College of National Peiping
University, December 23, 1935.
- 16/ Translation of article by Dr.
Hu Shih printed in TA KUNG PAO
(L'IMPARTIAL) December 15, 1935.
- 17/ Translation of article appearing
in Yenching University students'
propagandist organ, "Ninth-of-
December Special Publication",
dated December 20, 1935.

710

Original and 4 copies to the Department.
 Copy to American Embassy, Nanking.

EC/rd

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

ENCLOSURE NO. 1
 TO DESPATCH NO. 175

NEWS ITEM

Translation of a news item appearing in the
 SHIH CHIH JIH PAO of Peiping for November 25, 1935.

(Trans. CHT)

(Checked: PAM)

YIN JU-KENG ISSUES A DECLARATION.

Telephone--

TUNGCHOW, November 24th, 11 p.m.:--Mr. Yin Ju-keng, Special Administrative Inspector for the Kichow-Miyün and Luanchow-Shanhaikwan Areas, arrived at Tungchow from Tientsin at 6 p.m. today. At 8 p.m. he summoned the Magistrates of the Luanchow-Shanhaikwan and Kichow-Miyün Areas, the Magistrates of Hsiangho, Paoti and Changping which are not within the jurisdiction of the De-militarized Zone, and the various Commanders of the Peace Preservation Corps, and held an emergency meeting, in which he took the chair. In that meeting he made an announcement of the autonomy of the De-militarized Zone. The formation of the autonomy institutions was at once discussed. It was resolved that:

(1) "Eastern Hopei Self-Governing Commission for the Prevention of Communism" will be organized, and its inauguration will be announced on the morning of the 25th;

(2) The jurisdiction of the Commission will cover twenty-two northeastern districts of Hopei Province (namely, Tungchow, Sanho, Kih sien, Miyün, Hwaiju, Tsunhwa, Yü tien, Pingku, Shunyi, Hinglung, Linyü, Tsienan, Luanhsien, Changli, Funing, Lulung, Fengjun, Ningho, Hsiangho, Paoti, Tushan, and Changping);

(3)

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 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

-2-

(3) The Commission will have nine members. Mr. Yin Ju-keng, Special Inspector of the Kichow-Miyün and Luanchow-Shanhaikwan Areas, Mr. Chang Ch'ing-yü, Commander of the First Detachment of the Peace Preservation Corps of the De-militarized Zone, Mr. Chang Yen-t'ien, Commander of the Second Detachment, Mr. Li Hai-t'ien, Commander of the Third Detachment, Mr. Chao Lei, Commander of the Fourth Detachment, Mr. Li Yün-sheng, Commander of the 5th Detachment, Messrs. Ch'ih Tsung-mo, Wang Hsia-ts'ai and Yin T'i-hsin, Secretaries of the Office of Special Inspector of the Kichow-Miyün Area, will be members. Mr. Yin Ju-keng himself will be concurrently Chairman.

(4) The Commission will have seven departments, namely Civil Affairs, Finance, Reconstruction, Education, Foreign Affairs, Secretariat, and Peace Preservation. Mr. Chang Jen-li, Magistrate of Fengjun, will be Chief of the Department of Civil Affairs and concurrently Chief of the Secretariat; Mr. Chao Ts'ung-yi, Magistrate of Tsunhwa, will be Chief of the Department of Finance; Mr. Wang Hsia-ts'ai, Secretary of the Office of Special Inspector of the Kichow-Miyün Area, will be Chief of the Department of Reconstruction and concurrently Chief of the Department of Education; Mr. Huo Shih, Chief of the Kupeikow Office of the Kichow-Miyün Area, will be Chief of the Department of Foreign Affairs; Mr. Tung Feng-hsiang will be Chief of the Department of Peace Preservation.

Mr. Yin has also issued a manifesto, telegraphic circular, and proclamations announcing the autonomy of the De-militarized Zone.

CHT-PMMA:T

(A true copy: *CHT*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(Embassy Serial No. 17)

Translation of a formal note addressed by His Excellency Tang Chao-ming, Acting Minister for Foreign Affairs of the Republic of China, to Honorable Nelson A. Rockefeller, Ambassador Extraordinary and Plenipotentiary of the United States of America.

Date: November 29, 1935.

Trans. Hsi: RB

Rec'd: November 30, 1935.

in:

I have the honor to recall that because of his attempted revolt against the nation the National Government has issued an explicit order that Yin Yu-kang, Administrative Superintendent of the Luanchow-Kentsaikuan area of Hopei Province be dismissed from his post and arrested for punishment. All of his activities while he was Administrative Superintendent of the Luanchow-Kentsaikuan and Chihchian-Hiyun areas which have not been approved by the former Political Affairs Adjustment Commission of the Executive Yuan at Peiping, the former Liaison Branch of the National Military Affairs Commission and the Hopei Provincial Government, and all of his activities after his rebellion should be considered as of no effect.

I have the honor to incite this formal note for your information.

(Signed) Tang Chao-ming
 Acting Minister for Foreign
 Affairs of the Republic of China.

- SEAL OF THE MINISTRY OF FOREIGN AFFAIRS -

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

ENCLOSURE NO. 3
 DISPATCH NO. 175

((TRANSLATION))

(Trans. CHT)

(Checked: PWM)

1. Copies of an instruction and a proclamation issued by the Self-Governing Commission today are enclosed.
2. The Hopei Provincial Normal School for Girls has received a telegraphic instruction from the Bureau of Education of the Provincial Government to refuse to evacuate the premises, and stating that when it is unable to resist, the school may temporarily be moved to the Luho Middle School.
3. The sound of rifle and gun fire from the east of Tunghsien last night resulted from fighting between the people of Tahsingchuang and Sungchuang, Hotung (East of the River), which did not cease until daybreak.

CHT-PWM:T

(A true copy: *CHS*)

0985

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

((TRANSLATION))

(Trans. CHT)

(Checked: PWM)

INSTRUCTION OF THE EASTERN HOPEI SELF-GOVERNING
COMMISSION FOR THE PREVENTION OF COMMUNISM.

To

the.....District Government.

In compliance with the wishes of the people, this Commission declared autonomy and was inaugurated on November 25th. Separate notices were issued to those concerned, and officers were sent out to pacify the public.

This special proclamation has now been issued and distributed and pasted at all places for the information of the public. Aside from issuing separate notices to those concerned, there are enclosed herewith copies of the proclamation. It is desired that you promptly display copies of this proclamation at populous places in cities, villages and towns and that you submit a report for investigation setting forth the names of the places where copies of this proclamation are displayed.

Yin Ju-keng,
Chairman.

November 28th of the 24th year of the Republic of China (1935).

CHT-PWM:T

(A true copy: *WMS*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

((TRANSLATION))

(Trans. CHT)

(Checked: PWM)

EASTERN HOPEI SELF-GOVERNING COMMISSION
 FOR THE PREVENTION OF COMMUNISM.

In the matter of issuing a proclamation.

It will be recalled that since the Partisans have had the absolute control of the government, they have given no consideration to people's livelihood, have committed numerous malpractices, and banditry has become rampant. They have recently taken worse measures to ruin the life of their country, and have concentrated silver so as to put the people to death, and have driven communist-bandits to disturb the frontier. They have regarded the De-militarized Zone with indifference, and have abandoned the people as worthless. If we do not promptly rise up and save ourselves, how can we continue to live?

The legal bodies of the people in the various districts in the De-militarized Zone have now come to this Office and have requested that autonomy be declared. Their sentiment is sincere and genuine.

In consideration of the peculiar circumstances in the De-militarized Zone and the continued hardship of the people, and with a view to definitely protecting the peace in Eastern Asia and promoting the well-being of the local people, we, the members, being in duty bound to comply with the wishes of the people, accepted the people's request on November 25, 1935. We have since then organized the Eastern Hopei Self-Governing Commission for the Prevention of Communism at Tungchow to be separated from the Central (Government), to

enforce

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 Department of State letter, August 10, 1972
 By Milton D. Quastgen NARS, Date 12-18-75

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enforce the Communism prevention and autonomy, to make every effort to prevent Red influence, and to take active measures for the modernization of the civil administration. The development of industry will enrich the people, and the eradication of banditry will protect the people's lives. It is earnestly hoped that our poor people will live in peace and contentment, and that a model government will be realized. This is our sincere hope.

From the date of this proclamation this Commission will assume responsibility for handling all the diplomatic and military affairs of this Zone.

Aside from issuing separate notices to those concerned, we hereby issue this proclamation for the information of the public.

Chairman

Yin Ju-keng.

Members:

Ch'ih Tsung-mo.
 Wang Hsia-ts'ai.
 Chang Ch'ing-yü.
 Chang Yen-t'ien.
 Li Hai-t'ien.
 Chao Lei.
 Li Yün-sheng.
 Yin T'i-hsin.

Of the Chinese Republic, the 24th year,
 the.....month, and the.....day.

CHT-P.M:T

(A true copy: *CHS*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE
 TO DISPATCH NO. 175

((TRANSLATION))

(Trans. CHT)

(Checked: EC)

MANIFESTO.

Since the (beginning of the) rule in China of the Kuomintang, the militarists were first engaged in civil strife and recklessly killed the innocent; subsequently, the four Northeastern Provinces were lost, and so far not the least thing has been done to cope with the situation. They are only daily absorbed in squeezing money from the people and depriving the people of their rights. Particularly, they have raised loans of millions and millions and have put the money all in their private pockets. Agricultural villages in North China have become bankrupt, and the people's lives have been left without protection. Not only does the Central Government fail to extend relief, but it has also forcibly issued "legal tender" and collected silver. They will not be satisfied until the people of North China have been done to death.

Recently the people of North China, being no longer able to remain patient, have awakened and have determined to separate from the Kuomintang Government and to establish a united self-government. In compliance with the people's wishes, in good conscience, this Commission swears to be the vanguard of the people of North China, to make every effort to struggle, to declare autonomy, and to overcome all hardships, so as to afford the people opportunity for recovery.

aside from submitting appeals to the authorities and issuing notices to friendly Powers, it is respectfully hoped that elders, brethren and sisters of North China will rise

up

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

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up together for the struggle and will altogether strive
for peace. This manifesto is **respectfully** issued.

PEIPING SELF-GOVERNING COMMISSION.

December 1, 1935.

CHT-EC:T

(A true copy: *CHS*)

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 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

ENCLOSURE NO. 5
 TO DESTROYED 175

((TRANSLATION OF A HANDBILL))

(Trans. CHT)

(Checked: PWM)

MANIFESTO OF THREE HUNDRED AND FIFTY-ONE
 PERSONS OF THE VARIOUS CULTURAL ORGANIZATIONS
 OF NORTH CHINA IN OPPOSITION TO "AUTONOMY".

To the

Central Party Headquarters, the Executive Yuan, the
 Military Council, the various Provincial Governments,
 the various Military Headquarters, the various Newspapers,
 the various Periodicals, the various legal bodies,
 the various schools, and the people of the whole country.

Sirs:

During successive years the nation has had many
 difficulties, and the northeast has been lost. Peiping
 and Tientsin are in danger. Eastern Hopei has revolted.
 Peace has become hopeless. Sacrifice has reached the
 extreme. . How should the people of the country endure
 hardships and wipe away the disgrace of loss of land and
 rights? Unexpectedly, a small number of traitors have
 become insane and have secretly concealed their plan of
 selling the country under the pretext of "autonomy".
 This secret is widely known.

We are connected with cultural organizations and are
 responsible for promotion of Chinese culture and China's
 national recovery. We are decidedly unwilling to sit and
 watch the partition and extinction of North China by our
 own people. Therefore, we, three hundred and fifty-one
 colleagues in the various cultural organizations, swear to
 oppose "autonomy" until death, so as to preserve the
 territorial integrity of the Republic of China. Those who
 promote "autonomy" are the enemies of the masses. Those who

partition

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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partition the territory are criminals of the country. Any citizen may kill them. We sincerely request that the military authorities of North China preserve their past glorious name of resisting the enemy and not surround themselves with evildoers, and that they patiently cope with the situation and endure hardships under the direction of the Central Government pending its final decision. It is hoped that the Central Government will not think of temporary peace but will promptly issue a mandate for a punitive campaign against Yin Ju-keng who betrayed the Republic, and to take back Eastern Hopei so as to preserve our territory. We are determined to sacrifice all, are ready with arms for your instructions, and swear to back the Central and North China military authorities.

This manifesto is respectfully issued.

Of the Chinese Republic, the 24th year,
the 12th month, and the 2nd day (December 2, 1935).

CHT-PCM:T

(A true copy: )

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

COPY

Enclosure No. 6
Despatch No. 175

NATIONAL UNIVERSITY OF PEKING
PEIPING CHINA

December 3, 1935.

We, the entire student-body of the National University of Peking, have remained reticent regarding the political situation in North China so long as the issues at stake have not been well-defined and clarified. Most recently, however, we have noted in the newspaper columns dispatches which, under the camouflage of "autonomy" and the pretext of "popular will", have aimed at the destruction of our national integrity by the misrepresentation and distortion of hard facts. We, as part of the people of North China and as an institution of higher learning esteemed by the nation at large, have resolved at this time of crisis to declare the following:

- (1) That we are resolutely opposed to the so-called "Movement for autonomy" which is a mere first step toward high treason.
- (2) That the so-called "popular will" is nothing more than a falsehood invented by a few humbugs and rascals, and is therefore absolutely not representative of the real aspiration of the people.
- (3) That, their glorious achievements in the past being fully acknowledged, the political and military leaders of North China should struggle against all obstacles for the life of the United Nation, and should avoid the pitfalls of the traitors.

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 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE AND
 DISPATCH NO.

7
 175

TRANSLATION OF HAND BILL

(Trans: CHT)

(Checked: EC)

MANIFESTO UPON PEIPING STUDENT STRIKE

We are on strike.

We are on strike for the purpose of opposing the betrayal of
 North China.

We are on strike for the purpose of fighting for the freedom
 and emancipation of the race.

The violence of aggression makes us unable to keep silent
 any longer. The scheme of betrayal causes us to be unable to
 keep patient any longer. We shall employ the people's strength
 to meet all intrigues endangering the Chinese race.

We saw Japanese imperialism during the September 18th and
 January 28th incidents. In view of the Shanghai and Tangku
 Truce agreements, we are clearly aware of the idea of the
 (National) Government. The facts tell us that "Sino-Japanese
 cooperation" is merely that we become slaves for others, and
 that "to pacify internal (disturbances) and to resist external
 (insult)" is nothing but to conceal surrender. Now the
 aggressors and betrayers have again hand in hand built a "Hopei-
 Chohar Betrayal Council" under the smoke screen of "Peace in
 Eastern Asia" and "Friendliness with Neighbors". North China
 exists in name, but is dead in fact. The territory has been
 secretly given away. This is a fact which cannot be concealed.
 There is no doubt that our enemy-friend will be allowed to
 separate us clearly and definitely. We reject all deceptive
 expectations, and break up all dreams of dependence. We should
 recognize that only the people themselves can rescue the Chinese

race

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 By Milton D. Gustafson NARS, Date 12-18-75

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race from danger. The outlook of the Chinese race only depends upon fight for freedom and revolutionary struggle for the emancipation of the race.

The strike is an expression of our resistance. We want to:

1. Oppose armed occupation of North China by Japanese imperialists.
2. Oppose treasonous diplomacy and the non-resistance policy.
3. Oppose all political organizations which would betray the interests of the race.
4. Oppose the Eastern Hopei Autonomous Commission for the Prevention of Communism.
5. Oppose the Hopei-Chahar Political Council.
6. Oppose any falsely fabricated autonomous movement of the will of the people.

Strike is intended to strengthen our work of struggle. We want to:

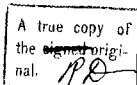
1. Arouse the people of the whole country to recognize the danger of North China and of the whole of China and to oppose aggression and betrayal; wish them to understand the Chinese race can only be rescued from danger by ourselves.
2. Exterminate traitors who would destroy the racial struggle.
3. Arm the people of the whole country and expand the struggle for the emancipation of the race.

In short, we would unite all oppressed races and peoples in the world jointly to struggle for freedom and emancipation.

PEIPING STUDENT UNION.

December 9, 1935.

CHT:EC/rd



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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

RECEIVED NO. 8
DESPATCH NO. 175

((TRANSLATION OF A HANDBILL))

(Trans. CHT)

(Checked: EC)

MANIFESTO UPON THE INAUGURATION OF THE
STUDENT UNION OF THE PEIPING MUNICIPALITY.

At present the danger in North China has reached the extreme. Traitors of Tientsin using firearms occupied the Tientsin-Tangku Peace Preservation Headquarters. Traitors of Peiping on the streets openly distributed handbills advocating selling the country. Japanese imperialistic troops continuously come south of Shanhaikwan from the northeast. The traitorous puppet government, "Eastern Hopei Autonomous Commission for the Prevention of Communism", was inaugurated on the 25th of last month. Airplanes have distributed handbills from the sky. Malcontent militarists and politicians have established a "Great Asia Society" at Tientsin. Our Nanking Government has publicly recognized three principles of Japanese imperialists for colonizing China. All these facts indicate that a very pressing crisis has come upon North China. Sufferings of "dead-country slaves" encountered by the people of Korea and Four Northeastern Provinces will soon come to us in turn.

Under the present dangerous and peculiar circumstances, the rulers, who desire to preserve their special status, do not object to giving Japan the land of the whole of North China, and the people and the whole of the property. However, we should know that North China is the North China of the Republic of China, is the North China of the people of North China, and is our North China, but is not private property

of

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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of the Nanking Government. We cannot endure the sale of the land and people of North China.

We are students of universities, middle and primary schools in the Peiping Municipality. Under such serious circumstances we are unanimously united in the inauguration of this Student Union for the purpose of opposing the partition of the territory of North China, opposing the sale of North China by the Government, and unification of the people of the whole of North China to engage in a great struggle for racial revolution. The first assembly of representatives was convened on the 18th of last month. We desire to realize our own proposals. We request the people of the whole country to stand with us on one firing line and jointly to fight for emancipation of the Chinese race.

People! Arise! Let us arm ourselves!

Oppose the "Communist-prevention and autonomy movement" which partitions the territory of China!

Oppose the recognition by the Nanking Government of three Hirota principles proposed by Japanese imperialists for colonizing China!

Immediately cease civil strife and mobilize the army, navy, and air force of the whole country to declare war against Japan!

The people of the whole country should arm themselves and expel the enemy from China!

Swear to fight for absolute freedom of national salvation until death!

Long life to the emancipation of the Chinese race!

Nine leading principles for opposition of the Student Union of the Peiping Municipality against the annexation of North China by Japanese imperialists:

1. Oppose the communist-prevention and autonomy movement which partitions North China of Chinese territory!
2. Oppose all submissive secret diplomacies!
3. Fight for absolute freedom of speech, the press, assembly, association, and the national salvation movement!

4.

0998

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4. Immediately cease civil strife and mobilize the army, navy, and air force of the whole country to declare war against the enemy!.
5. The people of the whole country should be generally mobilized and armed to safeguard North China and to expel the enemy from China!
6. Inaugurate people's armed self-defense organizations to lead a revolutionary struggle of the Chinese race!
7. Confiscate enemy goods and traitors' property to meet military expenses in resistance against Japan!
8. Conclude an agreement for mutual assistance between the Chinese and Soviet peoples!
9. Unite all oppressed peoples of the whole world jointly to oppose Japanese imperialism!

(December 10, 1935.)

CHT-EC:T

(A true copy: *MS*)

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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175

((TRANSLATION OF A HANDBILL))

(Trans. GHT)

(Checked: PWM)

STATEMENT OF THE STUDENT UNION OF THE
PEIPING MUNICIPALITY TO THE PEOPLE.

People of the Peiping Municipality!

People of North China!

People of the whole Country!

Have you seen it? Traitors of Tientsin using firearms occupied the Tientsin-Tangku Peace Preservation Headquarters. Traitors of Peiping openly distributed handbills on the streets advocating selling the country. A large number of warships and cannons are aimed at the Municipality of Tientsin. Several thousands and several tens of thousands of Japanese imperialistic troops continuously come from the northeast. The traitorous Puppet Government "Eastern Hopei Self-Governing Commission for the Prevention of Communism" was inaugurated on the 25th of last month. The airplane "Eastern Hopei" has publicly distributed shameless handbills advocating selling the country. Malcontented militarists and politicians have established "Great Asia Society" at Tientsin. Our Government has publicly recognized three major principles of the Japanese imperialists for colonizing China. These iron-like facts are merely telling us that a very urgent crisis has come to North China. Under the friendly and cooperative policy of the Government we shall soon suffer hardships similar to those of the people of the Four Northeastern Provinces.

On the other hand, the Government has during successive

years

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years been engaged in civil war. Financial resources have become exhausted. In order to maintain with strenuous efforts this administration which has disgraced the country and lost its rights, it (the Government) is willing to devise all possible means to deprive the people of their possessions. Just see, since the enforcement of the "legal tender notes" commodity prices have gone up and the people have suffered greatly. Particularly in the case of the people of North China not only are they suffering from extreme exactions domestically, but they are also subject to the direct squeezing of Japanese imperialists. Japanese imperialists are also opposed to "legal tender notes", but they now merely attempt to avail themselves of this opportunity to proceed with a general cruel squeezing of the people of North China.

People! North China is the North China of the Republic of China, is the North China of the Chinese people, and is our own North China. During this crisis we should be strongly determined to oppose such violent robbery and shameless sale.

Arise! The people of the whole of North China should arm themselves. Our path can only be found by ourselves. Arise! The people of the whole country should be mobilized and armed. Let us use our own strength to protect North China, recover the Northeast, overthrow Japanese imperialists, and expand the revolutionary struggle of the Chinese race. The final victory is certainly ours.

People! Arise! Let us arm and organize ourselves!

Oppose "Communist Prevention and Autonomy Movement" which partitions China's territory!

Oppose the recognition by the Nanking Government of the three Hirota principles made by the Japanese imperialists for colonizing China!

Immediately cease civil strife and mobilize the army, navy and air force of the whole country to go to war with Japan!

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People of the whole country should arm themselves to
expel the enemy from China!

Swear to fight for absolute freedom and for the national
salvation movement until death!

Long life for the ~~emancipation~~ of the Chinese race!

CHT-PM:T

(A true copy: *CHS*)

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 By Milton D. Gustafson NARS, Date 12-18-75

TRANSLATION OF HAND BILL

(Trans: CHT)

(Rec'd: Dec. 17, 1935)

(Checked: EC)

STATEMENT OF THE STUDENT UNION OF THE PEIPING
 HUNG TA MIDDLE SCHOOL TO STUDENTS OF THE VARIOUS
 SCHOOLS.

Dear schoolmates:

During the last two months the aggression of Japanese imperialists in North China has become more tense daily. Groups of airplanes have visited the various places for scouting and demonstration, and have distributed misleading handbills. A large number of troops have become active in Peiping and Tientsin, have encroached upon the railway stations of our country, and have stopped our communications. They have, moreover, used shameless traitors to establish a puppet organization called the "Eastern Hopei Autonomous Commission for the Prevention of Communism". Furthermore, the "Hopei-Chahar Political Council" which has been secretly taking shape for many days is about to be inaugurated. These facts tell us that a very pressing crisis has come upon our North China. If we continue to fail to exert our efforts to struggle, North China will be lost, just the same as the four Northeastern Provinces.

Let us turn back our heads to look into the internal circumstances. The Government not only offers no resistance against the aggression of the imperialists, but on the contrary it makes weak and feeble compromise with the enemy. At the same time shameless traitors, being instigated by the imperialists, have falsely fabricated the will of the people and have done various things injurious to our rights and disgraceful to our country. Under such extremely greivous
circumstances

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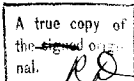
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circumstances young people of our country should by no means continue to keep patient and watch the partition of our territory by others without any resistance. We should immediately rise up and arouse the people, so as to make the people understand that we are in an extremely dangerous position. We swear to oppose the autonomous movement in North China until death, and to urge the Government to awaken and offer effective military resistance against the aggression of Japanese imperialists.

Fellow-students of the whole country! Rise up quickly!
Be vanguards of the people! Oppose the autonomous movement in North China! Struggle for our self-defense!

SEAL OF THE STUDENT SELF-GOVERNING UNION OF
THE SECOND BRANCH OF THE PRIVATELY ESTABLISHED
HUNG TA MIDDLE SCHOOL OF THE PEIPING MUNICIPALITY.

CHT:EC/rd



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 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE (4)
 DISPATCH (1)
 175

Translation of an editorial from ASIA PEOPLE'S
 VOICE (A Japanese-controlled Chinese-language
 daily), Peiping, December 17, 1935.

(Trans. CHT)

(Checked: EC)

RESPECTFUL ADVICE TO STUDENTS.

In North China, under the control of the force of the Northwestern Army, the country can by no means be injured or sold. It is requested that students in North China give us their confidence.

The past history of the Northwestern Army was to struggle for the country. In future it will continue to make every effort to struggle for the country. It is requested that students in North China give us their confidence.

The common aim of the Northwestern Army is internally to exterminate national traitors and externally to resist strong enemies. At the present this aim remains unchanged and can be seen clearly. It is requested that truly patriotic students recognize clearly who the national traitors are, and who the strong enemies are. We wish to avoid the forthcoming world war. We have our own mental pains and isolated aims. It is requested that patriotic students give us their confidence. It is requested that you promptly end the student movement in North China.

THE MURDERER OF YOUR PONY IS A BY-STANDER.

Students! One drop of your blood and one drop of your sweat are blood and sweat from our own hearts. Your
hearts

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hearts are our hearts. Gentlemen! You should recognize clearly and should not be drugged by others.

Why was this student movement originated by Yenching and Tsinghua? In these universities there are persons (instigators) whom we can point out. The imperialists being motivated by their own instincts of international jealousy wish to do whatever they can. Moreover, they have lots of money. The day upon which your livers and brains are exposed on the ground is the day when the imperialists will clap their hands and laugh loudly. The proverb says: "The murderer of your pony is a by-stander". Please wake up, patriotic students!

Why did foreign-language newspapers make every effort to give directions and encouragement and to carry out propaganda for your movement? When the map is spread out, a stiletto is exposed (An attempt is frustrated by its exposure). They are constrained to rise up themselves.

Today is a struggle between the Orient and Occident and a fight between yellow and white. Brothers, recognize the subject clearly!

CHT-EC:T

(A true copy: *MB*)

1006

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE NO. 12
TO DESPATCH NO. 75

((TRANSLATION OF A HANDIBILL))

(Trans. CHT)

(Checked: EC)

STATEMENT TO THE PEOPLE OF THE WHOLE COUNTRY.

Dear brethren:

Today is the day of inauguration of the "Hopei-Chahar Political Council". The inauguration of this "puppet council" will lightly partition Hopei and Chahar provinces, or, in other words, it will give away the whole of our Chinese territory. Dear brethren! We all are Chinese citizens. Can we bear such a partition? Can we endure such unchanged treasonous diplomacy of the Government for our betrayal?

No, we are unwilling. For the sake of emancipation of our own lives, property, children, and the race, we wish to spend our last drop of blood to fight for our rights of existence.

Brothers! Can we wait until we have tasted the flavor of "dead-country slaves" when we shall raise our hands to resist? It would be too late by then. Dear brothers! At present it is not the time for us to wait. Let us unite together! Let us prepare ourselves to spend our last drop of blood to struggle with the blood-sucking imperialists.

(Rec'd December 18, 1935.)

CHT-EC:T

(A true copy: *CHS*)

1007

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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NEWS ITEM

Translation of a news item appearing in
ASIA PEOPLE'S VOICE, Peiping, December
18, 1935.

(Trans.: CHT)

(Checked: EC)

EDITORIAL

RESPECTFUL ADVICE TO THE PEOPLE OF
FRIENDLY COUNTRIES.

Occidental language newspapers have all exerted their efforts to carry out propaganda for the student movement of day before yesterday. On the previous day they published detailed accounts as to how the movement was internally organized, how complete the work was, how eminent the persons were, how brave their spirit was, and how serious their sentiments were. They were only afraid that they were not strenuous in nourishing the movement, and that they failed to give adequate directions. May I ask you a question: "Can a young student of mettle refrain from being moved by such encouragement"? On the day of parade some people of our friendly countries rode in motor cars and went along with the students. They tried every way possible to protect the students. Upon arrival at a school the students clamored for a long time. Their slogan seemed to be: "Those who are warm-hearted should go on strike and come out to join the parade." At the time of parade their slogans fell generally into the following categories:

1. "Down with the Kuomintang! Down with Chiang

Kai-shek!

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 By Milton D. Quisenberry NARS, Date 12-18-75

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Chiang Kai-shek! Down with Japanese
 imperialism! Build a Soviet China!"

2. "Support Chiang Kai-shek! Support the
 Kuomintang! Oppose North China Autonomy!
 Oppose Sung Che-yuan!"
3. "Support North China Autonomy! Support the
 Telegraphic Circular of Sung Che-yuan for
 the Return of the Political Power to the
 People. We want Autonomy! *
4. "Down with the Kuomintang! Down with
 tyrannical government of the Kuomintang!
 Down with dictatorial government! Realize
 the promise for return of the political
 power to the people!"

Thus you can see the differences in the opinions of the students. Even though they were under active encouragement of friendly countries, their slogans were still so very different. All these facts were stated by a professor of a certain university in person. After he stated these facts he sighed heavily, and expressed the belief that in such a student movement even if the authorities could listen to their opinions nobody would know which way he should follow.

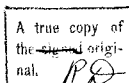
People of our friendly countries! Are you pleased and willing to instigate young people and to cause ill-feeling between the peoples of China and Japan and to bring about bloodshed of yellow race? The future hope of our Chinese race entirely depends upon young students. Are you pleased and willing to plant on their pure and innocent hearts seeds of necessity for mutual slaughter among the
yellow

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yellow race? We love peace in mankind. We wish that there is a ray of hope for humanity, and cannot but appeal on this account. We shall be fortunate if people of our friendly countries will show pity and sympathy with us.

CHT:EC/rd



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By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE NO. 14
DISPATCH NO. 175

NEWS ITEM

Translation of a news item appearing in the
HSIN HSING PAO, a Japanese newspaper in Chinese
language, Peiping, December 18, 1935.

(Trans.: CHT)

(Checked: PFM)

EDITORIAL

ANALYZED VIEW OF THE STUDENT MOVEMENT.

(1)

Since December 9th the students in Peiping have been temporarily quiet. Unexpectedly, another parade took place suddenly day before yesterday, and again caused serious disturbance in the Peiping Municipality, where peace had been temporarily secured.

Although it is impossible to determine abruptly what influence was hidden behind the scene of this student movement, the following two facts which have made their appearance afford us an implied basis for a definite conclusion:

1. A number of persons including Monlin Chiang, Chancellor of the National University of Peking, and Mei Yi-ch'i, President of the Tsinghua University, met several times at the Returned Students' Club and had secret discussions. This matter was published in the ASIA PEOPLE'S VOICE on the 17th instant, which stated as follows:

"Resolved to ask the local authorities

not

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not to take high-handed action toward students. Later, Monlin Chiang and Wang Cho-jan called on Mayor Ch'in at the Municipal Government at 3 p.m., held discussions with the latter, and did not leave until 3:30 p.m."

Outsiders can imagine what those school heads secretly discussed and why the demonstrations were held.

2. In front of the group of students in parade there were foreigners wearing white arm bands, who went along with the group all the time. They acted as guides in the front. The correspondent has repeatedly seen such student movements since the first year of the Republic, and does not recall a parade voluntarily directed by foreigners.

Besides, the Central Party Headquarters hid behind them (the students) and made plans and gave directions. This point should not be neglected.

It is believed by the public that Monlin Chiang, Chancellor of the National University of Peking, apparently received a secret instruction from the Ministry of Education a few days ago to the effect that the Nanking Government instructs Chiang not to oppress student movements. The petition made by Chiang to Mayor Ch'in on the 16th was nothing but to carry out the secret instruction. It is our observation that superficially it was a petition made to the Mayor, but that in reality it will undoubtedly hamper the Mayor.

It is recalled that during the past several years the students in Peiping falsely assumed the good name of patriotism, and actually had many spots in their name. There is no need for us to mention many examples. For instance, in the name of the National Salvation Fund they actually squeezed the people of the municipality. Or,

they

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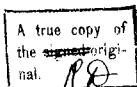
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they confiscated imported goods as enemy goods and auctioned them off for money, but no report was made public. The money was used to feather the private nests of a small number of party members. When the time for examinations came, they were alarmed and thereupon demanded waiver of examinations under the pretext of being engaged in a patriotic movement. However, when external danger came they hurriedly fled in different directions before they had enough time to complete packing their luggage. At the time of parade they tried every way possible to be in front of others, but at that time (of external danger) they were afraid that they might be left behind others. These points are merely the essential qualities of student movements.

At a glance the repeated student movements seemed to have nothing to do with (the public). However, those who suffer direct losses are truly the people. Except for causing more difficulties to the country, the movements made no gains which could be mentioned.

Intellectuals are naturally clear about the effect upon North China of this student movement, and it is needless to discuss the subject here. It can only be said that the student movement is used as an opportunity to aggravate foreign relations. During the past several years the people of North China have been in terror day and night. How can the people stand if this movement continues hereafter? Several days ago we expressed the hope that the authorities would give the people "rest and peace of mind". However, the party members ruling China and the highest school authorities in Peiping have given the people "mental labor and terror".

CHT:PWM/rd



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Enclosure No. 15
Despatch No. 175

COPY

MANIFESTO

In view of the present ^{political} precarious/status and the apparently ominous situation of a few Northern provinces of the Republic, which have only been created and are still being aggravated by the unscrupulous intrigues of an aggressor nation, we, the undersigned now heartily beg to call the attention of all our friendly nations to the following two statements:

1. That we, as a portion of the residing population of North China, reaffirm here by our full allegiance and loyalty to the National Government, and our positive opposition to any separatist as well as any sham autonomous movement aiming at the destruction of the national unity and consolidation of the country.
2. That we are here calling on all nations not only to respect the territorial and administrative integrity of the Nation, thus to keep faith with the principles and pledges laid down by all concerned in various treaties, but also not to hesitate any longer at bringing up sanction upon the pact-breaker and holding the aggressor in check, so as to meet their treaty obligation on one hand and preserve the world peace on the other.

Signed by the Entire Body of the
Students of the Agricultural College
of the National Peiping University,
Peiping, China.

December 23rd, 1935.

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 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE No. 16
 TO DESPATCH No. 175-

Translation of an article appearing in the
 INDEPENDENT CRITIC, No. 182, December 22, 1935.

(Trans. GHT)

(Checked: EC)

A WORD ADVANCED FOR STUDENTS' MOVEMENTS.

Hu Shih.

Fifteen years ago I proposed a historical formula:

"In a country of transformed society the government is extremely corrupt and the people have no regular correcting organizations (such as congresses and the like representing popular opinion). In such a time movements for interference in the government must be brought about by young students."

This formula is applicable to "China and foreign countries of the ancient times and of the present day". From the time of interference in the government by government students during the Eastern Han and Northern Sung dynasties right down to the recent years when "candidates for government examination submitted proposals", returned students organized revolutionary parties, and, on the occasions of the May 4th movement, the people's revolution subsequent to the year 1924, and the movement of Communist Party, all such acts are "the same in the ancient and present times". From the students' interference in the government for past two thousand years in China, the various political and social revolutions in European countries during the past three hundred years, and the present student movements in the whole world for interference in the government (for example, the anti-British movement of Egyptian students, as reported in the press during the last several days),

it

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it may be seen that it is also "all the same in China and foreign countries".

This principle is very manifest. People of middle and old ages have lost their spirit of bold men with their long experience in the world. Frequently they have their family burden and so all of them readily adopt the attitude of being clever in protecting their personal safety, and are unwilling to participate in any dangerous political activities recklessly. Only young students are easy to be moved and are courageous. They have no family burden. Knowledge cannot entirely suppress sentiment. Therefore, once they be moved by righteous anger they often run great risks and make great sacrifices. They are unwilling to consider the past and future, and also do not hesitate. This has always been true in China and foreign countries in the ancient and present times.

Being aware of this very simple historical formula, we should know that the silence of young students under the national distress of China during last several years is a mere transformation, but not the usual thing. The reasons for silence are partly, of course, the perception of the weakness of our own strength, and partly oppression by political power. A majority of students are definitely aware of the unprecedented seriousness of this national distress and of the absolute ineffectiveness of slogans, posters, parade and demonstrations. Therefore, they decided to seek for strength for their future service to the country in the libraries and laboratories. However, this was not the principal cause for silence of students during

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during the recent years: this class of students was really silent, and basically was not the material for causing political movements. All movements for interference in the government are instigated by a small number of obstreperous and active young people. The abundance of "special agencies" and secret informants during the recent years has frequently caused officious elements in schools in various places to disappear. This suppression of instigators of political movements appears to be the principal cause for the silence of students during the recent years.

An open and intelligent government should make every effort to see that young people are pleased and voluntarily cooperative in the rendering of support to it, and should not misuse its power to destroy all influences which can rectify or supervise the government. In the most serious and pressing juncture of external trouble and at such time as traitors are all over the place, what is urgently needed by the country is public comment which is not afraid of strong resistance and popular sentiment which disregards factors of gain and loss. What our country of today lacks is not submissive people, but powerful critical officials and heroes. For this reason, we always consider it unfortunate for the country that the government has during recent years adopted the policy of curbing independent comments and oppressing active young people.

Let us recall that three or four years ago we could then feel confident that if the national army could not fight we could employ economic weapons. Now? Pity! we

can

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can only talk about economic cooperation. The loss of effectiveness of such economic weapons is partly due to the lack of government support and partly due to the suppression of public criticism and of young patriotic people.

During May and June of this year when North China was undergoing oppression, newspapers published not a single news item and made not a single sentence of comment. The young people of the whole country were slumbering while the world was tumbling about their ears, and the entire North China was almost lost silently.

It is a natural result that when both independent criticism and young patriotic people keep silent, the so-called "autonomy" movement should publicly come into the picture. As such a vast area has long become "a territory without any people", treacherous persons of course cannot wait any longer and become openly active.

Accordingly, the great demonstration parade of students of the various schools in Peiping on December 9th was the happy occasion for the young people of the north who had kept silent for many years. We, people of middle age, could no longer remain patient. How could young men and women who feel the mettle of youth endure this?

Shortly after 3 p.m. on that day I went northward from Morrison Street and happened to meet the groups of students in parade coming southward from the Tunganmen Street. Their number was not large, and their columns not

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not even. However, when we saw them we really could not help feeling that we hear "foot steps in a deserted valley" (a stirring phenomenon).

Although none of the newspapers in Peiping and Tientsin was allowed to publish the facts concerning the great demonstration of students for opposition against "autonomy" of that day (though the TA KUNG FAO published this report, it could not be seen in Peiping because its ban was not ^{yet} lifted), it was a great act known to all the world. The people in the world then could say that at least several thousand young Chinese students had clearly expressed their non-recognition of the dirty puppet play of so-called "autonomy".

However, after the 9th the students of the various schools suddenly went on strike besides. This we consider unfortunate.

Students' strikes are a most disadvantageous form of action. More than ten years ago a students' strike for patriotic purposes could elicit the sympathy of the whole country. However, subsequent to the May 4th Incident, students' strikes long were a misused weapon. Not only could they not call forth sympathy, but they caused disgust in society. How can young people be unaware of this simple fact?

Students' strikes not only cannot influence even slightly the party against which the protest is filed, but also decidedly cannot gain the sympathy of a majority of the young people who are fond of

study

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study, Therefore, during these days a small number of persons who instigated the students' strike have entirely depended upon fabricating some baseless rumors to uphold an unsteady mental feeling. The various schools inside the city have passed on such a report that one girl student of the Tsinghua University has died, while the various schools outside the city have said that a girl student of the Normal University has died. In fact, all those reports are absolutely unfounded rumors. Such reckless belief and such blind action are insults to pure-hearted young students. Those who have fabricated such rumors to maintain their power are criminals of the pure-hearted youth movement.

As we are a lover of the youth movement, we cannot but give them a few words of advice. First, young students should clearly recognize their object. Under such a transformed government there can be only one object of an unarmed students' movement, that is, to give a cry of protest for the supervision or correction of the actions of the government. Their cry is an expression of public criticism and popular opinion. If used in a suitable occasion, such a protest is powerful and can bring about reform of a government which loves to become better and can cause fear to a government, which does not desire to become better. Having recognized this point, they will know that any direct action beyond this protesting purpose (for the purpose of public criticism) is not the object of student group movements.

Second, young students should clearly recognize their strength.

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strength. Their strength depends upon their organization which must be founded on the basis of a law-abiding spirit. A law-abiding spirit is simply the fixing of rules clearly and the strict observance of them. All elections must be in accordance with law. In all discussions everybody should be made able to express his opinion. All resolutions must be in accordance with law. In this way every member of the union can be satisfied and submissive and can participate in the common life of his free will. Only such an organization can be powerful. All sorts of monopolistic control by a small number of people and all kinds of simple instigation, at the utmost, can only deceive the public for a moment and in the long run cannot maintain a permanent existence and cannot increase strength.

Third, young students should clearly recognize the methods they use. All of them are in the period of getting an education; therefore, all students' activities should be intended for their education and training. This is not a subsidiary purpose, but is the means of the student's movement itself. The free expression of opinion, sincere study of questions, independent criticism, strict observance of rules, diligent and painstaking refining of oneself, and the sacrificing support of public welfare have educational value and training effect. Besides, young people at the time of receiving education should not follow others blindly, should not believe others recklessly, should not take despotic action, should not oppress a minority, should not deceive the public, should not use public affairs for selfish purposes, and should not destroy laws. Those are not the methods of a students' movement. The unit of the common life

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life actually depends upon the perfect personality of an individual. In students' movements, care must be exercised to the end that the personality of freedom, independence, and ability to respect the justice and to keep the law should be built up. A group of young people who stupidly let themselves to be led by the nose in school by no means have real strength, and, after they leave school, they will be fit merely to become submissive people and slaves.

Fourth, young students should clearly recognize the times. The national distress which we are facing today is an unprecedentedly severe difficulty. Our present position is sufficiently difficult, but the future difficulties will be ^a thousand times more severe than this. Although in this severe distress all attractive slogans and posters are indeed useless, one cry of protest in a suitable occasion at most can only afford a temporary relief. The fundamental duty of young students is really that they should, as a common habit, make every effort to develop their own knowledge and ability. Progress of society is slow and the strength of the country also depends upon the strength of everyone. The struggle to nourish one's own knowledge and ability is the only real preparatory work for service of the country.

(Sunday essays in TA KUNG PAO of December 15th.)

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 By Milton D. Quastman NARS, Date 12-18-75

Enclosure No. 17
Despatch No. 175

Translation of an article appearing in DECEMBER
 9th SPECIAL BULLETIN issued by the Publishing
 Committee of the Students' Self-Governing Society
 of the Yenching University on December 20, 1935.

(Trans. CHT)

(Checked: EC)

I HAVE READ HU SHIH'S "A WORD ADVANCED
 FOR STUDENTS' MOVEMENTS."

Mo Ning.

1. Hu Shih has already been thrown
 into the latrine for reactionaries.

"At the time of the May 4th movement of cultural
 revolution Hu Shih was a powerful revolutionary. However,
 he long ago surrendered to the feudal remnants and has
 become a new running-dog for the imperialists. He has
 betrayed the revolution and is supporting a most cruel
 reactionary policy. Hu Shih has already been thrown
 into the latrine for reactionaries."

Two years ago I read in a magazine the foregoing
 comment on Hu Shih. I now feel that this comment is
 accurate, basic, and definite, and really is a fitting
 criticism.

At the time of the May 4th (1925) movement the most
 important things were the hatred against feudal remnants
 and opposition against the imperialists, and science and
 popular rights were advocated. The tendency of those
 opponents and revolutionaries toward obscurity and
 generality, and the liberalist and individualistic

elements

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elements of the propertied class were included. However, a majority of the present propertied class cannot have such a spirit of opposition because they have now reached a compromise agreement with the imperialists and feudal remnants, and no longer stand in need of opposition or revolution. The present Chinese propertied class, Chinese landlords, wicked gentry, Chinese officials, militarists, and evil scholars, can at their will have several wild-haired modern girls as their mistresses. In their wealthy and beautiful modern buildings is arranged Molai style furniture in straight-line form. When they go out they ride in 1935-model stream-lined motorcars. Of course, why should they need any revolution or opposition? When North China is lost Hu Shih can still be professor of a university and Dean of a College of Literature. Therefore, for the sake of his own special position and interests, Hu Shih cannot but act as a running-dog of the imperialists and cannot but act against his conscience and grasp a flag of reaction and carry on his barbaric work of cheating the foolish section of the population.

2. Hu Shih has revealed his true appearance in his Sunday Treatises of the TA KUNG PAO.

On the 15th instant Hu Shih wrote, among the Sunday treatises of the TA KUNG PAO, an essay, entitled "A Word Advanced for Students' Movements", with regard to our present Peiping Students' movement. Any patriotic fellow students who have brains, after having read this essay, will angrily curse: "Alas! China is really hopeless. Such a great scholar acts madly as a running-dog of the imperialists, and obstructs and destroys the patriotic movements

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movements of young people." Dear fellow students! Be sure not to believe blindly any longer such low scholars. They have already been thrown into the latrine.

In his essay he madly sturggled to attack and oppose the present strike movement, and raised four points to admonish our young people. Now, let us make a calm and objective examination of his advice.

(1) He said: "....young students should clearly recognize their object... Their cry is an expression of public criticism and popular opinion. If used in a suitable occasion, such protest is powerful and can bring about reform of a government which loves to become better and can cause fear to a government which does not like to become better. Having recognized this point, they will know that any direct action beyond this protesting purpose is not the object of student group movement."

With regard to this point, he simply acts against his conscience, and protects the treasonous government, and indirectly flatters the Japanese imperialists because he has disguised the true character of the Chinese Government. He feels that the Chinese Government is the same as European and American Governments, which will accept people's opinion and perform their duty of protecting the people. However, let us see whether this is true with the Chinese Government. They are a herd of low-grade benumbed things, only knowing betrayal of their country. On the one hand they use military force to oppress the people, while on the other hand they use honied words to cheat the people. Since the "September 18th" (1931) incident our people have submitted several hundred

petitions

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petitions and protests. But, have they (the Government) accepted them? They merely cheat the public and tell lies, and deal with or reply to the people only insincerely. Or, they issue several handsome telegraphic circulars and manifestos. In fact, however, they still surrender to others, and offer either no resistance or false resistance. They avail themselves of different kinds of protection to carry on their treasonous policy. Is it of any use if we merely protest and protest and file ten thousand protests under the rule of such a low-grade, benumbed, vicious, false and treasonous government? It is feared that when four hundred millions of people have been sold by them and have become slaves, they will continue falsely to issue handsome manifestoes in newspapers, saying: "To the bending my body and the exhausting my energy (in the service of the State), only death shall put a stop."

(2) He also said: "Young students should clearly recognize their strength. Their strength depends upon their organization which must be founded on the basis of a law-abiding spirit... In all discussions everybody should be made able to express his opinion... All sorts of monopolistic control by a small number of people, at the utmost can only deceive the public for a moment..."

His deceitful talk of this sort could befuddle a majority of the people several years ago, but has long ago lost its effect. When a traitor sells his country, and when students raise opposition, the traitor will put high hats on them (make fools of them) and say that they

are

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are controlled by a small number of people having a political background. Such noisome and decayed talk has long ago been thrown in to the dust-bin.

(3) He said: "Young students should clearly recognize their methods.young people at the time of receiving education should not use public affairs for selfish purposes and should not destroy laws..."

This point of his statement is even more given to error. All of us are young people of China. When our country is dead, we all should become pitiable and oppressed slaves of a dead country. In such a time of national crisis what is public and what is private? We, a group of unarmed, warm-blooded, patriotic young people, use our pure and clean warm blood to arouse the people to unite themselves to rescue our fatherland from imminent danger. How can this be considered as destruction of the laws?

(4) At last, he said: "Young students should clearly recognize their time. The national distress which we are facing is an unprecedented severe difficulty... The fundamental duty of young students in this great distress is really that they should commonly make every effort to develop their own knowledge and ability..."

This rotten and stinking commonplace has been used by others for thousands and thousands of times. Let us recall that in the year 1931 the Government under its policy of false resistance lost the Northeast, and in this year has betrayed North China with its non-resistance policy. Next year under its semi-resistance policy the Government will probably lose South China. As regards the reading of books for

salvation

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By Milton D. Huelsman NARS, Date 12-18-75

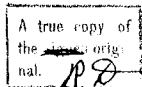
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salvation of the country, the salvation of the country
for the study of books, the fostering of knowledge, and
the training of ability, the facts tell us that we shall
become slaves under the iron hoofs of cruel Japan long
before we have adequate knowledge and ability.

From the above four points we can see the true
appearance of Hu Shih. He is a running-dog of the
imperialists and of the treasonous government and a criminal
deceiver of the people!

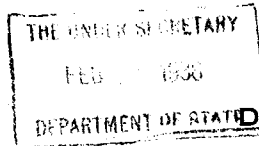
December 17, 1935.

EC:CHT/rd



1028

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

February 8, 1936.

Subject: The situation in North China.

S:

Mr. Secretary.

During the past week the situation in North China was quieter than at any other time in recent months, indications, however, being that the Japanese military were continuing their efforts to bring about the autonomy or independence of that area. The Embassy at Peiping reported that according to local Chinese official sources the Japanese military were continuing to exert strong pressure on the Chairman of the Hopei-Chahar Political Council to declare complete autonomy but that he was loath to take this step; that conversations between Japanese and Chinese officials of Shantung and Shansi Provinces have been taking place; and that conversations at Tokyo in which Japanese military officers from China are presumably participating are regarded as having significance in connection with the future course of the Japanese military in North China.

MSM/VDM

793.94/7718

F/FG

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

1-1236

FROM

GRAY

Peiping via N. R.

Dated February 11, 1936

Rec'd 1:18 p. m.

Division
 FAR EASTERN AFFAIRS
 FEB 11 1936

Secretary of State
 Department of State
 Washington.

COPIES SENT TO
 O.N.I. AND M.I.D.

59, February 11, 3 p. m.

Embassy's 44, February 4, noon.

7702

One. Doihara arrived February 8 at Peiping from Tientsin reputedly to remain for some time. The conference of military officers at Tokyo continues and Sugiyama's departure for Manchuria and North China (see Embassy's 21, January 16, 4 p. m.) is reported as postponed until February 20. General Sung and the Hopei-Chahar Political Council apparently continue to procrastinate in proclaiming toward that degree of autonomy which the Japanese military desire. However, Doihara in two press interviews stated that the Council will have Japanese advisers; and a Japanese press report from Tsitsihar states that Shironagai, director of the general affairs board in the Heilungkiang Provincial Government and formerly in the Tokyo Finance Bureau, will be financial adviser to the Council.

Two. The Hopei-Chahar Council is considering the establishment

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FILED

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78-1

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

LMS 2-No. 59, February 11, 3 p. m. from Peiping.

establishment of an education commission to supervise education, its duties probably to be restricted at the beginning to middle schools. It is understood that the commission was "suggested" by the Japanese, not "demanded". Local educators are opposed to it, claiming that such a threat to educational liberty would cause students to demonstrate again and would result in schools and universities eventually removing from Peiping.

Three. Reports here that Japanese-manufactured text books are to be used in Yin Ju Keng's area are substantiated by Mukden's despatch 222, February 7 which states that the Mukden Chinese press reports that 1,500,000 primary school text books compiled by the East Asia Cultural Society are being printed in Mukden for use in the area under Yin Ju Keng.

By mail to Tokyo.

LOCKHART

CSB

98-2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1936

ESM
/

Nanking's 66 of January 11, 1936, transmits a memorandum of conversation in regard to student disturbances at the University of Nanking - a detailed report being submitted in view of the fact that the University is largely conducted under American auspices and that the Japanese might assert that the school activities were anti-Japanese.

The incident reported is stated to have arisen from the ill-judged acts of the Gendarmerie - it is also stated that these student disturbances appear to have been fomented by unknown persons for some ulterior end.

CSR
CSR

103

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
 UNITED STATES OF AMERICA
 Nanking, January 11, 1936.

No. 66

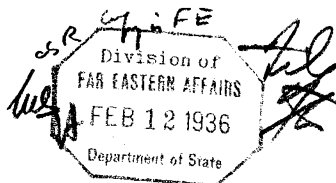
Subject: Student Disturbance at the University
 of Nanking.

793.94

For Distribution Check		Yes	No
Grade			✓
For			

OSR

1936 FEB 11 AM 11 58

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94/7720

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

1/

I have the honor to enclose herewith a memorandum of a conversation between the Treasurer of the University of Nanking, Miss Elsie M. Priest, and me, on January 9, 1936, giving an account of a student disturbance at the University on the morning of January 8. This disturbance arose out of the current wide spread student agitation against the autonomy movement inspired by the Japanese in North China.

It

FILED
 FEB 13 1936


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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

It would not be necessary to report an occurrence of this sort in so much detail, were it not for the fact that the University of Nanking is conducted largely under American auspices and experience has shown in times past that the Japanese authorities occasionally protest against patriotic movements among Chinese students in American educational institutions on the ground that such movements are anti-Japanese. It is with a view to such possible complications that a detailed account of the occurrence on January 8 has been placed in the record.

Respectfully yours,

For the Ambassador:


Willys R. Peck,
Counselor of Embassy.

✓
Enclosure:

1/ Memorandum of Conversation,
dated January 9, 1936.

Original and one copy to the Department
Copy to Peiping
Copy to the American Consulate General, Shanghai.

WRP:MM

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MEMORANDUM OF CONVERSATION.

Nanking, January 9, 1936.

Subject: Student Disturbance at the University
of Nanking.

Miss Elsie M. Priest, Treasurer of the
University of Nanking.

Mr. Peck.

In response to a request telephoned by Mr. Atcheson to Miss Priest for information regarding the student disturbance at the University of Nanking on the morning of January 8, Miss Priest gave Mr. Peck the following account:

At the close of the fourth period, i.e., 11:40 a.m., the students of the University were all converging on the gate house to leave the campus. There it was discovered that a man in plain clothes was trying to persuade the gateman to tear down certain posters, and was, himself, tearing them down. These posters were of the patriotic description common these days, stating that the students were loyal citizens of the Republic and wished to support the National Government, etc. The students were greatly incensed at the action of this individual in tearing down their posters and expostulated with him. Dr. Y. G. Chen, President of the University, appeared and endeavored to put an end to the altercation. Failing in this he asked the individual in plain clothes and

some of

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

some of the students to come to his office, to discuss the matter. It appeared in the office that the individual in question, who had claimed to be a newspaper reporter, was a duly commissioned detective of the local Gendarmerie. Dr. Chen invited him to stand on the steps of the building and inform the students, who had gathered in considerable numbers, why he had acted as he did.

The remarks made by the plain clothes detective appear to have been ill-considered. He made a number of false statements, viz., that the students were planning a mass meeting that morning, that they had in mind other allegedly disorderly plans, etc. These false charges enraged the students, who then started to beat the detective. President Chen took him back into the building and sent for Dr. Daniels, surgeon of the University, as a measure of utmost precaution, although it developed that the man had received merely a small scratch near one ear. Dr. Chen then persuaded the students to repair to the University chapel, there to continue their discussion of the incident. The Gendarmerie detective, in the meantime, was quietly escorted to a rear exit and allowed to leave the University premises, which he appeared glad to do, having been badly frightened.

While the discussion was going on in the University chapel it was noticed that one man present was wearing his hat. The students had all been carefully trained to remove their hats when entering the chapel and the presence of one man wearing a hat attracted attention. They questioned the

individual

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

individual and he at first asserted that he was, himself, a student. When the falsity of this statement was exposed he said that he was a member of the Economics Staff of the University. This was also disproved and he then said that he was an agent of the authorities. However, he was unable to produce any identifying badge, as the plain clothes detective had been able to do, and he seized an early opportunity to escape from the students and run to a near by wall, which he endeavored to scale.

Events at this moment are a little confused. Whether he fell from the wall, or was pulled from the wall by the students, is uncertain. In any event, he received a severe injury to his skull and was taken to the University Hospital in an unconscious state. This morning he appears to be resting comfortably, in spite of a slight fracture of the skull.

In the afternoon, when classes had been resumed, a force of Gendarmes, unarmed but bearing wooden staves, appeared and surrounded the University. These men made no effort to enter the University premises, but the students were greatly excited by their presence and rushed to the gateway and other places from which they could view the Gendarmes. The students then jeered at the Gendarmes and otherwise enjoyed themselves at their expense.

President Chen saw that it would be hopeless to try to allay the excitement of the students while this guard remained, and telephoned to General Ku Cheng-lun, Commander of the Nanking Gendarmerie, asking that the guard be re-

moved

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

moved. General Lu removed the guard and all excitement ceased.

Miss Priest observed that the whole incident arose from the uncalled for and ill-judged act of the Gendarmerie detective in tearing down some more or less innocent posters and in charging the students with intentions and activities of which they were innocent. She said that examinations are in progress and it is planned to close the University for the holidays within four days' time. It is the hope of the University authorities that this brief period may be passed over without any further disturbance. She said that there is a strong feeling prevalent that the current student agitations are being deliberately and artificially fomented by unknown parties for some ulterior end.

Willys R. Peck,
Counselor of Embassy.

WRP:MM

1038

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 12, 1936

~~SECRET~~
~~100~~

Harbin's 177 to the Embassy of January 9, 1936, transmits a translation of an editorial in a Harbin Japanese newspaper, which editorial is strongly critical of the conservative policy of the Japanese Foreign Office toward China and asserts that the only substantial accomplishments have been those of the military. The editorial indicates the irritation in military circles toward the present policy (cooperation and watchful waiting) of the Foreign Office.

CS2
CSR

1031

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

NO. 287

AMERICAN CONSULATE GENERAL,

HARBIN, MANCHURIA, January 9, 1936.

1936 FEB 11 AM 11 01

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution Check		Yes	No
Grade	M		
For	ADAMS	ONI-MID	CSR

SUBJECT: EDITORIAL ON JAPAN'S CHINA POLICY

COPIES SENT TO
O.N.I. AND M.I.D.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Division of
FAR EASTERN AFFAIRS
FEB 12 1936
Department of State

SIR:

I have the honor to enclose herewith a copy of my
despatch No. 177, of January 9, 1936, to the American Em-
bassy, Peiping, on the subject of "Editorial on Japan's
China Policy".

Respectfully yours,


Walter A. Adams,
American Consul General.

Enclosure:-

1/ Copy of despatch No. 177 of
January 9, 1936, to the Em-
bassy, Peiping.

In quintuplicate.

800
WAA:ne

793.94/7721

FILED
FEB 19 1936

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

No. 177

AMERICAN CONSULATE GENERAL,

HARBIN, MANCHURIA, January 9, 1936.

SUBJECT: EDITORIAL ON JAPAN'S CHINA POLICY.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

1/ I have the honor to attach hereto a translation of an editorial entitled "The New China Policy of the Foreign Office", appearing in the HARBIN NICHU NICHU, issue of January 8, 1936.

It will be noted that the editorial alleges that a new policy toward China has been formulated by the Foreign Office based upon the principle of quiet watchfulness with respect to the whole of China and full assistance towards establishing "cooperation" involving north China, Japan and "Manchukuo". The editorial then questions Mr. Hirota's sanity and says that the new policy is too conservative even for the conservative Foreign Office. The editorial indicates that this passive policy is based upon fear of a stiffening British and American attitude toward Japan, having in mind the hopeless prospects of the Naval Conference. The statement is made that it is true that the American and British attitude is stiffening, but that Japan's continental policy is vital and cannot be modified because of the American and European attitude toward it.

- The editorial -

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

The editorial intimates that the Foreign Office is dreaming a child's dream, that its policy is impracticable, that its inactivity has been the true cause of all the trouble, and that the Foreign Office has done nothing to assist the substantial accomplishments of the military authorities.

The HARBIN NICHU NICHU is influenced by the South Manchuria Railway which is a substantial stock holder therein. Since the time of Mr. Matsuoka's installation as head of the South Manchuria Railway, the HARBIN NICHU NICHU has been more outspoken in its editorial criticism of the Foreign Office and in its support of the military authorities. The attached editorial is, however, somewhat different in tone from the paper's usual utterances. The editorial policy of the HARBIN NICHU NICHU is understood to be dictated by the Japanese Military Mission at Harbin, and the chief interest of the attached editorial is that it indicates impatient and peremptory irritation in responsible Japanese military quarters towards the present situation in China and towards the present policy of the Japanese Foreign Office.

Respectfully yours,

Walter A. Adams,
 American Consul General.

Enclosure:-

1/Copy of translation of
 editorial, appearing in
 the HARBIN NICHU NICHU,
 issue of January 6, 1936.

In quintuplicate to the Department
 by despatch No.287 of Jan. 9, 1936.
 Copy to the Embassy, Nanking.
 Copy to the Embassy, Tokyo.
 Copy to the Consulate General, Tientsin.
 Copy to the Consulate General, Mukden.
 Copy to the Consulate, Dairen.

800
 WAA:ne

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 177 of January 9, 1936,
 from Walter A. Adams, American Consul General, Harbin,
 Manchuria, on the subject of "Editorial on Japan's China
 Policy".

SOURCE: HARBIN NICHU NICHU, Japanese
 language daily, issue of
 January 6, 1936.

Translated by the American
 Consulate General, Harbin,
 Manchuria.

NEW CHINA POLICY OF FOREIGN OFFICE.

(EDITORIAL) We are told that our Foreign Office is again remodeling its China policy with the turn of the year. A Tokyo telegram of January 2 reports that Foreign Minister Hirota will review and revise his China policy in anticipation of failure of the naval conference and consequent tension in Japan's relations with Britain and America, after hearing reports from Mr. Suma, Japanese Consul General at Nanking, who has just arrived at Tokyo in response to Mr. Hirota's call.

His new policy will be built on two foundations, it is said, which are, 1) to return to the former policy towards China as a whole of "quiet watching" until it gives up its reliance upon Europe and America and decides to work out its reconstruction independently; and 2) to enter into full cooperation with north China for the establishment of comity among Japan, Manchukuo and north China, and then call upon the whole Chinese population to follow suit in cooperation with Japan. The new policy, in short, is a step backward from China and a step forward in north China; that is, to sit content with the birth of the new government in north China.

If this is true, we cannot help being surprised at the superficial view of the Foreign Office authorities and wonder whether Mr. Hirota is in good health and sane.

The new policy is too conservative even for the conservative Foreign Office, to say nothing of comparing it with the activities of the military authorities on the spot, who are making strenuous efforts for uprooting the Kuomintang rule of China.

The new passive policy originates first, according to reports, from the fear of stiffening British and American attitudes towards Japan in view of the hopeless trend of the Naval Conference. It is true that their attitude is stiffening, but Japan's continental policy is not one which can be modified by pressure or opposition from other Powers. The view that Japan's policy is one of aggressive economic imperialism is totally erroneous. Japan's policy on the continent is vital and final. It is a question of life or death, a question of national defense, and not a leisurely policy that can be revised according to foreign wishes or

- opinions. -

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

opinions. The difficult position of Japan can hardly be exaggerated in consideration of the expanding armaments against Japan of Britain, America, and the Soviet Union, especially the last named, whose air force has been considerably reinforced recently in the East. Besides, it would be a fatal mistake to consider that British and American pressure upon Japan will relax because of Japanese modesty or passivity. That would be a child's dream far from reality. Is it not a fact that British and American anti-Japanese activities in China have grown ever since the Mukden incident, and are still growing? The activities of Sir Frederick Leith-Ross, the Anglo-Soviet rapprochement, and the Anglo-American cooperation at the Naval Conference, are just a few examples among many. We feel that the foreign office, which knows only peace time diplomacy and lacks cognizance of realities and policy for an abnormal time, is helpless.

The second cause of the weakness displayed in the new scheme is said to be a reaction from the too impatient attitude taken during the past year which, instead of improving Sino-Japanese relations and awakening the Chinese people in favor of Japan, actually provoked them to increased antagonism.

But what was the real cause of the serious anti-Japanese movement? We are inclined to think that the very conservatism and inactivity of the Tokyo Foreign Office have been the true cause of all the trouble. What has the foreign office contributed to the work accomplished by the military authorities in China last year? The duty of a foreign office is to guide and to help those working on the spot abroad, but our Foreign Office has done nothing at all in China. Japanese ambassadors at London and Washington have done nothing towards helping operations in China of the military authorities. In this respect the Tokyo Foreign Office is falling down before the nation's eyes at this important juncture when the anti-Japanese agitation is promoted by Britain, America and the Soviet Union.

The reported new policy, if true, only serves to endorse the incompetency of the Foreign Office. Not only so, it aggravates Far Eastern affairs. We earnestly hope that the Foreign Office will reconsider the whole situation.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 500.A 15 a 5/654 FOR #180

FROM China (Johnson) DATED Jan. 15, 1936.
 TO NAME 1-1127 ***

REGARDING:

Sino-Japanese alliance. Comments relative to possibility of a --.

G

793.94/7722

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

of paraphrase
COPIES SENT TO
C.N.I. AND M.I.D.

1-1336
MJP

FROM

This telegram must be
closely paraphrased
before being communicated
to anyone. (A)

Peiping

Dated February 15, 1936

Rec'd 6:38 a. m.

Secretary of State,
Washington.

Blanch
Division of
FAR EASTERN AFFAIRS
FEB 15 1936
Department of State

66, February 15, 1 p. m

The following two paragraphs are excerpts from a
telegram from Canton dated February 14, 11 a. m.

"Referring to my telegram of February 14th, 2
p. m., in a personal interview with Hu Han Min this
morning he informed me confidentially that he would
not proceed to Nanking until after Chiang Kai Shek
had taken definite steps to resist the Japanese,
win or lose, since with Chiang's present temporizing
policy and signing of agreements China has no case
before the world and is losing its respect. Hu
stated that he was greatly perturbed by the present
Japanese aggression in Fukien and expressed the
earnest wish that the American and British govern-
ments should make it known that they are closely
watching present Japanese movements in South China
since Hu believes that such notice will in some
measure at least act as deterrent to the Japanese.

Pittman's

793.94/7723

FEB 19 1936

FILED

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJ -2- No. 66, Feb. 15, 1 p. m. from Peiping

Pittman's speech appears to have encouraged Hu in this belief.

I am reliably informed that Marshals Chen and Li by frank defiance of Nanking orders and by other signs indicate that the rift between them and Nanking is wider than it was before visit of Southwest delegation to last party congress at Nanking".

LOCKHART

WVC

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 66) of February 13, 1936, from the American Embassy at Peiping quotes excerpts from a telegram of February 14, from the Consul General at Canton, which read substantially as follows:

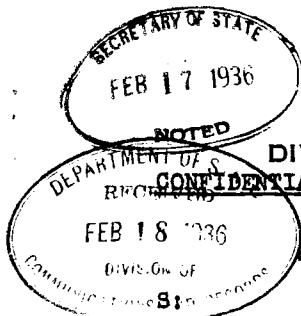
During the course of a personal interview on February 14, the American Consul General was informed confidentially by Hu Han-min that, until after General Chiang Kai-shek had definitely taken measures to resist the Japanese, win or lose, he (Hu) would not go to Nanking as, under Chiang's signing of agreements and present policy of temporizing, China has no cause before the world and is losing the respect of the world. Hu Han-min expressed himself as much disturbed by Japan's present aggression in Fukien Province and as earnestly desirous that the British and American Governments should let it be known that they are following closely Japan's movements in South China. Hu is of the opinion that such notice will deter the Japanese to some extent at least, and he seems to have been encouraged in this opinion by the speech of Senator Pittman.

According to reliable information, Marshals Li and Chen indicate by various signs, such as frank defiance of Nanking orders, that the division between them and Nanking is greater than it was before the visit to the last party congress at Nanking of the Southwest Delegation.

793.94/7723
 E.A.C.
 FBI:300
 II-17-36

CSR
 FE m m, /d

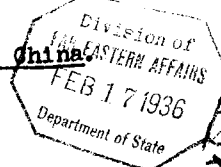
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 15, 1936.

Subject: The Situation in North China

Mr. Secretary.

793.94

According to reports from the Embassy at Peiping, the situation in North China has not been materially changed during the week. The Hopei-Chahar Political Council continues to procrastinate in declaring the degree of autonomy desired by the Japanese military while two Japanese advisers who have had experience in "Manchukuo" have arrived at Peiping to assist the Foreign Affairs Committee and the Economic Committee of the Council. The conference at Tokyo of high Japanese military officers from China was still in session on February 11. Reports were current in Peiping and Mukden that Japanese-manufactured textbooks (which are being printed in Mukden) are to be used in the area under the East Hopei Anti-Communist Autonomous Government (which functions in the Demilitarized Zone).

The Embassy reported developments among the Mongol Banners of Chahar and Suiyuan Provinces indicating that Chinese influence in that area had become extremely tenuous and that the declaration of an "independent" Mongolia, subject to Japanese dictation, is only a matter

793.94/7724

MAR 9 1936

FILED

F/G

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

matter of time.

The noteworthy development of the week was the clash between Outer Mongolian and Japanese-Manchurian patrols on February 12 near Buir Nor or Buir Lake on the Outer Mongolia-"Manchukuo" border. According to Japanese information, as reported by the Consulate General at Harbin, nine Japanese were killed and two Soviet planes bombarded the Japanese in "Manchukuo" territory, while the Soviet press, as reported by the Embassy at Moscow, stated that a mixed Japanese-Manchurian detachment of 500 men, accompanied by two tanks and two airplanes, penetrated Mongolian territory to a depth of ten or twelve kilometers but were eventually expelled with a loss of ten killed and twenty wounded, the Mongolian casualties being one killed and seven wounded. In recent months less serious skirmishes between border patrols in that general area have occurred from time to time. In this connection it is interesting to note that both Chinese and the older Japanese maps show the border as cutting across Buir Lake but on recent Japanese maps the border is located south of the lake. *(this brings the area within the Manchukuo boundary)* The Embassy at Moscow reported that the Kremlin is particularly concerned over possible developments in Mongolia.

As heretofore, the Japanese Government appears
 desirous

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

desirous of minimizing the importance of recent border incidents and of avoiding a war with Soviet Russia at least for the present. Such incidents undoubtedly have their political values to the Japanese army and therefore are not stopped. However, the strategic importance of North China to the Japanese in the event of a Japanese-Soviet war lends support to the belief that the Japanese wish to avoid becoming embroiled with Soviet Russia before their control of North China has been accomplished.

led by m.m./d
FE:MSM/VDM

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MJP

This telegram must be
 closely paraphrased before **FROM**
 being communicated to any-
 one. (A)

Nanking

Dated February 18, 1936

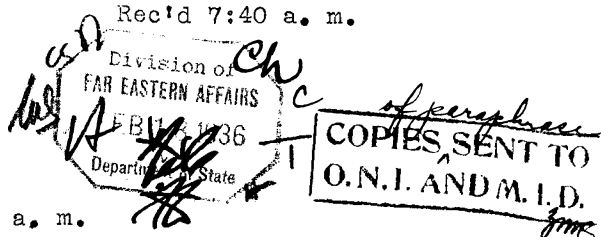
Rec'd 7:40 a. m.

Secretary of State,
 Washington.

35, February 18, 10 a. m.

One. I am informed by responsible official of

Executive Yuan that Chiang Kai Shek has now set the
 "limit of Japanese aggression" at which the Chinese
 "must" begin fighting as invasion of or interference
 in Shantung or Suiyuan. Formerly the "limit" was
 Chahar; this official states that both regions, Chahar
 and Hopei, are now considered as effectively lost to
 China as is Manchukuo, the chief hope of the negotiations
 in the North being to save the Government's face by
 continuing as long as possible the lip service of the
 Hopei Chahar Council. According to this and other
 reliable sources the Yellow River continues be the
 principal front line in the Chinese plans for defense.
 However, I learn authoritatively from another source
 that the general staff's aerial survey section which
 has been making reconnaissance maps and fire plans along
 that line has suddenly ceased this work because of
 intrigue thought to have been inspired by Japanese,
 thus



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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJP -2- No. 35, February 18, 10 a. m. from Nanking

thus leaving the Chinese artillery at present without means of conducting indirect fire if fighting should occur.

Two. Recent large shipments of motor trucks from Pukow to the northwest and other considerations have tended to confirm belief held in some circles that Chiang is preparing to assist Soviet Russian forces against the Japanese. On the other hand Chiang yesterday told an American correspondent in confidence and not for publication that China positively would remain neutral in event of Soviet-Japanese hostilities.

Three. To the Department and Peiping. To Tokyo by mail.

ATCHESON

HPD

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 35) of February 18, 1936, from the American Embassy at Nanking reads substantially as follows:

According to information received from a responsible official of the Executive Yuan, invasion of or interference in Shantung or Suiyuan has been set by General Chiang Kai-shek as the "limit of Japanese aggression" at which China "must" begin fighting. The "limit" was formerly Chahar, which together with Hopei are now considered, according to this official, as effectively lost to China. "Manchukuo" is also considered as lost to China and the principal hope of the negotiations in North China is to save the Government's face by keeping up the lip service of the Hopei Chahar Council as long as possible. The Yellow River is still the chief front line in the Chinese plans for defense according to reliable sources, including the above mentioned official. It has been learned, however, from another authoritative source that the aerial survey section of the General Staff which has been making fire plans and reconnaissance maps along the Yellow River line has ceased this work suddenly on account of intrigue which is believed to have been Japanese inspired. Thus, if fighting should take place, the Chinese artillery is left at present without means of conducting indirect fire.

Large shipments recently of motor trucks to the northwest from Pukow, together with other considerations, have had a tendency to confirm the belief which some hold that

preparations

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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By Milton D. Gustafson NARS, Date 12-18-75

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preparations are being made by General Chiang to render assistance to Soviet forces against Japan. On the other hand on February 17 an American newspaper correspondent was informed by General Chiang confidentially and not for publication that, in case of hostilities between Japan and Russia, China would positively remain neutral.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~ECM~~
~~ECM~~
~~ECM~~

February 19, 1936

Chefoo's 148 and 149 to the Embassy of January 15 and 16, 1936, report a demonstration staged by Japanese and Koreans as a result of the seizure of from 6 to 7 tons of sugar which was being smuggled into Chefoo from Dairen. After lengthy negotiations with the leader of the smugglers, the Acting Commissioner of Customs settled the matter by permitting the payment of the full duty without the imposition of a fine and on the understanding that this group would not again engage in smuggling activities.

CSA
 CSR

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

No. 148.

AMERICAN CONSULATE,

Chefoo, China, January 15, 1936.

Subject: Japanese Fracas at the
 Chefoo Custom House.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

For Distribution-Check				
Grade	M	To field In U.S.A.	Yes	No
For			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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COPIES SENT TO
 O.N.I. AND M.I.D.

Sir:

I have the honor to report that from information reported to Vice Consul Brennan by eye-witnesses it appears that at about four thirty o'clock yesterday afternoon a party of thirteen or fourteen, consisting of four Japanese and the remainder Koreans, staged a demonstration in the local Custom House directly outside the office of the Acting Commissioner, finally disbursing about two hours later. This is said to have been the result of a seizure yesterday morning by the Customs authorities of between six and seven tons of sugar that was being smuggled into this port from Dairen.

The Captain of the ship, the Kyodo Maru No. 18, disclaimed all knowledge of the seized shipment, which filled two staterooms, and the Japanese Consulate stated that they were unable to cope with the situation because they did not have enough constables. In reply to the suggestion that they might send to Dairen for reinforcements, the interpreter of the Japanese Consulate is said to

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 By Milton D. Quisenberry NARS, Date 12-18-75

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to have stated that it would be "too much of an inconvenience". The Chinese police appear to be too frightened to take any action.

There were no threats or violence of any kind. They merely demanded to see the Acting Commissioner. He finally persuaded them to leave with the promise that he would receive their spokesman this morning. It is confidentially reported that at the interview he, the Acting Commissioner, intimated that he might allow them to keep the seized shipment if the prescribed duty were paid. To this, the spokesman is reported to have replied to the effect that being poor people with families to support, they couldn't afford to do that.

The same crowd returned at about twelve thirty o'clock this noon and remained outside the Acting Commissioner's office for another two hours.

A landing party was sent ashore last night from the Customs Preventive Cruiser "Hua Shing" to supervise the storage of the seized shipment in the Customs godown, it being felt that the usual guard would not be sufficient to handle the situation in the event that an attempt was made to recover the sugar.

Any further developments will be promptly reported to the Embassy.

Respectfully yours,

J. Hall Paxton,
 American Consul.

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By Milton O. Gustafson NARS, Date 12-18-75

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Original to Embassy, Peiping.

Five copies to Department of State.

One Copy to Embassy, Nanking.

One copy to Tsingtao, Tsinan, and
Tientsin (circulated).

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 Department of State letter, August 10, 1972
 By Milton C. Gustafson NARS, Date 12-18-75

No. 149.

AMERICAN CONSULATE,

Chefoo, China, January 16, 1936.

Subject: Japanese Fracas at the
 Chefoo Custom House.

The Honorable

Nelson Trusler Johnson, Paxton

American Ambassador,

Peiping, China.

Sir:

I have the honor to refer to my despatch No. 148
 of January 15, 1936, and to report that I am confidential-
 ly informed by the Acting Commissioner of Customs of the
 peaceful and satisfactory settlement of the affair which
 had at first appeared somewhat alarming.

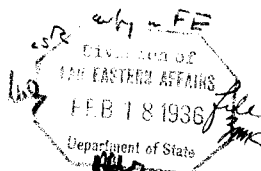
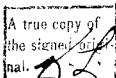
Mr. Foster Hall states that the matter was settled,
 after lengthy negotiations with the leader of the smuggl-
 ing gang, by their payment of the full duty, without the
 imposition of a fine, on the understanding that no more
 smuggling would be attempted by this particular group.
 I am inclined to think that much of the credit for this
 fortunate outcome is due to the firmness combined with
 tact of the Acting Commissioner of Customs.

Respectfully yours,

J. Hall Paxton,
 American Consul.

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 JHP:KL

Original to Embassy, Peiping.
 Five copies to Department of State.
 One copy to Embassy, Nanking.
 One copy to Tsingtao, Tainan, and
 Tientsin (circulated).



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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/94 FOR #87 to Embassy

FROM Tsingtao (Sokobin) DATED Jan 7, 1936
 TO _____ NAME _____ 1-1127 ***

REGARDING: Settlement of the controversy regarding the Chinese Produce
 and Securities Exchange; Japanese official efforts to halt
 silver smuggling.

FRG.

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 By Milton D. Gustafson NARS, Date 12-18-75

793.94
 B. Relations with Other Countries.

The chief event of interest in Sino-Japanese relations in Tsingtao was the settlement of the controversy regarding the Chinese Produce and Securities Exchange. Compromises were made, with probably more pleasing results to the Japanese than to the Chinese; the Japanese Consul General in referring to the settlement stated:

"From a legal viewpoint I hold that the new Chinese exchange should as a matter of course be abolished -----"

JAPANESE OFFICIAL EFFORTS TO HALT SILVER SMUGGLING.

11 " The Japanese consular police appeared to show a better spirit of cooperation in aiding the Chinese Maritime Customs in the efforts to halt the smuggling of silver; Japanese nationals were cautioned to conduct legitimate vocations and were informed strict control to restrict silver smuggling would be exerted. On December 11 a rather serious fracas occurred aboard a Japanese vessel just prior to its departure for Japan when a party of Customs men were attacked after discovering some \$20,000 in silver. As indicated in the report for November (page 3) it is a question whether the Japanese move against the smugglers was dictated by any consideration for the Chinese Government, for the President of the Tsingtao Japanese Chamber of Commerce is reported to have informed the Japanese Consul General that "the local.....

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local inhabitants, irrespective of nationality, would suffer greatly from a financial viewpoint should all coins be sent to Nanking".

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/91 FOR #131

FROM Tientsin (Caldwell) DATED Jan 14, 1936
 TO NAME 1-1127 ...

REGARDING: North China situation: Negotiations; Students protest; Statements;
 Japanese pressure; troop movements; aerial demonstrations.

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FRG.

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II. FOREIGN RELATIONS.

A. Relations with the United States.

Nothing to report.

B. Relations with other Countries.

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(11) 2-16)

1. Japan. The relatively bloodless but intense Sino-Japanese conflict for the control of North China which characterized the relations between the two countries as they affected this consular district in November continued throughout December, and was marked by (a) the response of the Chinese Government and the people of North China to the Japanese Military's effort to separate Huapei from the rest of China, the most important events of which were the establishment of the Hopei-Chahar Political Council and the student movement, and (b) counter-acts of, or presumably inspired by, the Japanese military, notably in the De-Militarized Zone and Eastern Chahar.

a. Chinese response to Japanese pressure.

(1) Establishment of the Hopei-Chahar Political Council.

(a) Pressure on Sung. As was reported in this Consulate General's political summary for November, the collapse of the Five Province Autonomy Movement was followed by a renewal of Japanese pressure on General Sung Che-yuan to declare the establishment of an autonomous government over the provinces of Hopei and Chahar.

Instead

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Instead of yielding, however, Sung telegraphed the Nanking Government reporting that he could no longer control the growing demand among the people for autonomy and urging the Government to send him adequate instructions. On December 1, Ch'eng Ke, the then Mayor of Tientsin, sent Nanking a similar wire, predicting that Tientsin would become autonomous unless prompt steps were taken.

(b) Nanking Government
sends delegates to Peiping. Sung despatched his telegram on the afternoon of November 30, and that same evening General Ho Ying-ch'ien (), the Minister of War, recently appointed ranking official of the Executive Yuan in Peiping, and General Ch'en I (), the Chairman of the Provincial Government of Fukien, left Nanking for Peiping, as delegates of the National Government. After stopping at Tsinan and Paoting, General Ho reached Peiping on December 3, having been preceded there the day before by General Ch'en.

Among well-informed Chinese officials in Tientsin it was said that they brought with them a detailed plan which represented the limit to which the Nanking Government was willing to go in compromising with the Japanese military in North China. With their arrival in Peiping began a series of important conferences in which Sung Che-yuan (), Hsiao Chen-ying (), Ch'in Te-ch'un (), Ch'en Chueh-sheng (),
 Hsiung

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Hsiung Shih-hui (), Li Tse-i ()
 and others participated, and which evidently
 culminated, perhaps as early as the night of Decem-
 ber 5-6, in an agreement for the establishment of
 a council to govern the provinces of Hopei and
 Chahar.

(c) Efforts to secure
Japanese acceptance. Having in effect secured the
 agreement of North China leaders to a plan embodying
 the maximum concessions which the Nanking Government
 was prepared to make, Ho and Ch'en took prompt steps
 to persuade the Japanese military in North China
 that it represented accession to the more essential
 of their demands. General Yu Chin-ho (),
 recently appointed Mayor of Amoy, a returned student
 from Japan, and reputedly a friend of the Commander
 of the North China Garrison of the Japanese Army,
 General Tada, was called to Peiping. Ch'en I is
 said to have talked to various Japanese, including
 General Doihara. Hsiao Chen-ying and Yu Chin-ho
 were despatched on December 6th and 7th to Tientsin
 especially to discuss the situation with Tada. In
 Shanghai the late T'ang Yu-jen (), Vice
 Minister for Foreign Affairs of the Nanking Govern-
 ment, called on Ariyoshi, the Japanese Ambassador
 to China, with whom he is reported to have discussed
 Ho's mission to Peiping; demarches of a similar
 nature were said to have taken place in Nanking also.

(d) Nanking's

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(d) Nanking's decree. On December 11 the Nanking Government issued a decree appointing seventeen North China leaders of widely varying political affiliations, chosen from a list of thirty-six submitted by General Ho, to the Hopei-Chahar Political Council (), and naming General Sung Che-yuan its Chairman. With the promulgation of this decree, Ho, Ch'en, and the other representatives of Nanking returned south.

(e) Launching of the Council. The Council was formally inaugurated on the morning of December 12, and the organization of its three subordinate departments - political, financial and secretarial - was announced. At its second business meeting the Council elected Pan Yu-kuei (), Kuo Chih-han (), and Ko Ting-yuan (), as the respective heads of these departments, and voted to ask Marshal Lu P'ei-fu () to become an adviser to the Council. It is understood, however, that the Marshal refused the post. As soon as it began functioning, the Council addressed itself to the task of finding a solution to the present situations in East Chahar and East Hopei.

(2) The Student Movement.

(a) In Peiping. There were evidences early in November of a growing feeling among students in North China, and especially in Peiping, against the apparently imminent separation of Huapei from the rest of China, and General Sung's published

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published telegram of November 30, and that of Ch'eng Ke, then Mayor of Tientsin, despatched on the next day, in both of which the people of North China were represented as favoring "autonomy", brought that feeling to a head. On December 4 the students of the National University of Peiping issued a statement strongly denouncing the "autonomy" movement and all those who attempted to delude the world into believing that it was in any sense a "popular" movement.

Following the issuance of this "manifesto", the students of the various colleges of Peiping revived the old Peking Student Union, and in a series of secret conferences which were attended by students from Tientsin, they developed an organization of amazing completeness, effectiveness, and discipline.

Acting on a prearranged program, about 2,000 students within the gates of Peiping began a parade and demonstration on the morning of December 9. It was originally planned that some 3,000 students should participate, but certain of the contingents from outside of the city were not permitted to enter Peiping. In skirmishes with the police, who were evidently without instructions, several students were badly beaten, and some were arrested. The banners, handbills, and slogans of the paraders denounced autonomy, "thieves who sell their country", and Yin Ju-keng.

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By December 10 mass meetings called at each of the large schools and universities at Peiping, with a total enrollment of well over 5,000, had all resolved that unless the students arrested were released, and the Chinese authorities met the students' four demands - for the elimination of Yin Ju-keng, the adoption of a firm policy against Japan, the despatch of soldiers "to fight the enemy", and the grant of free speech - a strike would be declared. These demands were of course not met, and the strike became about 90% effective from December 11.

It was generally believed that the inaugural ceremonies of the new Hopei-Chahar Political Council were to take place on December 16, and the students therefore chose that day on which to stage their second demonstration. Circumventing rigorous police measures directed at their activities, some ten thousand students marched in one or another of the various columns which after hours of parading converged on the large market place at T'ien Ch'iao in Peiping. Press accounts, corroborated by those of students and others, stated that the police were in many instances unnecessarily brutal in their efforts to force the disbandment of the demonstrators. A number of students were wounded and fourteen were arrested. The latter were released several days later.

Meanwhile

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Meanwhile the Student Union's propaganda section had mailed thousands of circulars to students throughout China, and traveling student representatives were sent to the larger cities to give their fellows in other parts of the country eye-witness accounts of the stirring events in the old capital.

They also despatched an appeal for sympathy and good will to the students of the United States.

(b) In Tientsin. In spite of its proximity to Peiping, the degree of control which the Japanese military exercise over Tientsin and the presence here of the Japanese Barracks disposed most observers to doubt that there would be a student demonstration in this city, but on December 18th an orderly parade, participated in by between five and six thousand students, marched for eight hours in a biting wind through the streets of Tientsin. They visited the Mayor's office and the Bureau of Public Safety, carried banners and distributed handbills, and after a mass meeting at night-fall in the public garden, quietly disbanded.

On December 20 three hundred students of Nankai University left Tientsin in two special railway cars for Nanking, where they intended to present a petition protesting to the National Government against the formation of the Hopei-Chahar Political Council. At Tsangchow, south
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of Nientsin, their cars were shunted onto a siding and left. The students consented to return to Nientsin only after representatives of General Chiang Kai-shek appeared to receive their petition.

(c) In other cities. Within a fortnight of the first demonstration in Peiping, the student movement had spread to almost every sizeable city in China, and demonstrations in sympathy with those held in the North were reported in nearly all of them.

(d) Efforts to check the movement. In an effort to break the student strike, General Ch'in Te-ch'un, the Mayor of Peiping, ordered all municipal and private schools in that city to close for the winter holiday - which usually begins about the middle of January - on December 21. Two days later General Sung issued a similar order covering provincial schools. Apparently, however, neither this step, nor the pleas of the authorities, nor any of the various rigorous police measures of repression have availed to kill the movement, which continues as one of the most significant political developments which North China has witnessed in many years.

(3) Activities of intellectuals. The reaction of the leading educators and intellectuals in North China against "autonomy", and especially against the effort to dress it in the garb of a popular movement, while less spectacular than that of the students, was scarcely less profound.

(a) Telegrams in opposition.

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(a) Telegrams in opposition.

On December 2 the leading educators in Peiping, Chiang Mon-lin () and Hu Shih () among them, wired the Executive Yuan in Nanking denying that there was any public sentiment in North China in favor of autonomy and expressing the hope that the authorities would use all means at their disposal to maintain the territorial and administrative integrity of China.

A few days later a joint telegram in the name of the faculties of all the universities, colleges, and middle schools in Pientain was addressed to Generals Ho Ying-ch'iu, Sung Che-yuan, and Cheng Chen, denouncing those who advocated "autonomy" on the pretext of an alleged popular demand for it, and requesting that they endeavor to maintain the territorial integrity of China.

(b) Protests. The telegrams referred to above, and numerous others of the same import despatched privately, were backed up by a series of protests made to the press and to the Chinese officials in North China by various individuals and organizations.

(c) TA KUNG PAO editorial.

In its edition of December 3, the TA KUNG PAO, the leading vernacular newspaper in North China, published an editorial attacking General Sung for his statement that the demand for autonomy in North China

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China was growing, and urging that he refrain from acts which would tend to destroy national unity. The General promptly ordered the paper banned from the mails, and the Nanking Government countermanded his order.

(d) Autonomists attacked.

At the opening of the month a party of Japanese and Koreans, said to number about fifteen, arrived at Tach'eng, a hsien city to the southwest of Tientsin, and requested the Hsien Magistrate to affix his signature to a petition for autonomy. The Magistrate, according to accounts in the Chinese press, demurred and a fight ensued, in the course of which two Japanese were badly beaten. The Magistrate reported the case to Paoing, and the "autonomy" party, who apparently had been itinerating from hsien to hsien, was returned under escort to Tientsin.

(e) Sung's statement.

After his obliquely worded telegram of November 30 had frightened the Nanking Government into despatching General Ho to the North and had unloosed a flood of popular opposition to "autonomy" for Huapei, General Sung was reported in the vernacular and English language press of December 5 as having, in a press interview given the day before, flatly asserted that the "autonomy" movement in North China had been organized and promoted by the Japanese, and as having referred to it as "a trap, baited with promises and prepared by Japan", by which this region would become "the great-grandson of Korea".

b. Counter-

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b. Counter-acts of the Japanese Military.

(1) Autonomous Government of East Hopei. It seems fairly clear that the Japanese military officials who in November and the first week of December were pressing for the establishment of an "autonomous" government in North China considered it essential that the declaration establishing such a government should be made by the North China leaders without reference to Nanking. The only one of them who was actually prevailed upon to make such a declaration was Yin Ju-keng, and it became evident in December that the Japanese military regarded him as their "ace-in-the-hole", and that they hoped, if other means failed, to force the recognition of their position in North China through the employment of a Japanese-protected "autonomous" government in the area in East Hopei which was made a de-militarized zone by the Tangku Truce.

(a) Seizure of Customs and Salt Revenue. On December 11, Yin is reported to have issued an order to the Magistrates of the 22 Hsien over which he claims jurisdiction, ordering them to detain for the use of the Bone Government all Customs and Salt revenues collected.

(b) East Hopei revenues. The financial situation and the future prospects of the East Hopei Autonomous Government were described in very optimistic terms on December 12 in an interview

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view given English-language newspaper reporters by a Japanese army officer acting as a spokesman for Yin. In the course of his talk the officer gave a detailed statement of the revenues which the "autonomous government" expected to collect, among which the taxes to be paid by the Kailan Mining Administration figured as a prominent item.

(c) Tangku occupied. On December 15 about 200 members of the Peace Preservation Corps of the De-Militarized Zone occupied the strategically important port city of Tangku, at the mouth of the Haiho. A company of General Shang Chen's troops was still stationed there at the time, and a clash is reported to have occurred, in which two members of Yin's corps were killed. Yin asserted that his jurisdiction extended over the whole area of those hsien through which the Tangku Truce line ran, and on the basis of that claim included all of Ningho Hsien, within which Tangku lies, in his Government. Chinese sources reported that General Sung Che-yuan was determined to effect Yin's withdrawal from Tangku, since that port was well beyond the limits of the De-Militarized Zone. Troops of the 29th Army were understood to have been despatched to a point within three miles of Tangku, and for several days a tense situation existed there. Fears that Sung might attempt to re-occupy Tangku by force soon passed, however, and his troops still remain at a respectful distance from Yin's Pao An Tui.

(d) Change

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(d) Change in name.

proclamation issued on the night of December 25 at T'ungchow over the signatures of the nine members of the "East Hopei Anti-Communist Autonomous Council" changed the name of that body to the "East Hopei Anti-Communist Autonomous Government" and appointed Yin Ju-keng its Governor, with complete responsibility in all political and military matters. The change was evidently intended to effect an elevation of the status of Yin and his government.

(2) In East Chahar.

(a) Kuyuan attacked.

On December 9 a contingent of General Li Shou-hsin's () "Manchukuo" troops from Dolonor began an attack on Kuyuan in Chahar. They are reported to have been supported by airplanes and tanks. The city was, however, successfully defended by the members of the Chahar Peace Preservation Corps stationed there, although their Commander was alleged to have been killed in the engagement. On December 16, according to a Chinese report, a Japanese airplane bombed the city, inflicting considerable damage. The same report stated that before the bombing two Japanese scouting planes had scattered handbills over the city, warning the defending Pao An Tui to evacuate or suffer a further attack in force by General Li's "Manchukuo" forces.

(b) Japanese demands.

The Chinese authorities at once appealed to Major General

Doihara

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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Yokohara, who was then in Peiping, and to colonels Takahashi and Matsui, the Assistant Military Attache at the Japanese Embassy and the resident representative in Kalgan of the Kwantung Army, respectively, to bring about a cessation of the fighting. Both the Chinese press and informed local Chinese assert that the Japanese replied with the demand that the Chinese permit six hsien in eastern and middle Chohar to be policed by a corps of Mongol Dao An Tui known to be under "Manchukuo" control. The Chinese were said to view accession to this demand as equivalent to the cession of the hsien involved to "Manchukuo". It was not clear at the end of the period under review what settlement, if any, of this question had been reached.

(3) Opposition to Nanking's participation in settlement. Persistent reports appeared in the local Chinese and English-language press to the effect that the Japanese military were strongly opposed to General Ho's participation in the negotiations in Peiping, and to that of the Nanking Government in the settlement which was reached as a result of them.

(4) Japanese aerial demonstrations. On the 4th, 5th, and 6th of December Japanese military airplanes carried out demonstrations over Tientsin and Peiping, that which took place on the 6th comprising nine planes flying in formation. They were reported to have paid especial attention to the

Chu

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Chu Jen T'ang in Peiping, where General Ho Ying-ch'in was staying. One of the planes which participated in the earlier flights had its Japanese markings painted over with the characters (Chi-Tung -- East Hopei), and scattered thousands of handbills both in Tientsin and Peiping congratulating the East Hopei Council on its establishment.

(5) Rumored troop movements.

It was reported on December 1 that the Japanese military had requested the Municipal Government of Tientsin to prepare quarters in the city for the housing of three divisions of Japanese troops. If such a request was in fact made, it was probably for propaganda purposes, since the three divisions failed to arrive.

(6) Permanent increase in Japanese garrison. A permanent increase in the Japanese garrison in North China was reported to have been determined upon during the visit to Tientsin during December of Colonel Seishichi Kita, Chief of the China Section of the Army General Staff in Tokyo.

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By Milton D. Huston NARS, Date 12-18-75

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT

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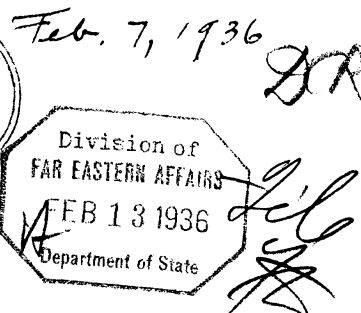
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China:

China Placates the Japanese Militarists -

793.94
 Three important Kuomintang conferences were held in Nanking during last November and early December when the Japanese military were exerting special pressure on North China to bring about autonomy in that area. This coincidence provided the Chinese leaders with an opportunity to make far-reaching decisions as to the conduct of future Sino--Japanese relations, particularly because the attendance at all three of the meetings was large and unusually representative of all parts of the country. The fact that no such decisions were made is proof that Nanking's conciliatory policy toward Japan will continue in force for some time.

The first of the Nanking Conferences was the Sixth Plenary Session of the Fourth Central Executive Committee and the Fourth Central Supervisory Committee of the Kuomintang (Nationalist Party) which was held November 1-6. In the Kuomintang governing scheme (largely patterned after that of Soviet Russia) the Central Executive Committee theoretically is the supreme governing authority between party congresses, while the Central Supervisory Committee appears to have a monitory function scarcely secondary in power to the Central Executive Committee. Achievement at the Sixth Plenary Session, however, was hampered, first, because the Fifth Kuomintang Congress was scheduled to open on November 12, and, second, because the system used to govern the proceedings gives all power into the hands of a few.

In an effort to avoid a dictatorship of one, all Kuomintang conferences are controlled by a presidium consisting of a varying number of members who take turns in presiding over the sessions. The Sixth Plenary Session had a presidium of seven including Marshal Chiang Kai-shek. To these men was given authority to recommend the appointment of the various committees required for the examination of proposals and to make proposals to the conference. Proposals originating from other sources, according to the rules, had to be examined by the appropriate committee whose action determined the fate of the measure. This system obviously gave control of the conference to the presidium, which in turn was dominated by Marshal Chiang by virtue of his superior military and political position in national affairs. Because of Chiang's conviction that China is not yet able to oppose Japan openly, the Sixth Plenary Session's principal accomplishments were the approval of the Finance Ministry's silver nationalization program put into effect on November 3 and reference of the draft constitution (now two years in the process of formulation) to the Fifth Kuomintang Congress for further examination and revision -- this despite the fact that China was facing one of the greatest crises in its history.

According to the provisional constitution, the party congresses should be held every two years, but because of disunity no congress had been held since 1931. This same inability to carry out conference schedules applies to the Central Executive Committee which is supposed to convene every six months, whereas only six plenary sessions had been held in four years.

793.94/7730

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The Fifth Kuomintang Congress bore the same appearance of unusual national unity as had the Sixth Plenary Session, for between 50 and 60 delegates from the recalcitrant southwestern provinces of Kwangtung and Kwangsi, including some prominent civilian leaders, were among the more than 600 in attendance. Stirred, no doubt, by Japanese aggression in the north, Yen Hsi-shan, the Shansi war lord, came to Nanking for the first time since 1929 to attend the Kuomintang meetings, and was followed by Feng Yu-hsiang, the one-time "Christian General," who emerged from his two-year seclusion in Shantung to show his interest in national affairs. These two former rebels against Nanking's authority together with Marshal Chiang Kai-shek were among the 23 members of the presidium elected for the congress.

Despite the favorable representation the congress accomplished little of note. It elected new Central Executive and Supervisory Committees and increased their total from 163 to 260 in order to include regional members whose support was desired, particularly those from the Southwest. Marshal Chiang Kai-shek was elected to the Central Executive Committee, with 495 votes out of a total of 515. In this connection it is of interest to note that the election system provides for the designation by the presidium of a certain number of members, varying from 10 to 20, for the regular and reserve membership of the two committees. This designation appears to imply certainty of confirmation by the congress as a whole. In this way, the pro-Japanese Tang Yu-jen, former Vice Minister of Foreign Affairs, was reelected to the Central Executive Committee at Chiang Kai-shek's insistence, after the regular voting had ignored him. A few weeks later he met his death at the hands of an assassin.

The seemingly knotty problem of the promulgation of the permanent constitution was referred to yet another body for examination -- the Fifth Central Executive Committee -- despite the rising sentiment in many quarters that the period of political tutelage should be ended and the country allowed to settle down to work out its salvation under a definite charter. The Fifth Central Executive Committee was instructed to set a date before the end of 1936 for the convocation of a National People's Convention for the purpose of giving final approval to the constitution, but this instruction may not prove mandatory.

The congress adjourned on November 23 after issuing a lengthy manifesto enunciating "policies" to be followed in "tiding over the present acute national crisis." These are platitudinous for the most part, but include a call for the expansion of citizens' military training. A resolution previously adopted had ordered the Government to perfect the military establishment and to enforce military training among the people.

The high light of the congress undoubtedly was Chiang Kai-shek's speech on November 19, just before the collapse of the Japanese-sponsored autonomy movement in North China. After pointing out the necessity for China to become "strong and self-reliant" and to regain "national strength through self-development," he went on to say:

"Between nations there is no such a thing as lasting enmity. . . . Nation A and Nation B, viewed from certain circumstance or angle may find it seemingly impossible to be friends; but viewed from another angle and under another

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circumstance, there is no possibility of their becoming anything but friends. . . . In other words, in deciding upon the foreign policy of a nation be it friendly or hostile toward others, the welfare of the country and the interest of the people as a whole, and not the temporary sentiments and particular interests should be taken into consideration. . . .

"If we can become strong and self-reliant, it is not impossible that our foes of to-day may become our friends of tomorrow. . . .

"In a nation undergoing a transitional state in its revolution, clashes between the old order of things and the new are unavoidable, and criticisms and obstacles are to be expected. This is true in both foreign and domestic affairs. . . . This is what Confucius meant when he said, 'Want of forbearance in small matters spoils great plans,' for diplomacy in extraordinary times can never be conducted by ordinary procedure.

"The Chinese race comprises one-fourth of the world's population so that the rise or fall of our nation must have a great effect on world peace as well as the welfare of mankind. . . . It is natural, therefore, that our neighbor Japan should take a deeper interest in the peace of East Asia as well as the common weal of the two countries. . . .

"I believe when we have achieved progress through our intensive reconstruction program and deal with all friendly nations in full sincerity, we shall, some day, attain internal understanding and international good will.

". . . If international developments do not menace our national existence or block the way of our national regeneration, we should, in view of the interest of the whole nation, practice forbearance in facing issues not of a fundamental nature. . . . We should seek harmonious international relations provided there is no violation of our sovereignty. We should seek economic cooperation based upon the principle of equality and reciprocity. . . . We shall not forsake peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable. . . ."

This speech, with its friendly inferences toward Japan and its plea for a free hand to the Central Government to continue the conciliatory policy toward that country, has added significance in view of the fact that there is no published report of discussion of the Sino-Japanese crisis at any of the general meetings of the congress.

The third important Kuomintang convention at Nanking was the First Plenary Session of the Fifth Central Executive Committee which convened December 1 and elected a presidium of 10 including Chiang Kai-shek and Feng Yu-hsiang. A reorganization of the party and Government was decided upon at once. Among the party changes was the election of a chairman and vice chairman (instead of a presidium) for both the Central Political Committee (formerly Council) and the Standing Committee of the Central Executive Committee, which rules as the highest party authority between plenary sessions of the Central Executive Committee.

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 By Milton D. Gustafson NARS, Date 12-18-75

The vice chairmanship of both bodies was given to Marshal Chiang in addition to the Presidency of the Executive Yuan, a post comparable to a premiership, and just recently held by Wang Ching-wei. To the latter was given the position of chairman of the Central Executive Committee, and a message was sent to Hu Han-min, the doughty Cantonese politician, inviting him to return from his more or less self-imposed exile in France and accept the chairmanship of the Standing Committee. Hu immediately returned to China but has not yet proceeded to Nanking, and may not for some time, as he is reported to be busy with conferences with the Southwestern leaders. On what basis he and Chiang Kai-shek have adjusted their differences, dating back to the time when the latter imprisoned Hu in Nanking and required him to give up his Government posts, remains to be disclosed. His acceptance or refusal of the new post has not been announced definitely, but it is difficult to see how Hu's well-known anti-Japanese sentiments can be reconciled with Nanking's present policy.

Wang Ching-wei declined to head the Central Executive Committee, pleading the state of his health and lack of ability and prestige, excuses not in line with conventional Chinese self-depreciation, for he is now in Shanghai recuperating from bullet wounds inflicted by a would-be assassin. The attack occurred shortly after the Sixth Plenary Session opened and was caused, it is generally believed, by Wang's pro-Japanese policies while serving as Premier and Acting Minister of Foreign Affairs. (The later assassination of Tang Yu-jen, Wang's former assistant, has been mentioned. This occurred after he had been made Vice Minister of Communications in the reorganized cabinet.) The slow healing of Wang Ching-wei's wounds, coupled with an earlier ailment, may mean his permanent retirement from an active part in governmental affairs and the eclipse of one more of Sun Yat-sen's close associates. Madame Wang Ching-wei, however, retains her membership in the Central Supervisory Council.

No successor to Wang Ching-wei as chairman of the Central Executive Committee has been announced, leaving Marshal Chiang Kai-shek as head of that organization and (in Hu Han-min's absence) of the Standing Committee of the Central Executive Committee. Thus, in addition to his supreme military position he holds at least temporarily the three most powerful positions in the Government and party. The extent of his authority is indicated by the following list of his posts:

- Chairman of the National Military Affairs Commission
- President of the Executive Yuan
- Vice Chairman of the Standing Committee of the Central Executive Committee
- Vice Chairman of the Central Executive Committee
- President of the Central Military Academy, Nanking
- Chairman of the National Aviation Commission
- Member of the National Economic Council
- Member of the National Defense Commission
- Inspector General of Opium Suppression.

The dictatorship thus conferred upon him compares favorably with any in the world; and in the opinion of many it is a situation best suited to China's interests to-day.

Other significant results of the First Plenary Session include

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the reelection of the venerable Lin Sen as President of the National Government of China, a position comparable to that of the President of France, and the appointment of General Chang Chun as Foreign Minister. Several men had been considered for the latter extremely important post, among them General Chiang Tso-pin, until recently the Chinese Ambassador to Tokyo. Because Nanking's policy of conciliation toward Japan required that Wang Ching-wei's mantle should fall on another at least as pro-Japanese as he, the choice of General Chang Chun seems to have been a suitable one, for the latter is not only acceptable to the Japanese but for years has been regarded as Marshal Chiang Kai-shek's "No. 1 henchman." He speaks fluent Japanese, having spent approximately five years in Japan in military study; and during his recent incumbency as Chairman of Hupeh Province he is said to have made a special effort to cultivate the Japanese officials and community in Hankow. Despite all this, however, he had not been considered hitherto as pro-Japanese, having been very popular in all foreign circles of the Yangtze port. A soldier by profession, General Chang Chun nevertheless has had considerable administrative and political experience. He showed his ability when serving as Mayor of Greater Shanghai from 1929 to 1931, although much of his time during that period had to be given to affairs of the Central Government. Coming into office with such favorable qualifications, General Chang's future should prove interesting.

The strategic position of Minister of the Interior or Home Affairs was given to the Japanese-educated General Chiang Tso-pin, while the latter's Tokyo post has fallen to Hsu Shi-ying, Premier in 1925-26, and Chairman of the National Famine Relief Commission since 1928. He is popularly regarded as pro-Japanese. Because of the Japanese dislike of the Kuomintang, they should also be pleased by the appointment of two nonparty men to the reorganized cabinet. These are Chang Kai-ngau, former manager of the Bank of China, as Minister of Railways; and, as Minister of Industry, Wu Ting-chang, prominent banker, who headed the recent economic mission to Japan and who had been active in organizing Sino-Japanese trade associations. Both received their higher education in Japan.

The Japanese, of course, found satisfaction in the appointment of Marshal Chiang Kai-shek as President of the Executive Yuan, for they had long been insisting that he come to Nanking and publicly assume the authority which he actually wielded.

With all four new appointees to the cabinet presumably predisposed toward Japan by reason of knowledge of the country and its language and culture, Nanking's path of conciliation may be smoothed appreciably. One of the most noticeable results of the reorganization is the gradual diminution of the student riots and anti-Japanese demonstrations. These reached rather alarming proportions during December and the first week of January, but since then have been infrequent. Only severe police measures, it is thought, could have quelled the patriotic ardor of China's youth, unless the Nanking conference of student representatives and educators called by Marshal Chiang Kai-shek on January 15 had more influence than early press reports indicated.

While Nanking indeed seeks to placate Japan in the hope that aggression can be kept to a minimum while the country is being developed and strengthened, that does not mean that all Chinese officials have adopted a subservient attitude toward Tokyo. Dr. H. H. Kung,

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 By Milton D. Gustafson NARS, Date 12-18-75

Finance Minister and Vice President of the Executive Yuan, is one of the anti-Japanese stalwarts, and Marshal Feng Yu-hsiang, who has never shown pro-Japanese tendencies, has been appointed Vice Chairman of the National Military Affairs Commission, a post created for him, and one that technically makes him secondary only to Marshal Chiang Kai-shek in military matters. Since he is the former chieftain of Sung Che-yuen and Han Fu-chu, Chairmen of Hopei and Shantung Provinces, respectively, this is being interpreted by some as a means of strengthening these two men in their exposed positions vis-a-vis the Japanese Army in North China.

A particularly placatory statement issued by the Nanking Foreign Office on December 30 proposed that outstanding differences between China and Japan be disposed of by diplomatic negotiation, averring that Japan had agreed in principle to the plan. A Tokyo press report of the same date, however, quoted a War Office spokesman as saying that, if the Nanking Government's statement meant that China sincerely sought friendly cooperation with Japan, the Japanese Army would welcome such a program, but that the army had no intention of taking Nanking announcements at their face value. This attitude seems to be confirmed by recent actions of the Japanese Army in North China and Mongolia. How long Nanking can maintain a conciliatory balance between continued Japanese aggression and the smouldering resentment of the more articulate portion of the Chinese populace is at least uncertain.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

LMS

1-1334

GRAY and SPECIAL GRAY

FROM

Peiping via N. R.

Dated February 18, 1936

Rec'd 11:20 a. m.

Secretary of State,
 Washington.

71, February 18, 9 p. m.

One. Following apparently a decision of the Japanese military in North China to try to obtain more satisfactory press reports about their activities, certain Japanese officers have suddenly become more communicative than had been the case for some weeks. Among them is Doihara who told pressmen yesterday at Peiping among other things that (1) it is not (repeat not) necessary for the National Government to approve appointments of Japanese advisers to the Hopei-Chahar Political Council, (2) the Council need not (repeat not) be separated from the National Government, (3) the Japanese might assist in suppression of communism if it should threaten North China, (4) the Japanese will not (repeat not) invade North China, (5) he does not (repeat not) insist on Asia for the Asiatics, and (6) Puyi will not (repeat not) come to North China in March (in reply to a question specifying that month).

Two. Embassy's 8, January 8, noon, paragraph 5.

Although

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

LMS 2-No. 71, February 18, 9 p. m. from Peiping.

Although students in Peiping returned to classes after prolonged winter vacation, they are creating difficulties in some schools. These movements have not yet reached important proportions. The student movement in Peiping is in confusion, presumably as the result of efforts of radical students to gain control of the Peiping Students Union the objectives of the radicals are not clear. In the opinion of one ^{responsible} ~~rival~~ educator, the radicals may intend to bring about a conflict between Japanese and Chinese in order to promote communism.

Three. The financial situation of the Hopei-Chahar Political Council is obscure. It is understood that negotiations between it and the National Government over division of revenues have practically reached a deadlock.

Four. There are lacking concrete signs of dissatisfaction on the part of Japanese military at the slow progress of the Council toward a greater degree of autonomy.

Five. Embassy's 44, February 4, noon, paragraph 3. Lieutenant Colonel Ikeda, North China garrison staff officer, has returned to Tientsin from Tokyo where he was supposedly engaged in significant conversations.

LOCKHART

CSB

Correction made
4/13/36
A.E.D. / 100-2

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

1-1336

FROM

SPECIAL GRAY

Peiping via N. R.

Dated February 19, 1936

Rec'd 7 a. m.

Secretary of State
 Washington.

73, February 19, 3 p. m.

Ballentine reports that he has been reliably
 informed that during the past few days there has been
 moving northward through Mukden a division of Japanese
 troops from Japan.

By mail to Tokyo.

HPD

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FEB 22 1936

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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TELEGRAM RECEIVED

MED

This telegram must be closely paraphrased before being communicated to anyone (a)

FROM NANKING

Dated February 19, 1936

Received 10:35 a.m.

Secretary of State,
 Washington

793.94

38, February 19, 3 p.m.

STRICTLY CONFIDENTIAL.

Division of
 FAR EASTERN AFFAIRS
 FEB 19 1936
 Department of State

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One. An officer of the Embassy has been authori-
 tatively informed that the Surgeon General of the Chinese
 army has just received orders to have the medical corps
 fully prepared for war within two months; that the
 greater portion of 1200 army trucks now in Kiangsi
 have been ordered sent to Nanking and 50 new Ford
 trucks have been purchased in Shanghai for use as
 ambulances; and that a Chinese expert who has been
 conducting researches in military gas has been brought
 from the Peiping Union Medical College to undertake
 immediate large scale manufacture of gas masks. The
 informant stated also that Tungchi University, Woosung,
 originally a German engineering and medical institution
 now under the Ministry of Communications, has been ordered
 to transfer all movable equipment to the International
 Settlement for safety.

Two. This information is reported not (repeat not)

as

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FEB 27 1936

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

MED - 2 - #38, February 19, 3 p.m. from Nanking

as indicative of a belief by the Embassy that Sino-Japanese hostilities are imminent but rather as confirmation of previous reports (for example, this office's 109, November 26, noon) concerning the extent to which actual preparations for possible fighting are being undertaken by the Chinese.

JOHNSON

CSB

793.94 / 7439

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 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A strictly confidential telegram (No. 38) of February 19, 1936, from the American Ambassador at Nanking, reads substantially as follows:

According to authoritative information received by a member of the American Embassy staff, orders have just been received by the Surgeon General of the Chinese army to have the medical corps fully prepared for war inside of two months, 50 new Ford trucks for use as ambulances have been bought in Shanghai and the majority of 1200 army trucks now in Kiangsi Province have been ordered sent to Nanking, a Chinese expert who has been carrying on researches in military gas has been brought from the Peiping Union Medical College to undertake the manufacture immediately of gas masks on a large scale, and orders have been given for the transfer to the International Settlement at Shanghai of all movable equipment from Tungchi University at Woosung which was originally a German engineering and medical institution and is now under the Ministry of Communications.

The Ambassador reports this information not for the purpose of showing that he considers hostilities are imminent between China and Japan but rather to confirm previous reports in regard to the extent to which the Chinese are undertaking actual preparations for possible hostilities.

793.94/7733

FE:EGC
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CSR
 PE 21.11.14

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

1-1236

FROM

FS

This telegram must be
 closely paraphrased be-
 fore being communicated
 to anyone. (C)

Peiping

Dated February 20, 1936

Rec'd 6:11 a. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 FEB 21 1936
 Department of State

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79, February 20, 5 p. m.

A reliable official of the local Japanese Embassy
 has expressed the following views in private conversa-
 tion. (Section Two follows).

WUC:HPD

LOCKHART

793.94/7734

FILED
 FEB 25 1936

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101-1

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

JS

SPECIAL GRAY
TELEGRAM RECEIVED
 PEIPING VIA N R

Dated February 20, 1936

1-1236

FROM
Rec'd 4:45 p.m.

Secretary of State,

Washington, D.C.

79, February 20, 5 p.m.

SECTION TWO

The present apparent relaxation of Japanese military policy with respect to North China is the outcome of the conversations during the middle of January of such important officers as Doihara, Isogai, and Itagaki (See Embassy's 15, January 13, ⁷⁶⁵⁷4 p.m., paragraph one). They arrived at an agreement that (one) direction of Japanese military policy in North China is to be removed from the hands of the Kwantung army, (two) Doihara will return to Japan in March, and (three) the policy will be in hands of the North China garrison. The North China garrison is to be enlarged (the degree of increase is not yet known but will probably be double the present strength) and will be under the command of a lieutenant-general. This means that Tada will go. His successor is not yet known but it will not (repeat not) be Doihara. This agreement was arrived at because of the international situation, principally the attitude toward Japan of Russia, the United States and Great Britain, and because of the differences of opinion existing between Itagaki and

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101-2

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

From Peiping, Feb. 20, #79

and Tada on the one hand and Doihara on the other with regard to policy. There will be quiet for three or four months not (repeat not) necessarily because of a change of objective but because of a change of method.

Three. The Foreign Office policy is the most reasonable explanation available of the seeming pause of the Japanese military with the procrastination of Chinese military in attaining a degree of autonomy desirable to the Japanese military. An unofficial but informed and frank Japanese has also recently stated that Doihara will go to Japan next month and that there will be quiet in North China for some time.

Repeated to Nanking, by mail to Tokyo.

LOCKHART

SMS NPL

#--apparent omission

101-3

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

PARAPHRASE

Section one of a telegram (No. 79) of February 20, 1936, from the American Embassy at Peiping, reads substantially as follows:

During the course of a private conversation a reliable official of the Japanese Embassy in Peiping expressed views to the following effect:

793.94/7734

FE:EC^{9c}C

FE

m.m./A

II-21-36

101-4

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R./103 FOR Desp.#65

FROM China (Nanking) (Peck) DATED Jan. 4, 1936
 //TP// NAME 1-1127 ...

REGARDING: Relations between China and Japan: Gives high lights
 of -, during month of December, 1935.

fpg

793.94/7735

7735

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Summary.

793.94
 The inauguration of the Sino-Soviet Political Affairs Commission¹, considered by even the Chinese as a makeshift and temporary measure, did not serve to alter materially the status of Sino-Soviet diplomatic relations and no concrete step looking to a betterment was taken by the Chinese^{Government} through diplomatic channels until the close of December. In December 12, a month after their

first

1. 127, December 12, 1972; 149, December 12, 1972.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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first discussion, the Japanese Ambassador and Chinese Vice-Minister of Foreign Affairs conferred in Peking, but on this occasion for less than an hour and without results considered satisfactory by either Chinese or Japanese. The student movement against "autocracy" in North China occasioned oral protests by the Japanese Embassy⁽¹⁾ at Peking; Wang Ju-jen was assassinated⁽²⁾ in Shanghai December 20; the first secretary of the Japanese Embassy in Peking, left for Japan December 20 to report on conditions to his foreign office.

Following press reports from Japan that the Chinese Foreign Office had proposed to the Japanese Foreign Office negotiations or discussions looking to the clarification of Sino-Japanese relations, and after repeated requests by the Japanese Embassy for information concerning these reports, the Chinese Foreign Office on December 23 handed to local press representatives, with the stipulation that the source be not published, the following statement:⁽³⁾

It has now been confirmed in Chinese official circles that a proposal for the fundamental readjustment of Sino-Japanese relations through proper diplomatic channels has been put forward by the Chinese Government to the Japanese Government which is said to have expressed agreement in principle.

The matter, however, is yet confined to a preliminary exchange of opinion between the Japanese and the Chinese Foreign Offices and no discussion of concrete plans or any particular question has taken place, it is learned.

The Chinese authorities are said to be anxious to remove the utter confusion and irregularities that have characterized Sino-Japanese relations since the Mukden Incident. The many and various questions that have arisen during the past four years have, it is admitted, often been dealt with in a make-shift manner which met only with the immediate exigencies of the moment. This lack of adequate consideration for a fundamental settlement is regarded to have culminated in an extraordinary state of affairs

which

2. 124, December 25, 3 p.m.
3. 123, December 26, 11 a.m.; 125, December 27, 4 p.m.
4. 126, December 31, 11 a.m.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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which is considered to be detrimental to the welfare of both China and Japan.

The present moment, being apparently deemed opportune, has, therefore, been seized upon to bring about the desired readjustment to place the conduct of Sino-Japanese relations on a proper diplomatic basis.

The reasons for this diplomatic démarche are probably

(1) Japanese insistence that China undertake concrete steps toward a "reapprochement"; (2) the partial success of the Japanese in creating a semi-independent administration in North China; (3) student demonstrations against "autonomy"; and (4) the assassination of Jiang Su-jen following so closely the attempt on the life of Wang Shing-wei⁽⁵⁾. Japanese success and pressure on one hand, and on the other the evidences of direct action by opponents of the Government's Japan policy as seen in the shootings and the student demonstrations, are believed to have been considered as demanding some forthright move looking to a clarification of the situation.

Student Movement against "Autonomy"

The National Government exhibited little concern at the student movement against "autonomy" until Peking students actively participated and, particularly, until Shanghai students commandeered trains in an almost successful attempt to reach the capital and interrupted rail traffic between Shanghai and Peking. On December 13 between two and three thousand university and middle students carrying banners with anti-"autonomy" and anti-Japanese slogans gathered before the Executive Yuan where their delegates were received by the Secretary General and they then marched to other Government offices.⁽⁶⁾ A similar

number

5. See November review.

6. 146, December 19, 11 a.m.

number repeated the performance⁽⁹⁾ the morning of December 20. There was no disorder. The Ministry of Education announced through the press that night that it would take appropriate steps in collaboration with the authorities of the various educational institutions to cure all strikes, parades and petitions.⁽¹⁰⁾ On December 23 Chiang Kai-shek issued an invitation⁽¹¹⁾ to student delegates and educational heads to meet with him in Hankow January 15 and issued orders to the Ministry of Education that students should confine themselves to studying. On December 24 a train load of the Shanghai students was reported to have reached a point half-way to Hankow.⁽¹²⁾ Actually they proceeded only a short distance in this direction beyond Hsueh but their approach and threats of further demonstrations in Hankow impelled the Government on December 25 to declare martial law in Hankow, Shanghai and Soochow, the reasons given being that bad characters (i.e. communists) were taking advantage of the situation to create disorder.⁽¹³⁾ A train of gendarmes was dispatched toward Hsueh and Chiang Kai-shek sent the Hankow Garrison Commander and representatives of the Executive Yuan and Ministry of Education to Hsueh to deal with the students, who agreed on December 27 to return to Shanghai.⁽¹⁴⁾ A small number of Hsueh and Shanghai student delegates who reached the capital were received by the Minister of Education December 29 and persuaded to return to their schools. Martial law remained in force in Hankow at the end of the month.

On three occasions⁽¹⁵⁾ during the month the Japanese

Embassy

7. 149, December 19, 3 p.m.
8. 150, December 20, 4 p.m.
9. 154, December 26, 3 p.m.
10. 157, December 27, 5 p.m.
11. 149, December 19, 3 p.m.; 154, December 26, 3 p.m.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Mullen D. Davis/efw MHS, Date 12-18-75

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Although it involved looted oral protests with the foreign office against the anti-19, were character of the various state of demonstrations.

Assassination of Yang Yu-jen

The assassination in Shanghai on March 25 of Yang Yu-jen, recently Administrative Vice Minister for Foreign Affairs who had participated in 1949-50, these diplomatic discussions were actively than any other official of the Foreign Office, was described by an official of the Ministry as unintentionally the work of anti-Japanese elements taking a misguided revenge upon Yang for his work in that connection. (14) According to an official of cabinet rank, (15) Yang had received a threatening letter prior to his murder, Yang Tung-tai (16) subsequently received a similar letter, Zhang Tai-shan and H. H. Yang were also listed for attack, and it was feared a reign of terror might be commencing.

Alleged "Backyard" murder of a military officer.

Indicative of the growing dissimulation with 190-20 were reactions which had pervaded various classes of Chinese, one General (17) as follows, stated to be an officer of the First Army, on occasion he attempted to stab himself to death at the military academy, Taiwan, under the conviction that a suicide would arouse the patriotism of his fellow countrymen for the salvation of the nation. (18) He did not die; many notables were reported as visiting him in hospital next day; Yang Yu-huang, and Yang Chang.

The Minister

13. 153, December 26, 11 a.m.
14. 150, December 27, 4 p.m.
15. Yang Tung-tai is Chief secretary of the Generalissimo's field headquarters and was recently appointed to the concurrent post of Chairman of Fujian Province.
16. Central News Agency, December 28.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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the Minister of Justice, a State Councillor and others.

Chinese protests against Japanese activities.

The Foreign Office was reported to have lodged a protest with the Japanese Embassy October 26 against the erection of a wireless station by a Japanese at Tientsin and against what were described as the weekly flights between that city and Hainan of a Japanese assistant military attaché. (16)

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Hankow/104 FOR #113

FROM Hankow (Josselyn) DATED Jan 8, 1936
 TO NAME 1-1137 ...

REGARDING: Student demonstrations in protest to alleged autonomous
 movement in North China.

FRG.

793.94/7736

7736

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(b) Japan

(1) Students' Demonstrations

(Telegram of December 30, 4 p.m.)

793.94
 In sympathy with their fellow-students in Peiping and Tientsin students in the Wuhan cities and at other places in this consular district paraded and demonstrated to show their opposition to the so-called autonomy movement in eastern Hopei. A clash between students and militia occurred on December 25 at Yincheng (應城), not far from Hankow, resulting in injury to a number of students and militia. First reports were that several students had been killed but it was later learned that this was not so.

On December 20 several thousand students paraded at Wuchang but, as the authorities had suspended the launch service across the Yangtze, they were prevented from crossing to Hankow to join students who paraded in this city at the same time. On December 23 the students in
 Wuchang

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 By Milton D. Gustafson NARS, Date 12-18-75

Suchang obtained permission from the authorities to cross the river to Hankow on condition that they would not enter the foreign concessions or special administrative districts. Several thousand students crossed over from Suchang on that day and, joining the Hankow students, paraded in good order through the native city and the streets behind Special Administrative District No. 3. Only one incident, and that of minor importance, occurred on this occasion, when a Japanese (or Korean) endeavored to take photographs of the procession as it passed by the Nisshin Kisen Kaisha building. The photographer is said to have been somewhat roughly handled by the students.

Effective from midnight, December 28, martial law was declared by order of General Chiang Kai-shek in several cities throughout the country, including Suchang (武昌), Hanyang (漢陽) and Hankow. General Chen Chi-cheng (陳繼承), Wuhan Garrison Commander, was placed in charge of the enforcement of martial law in this area. It has been ordered that during the continuance of martial law, traffic on the streets is to cease between midnight and 6:00 a.m.

General Ho Cheng-chun (何成濬), the Hupeh Pacification Commissioner, and General Chen Chi-cheng, acting under instructions from the Generalissimo, on December 28 addressed 200 principals of schools, teachers and students' representatives of middle schools and colleges in Wuhan, advising them to prepare for loyal service to their country but not to miss their studies

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

Political Report
 December 1935
 Hankow, China

- 7 -

and warning them that during martial law all meetings and demonstrations were forbidden (this prohibition was reinforced by telegraphic instructions from the Generalissimo to General Chen Chi-cheng on the 28th). General Ho agreed to transmit to the Generalissimo any expression of opinions of the students.

The students' feelings were exacerbated by exaggerated reports of the Yincheng incident and by a fairly widespread opposition to the appointment as Hupoh Chairman of Mr. Yang Yung-tai (楊永泰), and on the 29th their leaders called a general strike in all schools. In connexion with the Yincheng incident they visited the Provincial Government and presented certain demands. The Government agreed to furnish transportation for representatives of the students to go to Yincheng to investigate the incident. The strike spread on December 31 to the Wuhan University, whose president resigned when the students refused to heed his advice; he is reported, however, to have subsequently withdrawn his resignation. The Provincial Bureau of Education decided to commence the winter vacation on December 30; it is stated that the schools will re-open on January 31.

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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DOCUMENT FILE

NOTE

SEE 846d.00 P.R./54 FOR #464

FROM Singapore McEnelly) DATED Jan. 13, 1936
 TO NAME 1-1127 ...

REGARDING: The people of Singapore are more concerned with the Japanese-Chinese situation than with anything occurring in Ethiopia or Europe. The feeling is pronounced that sooner or later Japan will make some aggressive move in this part of the world involving Great Britain in war.

mb

793.94 / 7737

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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Great Britain in war. Anxiety is felt and expressed of the attitude of Siam which is believed to be pro-
 and
 Japanese /to encourage friendly relations with that country. The latest report is that Japan has offered to buy all tin that Siam can produce and that Siam is asking for an increase in its quota, under the international restriction scheme, to 25,000 tons a year. Its present quota is 10,000 tons.

Concern of Singapore in Japanese-Chinese Situation.

The people of Singapore are more concerned with the Japanese-Chinese situation than with anything occurring in Ethiopia or Europe. The feeling is pronounced that sooner or later Japan will make some aggressive move in this part of the world involving

Great

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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. Huefem NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 24, 1936

~~MEM~~
~~WPT~~
~~1271~~

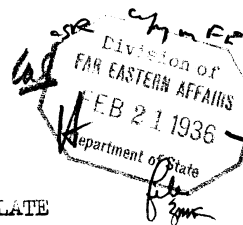
Yunnanfu's 131 to the Embassy of January 13, 1936, reports that Yunnanese students (of the Provincial University and various middle schools) have participated in anti-Japanese demonstrations, which demonstrations were held with the unofficial sanction if not the encouragement of the Provincial Government.

The demonstrations of the "Yunnan Students' Patriotic Movement Association" were not regarded seriously and the Japanese Consul does not plan to protest.

cs/R
CSR

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 152.



FE
A/E/C

AMERICAN CONSULATE

Yunnanfu, China, January 13, 1936.

793.94

SUBJECT: Transmission of Copies of Despatch
No. 131 to the Embassy at Peiping
- "Recent Anti-Japanese Demonstra-
tions in Yunnanfu".

The Honorable

The Secretary of State,
Washington.

RECEIVED	U.S.A.	✓
Ringwalt	ONI MID	✓

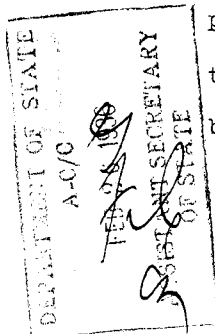
COPIES SENT TO
O.N.I. AND M.I.D.

Sir:

I have the honor to enclose copies in quintu-
plicate of this Consulate's Despatch No. 131, dated
January 13, 1936, to the Embassy at Peiping, report-
ing on recent anti-Japanese demonstrations on the
part of the student body in Yunnanfu. It is believed
that these demonstrations were viewed sympathetically
by the Provincial authorities.

Respectfully yours,

Arthur R. Ringwalt
Arthur R. Ringwalt,
American Vice Consul.



Enclosure:

Copies of Despatch No. 131, dated January
13, 1936, to the Embassy at Peiping.

In quintuplicate.

File No. 800.
ARR:chs

793.94/7733

F/FG

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 131.

AMERICAN CONSULATE

Yunnanfu, China, January 13, 1936.

SUBJECT: Recent Anti-Japanese Demonstrations
in Yunnanfu.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Sir:

I have the honor to report to the Embassy that Yunnanfu has recently been the scene of demonstrations by students of the Provincial University and the middle schools here in protest against what they consider to be Japanese aggression in North China. It is believed that these demonstrations were held with the unofficial sanction, if not the encouragement of the Provincial Government.

On December 31, 1935, representatives of the various middle schools located in Yunnanfu met on the grounds of the Technical School where plans were laid for the organization of a student demonstration in protest against Japanese policies in North China. It was decided to organize a "Yunnan Students' Patriotic Movement Association" (雲南學生愛國運動會),

and

- 2 -

and to apply for registration with the Provincial Kuomintang. Their plan to call a general meeting later in the day at the Technical School of all Yunnanfu middle school students was frustrated by the authorities who refused them permission to use the School grounds for demonstration purposes. They dispersed after announcing a mass meeting the following day at the Kwanghua (光華) Athletic Field, in the center of the city. It was agreed to invite the students of the Provincial University to meet with them.

The following morning, January 1st, the students met as planned. At 11 a.m. over three thousand of them paraded in an orderly manner from the Athletic Field to the Bureau of Education. They marched in military formation, shouting slogans, distributing handbills, and pasting posters in conspicuous places. These posters bore legends familiar enough to those who have viewed previous demonstrations, including the following:

"Down with Imperialism!"
"Death is better than slavery!"
"Oppose all puppet organizations
in North China!"
"Swear to back the Government's
foreign policy!"
"Long live the Chinese Republic!"
"Recover the lost territories!"
"Oppose all secret negotiations!"
"Protect students' patriotic movements!"
"Free speech, free press!"

At the head of the procession, certain students carried a banner bearing the legend: "Yunnan Students' Patriotic

Movement

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By Milton D. Gustafson NARS, Date 12-18-75

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Movement Association". On arrival at the Bureau of Education, they demanded that a responsible person agree to transmit their manifestoes and open letters to the Provincial Government. Subsequently they proceeded to the Government House where they were received by the Acting Chief of Staff, General Liao Hsing-ch'ao (廖行超), who promised to present their petitions to the Chairman. They then marched to the headquarters of the Provincial Kuomintang, where Yang Wen-ching (楊文清), a member of the Executive Committee, informed them that, provided they remained orderly and did not make too much of a nuisance of themselves, their application for the registration would meet with sympathetic consideration. More than pleased at the success of their demonstration, the students broke ranks and returned to their schools to prepare for the approaching examinations.

No further activities took place until examinations were over and the students were about to leave school for their New Year holiday. On the 8th of January, representatives of the various schools met at the University grounds to pass upon the fundamental laws of the proposed Students' Association. At this time it was agreed that propaganda work should not stop during vacation, and that those students who were returning to their homes in other districts should be especially exhorted to organize public feeling there.

It

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By Milton D. Gustafson NARS, Date 12-18-75

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It is the opinion of this office that this student movement, if not actually inspired by responsible members of the Provincial Government, was at least given unofficial encouragement by them. Ever since 1929, when a number of teachers and students were executed here for alleged communist sympathies, the Provincial Government has so terrorized the student body that if any anti-administration sentiment still exists among the students, no evidence thereof appears on the surface. No student organizations are permitted unless registered with the Provincial Kuomintang, and no meetings of such student organizations, even if registered, are permitted without the prior sanction of that office. As a matter of fact, any student movement whatsoever is viewed with such suspicion that students do not dare to consider the formation of even the most innocent clubs, much less to apply for registration thereof. It is therefore believed that this "Yunnan Students' Patriotic Movement Association" was formed with the prior knowledge not only of the Bureau of Education but also of the Provincial Kuomintang. This latter organization, completely cowed as it is by the Provincial Government, and almost entirely dependent upon it for its financial support, must have received prior sanction to its encouragement of the students. Yang Wen-ching himself is known to be al-

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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most pathetically subservient to Chairman Lung Yun.

It is the practice of the school officials here to appoint from the student body certain leaders who are given a modicum of authority in the direction of school activities. It was these very leaders who were active in the formation of the Students' Association. Perhaps the most striking evidence substantiating the belief of this office that the Provincial Government has viewed the Student Movement with approval is that certain students suspected of having subversive affiliations were not permitted to take any active part in the demonstration for fear they would take advantage of the situation to make trouble.

It is felt that the Student Movement was merely a face making arrangement on the part of the Government, which viewed with interest student demonstrations in other parts of China and felt that it was up to Yunnan also to put on a show, if merely for the purpose of proving to other provinces that Yunnan was as patriotic as any of them. Actually, with the exception of a very small minority of officials and business men, it is believed that the alleged Japanese aggression in North China has been viewed quite apathetically from this distance. Government officials and prominent educators have privately stated that they believe that with the return of the students to their homes for the

New

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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New Year vacation the whole movement will be permitted to die out. Mr. Kawaminami, the Japanese Consul at Yunnanfu, has informed the writer that he does not take the movement at all seriously and that he does not plan to lodge any protest.

Respectfully yours,

Arthur R. Ringwalt,
American Vice Consul.

In duplicate.

Copy to Embassy at Nanking.
In quintuplicate to the Department under cover of
Despatch No. 152, dated January 13, 1936.

File No. 800
ARR:chs

A true copy of
the signed origi-
nal

CHS

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



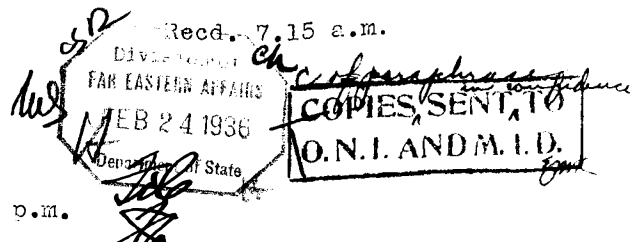
11J
This message must be closely paraphrased before being communicated to anyone. (A)

FROM

PUTTING

Dated February 23, 1936

Secretary of State
Washington



34. February 23, 4 p.m.

Following telegram has been received from the
Consul General at Mukden:

February 23, 10 a.m. I am reliably informed that two troop trains have been sent northward nightly and that armored cars, armored tanks and trucks are being loaded here. Chinese circles believe that an early pretext will be arranged to begin a movement against Outer Mongolia.

Repeated to Nanking and Tokyo.

LOCKHART

SMS

FILED
MAR 2 1936

793.94/7739

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 84) of February 23, 1936, from the American Embassy at Peiping, quotes a telegram from the Consul General at Mukden which reads substantially as follows:

According to reliable information armored cars, armored tanks and trucks are being loaded at Mukden and two troop trains have been sent northward nightly. It is believed in Chinese circles that an early excuse to begin a movement against Outer Mongolia will be arranged.

793.94/7739

29C.
FE:EGC

CSR
FE

II-24-36

1115
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE
TELEGRAM RECEIVED

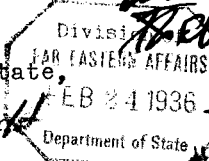
FS

This telegram must be ¹⁻¹⁹³⁶ FROM Tokyo
closely paraphrased be-
fore being communicated
to anyone. (A)

Dated February 24, 1936

Rec'd 9:50 a. m.

Secretary of State,
Washington



of paraphrase in confidence
COPIES SENT TO
O.N.I. AND M.I.D.
jmms

33, February 24, 7 p. m. 7739

Peiping's 84, February 23, 4 p. m.

Information obtained by the Military Attache here indicates no movement of large bodies of Japanese troops to North Manchuria and no uneasiness that the border incidents will develop into major operations. Army liaison officer suggests that troop movements in Mukden area may be in connection with local maneuvers, and states that the Japanese contemplate no significant increase in their army in Manchuria at present. Movement of replacements from Japan beginning February 23 probably includes men for six additional battalions of railway guards to raise this force to the thirty battalions already decided upon. In April the third and sixteenth divisions in Manchuria will be replaced by the first and twelfth divisions.

There are no (repeat no) indications here that the Japanese army anticipates major operations in the near future.

Repeated to Peiping.

CSB

GREW

793.94/7740

F/FG

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 33) of February 24, 1936, from the American Ambassador at Tokyo reads substantially as follows:

The American Military Attaché has obtained information indicating that there is no uneasiness that the border incidents will develop into major operations and that no movement of large bodies of Japanese troops to North Manchuria is taking place. The army liaison officer states that the Japanese plan no significant increase at this time in the Japanese army in Manchuria and he suggests that the troop movements in the Mukden area may be in connection with local maneuvers. It is probable that the movement beginning February 23 of replacements from Japan includes men for six additional battalions of railway guards to bring this force up to the thirty battalions already decided upon. In April the first and twelfth divisions will replace the third and sixteenth divisions in Manchuria.

There is nothing in Tokyo to indicate that major operations in the near future are anticipated by the Japanese army.

793.94/7740

EGC.
 FE:EGC

CC
 FE

M. D.

II-2-4-36

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

FS

1-1236

FROM GRAY

Peiping via N. R.

Dated February 24, 1936

Rec'd 6:47 a. m.

793.94

Secretary of State
Washington.

Div. of
FAR EAST AFFAIRS
FEB 24 1936
Department of State

COPIES SENT TO
O.N.I. AND M.I.D.

87, February 24, 4 p. m. /7734

Embassy's 79, February 20, 5 p. m.

Commander of the Japanese North China garrison Tada informed Chinese newspapermen February 23 that (1), unless the Eastern Hopei anti-Communist autonomous government, whose objects are autonomy and defense against communism, and the Hopei-Chahar Political Council, which was organized by the National Government, "reached the same water level, they could not flow together"; (2), the Japanese Government has not yet replied to his request, which was made on the suggestion of Sung Che-wei that it recommend (additional) Japanese for appointment as advisers to the Hopei-Chahar Political Council, and (3), the Kwantung army, in whose hands is the Northern Chahar affair, had reached an agreement with the chairman of Chahar by which the area (extending across Chahar north of the Great Wall from Jehol to Suiyuan) taken by

Li

793.94/7741

961
FEB 24 1936

F/FG

102-1

112

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FS 2-No. 87, February 24, 4 p. m. from Peiping

Li Shou Esin should be policed by Li's forces organized
into a Mongolian special police.

By mail to Tokyo.

C3B

LOCKHART

102-2

112

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

No. 129

COPIES SENT TO O.N.I. AND M.I.D.			
For Distribution-Check			
Grade	For	Yes	No
	M		
	Davis		
		USA	✓
		ONI	✓
		MID	✓

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, February 1, 1936.

Subject: Sino-Japanese Relations: Dr. C. T. Wang's Trip to Japan: Alleged Reasons for Failure to Visit the United States and Europe.

THE HONORABLE

THE SECRETARY OF STATE,
 WASHINGTON.

Sir:

I have the honor to refer to my despatch No. 17 of December 9, 1935, regarding the sudden departure of Dr. C. T. Wang, former Minister of Foreign Affairs, for Japan aboard the S.S. President Jefferson, on which the American Congressional Delegation to the inaugural ceremonies of the Philippine Commonwealth were returning to the United States; and to the statement therein that Dr. Wang's eventual destination was the United States and possibly Europe.

Mr. Oscar Steen, General Manager of the Robert Dollar Company for the Far East, states in confidence that reservations were actually made for Dr. C. T. Wang to travel to Europe via the United States, that Mr. Jabin Hsu, Chief of the Department of General Affairs of the Ministry of Finance and confidential secretary to Dr. H. H. Kung, spoke to Mr. Steen personally about the matter, and that just before the ship sailed the reservations were canceled and passage was

arranged

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FILED

MAR 11 1936

DG

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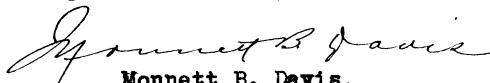
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

arranged to Yokohama only. According to statements attributed to General Linzon Dzau, he abandoned his plan to proceed to the United States when his business associates advised strongly against it. They apparently tried to dissuade him from leaving Shanghai at all, but he is reported to have received a personal letter from General Chiang Kai-shek asking him to present the Chinese viewpoint to the Delegation, which he felt made it necessary for him to accompany the Congressional group as far as Japan at least.

If the foregoing reports are true it may be that Dr. Wang's associates feared his departure on a semi-official mission to the United States in the face of Japanese opposition would prejudice the interests of the Kailan Mining Administration, with which they are understood to be connected. It is also rumored that the trip was favored by Dr. Kung as a countermove to loan negotiations that had been carried forward in other quarters under authority of the former President of the Executive Yuan.

Respectfully yours,


Monnett B. Davis,
American Consul General.

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MBD:NEW

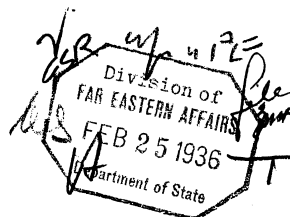
In quintuplicate
Copy To Embassy, Peiping
Copy to Embassy, Nanking
Copy to Embassy, Tokyo

1 1 2 5

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 109

Confidential.



AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 22, 1936.

Subject: Sino-Japanese Relations:
Situation in North China.

in confidence.
COPIES SENT TO
O.N.I. AND M.I.D.

THE HONORABLE

THE SECRETARY OF STATE
WASHINGTON.

For Distribution-Check		Yes	No
Grade	M		
To field			
In U.S.A.			
DAVIS		ONI-MID	CSR

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 93 of this date, with enclosures, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
Monnett B. Davis,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 93
with enclosures.

800
MBD MB

In Quintuplicate.

4 Carbon Copies

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MAR 13 1936

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

NO. 93

Confidential.

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, January 22, 1936.

Subject: Sino-Japanese Relations:
Situation in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my strictly confidential telegram of today's date regarding statements made by Mr. T. V. Soong concerning the North China situation and my despatch No. 73 of ^{1/22/4} January 11, 1936, setting forth the substance of a news despatch telegraphed to the New York Times by Mr. Hallett Abend on the same subject, and to submit as of possible interest 1/2/ paraphrases of news despatches sent to the New York Times by Mr. Hallett Abend and Mr. Anthony J. Billingham yesterday and today.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosures:

1/2/- Paraphrases of telegrams
sent to New York Times.

800

MBD MB

In Quintuplicate to Department by
despatch No. 109 of even date.
Copy to Embassy, Nanking and Tokyo.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 93 of Bennett B. Davis, American Consul General at Shanghai, China, dated January 22, 1936, on the subject: "Sino-Japanese Relations; Situation in North China."

Paraphrase of News Despatch Sent by Mr. Hallett Abend
to New York Times on January 21, 1936.

Major General Hensuki Isogai, Japanese Military Attache, revealed on Tuesday January 21 a seeming basic difference of opinion between the Japanese Army and Japanese Foreign Office in saying that Japan is adopting a friendly and approving attitude toward the movement of Prince Teh Wang for a greater degree of independence in Inner Mongolia, and is endeavoring meanwhile to persuade the five northern provinces of China to enter into an agreement for joint military action against Chinese Communists. He said he was unfamiliar with the technical details of Hirota's three points but as to third proposing joint action against the Communists it is too early to consider formal military alliance and such alliance presupposes an agreement between two powers of approximately equal strength, whereas China's armies today despite their enormous size are little better than the Communist rabble itself and have little actual effectiveness. Isogai ventured the hope that China may become sometime strong enough in a military way to justify such an alliance but intimated that the Japanese army in the meantime prefers an understanding giving them a certain freedom of action to cope with the Communist peril. He then stated that if the Red armies penetrate into North China endangering Japanese lives and property, the Japanese army will act independently if necessary. He stated further that it is noticeable that China's campaign against the Reds not only has not succeeded but has now slowed down and practically stopped; that this creates a very serious situation in North China in view of the fact that Shansi has less than thirty thousand troops of doubtful morale, Suiyuan less than that number, Hopei and Charhar only Sung Chih-yuan's fifty-five thousand badly disciplined and poorly armed troops of which a portion do not even have rifles, and Wan Fu-lin's twenty thousand are no better. This leaves only Han Fu-chu's sixty thousand Shantung troops, wherefore Japan is proposing a formal alliance between the authorities of the five northern provinces whereunder joint military action of the combined forces may be possible whenever any provincial borders are threatened. He expressed doubts as to whether the new Inner Mongolian movement aims at absolute national independence but believes absolute autonomy is desired and said that Teh Wang was largely actuated by determination to halt the infiltration and propaganda of pro-Soviet Mongols from Outer Mongolia and that whereas Japan and Manchukuo are not extending tangible assistance they are adopting a friendly attitude. He also expressed the belief that Teh Wang's movement while now confined to northern Charhar must eventually include portion of Suiyuan.

MBD MB

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch No. 93 of Monnett B. Davis,
 American Consul General at Shanghai, China, dated January
 22, 1936, on the subject: Sino-Japanese Relations:
 Situation in North China.

Paraphrase of News Despatch Sent by Anthony J. Billingham
to New York Times on January 22, 1936.

An eminent Chinese authority disclosed Tuesday that the Japanese army had given Sung Che-yuan two weeks to agree to all Japanese stipulations. He neither confirmed nor denied that one of several Japanese demands in North China includes appointment as Mayor of Tientsin of Yin Ju-keng, now leader of East Hopei independent regime. Continuing this Chinese official made the frank admission that Nanking's position is absolutely hopeless regarding Hopei and Charhar where the Autonomous Council is being steadily bent to the will of the Japanese and where anti-Nanking elements are being appointed to an ever increasing extent to positions of authority. Later a high official of the Japanese Embassy disclaimed knowledge of the full text of the Japanese army's new demands but expressed an opinion of significance in saying that Sung Che-yuan without authority from Nanking to effect Yin Ju-keng's appointment would necessarily be compelled to declare complete independence of Hopei and Charhar Council from Central Government in order to attain this end. The Japanese official clarified further Hirota's third point, stating that none of the Japanese officials have ever spoken of any alliance between Japan, Manchukuo and China against the Chinese Communist but always refer to joint action or cooperation, which is not an alliance in any sense of the word. What the Japanese army demands is complete thorough agreement on the part of Nanking for Manchukuo and necessarily sometimes Japanese troops to enter Hopei and Charhar provinces for purpose of suppressing Chinese communists.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 125

For Distribution Check				
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AMERICAN CONSULAR SERVICE.
American Consulate General,
Shanghai, China, February 1, 1936.

Subject: Sino-Japanese Relations: Editorial
Policy of American Daily: Reprint
of Article by Dr. Lin Yu-tang

COPIES SENT TO
O.N.I. AND M.I.D.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

CSR why in FE
DIVISION
FAR EASTERN AFFAIRS
FEB 25 1936
Department of State

Sir:

1/ I have the honor to enclose a copy of a self-explanatory despatch No. 114 of this date, with enclosures, from this Consulate General to the American Embassy at Peiping, in regard to the subject above mentioned.

DEPARTMENT OF STATE
RECEIVED
FEB 25 1936
OFFICE OF THE SECRETARY OF STATE

Respectfully yours,
Monnett B. Davis
Monnett B. Davis,
American Consul General.
FILED
MAR 11 1936

Enclosure:
1/- Copy of Shanghai Consulate
General despatch No. 114
with enclosures.

800
MBD MB
In Quintuplicate.

793.94/7744

DG

1 1 3 1

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

No. 114

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, February 1, 1936.

Subject: Sino-Japanese Relations: Editorial
Policy of American Daily: Reprint
of Article by Dr. Lin Yu-tang.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my confidential
despatch No. 18 of ⁷⁶⁴³December 14, 1935, regarding the
adoption of a more outspoken editorial policy on
Sino-Japanese relations by the SHANGHAI EVENING POST
AND MERCURY (American), the only newspaper in Shanghai
owned and controlled by American citizens, and to
1/ transmit as of possible interest in this connection
an editorial that appeared in yesterday's issue.

It summarizes a satirical article against Japan
by Dr. Lin Yu-tang, whose prestige in Shanghai has been
greatly increased by the world wide popularity of his
book, "My Country and My People." Dr. Lin likens Japan
to a newly-rich fisherman who goes about taking his
Chinese neighbor's garden by the expedient of flying his
kite over the fence and demanding satisfaction when it
gets caught in the trees. The editorial emphasizes the

author's

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-2-

author's description of "Fisher Lapps" as an ill-bred humorless individual who cannot forget his honor and who is very sensitive. A copy of the article itself as reprinted from THE CHINA CRITIC (Chinese independent weekly, English language) is also enclosed.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosure:

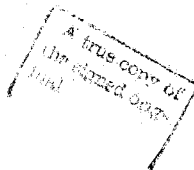
- 1/- Editorial from THE SHANGHAI EVENING POST AND MERCURY of January 31, 1936.
- 2/- Article from same paper and same issue.

800
MBD MB

In Quintuplicate to Department
by despatch No. 125 of even date.

Copy to Embassy, Nanking.

Copy to Embassy, Tokyo.



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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 111 of Kenneth B. Davis,
 American Consul General at Shanghai, China, dated February
 1, 1936, on the subject: "Sino-Japanese Relations:
 Editorial Policy of American Daily: Reprint of Article
 by Dr. Lin Yu-tang."

SOURCE: THE SHANGHAI CHINESE POST
 AND MERCURY (American) of
 January 31, 1936.

Editorial

Wry Laughter

A SHARP EDGE of satire is applied by Dr. Lin Yutang in an entertaining article reprinted on this page today from the latest issue of the *China Critic*. Dr. Lin, in the role of an old man with a what's-the-use attitude, is put upon by a pushing newly-rich fisherman neighbor, and there is food for plenty of thought in the situation.

"Fisher Lapps" wants the Chinese garden; "being fundamentally ill-bred, he is terribly afraid of being socially incorrect in stealing it. He is anxious to steal and still more anxious to wear his top-hat and go to church. Consequently he has developed a certain technique of stealing which amuses everybody except himself.

"For the one thing that a social upstart hasn't got and does not pretend to have is a sense of humor. Humor comes from self-confidence and taking things easy, and Fisher Lapps can't take things easy. One thing he can't forget is his 'honor' and he is known to be terribly 'sensitive'. Of course, a fisherman in a Rolls-Royce cannot help being sensitive."

So Fisher Lapps goes about his aggression against the garden by relatively indirect means. He flies his kite, which gets caught in a tree in the garden. This of course arouses his righteous indignation so he first scolds the Chinese owner and then cuts the tree down. The process is repeated with tree after tree until Fisher Lapps is making a large part of the northern courtyard his own while vociferously protesting his friendship and good neighborly feelings.

Dr. Lin performs his little literary stunt without removing his tongue from his cheek or naming any names, but nobody familiar with the Far East scene should have difficulty in perceiving precisely what he's about. This is the sort of performance in which Chinese writers excel. English readers are fortunate in their opportunity to overhear what Dr. Lin might himself describe as the cynical laughter of the Taoist.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch No. 114 of Bennett B. Davis,
American Consul General at Shanghai, China, dated February
1, 1936, on the subject: Sino-Japanese relations:
Editorial Policy of American Daily: Reprint of article
by Dr. Lin Yu-tang.

SOURCE: THE CHINA CRITIC (American), of January
31, 1936.

article by Dr. Lin Yu-tang.

A BIT OF SATIRE

"OH, BREAK NOT MY WILLOW-TRESS!" IMPLORES FEEBLE OLD MAN

By LIN YUTANG

(The China Critic)

"OH, break not my willow-trees!" Somehow the line lingers in my ears. It begins one of the loveliest love-songs from the *Book of Poetry* that I had learnt in childhood, and last night, when I was reading in the January number of the *T'ien Hsia* monthly an article by John C. H. Wu, I came across its English translation by J. A. Carpenter. Carpenter's translation, which has been set to music by Cyril Scott, preserves its original charm. This is what an ancient Chinese girl said to her lover:

Don't come in, Sir, please,
Don't break my willow-trees!
Not that that would very much grieve me;

But alack-a-day! what would my parents say?

And love you as I may
I cannot bear to think what that would be.

Don't cross my wall, Sir, please,
Don't spoil my mulberry-trees!

Not that that would very much grieve me;

But alack-a-day! what would my brothers say?

And love you as I may,
I cannot bear to think what that would be.

THERE is still a third stanza, but this will suffice to show the freshness and vigour of ancient Chinese poetry. It is Elizabethan.

Perhaps the line is haunting my ears because a neighbour of mine has recently been breaking my willow-trees. For I have a very big garden, an old, old garden. It is the garden of my ancestors, and for generations and generations we have lived in it. My neighbour on the northeast, who is a social upstart, has been climbing over my walls and carrying on a shameless flirtation with my daughter, and it pains me to see those old, old willow-trees broken and trampled upon as a result of their shameless love-making, as in the love-song of old. In fact, he has not only broken my willow-trees, but has broken into my garden and stolen a large patch of my orchard on the northeast and that is why I am writing about him now.

My neighbour who lives on the northeast is a typical upstart bourgeois. In fact, it is an interesting case of upstart psychology. His name is James Alexander. Before his rise to fortune, he used to sign himself merely "J.A." but now it is "James Alexander." To his neighbours, however, he is known merely as "Fisher Lapps" from his profession. And Sophia, their northwestern neighbour, persists in calling Mr. Lapps "Fisher Lapps" which annoys Mr. and

with a "How do you do, Fisher." Evidently Mr. Morgan did not think it so funny.

FISHER Lapps apologized (for you could not find a more courteous person on earth) and then walked away, swinging his stick according to the book of etiquette. You can tell that swinging a stick is not natural to him. "For God's sake!" Mrs. Fierce used to curse at such a sight.

Mrs. Lapps is now speaking English. She has even learnt an Americanism, "I'll tell the world!" It is that swaggering "I'll tell the world!" of hers that got on everybody's nerves. She learnt it from her husband and her children learnt it from her and now the little Lapps are always saying "I'll tell the world!" when they haven't got anything else to say. The entire Lapps family being rather short of stature, the effect is a supreme comedy.

The upshot of it all is, the Lapps merely succeed in being disliked by everybody.

WE have been neighbours for generations. He was a poor fellow, plying a fisherman's trade, and we, an old, old aristocratic family. In my father's mansion there is a huge orchard with a great variety of flowers and fruit-trees. But our family has fallen on evil days, and the orchard is now in a dilapidated state. For all that, our family has still an utter contempt for the Lapps and the Lapps know it, too. My neighbour has been peeping over the wall at our garden for years and there is covetousness in his heart. And now his son has the audacity to sue for the hands of my daughter who lives in the northeastern courtyard of my garden. It is because of this shameless courtship with my daughter that he is now constantly breaking into my garden and breaking my willow-trees.

Some years ago he went abroad and mysteriously returned with rolls and bags of silver. Like all nouveaux riches, he began to tear down his old house and build a new one and then began to complain of lack of space. Around their fireside, Fisher's wife always discussed with her husband what their neighbours' houses

The

A Mighty Trio— Hu, Wang, Chiang

One Cannot Do Without The Other, Declares Shun Pao Editor

The Shun Pao regards the return of Mr. Hu Han-min, veteran Kuomintang statesman, as a hopeful sign for the country and strongly urges closer co-operation among the three leaders of the nation—Mr. Hu Han-min, Mr. Wang Ching-wei and General Chiang Kai-shek.

By this time almost my entire north-eastern garden is occupied by him, and today he is flying kites right over the wall of my north-eastern court. But he goes about telling all our parishioners that my trees were wrong and his kites were right, that it was the audacity of my trees in catching his kites which injured his bourgeois honour and compelled him to "punish" me by occupying a large patch of my garden.

He is so sensitive about his "honour" that you could almost think that he believes it himself. And so after church service, when Mrs. Lapps declares to Mrs. Morgan and other parishioners her rather sudden "friendship" with me and her love for me as a neighbour, they barely succeed in concealing their laughter out of respect for her Rolls-Royce and her abnormal sense of "honour."

IT WAS some time after this, last spring I believe, that young Lapps began to woo my profligate daughter who is now occupying my northeastern courtyard, and I am too old a man to bother, either. Like the old lover in the ancient *Book of Poetry*, he is this very day breaking my willow-trees and mulberry-trees in my northeastern courtyard. Sometimes I feel like saying to Fisher, "Oh, break not my willow-trees!" or giving him a piece of my mind, but I am an old man, and oh, what's the use? Besides, it really annoys me to

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

am writing about him now.

My neighbour who lives on the northeast is a typical upstart bourgeois. In fact, it is an interesting case of upstart psychology. His name is James Alexander Lapps. Before his rise to fortune, he used to sign himself merely "J.A." but now it is "James Alexander." To his neighbours, however, he is known merely as "Fisher Lapps" from his profession, and Sophia, their northwestern neighbour, persists in calling Mr. Lapps "Fisher Lapps" which annoys Mr. and Mrs. Lapps greatly.

FISHER Lapps inevitably goes to church with his entire family. Since his rise to fortune, he has also bought a pew in the same row with J. P. Morgan. For the life of me, I can't see what fun he has worshipping God from the same row as J. P. Morgan, for I notice his hours at church are a veritable torture. Mrs. Lapps is as scared as she is delighted at sitting in the same row with Mrs. Morgan. She is all the time studying Mrs. Morgan's dress and watching how Mrs. Morgan blows her nose.

The Lapps family sail up to the church in their Rolls-Royce, conscious that they are newly accepted members of high society, and Fisher is blamelessly correct, for he has bought a book of social etiquette and gone over it three times point by point. He has mastered the entire book of etiquette in an amazingly short time, for there is no denying his intelligence, for after all no fisherman can rise to a position of wealth and influence without some real pluck and intelligence.

Only Fisher Lapps forgets one thing, that no gentleman ever observes all the rules of social etiquette with the result that Fisher Lapps is too blamelessly correct to appear a natural-born gentleman. There are things like kindness and simplicity and subtlety and finesse which are not in the book of etiquette and which Fisher Lapps consequently could never learn.

FISHER has the most correct and yet the worst possible manners. For all their solicitous desire to appear blamelessly correct and Mrs. Lapps' rather too prominently displayed jewels, Lapps' wife is feeling extremely uncomfortable, partly because of her self-consciousness of her new wealth and partly because Mrs. Morgan has an utter contempt for her and she knows it too. Mrs. Morgan tells the other women that she does not mind the fisherwoman's jewels, but she can't stand Fisher Lapps' top-hat and white gloves, because she says no one wears white gloves at church. Mrs. J. P. Morgan and the other old parishioners accept them and yet do not accept them, but Fisher Lapps has a way of flaunting his wealth before the eyes of his fellow-parishioners, and his new Rolls-Royce always makes a real impression on them, in spite of what their contempt for what they call behind Fisher's back that "conspicuous cad" and "social climber."

Once he used to joke with J. P. Morgan. Now joking is one of the few amenities of life that take long years of cultivation. Fisher Lapps meant to be humorous. One day, coming out of the church, he patted Mr. Morgan on the shoulders and said, "Hullo! J. P. You are J. P. and I am J. A. Ha! ha! ha! How funny!" Mr. Morgan merely froze him

the hands of my daughter who lives in the northeastern courtyard of my garden. It is because of this shameless courtship with my daughter that he is now constantly breaking into my garden and breaking my willow-trees.

Some years ago he went abroad and mysteriously returned with rolls and bags of silver. Like all nouveaux riches, he began to tear down his old house and build a new one and then began to complain of lack of space. Around their fireside, Fisher's wife always discussed with her husband what their neighbours' houses looked like and how their own house ought to look, as a first step toward entry into high society.

"Push" and energy? Yes, the Lapps have got it. It was inevitable that he should cast covetous eyes at my centuries-old garden, and particularly at the adjoining northeastern patch of fruit-trees. I had too big a garden anyway, they used to remark at home among themselves. It was then that he began to call himself my good neighbour and to take a deep interest in my daughter. My daughter marrying a Lapps!

FISHER Lapps wants my garden and he knows it, too. But being fundamentally ill-bred, he is terribly afraid of being socially incorrect in stealing it. He is anxious to steal and still more anxious to wear his top-hat and go to church. Consequently he has developed a certain technique of stealing which amuses everybody except himself. For the one thing that a social upstart hasn't got and does not pretend to have is a sense of humour

IT WAS some time after this, last spring I believe, that young Lapps began to woo my profligate daughter who is now occupying my northeastern courtyard, and I am too old a man to bother, either. Like the old lover in the ancient *Book of Poetry*, he is this very day breaking my willow-trees and mulberry-trees in my northeastern courtyard. Sometimes I feel like saying to Fisher, "Oh, break not my willow-trees!" or giving him a piece of my mind, but I am an old man, and oh, what's the use? Besides, does it really matter? Now, he has taken upon himself the duty of changing alleyways and dictating who is to do what in that northeastern courtyard, as if it were his own property. And all the time he is talking about his "honour" and never knows how funny it sounds in other people's ears. Since this affair with my daughter began, he is a still greater friend of mine than before and he professes his good neighbourly feelings for me more vociferously than ever.

My son, to avoid trouble, is returning his calls and takes every occasion to declare to Fisher Lapps his reciprocal friendship. It is often at one of these calls at Fisher's house that my son receives a stern rebuff.

"I love you," my son would say, "you are the best neighbour I have."

"Tut!" Lapps would reply. "You are insincere! Why do you obstruct my son's courtship with your sister? Where is the evidence of your friendship?"

1 1 3 ^c
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 3, 1936.

~~WGM:~~
~~WTT:~~
~~MMH:~~

Shanghai's despatch No. 131, February 1, 1936, describes a disturbance occasioned by a meeting of students on January 26 as indicative of continued disposition on part of students to cause trouble.

The despatch further describes the organization on January 28 (the anniversary of the outbreak of Sino-Japanese fighting in Chapel) of the "Shanghai Municipality Various Circles National Salvation Federation" and mentions a ceremony held by this Federation at the tomb of Robert Short, American aviator killed during the Shanghai trouble in 1932.

JcV
JCV/VDM

113F

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 18, 1936.

~~MSM:~~
~~WTT:~~
~~MMH:~~

Tientsin's 133 to the Embassy, January 15, 1936, transmits a memorandum of conversation with an official of the municipal government as to the present political situation in North China.

The official stated that the objectives of the Japanese military were (1) The amplification of the administrative organization of the Hopei-Chahar Political Council by the creation of additional bureaus and committees so that the natural tendency will be a separation of North China from the Nanking Government and (2) to bring Shantung, Shansi and Suiyuan into the Council and thus pave the way to the originally planned five provinces autonomous government. The official also stated that the expansion of the Council to embrace all the five provinces will probably take place shortly after the Chinese New Year despite the hitherto strong opposition of Han Fu-chu, Yen Hsi-shan and Fu Tso-i. He stated further that no settlement of the Demilitarized Zone question is imminently possible and opined that the Japanese will continue to defend Yin Ju-keng.

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CSR/VDM

FILED
FEB 20 1936

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Department of State letter, August 10, 1972
By Milton O. Justen NARS, Date 12-18-75

No. 131

For Distribution-Check		Yes	No
Grade	<u>D</u>		<input checked="" type="checkbox"/>
For	<u>Davis</u>	<input checked="" type="checkbox"/>	
To field In U.S.A.			
<u>ONI - MID</u>			

FE
AK

AMERICAN CONSULAR SERVICE.

American Consulate General,
Shanghai, China, February 1, 1936.

793.94

Subject: Sino-Japanese Relations:
Demonstration by Students:
Observance of January 28.

COPIES SENT TO
O.N.I. AND M.I.D.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Division of
FAR EASTERN AFFAIRS
FEB 25 1936
Department of State

RECEIVED
1/21/36
1/22/36

Sir:

I have the honor to enclose a copy of a self-explanatory despatch No. 121 of this date from this Consulate General to the American Embassy at Shanghai in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
Monnett B. Davis,
American Consul General.

ASSISTANT SECRETARY OF STATE
MAR 5 - 1936
DEPARTMENT OF STATE

Enclosure:

1/- Copy of Shanghai Consulate
General despatch No. 121.

800
MBD MB

In Quintuplicate.

793.94.7745

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MAR 11 1936

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

NO. 121

AMERICAN CONSULAR SERVICE.

American Consulate General,
 Shanghai, China, February 1, 1936.

Subject: Sino-Japanese Relations:
 Demonstration by Students:
 Observance of January 28.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

/7690

I have the honor to refer to despatches Nos. 40
 and 74 of ^{/7711} December 28, 1935, and January 13, 1936,
 respectively, concerning the political activities of
 students in Shanghai, and to report that while there
 have been no serious disturbances since the first of
 the year a demonstration by students of Chinan University
 and members of the Shanghai Women's National Salvation
 Federation took place on January 26, 1936, in the Jess-
 field district just west of the International Settlement.

According to press and police reports some nineteen
 demonstrators were arrested and subsequently a group
 of students gathered to demand the release of their
 comrades. Rough elements in the neighborhood joined the
 group, which eventually became unruly, overcame the police
 on duty at the Jessfield Branch Bureau and seized the
 officer in charge, Colonel Tan Bo-shou. A squad of

Settlement

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

Settlement police from the Bubbling Well Road Station proceeded to the scene and rescued Colonel Tan. Owing to the seriousness of the situation a reserve unit was called out and a detachment of the Russian Regiment of the Shanghai Volunteer Corps was held in readiness to go to their assistance. The demonstration in question does not appear to have been a part of any widespread or especially significant movement but is considered indicative of the continued disposition on the part of certain groups of students in this center to stir up trouble.

It is reported further in this connection that the fourth anniversary of the outbreak of Sino-Japanese hostilities in Chapel was commemorated at a meeting held on the morning of Tuesday January 28 in the Chinese Chamber of Commerce Building on North Soochow Road. According to information received from the Special Branch of the Shanghai Municipal Police the gathering was attended by about six hundred persons, speeches were made against the autonomous movement in North China, songs entitled the "Volunteer Department" and "January 28" were sung by members of the Chinese Y.M.C.A., and the following resolutions were adopted:

1. That an organization to be known as the "Shanghai Municipality Various Circles National Salvation Federation" be formed by thirty local public bodies with representatives of the following organizations as members of the Committee: Chung Hwa Vocational Education Institute, Route Voyron, 1st Special District Citizens' Federation, Chung Hwa Women's Christian Temperance Association, Yuen Ming Yuen Road.

2. That a protest be lodged with the National Government against the oppressive

attitude

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-3-

attitude of the authorities towards the People's National Salvation Movement.

3. That four delegates be appointed to visit the tomb at Hungjao Cemetery of the American aviator who sacrificed his life at Soochow during the January 28 Incident.

4. That due respect be paid to the memorial tablet erected in the Chinese Chamber of Commerce building in honour of the four boy scouts who were killed during the 1932 hostilities.

4. That a manifesto be issued.

Following the meeting the participants marched through the streets shouting anti-Japanese and anti-imperialistic slogans. The following day representatives of the First Special District People's Association placed a floral wreath on the tomb of Robert Short, who lost his life during the Sino-Japanese hostilities in 1932. At the same time an address in the following sense was delivered:

"We respect and love you for the enthusiastic sympathy you had for our country. To you there was no national boundary and between you there was only the great earth below and the blue sky above. While most other aviators take no shame in siding with imperialists and oppressing the weaker parties, you bravely fought against the devilish aggressors in defense of the oppressed. Since you shed your last drop of hot blood, we have seen the territory of our country taken away one slice after another. Now we are determined to rise up and dash out of Shan-haikwan with the determination of recovering our lost land. May your spirit remain with us in our struggles for our racial existence."

Respectfully yours,

Monnett B. Davis,
American Consul General.

800
MBD MB
In Quintuplicate to Department
by despatch No. 131 of even date.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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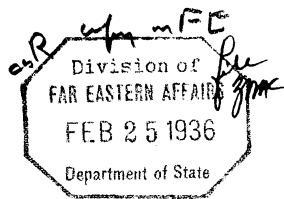
EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 189

Peiping, January 21, 1936.

Subject: Communication from the "East Hopei
 Anti-Communist Autonomous Government!"

793.94



793.94/7746

1936 FEB 24 PM 1 55

COMMUNICATIONS
 AND RECORDS

For Distribution-Check		Yes	No
Grade	X	To field	X
For		In U.S.A.	
		ONI-MID CSR	

The Honorable

The Secretary of State,
 Washington, D. C.

COPIES SENT TO
 O.N.I. AND M.I.D.

Sir:

FILED
 MAR 6 1936

I have the honor to refer to the Embassy's
 despatch No. 175 of ⁷⁷¹⁷ January 16, 1936, enclosing,
 among other printed material, copies of certain
 communications and news items regarding Yin Ju-keng's
 "East Hopei Anti-Communist Autonomous Council", and
 to forward for the information of the Department
 1/ a copy in English translation of a communication
 addressed to this Embassy by that organization
 on December 25, 1935, announcing its reorganization
 as

DG

- 2 -

as the "East Hopei Anti-Communist Autonomous Government" as of that date.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓
Enclosure:

- 1/ Copy in English translation
of communication from the
"East Hopei Anti-Communist
Autonomous Council", December
25, 1935.

710

Original and 4 copies to the Department
Copy to American Embassy, Nanking.

EC/rd

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

EX-111
 TO

1189

Translation of a note addressed by the Eastern
 Hopei Autonomous Government for the Prevention
 of Communism to the American Embassy, Peiping.

(Trans. CHT)

(Dated: December 25, 1935.)

(Checked: PWM)

(Recd.: December 28, 1935.)

Sirs:

We have the honor to refer to our previous note informing you that the Eastern Hopei Autonomous Commission for the Prevention of Communism was inaugurated on the 25th of last month, and autonomy declared.

One month has now elapsed since the inauguration, and the Commission has been warmly received by the people. All administrative affairs have been carried out smoothly. However, in order to increase administrative efficiency and strengthen people's confidence, it has now been unanimously decided in a meeting that this Commission be reorganized on December 25th into the Eastern Hopei Autonomous Government for the Prevention of Communism. Mr. Yin Ju-keng, Chairman of this Commission, has been publicly elected High Administrator of the Eastern Hopei Autonomous Government for the Prevention of Communism to control all military and administrative affairs of this whole zone. He has today assumed office. In future he continues to assume full responsibility for the peace and administration of the

area

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

area within his jurisdiction, for the protection and safety of foreigners, and for the respect of international faith and righteousness.

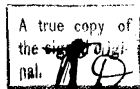
Aside from having addressed separate notes to those concerned, we have the honor to enclose herewith for your information the manifesto concerning reorganization and the general principles for the organization of the Government.

(sealed) SEAL OF THE EASTERN HOPEI AUTONOMOUS
COMMISSION FOR THE PREVENTION OF
COMMUNISM.

-The old seal is temporarily borrowed
for use-

Enclosures:
As stated.

PWM:BHT/rd



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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MANIFESTO FOR THE REORGANIZATION OF "THE EASTERN
HOPEI AUTONOMOUS COMMISSION FOR THE PREVENTION
OF COMMUNISM" INTO "THE EASTERN HOPEI AUTONOMOUS
GOVERNMENT FOR THE PREVENTION OF COMMUNISM".

The people have suffered under the Party administration and the country has been in imminent danger of extinction. In compliance with the request of the people of Eastern Hopei and the expectation of our brethren of the whole country, the Eastern Hopei Autonomous Commission for the Prevention of Communism was organized at Tungchow on November 25, 1935, to serve as a leader and example. We hope that those in the states of Yen and Chao (Hopei Province) who are concerned about the country will arise and jointly organize themselves to rescue the country from imminent danger. One month has now elapsed since the declaration (of autonomy). Although the people's feelings are more enthusiastic daily, most of the able and brave men are still inactive. In order to realize our primary object of communist prevention and autonomy and to establish people's confidence, we naturally cannot tolerate such procrastination thereby adversely affecting the public.

We have held a meeting and have all decided to reorganize this Commission today into the Eastern Hopei Autonomous Government for the Prevention of Communism. Mr. Yin Ju-keng, Chairman of this Commission, has been publicly elected High Administrator of the Eastern Hopei Autonomous Government for the Prevention of Communism to control all military and administrative affairs in this whole

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

whole zone. We shall take our previous manifesto as our standard and the well-being of Eastern Hopei as our object. We shall improve all administrations and strengthen ourselves. In this way the autonomy of Eastern Hopei will be stable like a great rock, and the whole country will be given fresh opportunities for recovery.

Although our knowledge is poor, we are concerned about the country just the same as others. We wish to cooperate with wise and intelligent persons in the country on the basis of this unalterable belief. This special manifesto.

Eastern Hopei Autonomous Commission for
the Prevention of Communism.

Chairman	Yin Ju-keng.
Members:	Ch'ih Tsung-mo.
	Wang Hsia-ts'ai.
	Chang Ch'ing-yü.
	Chang Yen-t'ien.
	Li Hai-t'ien.
	Chao Lei.
	Li Yün-sheng.
	Yin T'i-hsin.

December 25th of the 24th year of the Chinese Republic.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

GENERAL PRINCIPLES FOR THE ORGANIZATION
 OF THE EASTERN HOPEI AUTONOMOUS GOVERNMENT
 FOR THE PREVENTION OF COMMUNISM.

-Promulgated on December 25th of the
 24th year of the Chinese Republic-

- Article 1. The following Districts will comprise the area under the jurisdiction of this Government:
 Tunghsien, Luanhsien, Linyü, Tsunhwa, Fengjun, Changli, Funing, Tsienan, Miyün, Khsien, Yütien, Loting, Lulung, Paoti, Ningho, Changping, Hsiangho, Sanho, Shunyi, Hwaiju, Pingku, and Hinglung.
- Article 2. This Government is established at Tunghsien.
- Article 3. This Government shall have one High Administrator to control all military and administrative affairs in this area.
- Article 4. The High Administrator shall have command of the various Peace Preservation Corps in this area.
- Article 5. This Government shall have eight political councillors to assist the High Administrator in carrying on administrative affairs.
- Article 6. This Government shall have one Secretary-General to assist the High Administrator in handling administrative affairs.
- Article 7. This Government shall have the following three departments in charge of secretarial work, peace preservation, and foreign affairs, each having a Director:
1. Department of Secretaries.
 2. Department of Peace Preservation.
 3. Department of Foreign Affairs.

Article 8.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Article 8. This Government shall have the following four Bureaus in charge of civil affairs, finance, education, and reconstruction in this area, each having a Commissioner:

1. Bureau of Civil Affairs.
2. Bureau of Finance.
3. Bureau of Education.
4. Bureau of Reconstruction.

Article 9. This Government shall have two counselors and to examine and draft laws, ordinances, /rules, of this Government.

Article 10. Political councillors of this Government shall be engaged by invitation by the High Administrator.

Article 11. Secretary-General, Directors of the various Departments, Commissioners of the various Bureaus, and Counselors of this Government shall be appointed by the High Administrator.

Article 12. The organization of the various Departments and Bureaus of this Government shall be separately determined.

Article 13. The organization of the various Peace Preservation Corps under the control of this Government shall be separately determined.

Article 14. The present General Principles for the Organization (of this Government) shall be put into force from the date of promulgation.

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 Department of State Letter, August 10, 1972
 By Milton O. Huelsken NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 3, 1936.

~~MMH:~~
~~WTT:~~
~~MMH:~~

Peiping's No. 210, February 1, 1936, encloses a manifesto issued by the Peiping Students Union giving as reasons for their failure to send delegates to the meeting with Chiang Kai-shek: (1) the non-resistance attitude of the Government to Japanese aggression during the past four years, and (2) the disinclination to put their delegates under Chiang's "power" without chance of obtaining results.

The despatch observes that the students' movement is guided and influenced by nationalistic rather than communistic groups.

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

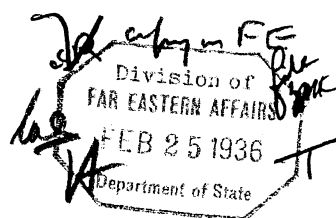
FE

Peiping, February 1, 1936.

No. 210

Subject: Current Public Opinion in China
Regarding Sino-Japanese Relations.

793.94



1936 FEB 24 PM 1 49

RECEIVED
PUBLIC AFFAIRS
AND RECORDS

For Distribution-Check		Yes	No
Grade			X
For	X	X	

ONI-MID CSR

793.94.7747

The Honorable

The Secretary of State,
Washington, D. C.

COPIES SENT TO
O.N.I. AND M.I.D.

Sir:

I have the honor to refer to the Embassy's despatch
No. 175 of ⁷⁷¹⁷January 16, 1936, on the subject of current
Chinese opinion with regard to Sino-Japanese relations, and
1/ to enclose for the information of the Department a copy of
a manifesto issued by the Peiping Students' Union on Jan-
uary 15, the date of the meeting at Nanking between General
Chiang Kai-shek and educators and student-delegates, ex-
plaining the reasons for the refusal of the Peiping Students'
Union to send delegates to the Nanking meeting. The students
in

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

in this manifesto contend that the history of the National Government's actions in the past four years (since the Mukden Incident) gives little promise of that Government's offering effective resistance to the advance of "the Japanese Imperialists" and that the despatch of student-delegates to Nanking to listen to General Chiang Kai-shek's "instructions" would therefore only be putting those delegates into General Chiang's power with no chance of obtaining satisfactory results in the field of foreign relations.

The some 500 student agitators, referred to in the Embassy's aforementioned despatch of January 16, have now returned from their excursion into the countryside, several of the groups having carried on propaganda in the villages for three weeks without more than minor clashes with the authorities. After a strike which has now lasted about two months, attended by several demonstrations and much propaganda work, it is understood that the students will resume their classes when the schools re-open on February 1. Their leaders, however, are said to be now negotiating with the college authorities with regard to their request that emphasis be placed on current political and economic problems in the curriculum. (One of the complaints of the students has been that the educational authorities planned to substitute new text-books and subjects for the old in order to meet Japanese criticisms of "nationalistic teaching".) It is generally believed that one of the motivating factors inducing the students to resume classes is the circumstance that their return to school will facilitate the continuation of their organizing activities while their dispersal would result in
an

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

an early diminution of their strength (as apparently happened in Shantung). The basic direction of the students' present propaganda activities is probably indicated in an outline of "Leading Principles of Propaganda", drafted by the Peiping Students' Union for the guidance of the student-propagandists during their tour of the villages. A copy of that outline is enclosed. It will be noted that the titles there outlined indicate a definite opposition to both the National Government's foreign policy and "Japanese Imperialism" and call for armed resistance by the Chinese people against the Japanese.

The slogans of the students at the present juncture bear a close resemblance, in their context, to those of the National Salvation League which recently was formed in Shanghai. This League, it is believed, has been established largely under the influence of the strongly nationalistic group, led by Madame Sun Yat-sen, General Li Tu, and others, which in the spring of 1933, as the Civil Rights League, came out with a nationalistic program calling for resistance to Japanese aggression. Through assassination, arrest and execution, it is reported, the movement of 1933 died at birth. Now, however, with the growth of nationalistic feelings within the ranks of the Kuomintang itself against submission to the Japanese program in Asia, this Opposition group has apparently once more felt the time ripe for action -- and this time, presumably, considerable energy would be spent in eliminating from the organization the elements of weakness which resulted in the sudden demise of the Civil Rights League. Finally, it will be recalled that the Civil Rights League,

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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

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League, reflecting the ideology of Madame Sun Yat-sen and her supporters, was definitely sympathetic with the nationalistic program of the Chinese Communist Party in 1933, and that the Chinese Communists for the past year have been making increased use of anti-Japanese slogans in their propaganda work.

It is not believed that, as alleged by certain Chinese officials and others interested in checking the spread of the student movement, the present student activities are chiefly the result of Communist direction. It is manifest that the students could not be expected to be favorably disposed toward a foreign policy which has thus far failed to be effective in the maintenance of China's territorial integrity and sovereignty. The resemblance of the students' slogans to those of more radical groups might well arise from the circumstance that nationalistic feeling in China must at the present time be largely directed along similar channels no matter where the source. No effort seems to have been spared by the students, in fact, to avoid giving the authorities an excuse to charge them with having "radical connections." Nevertheless, it seems possible, from what is known of the tactics of political agitators of the student type in China, that at this time there may be liaison between them and the National Salvation League and the Chinese Communist Party, although the connection would ordinarily be hidden from the outsider and the majority of the rank and file of the organizations. The Japanese thrust southward assists involuntarily in the formation

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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formation and integration of such nationalistic groups.

Respectfully yours,

Milton Gustafson

✓
Enclosures:

- 1/ Manifesto dated January 15, 1936;
- 2/ Outline of "Leading Principles of Propaganda in the Near Suburbs of This Municipality."

710 Sino-Japanese
EC/kt

Original and four copies to Department.
Copy to American Embassy, Nanking.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE 1
 TO BE DESTROYED 210

((TRANSLATION OF A HANDBILL))

(Trans. CHT)

(Checked: PGM)

STATEMENT TO THE PEOPLE OPPOSING SENDING OF
 DELEGATES "TO NANKING TO LISTEN TO INSTRUCTIONS".

Dear brethren:

We held demonstrations on December 9 and 16 for the purpose of opposing the sale of North China, and for the purpose of fighting for the freedom and emancipation of the race. We had direct clashes with the Japanese imperialists, traitors, and walking dogs. Under the pressure of hoses, big swords, rifle stocks, and bayonets, unarmed young students bravely and painstakingly continued their resistance. Although more than 200 of them were injured and arrested, their sacrifice was glorious. In the midst of these two demonstrations, the Peiping students displayed before the people of the whole country their bloody flag.

When the student movements in the whole country were in full swing, Chiang Kai-shek, President of the Executive Yuan, suddenly issued an order directing student representatives at the various places to go to Nanking "to listen to instructions". This action is undoubtedly a deceptive, "narcotic", and bribing act of a crafty and malicious man, with the intent to wipe out all student movements and to suppress all Chinese people's voluntary anti-Japanese wars. This intrigue is very manifest.

Four years ago when the Three Northeastern Provinces had just been taken by the Japanese imperialists, all students at the various places also went to Nanking to

submit

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

submit petitions. At that time Chairman Chiang announced to the students: "The Government is at present actively preparing resistance against Japan. If the lost territory is not recovered after three years I will cut my head off in order to appease public indignation."

It is now the fourth year. Not only has the lost territory of the Northeast not been recovered, but also Jehol, twenty districts in Eastern Hopei, and six districts in Northern Chahar have been put under the control of Japan. The bloody lessons during the past four years have clearly told us that the Government cannot resist Japan, and that those who can resist Japan are only the people themselves. Aren't the Northeastern volunteers fighting everywhere? Those brave men who are fighting for freedom and emancipation of the race are the best examples for our people in North China. Are the deceits and opiates to which we have been subjected during the past four years not enough, and do we still want to send delegates to listen to his (Chiang's) deceptive and "narcotic" talks? Are the threats and oppression suffered by us during the past four years not enough, and do we still want to send representatives for his (Chiang's) use and to be bribed by him?

Furthermore, on "December 9th" our great groups filed legitimate demands with Ho Ying-ch'ing, but we could not obtain any reply to such demands. Let us ask a question: As the demands of the students of the entire Municipality of Peiping and the cries of the whole body of the oppressed people were left unanswered by the Government, can a few representatives going to Nanking who are placed under the influence and menace of the Government obtain a satisfactory reply?

For the above reason, at the fifth general meeting

of

1155

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-3-

of our representatives, we decided not to send representatives to the south. Meantime the students' self-governing unions of the various universities also agreed to take unanimous action with this Union. This attitude represents the unanimous demand of the students of the entire Municipality of Peiping. We can no longer have blind confidence in the Government, and we want to use our own warm blood and heads to fight for a path to freedom and emancipation.

Oppose the sending of representatives "to Nanking to listen to instructions"!

Oppose the Government's submissive diplomacy!

Oppose the traitors who have secretly gone to Nanking under assumed names!

Oppose the traitors who have destroyed the unity of the students!

Down with Japanese imperialism!

Long life for the emancipation of the Chinese race!

PEIPING STUDENTS' UNION.

January 15, 1936.

URGENT NOTICE OF THE PEIPING STUDENTS' UNION.

At the fifth general meeting of representatives, this Union decided strongly and resolutely to oppose the sending of representatives "to Nanking to listen to instructions". The students' self-governing unions of the various universities should take unanimous action with this Union. According to press reports, a small number of traitors under the false name of representatives of fellow students of the various schools have secretly gone to Nanking. Aside from conducting a thorough investigation and taking appropriate measures of control, this Union hereby

issues

1158

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-4-

issues this special urgent notice.

CHT-PPM:T

(A true copy: *CHS*)

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

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210

((TRANSLATION OF A HANDBILL.))

(Trans. CNT)

(Checked: PPM)

LEADING PRINCIPLES OF PROPAGANDA IN THE
NEAR SHORES OF THIS MUNICIPALITY.

(Drafted by the Propaganda Department and
passed at the 13th meeting of the
Executive Committee.)

I. Economic bankruptcy of agricultural villages:

A. Causes:

1. Imperialists' aggression.
 - a. Political aggression.
 - b. Economic aggression.
 - c. Military aggression.
2. Militarists' civil strife.
3. Squeezing of greedy and corrupt officials.
4. Exactions of wicked gentry and landlords.
5. Cruel taxes and miscellaneous imposts.
6. Currency inflation.
7. Prevalence of calamities and famine.

B. Present condition:

1. Shortage of money-capital.
2. Unemployment of laborers in agricultural villages.
3. High-interest credit.
4. More strained exactions of landlords.
5. Financial difficulties in the New Year.
6. Desertion of farmers.
7. Famine.
8. Increase in amount and names of taxes.

II. Seriousness of the crisis of the race:

A. More strenuous attack of Japan:

1. Hopei case.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

2. Ho-Deetau agreement -- Insurrection of the Eastern Hopei and Hopei-Chahar bogus organizations.

3. Hirota's three leading principles.

4. New Twenty-One Demands.

5. Occupation of Northern Chahar by the Bogus Army.

6. Occupation of Tangku and Tsin by Japanese troops.

B. Japan's ultimate attempt:

1. Sole occupation of the whole country of China -- fulfillment of the Continent Policy to make China entirely colonized.

2. Use of Asiatic Monroe Doctrine as slogan to realize the complete occupation of China.

3. Seizure of China for use as base of attack upon Soviet Russia.

Government's submissive policy:

1. Non-resistance policy and Sino-Japanese friendship.

2. Permitting Japanese imperialists to develop North China -- Sino-Japanese economic cooperation.

3. Permitting traitors to be in collusion with Japanese imperialists to establish the Hopei-Chahar Political Council.

4. Accepting all demands filed by Japanese imperialists (such as Hirota's three leading principles).

5. In cooperation with traitors and Japanese imperialists, jointly suppressing the patriotic movements.

III. The path for the people of China:

A. Objects:

1. Struggle for freedom and emancipation of the people of China.

2. Expel imperialists' influences from China -- first expel Japanese imperialists' influences in China.

3. Eradicate militarists, traitors, and the remaining feudal influences.

B.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

B. Measures:

1. The people should spontaneously arm themselves.
2. The people should spontaneously organize Anti-Japanese Associations for the Salvation of the Country.
3. The people should spontaneously protest against taxes, eradicate greedy and corrupt officials, wicked gentry and local rowdies, and confiscate their property.
4. Direct fighting with the imperialists should be initiated -- First start direct fighting with Japanese imperialists.

CHP-P-MIT

(A true copy: *CHS*)

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 2, 1936.

~~MSM:~~
~~WTT:~~
~~MMH:~~

SNH-
 Peiping's No. 202, January 30, 1936, transmits Tsinan's No. 8, January 15, 1936, containing report of Japanese pressure on General Han Fu-chu.

The despatch contains no definite information regarding conversation between Major General Itagaki, Vice Chief of Staff, Kwantung Army, and General Han on January 12, 1936, but Han's Councillor for Foreign Affairs stated as his personal opinion that Han had been offered (1) free hand in North China, (2) subsidy from Japanese, and (3) revenues of entire (North China) area. As an alternative to peaceful autonomy movement, Japanese suggested more drastic action. Councillor stated that (1) Han would not join autonomy move and (2) National Government subsidy was being received.

The despatch further reported (1) Han's request to resign concurrent posts and National Government's rejection thereof and (2) Han's firm attitude toward discontented students.

The Consul stated in conclusion that recent events tended to confirm reports of Japanese dissatisfaction with present autonomous regime in North China.
 JCV/VDM

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 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75



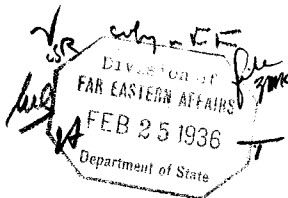
EMBASSY OF THE
 UNITED STATES OF AMERICA
 Peiping, January 30, 1936.

FE
 A-C/K

No. 202

Subject: Japanese pressure on General Han Fu-chu.

793.94



RECEIVED
 FEB 24 PM 1 41
 ASSISTANT SECRETARY
 OF STATE
 file

For Distribution Check		Yes	No
Grade	For	In U.S.A.	
	Smith	✓	✓

OWH-MID
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The Honorable

The Secretary of State,
 Washington, D.C.

COPIES SENT TO
 O.N.I. AND M.I.D.

793.94/7748

Sir:

1/ I have the honor to forward a copy of despatch
 No. 8 of January 15, 1936, addressed to the Embassy
 by the Consulate at Tsinan, with regard to recent
 visits of Japanese to Tsinan, including that of
 Major General Seishiro Itagaki, Vice Chief of Staff
 of the Kwantung Army, and efforts of these visitors
 to persuade General Han Fu-chu to assume leadership
 of the autonomy movement in North China.

MAR 11 1936

FILED

Respectfully yours,

Nelson Trusler Johnson
 Nelson Trusler Johnson.

Enclosure:

DG

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

✓
Enclosure:

1/ Copy of despatch No. 8, January 15,
1936, from Consulate at Tsinan.

710.
LES/js.

Original and four copies to the Department.
Copy to American Embassy, Nanking.
Copy to " " Tokyo.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huey NARS, Date 12-18-75

No. 8

EX-100-1202
To

AMERICAN CONSULATE,
Tsinan, China, January 15, 1936.

Subject: Visit of General Itagaki to Tsinan.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to state that Major General Heishiro Itagaki, Vice Chief of Staff of the Kwantung Army, accompanied by two members of his staff, is reported by several usually reliable sources of information to have arrived in Tsinan by aeroplane at 3 p.m. on January 12, 1936, and to have had over an hour of conversation with General Han Fu-chu late the same afternoon in the presence of the local resident Japanese military representative and the local Japanese Consul General. After spending one night here the General and his party are believed to have departed by aeroplane at 9 a.m. on January 13, 1936.

Tactful efforts to obtain information regarding the purpose of General Itagaki's visit and the reported visit of Mr. Ohashi, Vice Minister of Foreign Affairs of Manchukuo, were studiously evaded by the Japanese and Chinese officials questioned, although Consul General Nishida

spoke

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

spoke at length on the personal inconvenience caused him by the visit to Tsingtao and Tsinan last week of six leading members of the Japanese Diet, who apparently expect to make great political capital out of their trip to Tsinan, but, in Consul General Nishida's opinion, may easily cause trouble for him in the process. This party left Tsinan on the evening of the day they interviewed General Han - January 9th.

General Han's Councillor for Foreign Affairs stated that he was unable to comment on any particular Japanese visit during the past two weeks but that it was his personal opinion that General Han has recently been repeatedly urged by Japanese to take over the leadership of the autonomy movement in North China with promises of (1) a comparatively free hand in ruling North China; (2) a temporary subsidy to replace the \$800,000 now received from Chiang Kai-shek each month; and (3) Japanese approval of his taking over the revenues of the consolidated taxes, the Chinese Maritime Customs and the Salt Gabelle in the entire area (These revenues are estimated to total well over Yuan \$50,000,000 per annum in Shantung alone). The belief was also expressed that much emphasis had been laid by the Japanese on the unfairness of General Chiang Kai-shek to General Han and the personal enmity in which he held him. It was also believed probable that, while not specifically mentioned, no great pains were taken to conceal from General Han the probable necessity, from the Japanese point of view, of eventual action of a less pleasant nature if Shantung cannot be peacefully brought into the autonomy movement.

When

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 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

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When asked for his personal opinion as to General Han's probable future course, the Councillor said that, while it was barely possible that General Han might eventually be forced to fight the Japanese, it is definitely not possible that he will join any autonomy movement which involves the breaking off of one part of China from the rest. When asked as to the possibility of General Han's joining a modified form of autonomy movement which involved only the internal type of autonomy realized in Kwangtung and Kwangsi for the past five years, the question was politely evaded by a reference to the probability that Marshal Feng Yuxiang would lead to Shantung a large force, with the whole weight of the National Government behind it, to support General Han, if the latter is forced to fight the Japanese. When asked if Han has been receiving his Central Government subsidy of \$300,000 regularly each month, he replied emphatically that the Nanking subsidy for the support of the troops had been regularly received for many months past.

When asked what the Central Government was prepared to do to assist the Provincial Government and 3rd Route Army headquarters to meet the deficits running into millions of dollars resulting from last year's flood and drought in Shantung Province, he said that a petition was now in the hands of the Nanking Government reporting the sad state of the population of Shantung and urging Central Government financial assistance, but that to date the reluctant assignment of 3,000,000 in flood relief securities had been the sole result.

Another

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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Another report of exceptional interest in this connection, received today from a most confidential and well informed source, is the following:

"Within the last five days General Han has sent a telegram to the Central Government asking for permission to relinquish one or the other of the posts he holds concurrently (Chairman of the Shantung Provincial Government and Commander-in-Chief of the 3rd. Route Army). In case the Central Government should approve his resignation, he would recommend Mr. Li Shu-ch'un (李樹春), Commissioner of Civil Affairs, to be his successor as Chairman of the Shantung Provincial Government, and either General Sun T'ung-hsuan (孫桐萱), Commander of the 20th Division, or General Tsoo Fulin (曹福林), Commander of the 29th Division, to be his successor as Commander-in-Chief of the 3rd. Route Army. General Han has assured the Central Government that he is earnest and sincere in his action in offering his resignation and only feels that the double responsibility is too great for him. The real cause for his tendering his resignation is unknown. Lin Sen, President of the National Government State Council, today replied refusing to accept General Han's resignation from either of his concurrent posts and urging him to continue his invaluable services on behalf of the country in both posts during this time of great distress."

During the past five days the students of the Arts and Sciences College of Cheeloo University have been sent home by General Han. Within a few hours after eleven Tsinghua student delegates en route to Nanking had stirred up the Cheeloo College students to strike, General Han sent Big Sword Men to advise them that "if necessary he would assign two soldiers to each student to help carry his baggage to the railway station." Only a few of the students have apparently forced him to live up to this threat. General Han is evidently determined to permit no student interference with his freedom of action on the autonomy question.

In conclusion

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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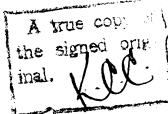
In conclusion it might be stated that while no major change in the fundamental factors of the local problem vis-a-vis autonomy is apparent, the tendering by General Han Fu-chu of his resignation would seem to confirm previous reports of his dissatisfaction with the attitude of the Nanking Government and the visits of several high Japanese officials, probably including Mr. Chashi, might tend to confirm recent reports of Japanese dissatisfaction with the present autonomous regime, since the renewed Japanese pressure on General Han to take charge of the autonomy movement might well be a direct result of their disappointment with General Sung Che-yuan.

Respectfully yours,

Horace H. Smith,
American Consul.

Original and 5 copies to
Embassy, Peiping.
Single copy to Embassy, Nanking.
Single copy for information of consulates,
Tsingtao, Chefoo.

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HHS:KCC



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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

FS

GRAY & SPECIAL GRAY

FROM Peiping via N. R.

Dated February 25, 1936

Rec'd 10:55 a. m.

793.94
note
894.20

Secretary of State
Washington.

Division
FAR EASTERN AFFAIRS
FEB 25 1936
Department of State

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O.N.I. AND M.I.D.

89, February 25, 5 p. m.

Embassy's 79, February 20, 5 p. m.

According to a report of the Tokyo ASAHI of this morning, the following army changes will occur in March. Lieutenant General Seiji Kozuki, now commanding the 12th division in Japan, will succeed Major General Tada as commander of the North China garrison. Colonel Seichi Kita, who reputedly will be promoted on March 1st to Major General, will be Kozuki's chief of staff. (Kita was chief of the Japanese military mission at Shanhaikwan in 1933 when the Japanese occupied that city, was involved in the conclusion of the Tangku truce, visited Chinese Minister twice during last year, and is at present chief of the China section of the Japanese General Staff at Tokyo.) Major General Doihara will be succeeded as chief of the Special Service Mission at Mukden by Colonel Takayoshi Matsumuro, who reputedly will be made on March 1st a major general. (Matsumuro was chief of the Special Military

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

FS 2-No. 89, February 25, 5 p. m. from Peiping

Military Mission at Chengteh after the Japanese
occupation of Jehol and is now in Japan).

Two. Replacing of a Major General and a Colonel
by a Lieutenant General and a Major General as the two
principal officers of the North China garrison would
presumably foreshadow a substantial increase in its
numerical strength and perhaps in its powers for
negotiation with North China Chinese leaders.

Three. According to a Japanese Domei report of
February 24 from Tokyo, Sugiyama, vice chief of staff
at Tokyo, referred to in the Embassy's 21, January 16,
4 p. m., has postponed his tour of Manchuria and North
China until the middle of March;

By mail to Tokyo.

CSB

LOCKHART

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1 1 7 2
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

~~ZK~~
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 12, 1936.

MSM:
RCM:
MMH:

*See analysis as per
as per H. 11*
Peiping's despatch No. 204,
January 31, 1936, forwards
Hankow's report on Japanese
interests in the district.
Peiping invites attention to
Hankow's conclusion that,
notwithstanding the important
interests of the Japanese in
the area, evidence that the
Japanese have obtained special
economic privileges is lacking.

JCV
JCV/VDM

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

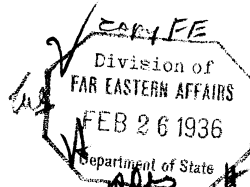
No 204

Peiping, January 31, 1936.

Subject: Japanese Interests in the Hankow
Consular District.

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CONFIDENTIAL



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For Distribution Check		Yes	No
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COMMUNICATIONS
AND RECORDS

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The Honorable

The Secretary of State,
Washington, D. C.

Sir:

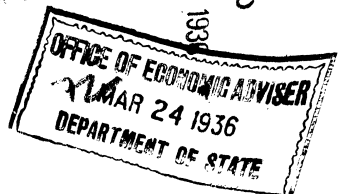
1/
I have the honor to forward a copy of strictly confidential despatch No. 229 of January 23, 1936, addressed to the Embassy by the Consulate General at Hankow, which contains a discussion of the extension of Japanese economic interests in the Hankow Consular District. The conclusion reached in the despatch is that, notwithstanding the important economic and commercial interests of the Japanese in that area, evi-

dence

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FILED

MAR 26 1936



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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

dence that the Japanese have obtained special economic privileges is lacking.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure:
Copy of despatch No. 229,
January 23, 1936, from
American Consulate General,
Hankow.

710

LES-SC

Original and one copy to Department.
Copy to American Embassy, Tokyo.
Copy to American Embassy, Nanking.

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Department of State letter, August 10, 1972
By Milton D. Quateff NARS, Date 12-18-75

No. 229

AMERICAN CONSULATE GENERAL,

Hankow, China, January 23, 1936.

STRICTLY CONFIDENTIAL.

Subject: Japanese Interests in Hankow District.

The Honorable Nelson Trusler Johnson,

American Ambassador,

Peiping.

Sir:

I have the honor to refer to the Legation's strictly confidential instruction of July 8, 1935, regarding the extension of Japanese economic interests in China, in which I was instructed to report from time to time on developments in particular phases of the situation and also to make analyses of the general situation in this district.

In reply I have to state that reports of the extension of Japanese economic influence in China which have come to the attention of this office have made little mention of the extension of this activity to this consular district. An exception to the foregoing is the Province of Shensi, concerning which there has recently been noted a somewhat vague report that Japanese plans include the development and extension of all existing North China railways, including the Lunghai Railway (CHINA WEEKLY REVIEW, January 11, 1936). A report has also appeared concerning the

development

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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development by Japanese of the mineral oil resources of Shensi. This Consulate General has, however, not been able to obtain information that concrete steps have been taken in regard to either of these activities. Moreover, in view of the disturbed situation in Shensi, the northern part of which has for many months been under the domination of Communist forces, it is not believed that, in fact, concrete steps have actually been taken.

As regards the central and western Yangtze Valley, i.e., the Provinces of Kiangsi, Hunan, Hupeh, Honan and Szechuan, I have been unable to obtain evidence that the Japanese have succeeded in obtaining special economic privileges. Moreover, I can find no evidence that they are endeavoring to obtain such privileges at present. I have discussed this subject with foreign and Chinese businessmen with interests not only in the Wuhan area but also in Szechuan and Hunan, and also informally with local Chinese officials. They informed me that they had heard nothing of attempts by Japanese to obtain such exceptional privileges. It was their belief, in which I share, that Japanese economic penetration in China will be a slow process; that the Japanese do not desire to move into the Yangtze Valley until they have consolidated their position in North China, and that although Japanese plans may eventually include special economic privileges in the Yangtze Valley, such a development would be reserved for the future, possibly a matter of years.

On

-3-

On the other hand Japanese have during the past few months been unusually active in visiting various centres in this consular district. I refer to reports which have appeared in the press of visits of Japanese, ostensibly tourists, to Sian in Shensi, and other places along the Lunghai Railway. That these visits are not confined to the larger centres is also true. A missionary who recently returned from a tour in northern Hupeh told me that some weeks ago two Japanese had paid a visit to Fancheng, a town in northern Hupeh, on the Han River. He stated that these men were treated with every courtesy by the local officials and that a large house, the property of General Ho Cheng-chun, Hupeh Pacification Commissioner, was placed at their disposal. On their departure they were given a special bus. The missionary stated that he believed they were either consular or military officers.

In the political field the local Japanese authorities have been quick to protest against any anti-Japanese activity in this area. It will be recalled that it was through protests by the Japanese Consul General at Hankow that the former Garrison Commander, General Yeh Peng, was dismissed in October 1935. Demonstrations by students and businessmen at Chungking in December 1935, which were alleged to have been of an anti-Japanese character, were protested against by the Chungking Japanese Consul.

Extent

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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Extent of Japanese Interests in Hankow Consular District:

While, as above stated, it is not apparent that Japan is seeking to obtain any special economic privileges in this area, yet it must be remembered that Japanese interests in the Hankow consular district are and have been for many years of considerable importance. Japan maintains a Concession at Hankow, and about 2,000 Japanese civilians reside here. Japanese also reside at Dayeh in connection with the iron mines there, to which reference is made below. In addition to the Consulate General at Hankow, there are also Japanese consular officers resident at various treaty ports in this consular district, viz., Kiukiang, Changsha, Shasi, Ichang, Chungking and Chengchow. The last named office was only recently opened. No information is obtainable regarding the number of Japanese firms and residents in these ports, but it is not believed that the number is large. There is a flotilla of Japanese gunboats on the Yangtze under the command of a Rear Admiral. There are three Japanese banks in Hankow and two shipping companies, the Nisshin Kisen Kaisha, and the Nippon Yusen Kaisha. The Nisshin Kisen Kaisha operates a large fleet of river steamers and lighters on the Yangtze and Slang Rivers. There is also a Japanese cotton mill and a Japanese cotton-seed oil mill in operation at Hankow and a number of import and export firms. The chief articles of import from Japan are piece goods, cotton yarn, sugar and sea products, and of exports to Japan are ramie, sesame seed, antimony and iron ore.

The

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-5-

The Tayeh Iron Mines, on the Yangtze between Hankow and Kiukiang, are operated by Japanese interests and under Japanese supervision, and the ore is shipped from Tayeh by Japanese steamers direct to Japan. It will be recalled that the Tayeh mines originally were connected with the ill-fated Han Yeh Ping Iron and Coal Company, which has an iron and steel works at Hanyang. This concern was heavily mortgaged to Japanese interests, and it is understood that by operating the mines at Tayeh, the Japanese are attempting to obtain some return on the loans which they had made to the Company. The Hanyang iron works has been closed since 1922.

Japanese Commercial Activity:

During 1936 the anti-Japanese boycott was considerably reduced in intensity in this area, and Japanese firms, particularly shipping companies, have done a fair amount of business. The Nisshin Kisen Kaisha operates five steamers on the upper river between Ichang and Chungking. It is reported to be receiving a subsidy from the Japanese Government. Whereas a year ago these steamers were operating practically empty, they are now able to obtain a fair share of the cargo being offered to and from Szechuan. In fact, during recent months when there were unusually heavy shipments of wood oil from Szechuan, the available tonnage of the British shipping companies was insufficient to move the cargo and

both

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Department of State Letter, August 10, 1972
By Milton D. Christensen NARS, Date 12-18-75

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both Butterfield and Swire and Jardine, Matheson and Company gave some of their business to the Nisshin Kisen Kaisha. It may be mentioned parenthetically that the Chinese shipping companies are at a disadvantage owing to the fact that their vessels have been, up to recently, likely to be commandeered with the consequent uncertainty of sailing dates. One Chinese informant, who has extensive interests in Szechuan, told me that whereas for three years past he had stood out against shipping his cargo on Japanese steamers, he had recently concluded that it was the best policy to give Japanese steamers a share of his business. He estimated that the boycott was not more than 50% effective at present. In this connection it may be stated that it is currently reported that Japanese shipping companies offer somewhat more favorable freight rates than their competitors. The only other item of particular interest which has recently come to the attention of this office is that Japanese are buying considerable quantities of antimony in Hunan.

Respectfully yours,

P. H. Josselyn,
American Consul General.

In triplicate to American Embassy, Peking.
Copy to American Embassy, Hanking.

800

PHJ:MB

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Copy for Department of State.

No. 90

AMERICAN CONSULATE

Tsingtao, China, January 20, 1936.

For Distribution-Check		Yes	No
Grade	M		<input checked="" type="checkbox"/>
For	Scholar	In U.S.A.	<input checked="" type="checkbox"/>
		ONI	
		AM12	

SUBJECT: Japanese Pressure in Tsingtao.

COPIES SENT TO
 GEN. LAND M. D.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to report that there are rumors that Japanese officials, presumably military, are attempting to bring Admiral Chen, the Mayor of Tsingtao, into their scheme of things for North China, and that considerable pressure is now being exerted by the Japanese on the Mayor. The rumors are very indefinite as to the exact nature of the conversations between the Mayor and the Japanese, but there is reason to believe that Japanese officials have outlined to the Mayor the advantages, if not the necessity, of participating in the North China autonomy movement. I regret that the consulate can not give any details but it may be of interest to report that the proposed return of the Mayor and his family to their home in Hupeh to attend the obsequies...

793.94/7751

FILED
 MAR 11 1936

DG

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

obsequies of his parents has been indefinitely postponed so far as the Mayor is concerned; his family left last week for Yupoh, but he informed me on Saturday that "important matters" were detaining him. The postponement of the trip on the part of the Mayor suggests that the matters which are detaining him here are of transcendent importance and, combined with the rumors from other sources of Japanese conversations with him, the consulate is inclined to believe that the subject matter thereof is the North China autonomy movement. In conversing today with an important Chinese official close to the Mayor, I learned that the Mayor's attitude, as far as Japanese plans are concerned, was one of complete distaste. The consulate's informant stated that the Mayor was willing to discuss on an equal basis any matters which the Japanese presented as requiring adjustment, but beyond that, "if the Japanese want Tsingtao, they will have to take it by force."

Respectfully yours,

Samuel Sokobin,
 American Consul.

800
 SS/CML

Original to Embassy, Peiping.
 Copy to Embassy, Nanking.
 Five copies to Department of State.
 Copy to Tainan-Chefoo.

A true copy of
 the original
CML

1183

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Copy to Department.

NO. 92

AMERICAN CONSULATE

Tsingtao, China, January 30, 1936.

File
 Division of
 FAR EASTERN AFFAIRS
 FEB 26 1936
 Department of State
AK

793.94

SUBJECT: Japanese Economic Exploitation of
 North China.

For Distribution-Check		Yes	No
Given	M		
For	<i>Schubert</i>		

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Sir:

RECEIVED
 971-10-10-36

793.94/7752

DEPARTMENT OF STATE
 A-C/C
 MAR 11 1936
 ASSISTANT SECRETARY

I have the honor to refer to this consulate's
 despatch No. 37 of July 19, 1935, Subject: JAPANESE
 ECONOMIC EXPLOITATION OF NORTH CHINA. The Embassy has
 doubtless been informed of the incorporation of a new
 firm under the sponsorship of the South Manchuria Rail-
 way Company for the Japanese economic exploitation of
 North China. The local Japanese papers indicate that
 this newly organized company, the Chinese characters
 for which are 興中公司 and which convey the idea of
 "development of China", was formally incorporated in
 Dairen on December 20, 1935, with a capital of Yen
 10,000,000, one fourth of which capital has been paid
 in, the shares being subscribed by the South Manchuria
 Railway Company exclusively. A local Japanese paper
 carries.....

FILED
 MAR 13 1936

DG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quate NARS, Date 12-18-75

- 2 -

carries a telegram from Tokyo dated January 24 to the effect that branch offices are to be established in Canton, Shanghai, Tsingtao and Tientsin. However, no other details as to the plans of this company's activities in the Tsingtao consular district have as yet been made public. The stated aim of the company is the development of the economic resources and the trade of China. The Hsing Chung Company appears to be the first Japanese achievement on a legal basis, of "the plan of the Kwantung Army for an economic advance to North China" in the words of a RENGO telegram dated Dairen July 10. A paid in capital of Yen 2,500,000 is a fairly substantial sum with which operations can be commenced; the actual opening of a Tsingtao office of the company will be promptly reported by this consulate.

Respectfully yours,

Samuel Sokobin,
 American Consul.

850.31/800
 SS/FP

Original to Embassy, Peiping.
 Five copies to Department.
 Copy to Embassy, Nanking.
 Copy to Tainan-Chefoo.

40

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 3, 1936.

~~MSM:~~
~~WTP:~~
~~MMH:~~

Shanghai's despatch No. 124, January 31, 1936, reports a conversation with Lu Ta-chih, departmental chief in the Shanghai municipal government, in which he attributes to Japanese influence (1) the failure of Wellington Koo to return to Paris and (2) the resignation of Wang Chung-hui from the Hague Court. Lu also stated that the Japanese were endeavoring to have W. W. Yen recalled from Moscow.

Regarding Hu Han-min's return to China, Lu believed that the Nanking Government leaders were not sincere in desiring his cooperation.

JcV
 JCV/VDM

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

NO. 124

AMERICAN CONSULATE GENERAL,

Shanghai, China, January 31, 1936.

CONFIDENTIAL

COPIES SENT TO
 O.N.I. AND M.I.D.

SUBJECT: Sino-Japanese Relations: Japanese
 Pressure on National Government.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose a copy of a self-
 1/ explanatory despatch No. 112 of this date, from
 this Consulate General to the Embassy at Peiping,
 in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
 Monnett B. Davis,
 American Consul General.

Enclosure:

1/- Copy of despatch No. 112 to
 Embassy at Peiping, dated
 January 31, 1936.

800
 EFS:NHW

In quintuplicate

Received *E. P.*

793.94/7753

FILED
 MAR 7 1936

DG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

No. 112

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, January 31, 1936.

CONFIDENTIAL

Subject: Sino-Japanese Relations: Japanese
 Pressure on National Government.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to report that Mr. Teddy Lu
 (Lu Ta-chih 盧達輝), departmental chief of the
 Land Bureau of the Municipality of Greater Shanghai,
 during the course of a conversation yesterday with an
 officer of this Consulate General made some interest-
 ing comments regarding Sino-Japanese affairs.

In commenting on the pressure being brought to
 bear by the Japanese upon the National Government,
 Mr. Lu made the interesting statement that this pressure
 even extended to Chinese diplomatic representatives
 abroad. He instanced the case of Dr. Wellington Koo,
 who, he said, was unable to return to his post at Paris
 because of Japanese opposition to him and to the manner
 in which he interpreted Sino-Japanese developments to
 the French Government. Mr. Lu also cited Dr. Wang

Chung-hui

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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Chung-hui's recent resignation from the Hague Court, which he attributed to the insistence of the Japanese inasmuch as they believed him to be unfriendly and critical of Japanese activities in China. Mr. Lu stated that this was the real reason for Dr. Wang's resignation although it was generally reported that he had resigned in order to return to China and effect a reconciliation between Hu Han-min and Chiang Kai-shek. As a further instance of Japanese pressure in this direction, Mr. Lu referred to the efforts being made by the Japanese to bring about the recall of Dr. W. W. Yen from Moscow.

It was inferred from the general tenor of Mr. Lu's remarks that he and many other Chinese are watching with apprehension the growth of Japanese ascendancy over the National Government through the medium of officials who are either definitely pro-Japanese or who have been educated in Japan. Mr. Lu would not venture to make any predictions as to whether further concessions would be made or whether a firm and definite stand against Japanese aggression would be resolved upon by the Government. In this connection he was asked whether a rapprochement between Hu Han-min and Chiang Kai-shek, if effected, would not result in the adoption of a firmer attitude. He stated in reply that he and others felt that the friendly gestures being made to Hu Han-min by government leaders at Nanking were not genuine or sincere, and that actually

it

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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it was hoped to trap him. By way of explanation he said that should Hu be inveigled into assuming office at Nanking in all probability he would be quickly discredited by the pro-Japanese members of the Government and thus lose the prestige and authority which he now enjoys.

Respectfully yours,

Monnett E. Davis,
 American Consul General.

800
 EFS:NHW *nmw*

Original to Embassy, Peiping
Copy to Embassy, Nanking
In quintuplicate with despatch No. 124
to the Department.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 5, 1936.

~~MSM:~~
~~FTT:~~
~~MMH:~~

Nanking's despatch No. 78, February 1, 1936, encloses letters addressed to the Presbyterian Mission Board by W. R. Wheeler of Nanking University relative to (1) the students' conference with Chiang Kai-shek, and (2) the meeting of the Council of Higher Education of the China Christian Educational Association in Shanghai. The references to the conference with Chiang add nothing to information already received with the possible exception that mature Chinese educators were more favorably impressed by Chiang's remarks than were the students. The letter reporting on the Council meeting at Shanghai contains the statements of Chinese educators from various cities of China and these statements generally favor support of the Government.

JLV
 JCV/VDM

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

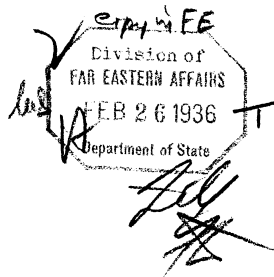


EMBASSY OF THE
 UNITED STATES OF AMERICA
 Nanking, February 1, 1936.

No. 78.

CONFIDENTIAL.

Subject: Sino-Japanese Relations.



1936 FEB 25 PM 3-33

For Distribution-Check		Yes	No
Grade			<input checked="" type="checkbox"/>
For	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	To Field In U.S.A.		

793.94/7754

The Honorable

The Secretary of State,
 Washington.

Sir:

In connection with the present strained relations between China and Japan, I have the honor to state that Mr. W. Reginald Wheeler, an American citizen in the faculty of the University of Nanking, has allowed me to read copies of two letters, dated January 20 and January 29 respectively, addressed to the Presbyterian Board of Foreign Missions

MAR 10 1936

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DG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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1-2/

in New York City. At my request, Mr. Wheeler consented that I send copies of these two letters to the Department of State and the American Embassy in Peiping, but he asked earnestly that they be treated as confidential in view of the necessity of protecting the numerous institutions and persons named therein. The first deals with the remarks made by General Chiang Kai-shek to educational leaders and student representatives on January 15-17 and the second deals with a meeting of the Council of Higher Education of the China Christian Educational Association in Shanghai, January 23-24.

General Chiang Kai-shek's conference with the students was reported in my telegrams of January 17, ⁷⁶⁷⁴ 9 a.m. and January 18, ⁷⁶⁷⁵ 11 a.m. It will be observed that Mr. Wheeler's letter confirms the report I have already submitted, to the effect that General Chiang Kai-shek gave the students definitely to understand that if a policy of conciliating Japan failed, he would fight Japan.

With reference to the meeting of educators at Shanghai, Mr. Wheeler said that the whole tone of the remarks made by the Chinese representatives indicated a firm belief on their part that the present crisis imposes special duties on Chinese educational institutions and on the students enrolled in them and that hostilities between China and Japan will break out in the near future, possibly within two or three months.

Respectfully yours,

For the Ambassador:

Willy R. Peck
 Willy R. Peck,
 Counselor of Embassy.

Enclosures

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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✓
Enclosures:

1-2/ Copies of letters dated January
20 and January 29, 1936, to Presbyterian
Board of Foreign Missions.

Original and two copies to the Department

Copy to the Embassy at Peiping.

710.

WRP:MM

2 Carbon Copies
Received EP
of

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

COPY

CONFIDENTIAL

January 20, 1935. (1936?)

Dr. Courtenay H. Fenn,
 Presbyterian Board of Foreign Missions,
 156 Fifth Avenue, New York City.

Dear Dr. Fenn:

During the recent student demonstrations, the announcement was made that General Chiang Kai Shek, the President of the Executive Yuan, (corresponding to the premier in other governments) would hold a conference with representatives of the schools and colleges who desire to present their viewpoints to the National Government. This announcement was made in order to try to prevent the arrival in Nanking of large student delegations who would attempt to storm the government offices and present their demands. On January 15th, 16th and 17th, General Chiang and other representatives of the Central Government met with delegations of students and faculty members from the more important schools and colleges in China. There were present at the conferences which were held in the Officers' Moral Endeavor Association approximately eighty representatives of the faculties of the colleges, seventy representatives of the faculty of the middle schools, and a hundred and ten students. On the second day of the conference, General Chiang spoke at considerable length, for nearly three hours. He outlined the historical development of the present situation and the Japanese continental policy which has meant a steady and relentless advance at the expense of China. In discussing recent developments and outlining the future policy of the government, General Chiang made the following statements.

1. There had been no secret agreements with the Japanese at the time of the so-called "Tangku Truce" in 1933 and of the Ho-Uemetsu Agreement in 1935.

2. The government had been criticized for withdrawing its troops from North China last spring and summer. General Chiang said that it was imperative to use these soldiers and others in defeating the communist armies in West China and that it was impossible to fight Japan and the communists at the same time.

3. In regard to present difficulties with Japan, China would attempt to solve these difficulties first by diplomatic means. The government had a settled policy (chuei sing) and would try to carry out that policy.

4. If the difficulties with Japan could not be settled by diplomatic means, then as a last resort China would fight. (Chih Hao ta)

5. The generals in the North were not acting on their independent initiative but were still maintaining their relationship with the Central Government.

6. The military

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 Department of State letter, August 10, 1972
 By Milton D. Hunsicker NARS, Date 12-18-75

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6. The military leaders had their duties to perform which they would carry out to the best of their ability and strength. The students had their duties which were to study hard and to try to help to maintain civil order.

7. As long as General Chiang was at the head of the government he would not sign away any part of China to a foreign land, or agree to any transfer of territory.

The first four statements were given to me by President Wu of Ginling College who attended the conference. Statements 5 and 6 were given to me by Dr. Bates who is in close touch with Chinese opinion. Statement 7 was contained in a report of the conference which appeared in the North China Daily News which was evidently official.

This is the first time that General Chiang has openly referred to Japan in any of his public statements and it remains to be seen what the Japanese reaction will be. The conferences passed off without any public demonstration by the student groups which the government feared might break out. Some of the more aggressive and radical minded of the delegates, like Hu Shih, I heard were not much impressed by the General's statement. On the whole, however, the conference seems to have been well received and this is the first time that the National Government has recognized in a formal way student opinion and has endeavored to provide an interchange of opinion in an orderly and frank manner.

One of my friends, a leading banker, in Nanking with the cynicism of the "practical" business man, remarked to me that this conference had been arranged just to give the students and the teachers a good time and to make them feel pleasant and that it really did not signify anything of importance.

I remember vividly the demonstrations which were nationwide in 1919, following the Versailles conference and the way the students had the government on the run, and I think, whatever else may be said of this conference, it did mark the forward step in relations between government and students, and in the use and control of public opinion.

Dr. Wu told me that she understood the delegates of the conference were not forbidden to report the remarks of General Chiang to their friends but that these remarks were not to be quoted in print. I presume this restriction applies chiefly to China but I think this letter ought not to be quoted directly, in order to protect the representatives of the University, although I have no doubt that reports of the conference will appear in the American press.

The examinations closed January 14th at the University without incident and the student body has dispersed peacefully. Ginling College did not advance its examination schedule and finished its work January 18th. The government had evidently been apprehensive least their might be student demonstrations during the days of the conference and all the larger middle schools and the colleges, except Ginling, advanced their examination schedules so the term would end January 14th, the day before the opening of the conference.

President

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

President Chen and four students, chosen chiefly because of their academic standing represented the University at the conference. There were no foreigners present at the conference and no representatives of the press.

In my last letter, I reported that the first plain-clothes man who was attacked by the students here was cut by barbed wire when he tried to crawl through the North fence of the campus. Dr. Daniels has told me that he was also cut slightly on the neck when he was struck by the students. The second man was knocked unconscious and remained unconscious for two hours. He remained for several days in the Kuleo Hospital but apparently has had no ill effects aside from a bad headache and a nosebleed. Dr. Daniels said, however, that he had all the symptoms of a brain concussion.

The government has demanded the arrest of four students who it claims were ringleaders in the attack on the two detectives. It remains to be seen what the outcome of this demand will be.

Mr. Lobenstine who, as you know, has been a member of the Board of Directors of the University since the beginning of this organization, has written asking if he could see copies of correspondence referring to the University which I might send to New York and I have written to him to see you about these communications which I have been sending during recent weeks. I hope that Mr. Lobenstine will be elected a member of the Board of Founders of the University. I think that he has made a very valuable contribution in the meetings of the Board of Directors here and that he (will be?) of continued service if he is placed on the Board of Founders in New York.

With best wishes from all of us in Nanking, I am,

Sincerely yours,

W. Reginald Wheeler.

WRW:A
 cc-BAG

Shanghai, Jan. 27th, 1936

P.S.

I have held this letter until I could check it over with Dr. Chen and Dr. Wu. Dr. Chen felt that the emphasis was upon the first clause in Gen. Chiang's statement, as contained in paragraph 4, in ~~xx~~ other words, he felt that the Government was emphasizing settlement of the difficulties with Japan by diplomatic means rather than by force. He did concede, however, that the drift of sentiment was in favor of force, if diplomatic means failed.

Dr. Wu wished me to add certain statements to the letter. She said that General Chiang, in his long statement, outlined the historical development of Japan's continental policy, and also the Kuomintang policy. He said it was the

definite

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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definite policy of the Kuomintang to try to recover Manchuria and eventually, for reasons of national defence, all the territory lost to Japan including Korea and Formosa. He said that if the people would be united, he had no fear of the future.

General Chiang said that he accepted full responsibility as head of the National Government. He told the students that people who were educated had a special responsibility for keeping order; that the military had their plans definitely made and could be relied upon to do their duty, but that they needed the support of the united people.

Dr. Wu said that Gen. Chiang impressed the students and the heads of the Schools and Colleges with his earnestness and courage. She said that he did not seem to be anxious or worried, but seemed full of assurance and confidence.

On January 17th, the Minister of Education spoke to the Delegates about the Program for the Colleges "in extraordinary times", that is, if war should break out, and also in regard to maintaining of discipline and order and the discouragement of strikes and parades.

King Chu spoke on the need of maintaining the school system unchanged and the need of trying to maintain the educational standard already established.

Dr. Wu said that her interpretation for paragraph 4 was that China would fight, "as a last resort", but that the government had determined to take a strong position if this became necessary.

She said that Ginling they would try to instruct the girls in nursing and in first aid, and would protect the conscientious objectors.

Dr. Wu also said that she heard that Madame Chiang told the Generalissimo that he had talked entirely too long. (He spoke for 3 hours). Gen. Chiang replied that as the delegates had come from such long distances, he wanted to give them something worth coming for, and he wanted to show them his earnestness. Hence this long and detailed statement.

I had expected to send a copy of this to Mr. Garside, but Dr. Chen is apprehensive lest this statement get into print, and embarrass the university, and I promised to send only one copy and that to you. I have no doubt, but that you are receiving fuller reports concerning this conference and developments here than are in the papers in China, but I must respect the confidence of Dr. Chen and Dr. Wu, and I know you will do so also. I think it would be alright for Mr. Garside to see the letter, and of course it is for use in the office at 156, but I thought it better not to send an extra copy.

W. R. W.

Copied MM

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Hueston NARS, Date 12-18-75

COPY

CONFIDENTIAL

January 29, 1936.

Dr. Courtenay H. Fenn
 156 Fifth Avenue
 New York City

My dear Dr. Fenn:

Last week the Council of Higher Education of The China Christian Educational Association met in Shanghai, January 23 and 24. There was not as large an attendance as in previous years, the maximum being 25, about evenly distributed between Chinese and Westerners. The program was also curtailed, the conference lasting only two days with one evening gathering. Many of the delegates seemed tired and depressed, because of the "national crisis" and the strain of recent months, and this spirit of depression seemed to hang over the conference. The first afternoon, the program called for a discussion of certain technical subjects. By general consent the program was changed and two hours were given to hearing reports from the different colleges on the political and military situation in their areas. I thought you might be interested in a summary of these reports. These reports are, of course, confidential and should not be allowed to get into print.

You, no doubt, have more detailed statements from the individual missionaries and individual institutions, but perhaps this general summary will be of interest as well.

Yenching University was represented by Dr. T. T. Lew. He said, in brief, "The University has been closed since December ninth. It is planning to reopen in February, but whether it does or not remains to be seen. The radical students wanted us to remain open so they would have material in the presence of the other students with whom they could work. In the midst of the very tense situation it was difficult for students to concentrate undisturbed on their college work. There had been the loss of a district a week to the Japanese. The province, Chahar, was all gone. Yin Ru-ken's organization was only 12 miles from Peiping. There were many rumors in the city. One of these rumors was that textbooks would be revised with omission of all anti-Japanese statements. No one knows how long teaching can continue without interference. The conference, with the Generalissimo did try to inspire confidence. Some delegates returned to the North with more confidence. Whatever the solution, no easy path lies ahead. We look to you, south of the Yellow River, for intercession and help. There will be a transfer of many students to the south, especially of girls, whose parents will not allow them to return to the north."

The question was asked if Yenching planned to move to west China. Dr. Lew answered that if Yenching moved, it would not want to move twice, and only west China, Szechuen, would meet this requirement. The New York office approved of opening in Peiping.

Cheeloo University was represented by President Lo, newly elected to that position. "Many schools in the north are

talking

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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talking of moving. This, in my opinion, is financially impossible. It is also impossible for Cheeloo to move. Tsinghua is studying the possibilities of transfer to Hunan. There were rumors of the autonomy of Shantung. They were not substantiated. A Japanese general had dinner with Governor Han, talked the autonomous movement of the five northern provinces ~~with~~ over with him and said he could have twenty-four hours to decide on his answer to the invitation to join in this movement. Governor Han replied 'I do not need twenty-four hours to answer that invitation. I can answer right now and my answer is NO'. The Japanese general seemed surprised. A Japanese newspaper in Tsinan announced that Governor Han would join the autonomous movement. The Japanese paid newsboys to sell newspapers containing this report. Governor Han arrested 2500 of them. He also put down 1500 so-called communists. After these two actions of the Governor, Shantung became quiet, at least on the surface. When the first student demonstration was held in Peiping on December 9, ~~xxx~~ there was no disturbance in Shantung. When the second strike was called on December 15, the Shantung students would not call their action a strike but said ~~xxxx~~ it was Tzong Kao Jia (). The Governor asked if this meant the students were on strike. The answer was that they were not, but that this was Tzong Kao Jiao. Thereupon the Governor called all the school heads for a conference on December 17. He gave three orders. First, there were to be no parades. Any students who paraded would be shot. There were to be no strikes. Tzong Kao Jia is a kind of a strike. It is anti-Japanese. Therefore, it is forbidden. Any students who want to present petitions to the Central Government in Nanking or to officials in Peiping will be transported to those cities. Special trains will be ready any time they are needed."

"The students did not agree to comply with these orders, so the Governor closed all the schools and sent the students home. At Cheeloo there were medical school students who were helping in famine relief and on this ground the University was kept open, the President guaranteeing temporarily that there would be no strikes and no parades. Delegates from the north came and tried to make trouble. Examinations began January 5. On January 6 delegates came from Peiping and Nankai and wanted to have large meeting. President Lo said he would pass on any important information without needing to call a meeting, or they could hold a meeting if permission were secured from the Government. Governor Han suggested arresting the delegates. President Lo objected and suggested sending them to Nanking. To this Governor Han agreed. The students met from 6 p.m. to 4 a.m. They voted to strike. Hearing of this, Governor send over some soldiers. The University was closed and all students were sent away. Governor Han wishes to resign because of the Japanese pressure that is continually being put upon him. Just now the situation is peaceful. The schools are to reopen February 10. Each student must have two guarantors: one living in Shantung who will guarantee he will not disturb public order.

At the conference of the Generalissimo, Chiang Kai-shek, all the school heads agreed to try to prevent student strikes, but the students cannot be controlled if some new development occurs.

Dr. Francis Wei, President of Hwa Chung said, "This is a time when all Christian colleges should stand together in

sympathy.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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sympathy. Confidentially and 'off the record' what should we do if the situation becomes more critical: in other words, if war is declared? We may have to modify the curricula for such an extraordinary time. We must plan to prepare our students for war. I am ready for this and in favor of it. I am not a pacifist. We cannot act contrary to our convictions. We should prepare for the worst, even though we shall hope for the best. I am not an optimist about developments in the near future. If war should come, will that put an end to our institutions? The war did not do so in Europe and in America. The universities there carried on. I would be disappointed if two-thirds of our students and one-half of our faculty did not join up".

Dr. Herman Liu, President of Shanghai University: "The Government is trying every peaceful means of dealing with Japan, but in case this is not possible, she is ready to take a strong position. Some of us were in the Generalissimo's home in Nanking in January, and we talked with the Foreign Minister. The situation is very serious. Other countries may be affected. North China alone will not be the only part of China involved. All China will be affected. In the colleges we must be ready to cooperate in every possible way. We are concerned not only with the present generation but with the future generation."

The group voted to discuss this situation further, and to disregard the regular program for the remainder of the afternoon.

Dr. Y. Y. Tsu of St. Johns University said, "In such an extraordinary situation as we are discussing, we, in the colleges, can do several things. We have a responsibility to the students' families. Some of the families will wish the students to withdraw. We have a responsibility to the Government. The Government program must have precedence over family desires. Our course will be defined for us by the Government, except possibly in unregistered institutions like St. Johns. Registered colleges, both Christian and non-Christian institutions, must conform with Government orders."

Dr. Wei added to his previous remarks and said, "The students will not be satisfied with an ordinary program. Courses in first aid will be desired by the women students. Special courses in chemistry, government and sociology, with special reference to the maintenance of public order, will be needed by the men. Who will do what needs to be done if those who are trained do not do this?

Dr. Y. F. Wu, President of Ginling College: "During the conferences in Nanking, King Chu, Dr. Hu Shih, and others said that when special measures were needed, the educational standards ought not to be changed or lowered. From the Christian standpoint, two considerations should be kept in mind. First, conscientious objectors should be respected and students who do not strike must not be hurt or criticized unless they are really unpatriotic. Secondly, students must have something to do to express their patriotism. It is impossible for anyone with sensibility to keep on doing the usual things in such times as these. We must provide means for their expression of true patriotism, and we ought not to try to kill that spirit."

Dr. T. T.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 4 -

Dr. T. T. Lew, Yenching: "Outside the South Gate, Peiping, the Japanese have organized amusement centers. A newspaper man went and investigated the rumors concerning one of these centers, and found these rumors to be true. There were available morphine, heroin, opium, Korean girls, and girls of other nationalities. The center was managed by a Korean. If anything goes wrong, the Japanese claim that they are not responsible. If anyone tries to close such centers, the Korean managers are said to be subjects of the Japanese Empire and, therefore, cannot be controlled by the Chinese. The temptations now in time of depression are terrific. Seven families, of which I know, now have at least one opium smoker, where formerly there was none. There is a terrific moral struggle among the students because of these temptations in this time of depression and helplessness."

Dr. Y. G. Chen, President of the University of Nanking: "In this time of extraordinary education, which we are discussing, two matters should be kept in mind. We ought to try to keep from retarding or disrupting too much the present curriculum. Summer military training may start about May first for all freshmen. This training will inevitably affect and interfere with the curriculum. Middle School students have had such compulsory military training during the past year, but it is reported that this training will be extended to college students this spring."

The delegates from the north reported that no military training was being allowed by the Japanese.

Dr. Wei said in an emergency he would expect the University would make its president a dictator and the military discipline would be enforced in the college. He then asked for an expression of the attitude of the Westerners toward such emergency measures as were being discussed.

Several Westerners spoke pointing out that opinion among them was divided between those who held the pacifist position, believing that war was never right for a Christian, and those who believed that under certain circumstances, such as in self-defense, war was justifiable. The ~~XXXXXXXXXX~~ opinion was expressed strongly that regardless of such differences of viewpoint, the Westerners were one in heart and sympathy with their Chinese colleagues.

"We, Westerners, can assure our Chinese colleagues that our hearts beat along side of yours. We are one in spirit. If we have the spirit of Jesus we can solve all our problems no matter how baffling they may seem."

Sincerely yours,

(No signature)

P.S. When I returned to Nanking, one of my former students, who has just graduated from the Military Aviation School at Hangchow, called on me. He said General Chiang Kai-shek was present at the graduation exercises January 19 and 20 and that he flew in a formation of eighty planes past the

reviewing

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 5 -

reviewing stand in which the General was seated. He wore a dagger which the General had given to the graduating students. On one side of the blade were the words "Presented by Chiang Kai-shek." () and on the other side of the blade, "If our lost territories are not recovered, it will be the shame of our army." (). The student said that the Hangchow School was not going to be moved in the near future, as far as he knew, as it had been rumored, and that there were several American instructors still present and that no other instructors from any other country had been appointed to take the place of the Americans whose contracts had expired. He said that General Chiang was not using the Italian plane which Mussolini had sent to him and that the Italian planes and fliers were not in favor with the Chinese. He said China had about four hundred military planes and that if war came this summer they would all do their best.

WRW

Copied MM

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 5, 1936.

MSM:

WPT:

WPT:

SAH

Very interesting

Shanghai's despatch No. 132, February 1, 1936, reported (1) Japanese criticism of the action of the Shanghai Municipal Council, (2) radical Japanese talk of setting up a separate Japanese administration, and (3) Japanese plans to have three candidates for the March elections.

Enclosed with the despatch is a notice issued by the British Election Committee setting forth certain figures showing the predominance of British interest in Shanghai and urging qualified British voters to vote in the March elections.

At present foreign membership of the Council is British 5, Americans 2, and Japanese 2. An increase in Japanese membership would necessitate a decrease in British or American membership.

JCV
 JCV/VDM

1202

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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	M		
To field			
In U.S.A.			
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No. 132

AMERICAN CONSULAR SERVICE

American Consulate General,
 Shanghai, China, February 1, 1936.

793.94
 note
 893.102 S

Subject: Sino-Japanese Relations: Desire of
 Japan for Greater Representation on
 Shanghai Municipal Council: Municipal
 Elections to be held in March, 1936.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

copy to FE
 Division of
 Far Eastern
 Affairs
 FEB 28 1936
 Department of State

Copy of accompanying
 documents stamped to

Sir:

I have the honor to enclose a copy of a self-
 explanatory despatch No. 122 of this date, with
 enclosure, from this Consulate General to the Embassy
 at Peiping in regard to the subject above mentioned.

Respectfully yours,

Monnett B. Davis
 Monnett B. Davis,
 American Consul General.

FILED
 MAR 13 1936

✓
 Enclosure:

1/- Copy of despatch No. 122 to Embassy,
 Peiping, with enclosure, dated February
 1, 1936.

800/810.1
 MBD:NEW

In quintuplicate

793.94/7755

DG

1 2 0

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 122

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, February 1, 1936.

Subject: Sino-Japanese Relations: Desire of
Japan for Greater Representation on
Shanghai Municipal Council: Municipal
Elections to be held in March, 1936.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to page four of despatch
No. 8908 of October 7, 1935, and other statements from
this Consulate General to the general effect that the
Japanese have for some time shown a disposition to
attack the administration of the International Settle-
ment, apparently with a view to serving notice that
they will no longer be satisfied with the minor role
to which they have been relegated in the past. It
will be recalled that they have criticized the Shanghai
Municipal Council for its handling of questions relat-
ing to telephone and gas rates, its distribution of
appropriations for schools, defense units and salaries,
the actions of the police, as in the Kumabe case, and
other matters.

As pointed out on previous occasions, the more
responsible elements among the Japanese apparently
wish to see the International Settlement continue with

such

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-2-

such modifications in its administration as will satisfy what they regard as their just deserts. On the other hand there are more radical groups that talk of setting up a separate administration to be controlled by the Japanese. Consul General Ishii favors a continuation of the present system of international cooperation but has said on a number of occasions that he can not restrain his people any longer in their demands for larger representation.

Although the Japanese have not as yet announced their plans, it is understood that they contemplate nominating at least three candidates for the Council, which means that they expect the British or American representation, or both, to be reduced. The British apparently have no intention of relinquishing their predominance in the Council without a struggle and have organized with a view to getting out a large
 1/ British vote. There is enclosed as of interest in this connection a printed sheet prepared for distribution in the British community. The figures designed to show foreign investments are apt to be misleading since they include much Chinese capital in foreign concerns and in real estate held under the beneficial ownership system that has been in effect here for many years.

The American Community Committee is taking an active interest in the elections, and Major Arthur

Bassett

1207

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Department of State letter, August 10, 1972
By Milton D. Justen NARS, Date 12-18-75

-3-

Bassett, who heads the sub-committee concerned, is taking the lead in getting out the American vote.

Respectfully yours,

Monnett B. Davis,
American Consul General.

Enclosure:

1/- Notice to British Voters issued
by British Chamber of Commerce.

800/810.1
MBD:NHW *mmw*

Original to Embassy, Peiping
Copy to Embassy, Nanking
In quintuplicate to Department
with despatch No. 732.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 122 from Monnett B. Davis,
 American Consul General at Shanghai, China, dated February 1,
 1936, on the subject "Sino-Japanese Relations: Desire of Japan
 for Greater Representation on Shanghai Municipal Council, etc."

Issued by the Election Committee of the British Chamber
 of Commerce and China Association (Shanghai) and the
 British Residents' Association of China.

MUNICIPAL ELECTIONS, 1936

To British Voters:

THE TIME HAS COME when it is imperative that the individual British vote in the Municipal Elections shall be exercised by all now qualified or entitled to qualify for the vote, otherwise there is a real danger that the British will lose that position upon the Council and influence in its activities to which they are entitled by the efforts that first opened Shanghai to foreign trade nearly 100 years ago and subsequently threw open what was originally known as the "ENGLISH SETTLEMENT" to be the present INTERNATIONAL SETTLEMENT.

The British have contributed and are still contributing the greatest share towards the building up of Shanghai, and to the growth of the administrative machine.

The latest statistics available show present INVESTMENTS in the Settlement to be as follows:

British	£151,000,000
Japanese	44,000,000
American	26,000,000

FOREIGN PAYMENTS to the general Municipal rate amount to:

British	42½ per cent
Japanese	24½ per cent
American	15 per cent
Other Nationalities	18 per cent

Payments on LAND TAX are:

British	82 per cent*
Japanese	7 per cent
American	6 per cent

*This includes land held in trust for Chinese, but even so, the amount of the British contribution is probably three times that of the next highest.

The present foreign representation on the Municipal Council is made up of five British, two Japanese and two American members.

There is no agreement or understanding limiting the representation on the Council of the foreign nationalities concerned to any prescribed number and it is necessary, in order that the British may retain their present majority, that every British voter shall individually record his vote on the **23/24 March**, the dates fixed for the election.

REGISTERED VOTERS at the last Election numbered 3,850 viz:

BRITISH	1,284 ✓
Japanese	893 ✓
American	400 ✓
All other nationalities	1,273 ✓
	<u>3,850</u>

OF THESE the total number of votes actually cast, according to the North China Weekly Herald of April 3rd, 1935, was 1,587 or 41 per cent of the whole electorate.

775 were Japanese	(or 87% of their total)
565 were British	(or 44% of their total)
247 were American and all other nationalities	(or 15% of 1,673 voters)

1,587

THE BRITISH ELECTION COMMITTEE has been formed with the object of stimulating the interest of British voters in the Municipal election and ensuring that the maximum voting power shall be exercised.

Full information regarding qualification for the vote and every assistance will be given by the undersigned on application by letter or telephone or upon request to call in person.

F. HAYLEY BELL,

BRITISH ELECTION AGENT,

Office: 549 Szechuen Road,

Telephone No: 15510

THIS DOCUMENT IS TO BE RETURNED TO THE
 BRITISH ELECTION AGENT
 549 Szechuen Road
 SHANGHAI

1209

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

~~FE~~

NO. 469.

AMERICAN CONSULATE GENERAL,

Singapore, S.S., January 18, 1936.

1936 FEB 23 11 11 CG

For Distribution-Check		Yes	No
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For	In U.S.A.		

793.94
note
893.00

SUBJECT: Important Conference of Chinese Leaders in Singapore.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Division of
FAR EASTERN AFFAIRS
FEB 27 1936
Department of State

SIR:

I have the honor to inform the Department that what was called in THE SINGAPORE FREE PRESS the greatest political drama Singapore has ever known took place on January 16 when Mr. Hu Han Min, who for many years was associated with Dr. Sun Yat Sen and is supposed to have inherited his political position in China, was received in Singapore by ten delegates from Canton and a representative of General Chiang Kai Shek, Mr. Wei Tao Ming, a member of the National Reconstruction Commission.

The conference took place aboard the Italian vessel VICTORIA which is conveying Mr. Hu Han Min to China and was reported in local newspapers as effecting a reconciliation between Mr. Hu Han Min and General Chiang Kai Shek. These two leaders had a disagreement in 1931 over the promulgation of Yueh Fa (Provisional Constitution

793.94/7756

FILED
FEB 29 1936

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1211

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Constitution) proposed by General Chiang, causing estrangement between north and south China. Mr. Hu Han Min will go directly to Nanking where he will cooperate with General Chiang Kai Shek and other leaders of China in formulating a national policy for resistance of Japanese aggression.

The Chinese Consul General, who attended the conference, informed me that the newspaper reports were correct.

This conference was of such importance in Chinese affairs and may have such an important bearing on future Chinese policy that I deemed it proper to inform the Department by telegraph on the ¹⁷⁶⁶⁶16th instant of the event.

Respectfully yours,

Thomas McEnelly

Thomas McEnelly,
American Consul.

File No. 800

McE.pt.

Despatch sent in Quintuplicate.

Copy sent to Embassy at Peiping.

1211
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

793.94
CONFIDENTIAL

1936 FEB 27 AM 9 57

SECRETARY OF STATE
FEB 26 1936

February 21, 1936.

NOTED

Subject: COMMUNICATIONS
S: AMERICAN CONSUL

The Situation in North China.

Division of
FAR EASTERN AFFAIRS
FEB 26 1936
Department of State

Mr. Secretary.

There have been no important developments in the North China situation during the week.

The Embassy at Peiping reported that according to a reliable Japanese official an agreement has been reached between certain high Japanese military officers in North China and Manchuria to the effect that the Japanese military policy in North China will be in the hands of the North China garrison* (which will be enlarged and placed under the command of a lieutenant-general) and that Doihara (the well-known political agent of the Japanese military) will return to Japan in March. The informant also stated that the agreement was brought about because of the international situation, principally the attitude of Soviet Russia, the United States and Great Britain toward Japan, and because of the differences of opinion existing among these high military officers with regard to policy, and that North China will be quiet for three or four months, not necessarily because of a change of Japanese objective but because of a change of method.

The

* Heretofore the Kwantung Army in Manchuria has been active in North China affairs.

793.94/7757

FILED

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121
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson MARS, Date 12-18-75

- 2 -

The Embassy reported another well-informed Japanese source as having expressed the view that the North China situation will be quiet for some time.

The above information is interesting and provides a plausible explanation of the inactivity of the Japanese military in North China during recent weeks. It is obvious, however, that the account given by the "reliable Japanese official" cannot be regarded as insuring a continuance of the inactivity of the Japanese military.

ledu
FE:MSM/VDM

m.m.H.

121

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6088 FOR #137 to Embassy

FROM Tientsin (Caldwell) DATED Jan 20, 1936
TO NAME 1-1127 ***

REGARDING: Seizure of Customs revenue by Hopei-Chahar Political Council:
Conversation with Commissioner of Customs.

FRG.

793.94/7758

7758

1217

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6089 FOR #138 to Embassy

FROM Tientsin (Caldwell) DATED Jan 20, 1936
TO NAME 1-1127 ...

REGARDING: Seizure of Customs revenue by Hopei-Chahar Political Council:
Letter of Jan 20, 1936, from the Commissioner of Customs, to-
gether with enclosures, enclosed (in copy).

793.94/ 7759

FRG.

7759

121⁴

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.01 Inner Mongolia/56 FOR #140 to Embassy

FROM Tientsin (Caldwell) DATED Jan 21, 1936.
TO NAME 1-1127 ...

REGARDING:

Chinese-Japanese Relations.

Memorandum of conversation with an American business man just returned from trip to Kalgan and Paot'ou regarding the Government of Inner Mongolia, the Government of Manchuria, and Chinese-Japanese relations.

793.94/ 7760

793.94
7760

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6090 FOR #145 to Embassy

FROM Tientsin (Caldwell) DATED Jan 28, 1936
 TO NAME 1-1127 ***

REGARDING:

Seizure of customs revenue by Hopei-Chahar Political Council.
 Developments: Reporting on-, transmits copy of memorandum
 from the Commissioner Customs, Tientsin, Jan 23, 1936.

793.94/7761

FRG.

7761

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 893.01 Manchuria/1320 FOR #303

FROM Harbin (Adams) DATED Jan 28, 1936
TO NAME 1-1187 ***

REGARDING: Removal of the "Emperor" to North China: Discussion regarding-

FRG.

793.94/ 7762

7762

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

79394

DOCUMENT FILE

NOTE

SEE 711.94/1065 FOR despatch #897

FROM Turkey (Shaw) DATED Jan.30, 1936

TO NAME 1-1197 ...

REGARDING: Japan's penetration into China --- The Manchurian incident.
 Memorandum of a conversation between Mr. Washington of the
 American Embassy and Mr. Saito of the Japanese Embassy in
 Istanbul regarding-.

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793.94/7763

7763

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



793.94

FS

FROM

This telegram must be closely paraphrased before being communicated to anyone. (D)

Moscow

Dated February 28, 1936

Rec'd 12:50 p. m.

Secretary of State

Washington.

COPIES SENT TO
O.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
FEB 28 1936

74, February 28, 6 p. m.

STRICTLY CONFIDENTIAL.

Dr. Yen, Chinese Ambassador, stated to me today that he had just received a most private letter from Nanking which said that if the Japanese should attempt to compel acceptance of their "three principles" by an ultimatum or if the Japanese should advance into Shantung, General Chiang Kai Shek positively would fight.

793.94/7764

HPD

BULLITT

104-1

MAR 9 - 1936

INTEND

F/FG

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A strictly confidential telegram (No. 74) of February 28, 1936, from the American Ambassador at Moscow reads substantially as follows:

On February 28, the Chinese Ambassador (Yen) informed the American Ambassador that he had just received from Hanking a very private letter stating that General Chiang Kai-shek positively would fight if the Japanese should advance into Shantung or if they should try by an ultimatum to compel acceptance of their "three principles".

743.94/7764

FE:REC

FE

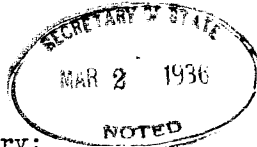
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104-2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



February 12, 1936. Division of
 FAR EASTERN AFFAIRS
 FEB 26 1936
 Department of State

Mr. Secretary:

The Chinese Ambassador asked me last evening to arrange for an appointment for him with you.

The Ambassador said that he had had instruction from his Government, and that the Chinese Ambassadors at London and at Moscow have similar instructions, to state that the Chinese Government has reason to believe that in the near future the Japanese will renew and augment their pressure upon the Chinese Government for an early diplomatic settlement of certain questions; that the Japanese are insisting upon a negotiation on the basis of the Hirota three-point program (see memorandum attached); that the Chinese Government cannot make that program a basis of negotiation; and that the Chinese Government wishes to inquire what, in the event of augmented Japanese pressure upon China, will be the attitude of the American Government.

I have said to the Chinese Ambassador that this is a pretty broad question, and he has admitted to me that it is a "hypothetical question." I have asked him what he might be prepared to reply in case you were to ask him what

793.94/7765

FILED
 MAR 9 1936

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

what will be the attitude and action of the Chinese Government. He replied that he was not in position to say, but that he must present to you his Government's case.

May I suggest that an appointment be made for you to receive the Ambassador on Friday.

FE:SKH/ZMK

105-3

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

S
FE

MEMORANDUM

The so-called "three-point" program of
the Japanese Foreign Minister.

The so-called "three-point" program of the Japanese Foreign Minister has been given in many forms, among which are the following:

Peiping reported that this program was understood to comprise (1) abandonment by China of playing one nation against another, which means abandonment of independent relations with all countries but Japan; (2) "cooperation" between Japan, China and "Manchukuo"; and (3) cooperation against the spread of communism in North China.*

As reported by Nanking, the Chinese Foreign Office released on January 23, 1936, a statement for the press in regard to that part of the speech of the Japanese Foreign Minister before the Japanese Diet (on January 21) relating to his "three-point" program, in which statement this program was given as follows: "(1) China must abandon the policy of playing one foreign country against another; (2) China must respect the fact of the existence of 'Manchukuo'; (3) China and Japan must jointly devise effective measures for preventing the spread of communism

in

* Peiping's despatch No. 147, January 3, 1936.

115-2

1224
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

in regions in the northern part of China." **

As described in the speech of the Japanese Foreign Minister to the Diet the program comprises mainly (1) the cessation by China of all anti-Japanese acts and China's active and effective collaboration with Japan; (2) the recognition by China of "Manchukuo" (subject to the qualifying statement that temporary measures might be devised pending the establishment of formal diplomatic relations); and (3) the suppression of communistic activities, a matter which was characterized as being of vital importance to China and to the people of eastern Asia.

** Nanking's telegram No. 23, January 23, 1936.

MSM
FE:MSM:EJL

105-4

1 2 2 ^c

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

February 15, 1936.

Subject: Suggestion for reply to be made orally to the Chinese Ambassador.

We realize that the Chinese Government is confronted with difficulties and that its problems will not be resolved by mere invocation on anybody's part of theories. The American Government is not able to offer or to suggest ways and means whereby these problems may speedily be solved. This Government has exerted its influence and will continue to do so on behalf of peace and justice. In determining its course of action in reference to various issues and questions, it has been guided by well-known principles and has constantly had in mind certain equally well-known objectives. It desires that treaty obligations be respected and that the rights and interests of all concerned be shown due regard, and it directs its efforts toward those ends.

You will recall that the President, some weeks prior to his inauguration, said that "I am -- wholly willing to make it clear that American foreign policy must uphold the sanctity of international treaties. That is the cornerstone on which all relations between nations must rest". You will recall also that in the statement which I issued to the press on December 5, 1935, in regard to the so-called "autonomy movement" in North China, I said:

"It

105-5

735.34/7735

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

"it seems to this Government most important in this period of world-wide political unrest and economic instability that governments and peoples keep faith in principles and pledges. In international relations there must be agreements and respect for agreements in order that there may be the confidence and stability and sense of security which are essential to orderly life and progress. This country has abiding faith in the fundamental principles of its traditional policy. This Government adheres to the provisions of the treaties to which it is a party and continues to bespeak respect by all nations for the provisions of treaties solemnly entered into for the purpose of facilitating and regulating, to reciprocal and common advantage, the contacts between and among the countries signatory."

You will further recall that on several occasions I have called attention publicly to the existence of the Pact of Paris (Kellogg Pact) and to the view of the American Government that by this Pact the sixty-three signatory powers are pledged to the course of action agreed upon in its provisions.

The United States does not intend to use force anywhere for any purpose except, if compelled to do so, for that of self-defense. We deplore use of force by any other nation or nations for any other purpose than that of self-defense.

The United States has always desired and continues to desire the unity, the independence and the prosperity of the Chinese nation. Our attitude and position in regard to American rights, interests and obligations, and in regard to the treaties and principles to which we are committed, remain unchanged.

105-15

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

February 27 1936

CONFIDENTIAL - STAFF USE ONLY.

No. 1144

To the American Chargé d'Affaires ad interim,
 London.

The Secretary of State encloses for the confidential information of the Chargé d'Affaires at London copies of memoranda of February 12 and February 15, 1936, in regard to an approach made to the Department by the Chinese Ambassador under instruction from his Government on the subject of possible developments in the relations between China and Japan and the attitude of the American Government in regard thereto.

793.94/7766

Enclosures:

Copies of memoranda:
 February 12, 1936;
 February 15, 1936.



MMH

FE:MMH:REK
 2/24/36

FE
 FEB 25 1936

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

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Intro. to Secretary

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

Conversation.

The Chinese Ambassador,
 Mr. Sao-Ke Alfred Sze

Mr. Hornbeck.

February 15, 1936.

SECRETARY OF STATE
 FEB 28 1936
 NOTED

Reference, memorandum to the Secretary of February 12 hereunder attached.

The Chinese Ambassador called me on the 'phone this morning and said that he had been checking his telegrams and had found a mistake in reading: in connection with his request for an interview with the Secretary, he found that it was not necessary that he see the Secretary, but his instruction was to "keep in touch with the Department of State"; he thought that it would be preferable that he talk the matter over at this stage with me rather than with the Secretary.

The appointment for the Ambassador to see the Secretary at twelve o'clock this day was therefore canceled, and the Ambassador called on me.

The Ambassador repeated substantially what he had said to me as recorded in the memorandum of February 12 under reference. He then added that his Government had reason to believe that the Japanese Government had approached or would approach the American, the British, and the Russian Governments with the objective of keeping those Governments apart and causing them to stand aside while Japan proceeded

793.94/7766

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FILED
 MAR 5 1936

1225

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

with Japan's China policy. The Chinese Government wished to know whether the American Government had been thus approached. I said in reply that the Japanese Government had made no approach to us. The Ambassador wished to know what would be our attitude if we were so approached. I replied that I thought the Ambassador could formulate for himself an adequate reply to that question and could give his Government a reply of his own making: that it is perfectly clear to anyone in this country that the American people and the American Government are at present disinclined toward "foreign entanglements", especially anything in the nature of political commitments which would tie this country to other countries or involve us in conflicts between other countries; and that it is also clear that this country remains, as it always has been, well disposed toward China -- whence it would be unlikely that we would commit ourselves to or pursue a policy obviously prejudicial to China's interests and in the nature of taking sides with another or other countries against China.

The Ambassador said that he was glad to have what I had said and that he hoped and trusted that the American Government would be on guard. He then inquired whether we had any news of new Japanese activities in China, and I replied that we had not. He made the observation that things appeared comparatively quiet in China and that the Japanese were not pressing expressly upon any one demand.

FE:SKH/ZMK

106-5
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1230

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

February 24 1936

CONFIDENTIAL - STAFF USE ONLY.

No. 101

To the American Ambassador,

Peiping.

The Secretary of State encloses for the confidential information of the Ambassador at Peiping copies of memoranda of February 12 and February 15, 1936, in regard to an approach made to the Department by the Chinese Ambassador under instruction from his Government on the subject of possible developments in the relations between China and Japan and the attitude of the American Government in regard thereto.

793.94/7766

Enclosures:

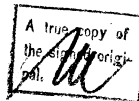
Copies of memoranda:
February 12, 1936;
February 15, 1936.

793.94

7766

Copy to Nanking.

Feb 24 1936.



FE:MMH:REK
2/24/36

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

February 27 1936.

CONFIDENTIAL - STAFF USE ONLY.

No. 643

To the American Ambassador,
Moscow.

The Secretary of State encloses for the confidential information of the Ambassador at Moscow copies of memoranda of February 12 and February 15, 1936, in regard to an approach made to the Department by the Chinese Ambassador under instruction from his Government on the subject of possible developments in the relations between China and Japan and the attitude of the American Government in regard thereto.

793.94/7766

Enclosures:

Copies of memoranda:
February 12, 1936;
February 15, 1936.

106-4



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2/24/36

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m.w.H.

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FEB 25 1936
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

February 24 1936

CONFIDENTIAL - STAFF USE ONLY.

No. 959

To the American Ambassador,
Tokyo.

The Secretary of State encloses for the confidential information of the Ambassador at Tokyo copies of memoranda of February 12 and February 15, 1936, in regard to an approach made to the Department by the Chinese Ambassador under instruction from his Government on the subject of possible developments in the relations between China and Japan and the attitude of the American Government in regard thereto.

793.94/7766

Enclosures:
Copies of memoranda:
February 12, 1936;
February 15, 1936.

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A true copy of
the signed original
trans.

FE:MMH:REK
2/24/36

FE
m.m.h.

MMH

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

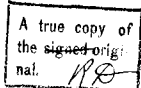
- 4 -

proving themselves less tractable to this idea than the Japanese had hoped. I said that I felt quite certain that Chinese leaders had observed with interest the train of events in Europe in regard to the imposition of sanctions by the League and that they had observed with equal interest the proclamation of neutrality by the United States in the Italo-Ethiopian dispute, and that it was within the realm of possibility that the Chinese might call for a showdown on the part of the Japanese and force the Japanese to act, believing that if the Japanese would take forceful measures, amounting to an invasion of Chinese soil and an armed clash between the Chinese soldiers and the Japanese, they would be able to present a problem in all respects similar to the Ethiopian problem, with the expectation that the world would react in a similar way. Sir Alexander stated that in an interview which he had had with Chiang Kai-shek he had been subjected to a series of questions regarding the League's attitude in the Ethiopian matter, indicating a very live interest there, and he was prepared to agree with my analysis.

Sir Alexander stated that he was leaving for Peiping this afternoon. Sir Frederick said that in a few days he was going to Tientsin to inquire into the currency situation there and would then go to Peiping.

NTJ:epg:rd

Nelson Trusler Johnson,
 American Ambassador.



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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Swatow/98 FOR #107

FROM Swatow (Hinke) DATED Jan 4, 1936.
 TO NAME 1-1127 ***

REGARDING:

Relations between China and Japan. Report on - for 1935.

793.94/ 7767

793.94

7767

1 2 3 4

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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Japan.

Relations between the Japanese and Chinese authorities in Swatow during 1935 were marred by several incidents which reached or threatened to reach serious proportions. A summary of the more important incidents is given below:

1. Late

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 Department of State letter, August 10, 1972
 By Milton D. Swatow NARS, Date 12-18-75

8

Political Review for December, 1935,
 and Annual Summary.
 Swatow, China,
 January 4, 1936.

Late in December, 1934, considerable agitation was caused by the construction of a small wooden jetty by a Japanese ice company without obtaining the permit from the Mayor's Office. The Chinese attempted unsuccessfully to prevent its completion. Several Japanese naval vessels were sent to Swatow to watch the outcome of this dispute, but reports that Japanese marines were landed were erroneous. The Japanese in a high-handed manner ignored Chinese representations which was counter-balanced by Chinese refusal to recognize foreign riparian rights. The jetty is now in almost daily use by Japanese naval vessels maintaining communications with the shore. This case was finally settled in January, 1935.

In January, 1935, the Japanese demanded that the Chinese authorities prevent local newspapers from using the terms "enemy country", "enemy consul" and "enemy gunboats" in referring to Japan, the Japanese Consul and Japanese men-of-war. This demand was fully complied with.

On June 16, 1935, a seaman from a Japanese destroyer on shore leave in Swatow disappeared. A very serious view was taken of this incident by the Japanese authorities but fortunately the man was found and turned over to the Japanese Navy within a few hours by the Chinese Police. The man was thought to have been mentally deranged.

A serious incident involving Japanese interests occurred early in September, 1935, when a number of bags of so-called 'Japanese rice' were seized by the local Chinese authorities at Kityang and other neighboring places for non-payment of the Provincial Tax applicable on foreign rice imports. This case was amicably settled on October 15th, after 34 days of negotiations. An unsuccessful attempt to settle the dispute was made at Canton, but it was finally decided to attempt to reach a settlement in Swatow which was completed on October 15th. It is understood that the cargo seized was sold at current market prices, the taxes were paid to the local authorities, and the balance was remitted to the alleged Japanese owner, but the basic question of the applicability of local and Provincial taxes on Japanese merchandise was left to be settled by future negotiations. During this controversy, the Japanese maintained a cruiser and two destroyer divisions in Swatow to protect Japanese interests. (See Despatches Nos. 86 and 90 of October 19th and November 6, 1935, addressed to the Embassy, Peiping, for further details.)

On December 23, 1935, the Japanese Consul gave a reception to Chinese officials and the Consular Body in honor of Rear Admiral Hasagaya of H.I.J.M.S. YUBARI. It is thought that this vessel called at Swatow in connection with further seizures of so-called 'Japanese smuggled goods' which occurred on December 21, 1935, near Chaochowfu. This incident remained unsettled at the close of 1935.

c. Relations

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE DS7A-9111/161 FOR 216

FROM JERUSALEM (Brief) DATED Jan 9, 1936
TO NAME 1-1127 ...

REGARDING:

1 2 3 4

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 894.00 P.R./97 FOR #1642

FROM Japan (Grew) DATED Jan 18, 1936.
TO NAME 1-1127 ...

REGARDING:

Sino-Japanese Relations. Report on --.

793.94/7768

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7768

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

II. RELATIONS WITH OTHER COUNTRIES.

(a) China.

79-14.
The Sino-Japanese situation followed the line of developments indicated in the Embassy's political report for November. Public and official opinion, as reflected in

-
- * Embassy's telegram No. 249 of December 21, 1935.
** Embassy's despatch No. 1613 of December 28, 1935.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 4 -

in and reported by the press, was one of satisfaction over the establishment of the Hopei-Chahar autonomous Government. The Japanese military, however, appeared to be disappointed that the autonomous region established did not embrace more territory. The situation was complicated by anti-Japanese student demonstrations in several Chinese cities which were particularly directed against the so-called autonomy movement in North China. These demonstrations appeared to cause embarrassment to the Japanese military both in North China and in Japan.* The KOKUMIN of December 19th attributed to General Kawashima, the Minister for War, the statements that the Chinese students in the anti-autonomy movement seemed to have communist leanings and that the recent agitation was due to the students' ignorance of the fact that Sino-Japanese rapprochement accords with the principle of promoting the common interests and prosperity of both countries.

The much-discussed Sino-Japanese political and economic rapprochement again came to the fore toward the end of the month, according to a report in the JAPAN TIMES of December 28th and a Nippon Denro despatch from Peiping dated December 30th, which was published by the JAPAN ADVERTISER of December 31st. The first report was that the Chinese Chargé d'Affaires in Tokyo had on December 27th proposed to Mr. Shigemitsu, the Vice Minister for Foreign Affairs, the formation of a Sino-Japanese committee for the adjustment of relations between the two countries; that Mr. Shigemitsu had replied to the effect that the Japanese Government would not hesitate to enter into negotiations with the Chinese Government if the Nanking Government desired

* Embassy's telegram No. 7 of January 9, 1936.

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 5 -

desired to readjust relations with Japan "in sincerity" but that unless the present widely spreading anti-Japanese movement by students was prevented by the Nanking Government diplomatic negotiations would not bring any results. According to the Nippon Dempo report referred to, the negotiations, which the Nanking Government would like to hold in Nanking in February, are to center around the following matters: (1) revision of Sino-Japanese treaties; (2) examination anew of the situation in North China; and (3) establishment of a Sino-Japanese economic entente.

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

792.94

DOCUMENT FILE

NOTE

SEE 894.00/580 FOR Tel#44, Noon

FROM China (Nanking) (Johnson) DATED Feb 28, 1936.
 TO NAME 1-1197 ...

REGARDING:

Coup d'etat of Feb 26, 1936: Action of the military presages a more drastic attitude toward China and Russia, is the consensus of opinion among important Chinese officials approached. The Russian Ambassador at Nanking expressed the belief that Japan will concentrate upon China, weak and disunited.

793.94/ 7769

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 Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 026 Foreign Relations/988 FOR Inst. #95

FROM China (Johnson) DATED Feb. 19, 1936
 TO NAME 1-1137 ***

REGARDING:

FOREIGN RELATIONS OF THE U.S., 1922. Requests
 to obtain permission to publish in -, certain
 correspondence on file number 793.94/1275, 1266, 1277

med

793.94/ 7770

7770

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 026 Foreign Relations/987 FOR Inst. #955

FROM Japan (Grew) DATED Feb. 21, 1936
TO NAME 1-1137 ...

REGARDING:

FOREIGN RELATIONS OF THE U.S., 1922. Requests
to obtain permission to publish in -,
certain correspondence on file number
793.94/1278, 1340a, 1403.

793.94/7771

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7771

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

79394

DOCUMENT FILE

NOTE

SEE 894.00/565 FOR Tel#64, 6pm

FROM U.S.S.R. (BULLITT) DATED Feb 25, 1936
 TO NAME 1-1127 ***

REGARDING: Victory of the Minseito party in the Japanese elections:
 Views of the Chinese Ambassador at Moscow regarding probable
 effect on future relations between China and Japan.

793.947772

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 Milton D. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

LMS

GRAY and SPECIAL GRAY

Peiping via N. R.

March 3, 1936

FROM

Rec'd 12:05 p. m.

1-1336

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
MAR 3 1936
Department of State

COPIES SENT TO
O.N.I. AND M.I.D.

102, March 3, 11 a. m.

One. The situation in North China is quiet. There is no (repeat no) evidence of active Japanese pressure at present. Probably the Japanese military are, (1), awaiting the arrival of new officers for the North^{China} gar- rison and additional forces (reference Embassy's 79, February 20, 5 p. m.; and 89, February 25, 5 p. m.; (2), watching for the time being the progress of the Hopei-Chahar Political Council increased autonomy on its own initiative, and (3), awaiting a clarification of the situation in Tokyo. /7731

Two. Embassy's 71, February 18, 9 p. m., paragraph three. Conversations between Sung Che Yuan's group and the National Government with regard to division of the revenues collected in Hopei Province continue. A representative of Sung is now in Nanking discussing this subject. Solution has apparently not (repeat not) yet been reached.

Three. Chinese new Ambassador to Japan visited

Peiping

793.94/7775

FILED

MAR 6 1936

F/FG

102-1

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

LMS 2-No. 102, March 3, 11 a. m. from Peiping.

Peiping on February 29. Of importance relative unimportance of China's Ambassador to Japan in Sino-Japanese relations, it seems probable that one of the purposes of his visit was to acquaint himself with the situation in North China, while, according to friend of his in a responsible position, another reason was to flatter Sung Che Yuan by this show of attention by the National Government.

Four. Angered by recent student activities, Sung Che Yuan has taken severe measures during the past few days, arresting more than 20 students and 3 professors allegedly for communist leanings. A number of student leaders have gone into hiding. It is ^{reliably} ~~to~~ reported that Sung threatens to have two of the professors shot. However, Sung ^{is being} ~~(*) to have been~~ strongly advised by subordinates and by leading educators to administer no (repeat no) punishment himself but to send to Nanking persons whom he regards as requiring punishment. The arrested professors are understood not (repeat not) to be communists but to have incited students to participate in recent student demonstrations. Sung's handling of the student situation is regarded as unwise.

Five. The Hopei-Chahar Political Council has decided

107-2

1248

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

LMS 3-No. 102, March 3, 11 a. m. from Peiping.

cided to establish an education commission, referred to in Embassy's 59, February 11, 3 p. m. Leading educators are attempting to persuade Sung that such a commission must not (repeat not) interfere with the administration of universities or else the universities will be forced to leave Peiping. Educators and some politicians refuse to serve on the commission.

sg ✓
Six. According to the best information available here, Wang Ching Wei's health has so improved that he ~~is now~~ ^{is now} out of danger and has gone to Europe because he wished to avoid going to Nanking where Chiang Kai Shek holds the power and where Hu Hau Min, his political enemy, may return to power.

Seven. It is said here that Hu Hau Min has informed Chiang that Hu's participation in the National Government depends on, (1), his being given the disposition of the post of President of the Executive Yuan, (2), his group's strength in the party being increased, and (3), his nominee, a Canton general, being appointed garrison commander at Nanking for Hu's protection. According to report, Chiang has accepted the third point and has informed Hu that the other two can be settled after his arrival at Nanking. It still appears doubtful that Hu will enter the National Government.

By mail to Tokyo.

HPD

(*) Apparent omissions.

LOCKHART

107-3

1245

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS**CONFIDENTIAL**

February 29, 1936.

1936 MAR 3 PM 12 57

Subject: The Situation in North ChinaDIVISION OF
COMMUNICATIONS
AND RECORDS

MAR 2 1936

NOTED

Mr. Secretary.

There have been no developments worthy of note in the North China situation during the week.

The Embassy at Peiping reported reliable information received from the Consulate General at Mukden to the effect that two troop trains had been sent northward nightly and that armored cars, armored tanks and trucks were being loaded there. It also reported that the Consulate General at Harbin had been reliably informed that trucks were being commandeered by the military in Harbin for use in Hailar. Although it is possible that this movement of troops and of military equipment had been made in preparation for further activities along the "Manchukuo"-Outer Mongolia border, information received from the Embassy at Tokyo would seem to indicate that this movement was possibly connected with the replacement program (recently announced by the War Office in Tokyo) and the reinforcement, according to plan, of the railway guards by six additional battalions (about 3600 men).

Reports

793.94/7774

793.94/7774
E/FG
MAR 9 1936

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Reports from the Embassy at Nanking indicated that Chinese official circles held a pessimistic view in regard to the outcome of the Tokyo affair and feared that it would result in the initiation of a more drastic continental policy, particularly with regard to China. The consensus of opinion of the Chinese press at Shanghai on February 27, as reported by Peiping, was to the effect that the crisis in Japan will have an important bearing on the future situation in the Far East. Although any attempt to foreshadow the trend of events would at this time be mere speculation, it seems reasonable to expect that the influence of the military in the Japanese Government will be increased as a result of this affair and that the Japanese Government will adopt a more aggressive policy on the Asiatic mainland.

Sketch

W.D. Gustafson
FE:MSM/VDM

1251

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MJP

1-1336

FROM GRAY

Peiping via N R

Dated March 4, 1936

Rec'd 7 a. m.

Secretary of State
 Washington.

Division of
 FAR EASTERN AFFAIRS
 MAR 4 - 1936
 Department of State

COPIES SENT TO
 O.N.I. AND M.I.D.

109, March 4, 4 p. m.

Reference paragraph one of Embassy's 89, February
 25, 5 p. m.

Doihara left Peiping yesterday, stopping at Tientsin
 allegedly on his way to Tokyo. According to one report
 he will proceed via Manchuria; according to another, via
 Tsingtau. It is understood that he will be replaced in
 his capacity as an unofficial observer and negotiator in
 North China by an equally high ranking officer.

By mail to Tokyo.

LOCKHART

HPD

793.94/7775

MAR 6 1936

F/FG

1252

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

COPY

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

RECEIVED

AUG 28 1936

DIVISION OF

March 4, 1936.

CONFIDENTIAL

Participation of American Armed Forces in
 Defense of International Settlement at
 Shanghai during Shanghai Incident -- 1932.

It will be recalled that under date February 5, 1930, the Department in a telegram to the American Legation at Peking, issued a basic instruction in regard to the use of American armed forces in China, particularly at Shanghai. The instruction stated inter alia that in China the American Government maintained armed forces for the protection of the persons and the property of American nationals; that there might exist or develop situations (particularly at Shanghai) in which protection of American lives and property might only be effected or might best be effected by appropriate cooperation with armed forces of other countries; that if a situation arose in which the municipal administration of the International Settlement was unable with the means at its disposal to maintain law and order the situation would become one of rightful concern to any or all the powers whose nationals or the property of whose nationals were menaced; and that in such a situation the armed forces of the United States might rightfully go to the

aid

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FILED

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

aid of the municipal administration.

On June 26, 1931 (according to the memorandum of June 18, 1932, prepared by the Consul General at Shanghai) there was held at Shanghai the first meeting of the "Defense Committee" (composed of representatives of the various foreign military contingents stationed there and certain representatives of the Shanghai Municipal Council), at which time it was agreed that a coordinated scheme of defense was needed. A "defense scheme" was drawn up, and on December 18, 1931, this was signed by the commanding officers of all foreign forces stationed in the International Settlement and the French Concession and by the Chairman of the Shanghai Municipal Council, the Commander of the Shanghai Volunteer Corps and the Commissioner of Police. Under this agreement, which was entitled "International Defense Scheme", the Settlement and its vicinity were divided into sectors and stations in or on the several sectors were assigned to the landing forces of the different nationalities, including American.

Under date January 25, 1932, the Department in a telegraphic instruction to the Legation in regard to the problems presented by the then situation at Shanghai expressed the view that if and when an emergency should occur and the Municipal Council should reach the conclusion that it was not possible to protect the

International

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

International Settlement with the means at its disposal the Municipal Council should so notify the Consular Body through the Senior Consul and the Consular Body should then make such call as might be deemed necessary upon all of the foreign armed forces available and not upon any single one.

On the morning of January 28, 1932, the Municipal Council of the International Settlement declared that a "state of emergency" would become effective as from four o'clock of that afternoon. On that day in pursuance of the above-mentioned declaration the American forces stationed at Shanghai (as well as the British and Japanese forces) proceeded to take up positions in the defense sector assigned to them under the "International Defense Scheme".

On July 5, 1932, a copy of the "International Defense Scheme", the existence of which apparently had not been known to the Consulate General at Shanghai until some time after the Shanghai incident, was sent to the Department by the Legation under cover of despatch No. 1608 of that date. After consulting with the Navy Department, the Department instructed the Legation by telegram of September 8, 1932, that we should regard the "Scheme" as tentative only and ^{that} therefore as each situation of emergency arises a binding agreement (a) to cooperate

in

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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in the use of armed forces and (b) to do so according to this "Scheme" or an amended form thereof should be made or be refused at the time and in the light of the situation then existing. This instruction stated that the Navy Department had instructed the Commander in Chief of the Asiatic Fleet in a similar sense.

SKH.

FORM DS-516
5-13-47

DEPARTMENT OF STATE
CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO-	DATE OF CHARGE	CLERK'S INITIALS
792.94 / Unindexed	Information from Com-in-Chief Reid Atlantic Fleet 12-7-37	RE	8-31-48	CFH

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Davis NARS, Date 12-18-75

1256

1257

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

Copies for the Department of State-
 For the use of the Commercial Office

No. 160. RECEIVED

Colby in FE
 Division of
 FAR EASTERN AFFAIRS
 MAR 5 - 1936
 Department of State

AMERICAN CONSULATE,

Chefoo, China, January 31, 1936.

COPIES SENT TO
 U.N.I. AND M.I.

Subject: Japanese Fracas at the Chefoo
 Custom House.

For Distribution-Check		Yes	No
Grade	To field		<input checked="" type="checkbox"/>
For	In U.S.A.	<input checked="" type="checkbox"/>	
<i>M</i>	<i>ONI</i>		
<i>Pra Ton</i>	<i>XIIP</i>		

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to refer to my despatches Nos. 148 and 149 of January 15 and 16, 1936, respectively, on the subject mentioned above, and to report certain new developments in the matter, of which I have been informed by the Acting Commissioner of Customs.

Mr. Foster Hall called at the Consulate yesterday to give me more details regarding the settlement reached with the smugglers reported in my second despatch referred to than I had obtained in my telephone conversation with him on the basis of which that report was prepared and to request my informal advice as to his next step in the matter. It appears that the arrangement referred to with the smugglers was concluded with the active assistance and co-operation of the Japanese Consulate, who further gave him an assurance that these particular smugglers would not again engage in their illegal traffic at this port.

However,

790.84/7770

MAR 14 1936

F/FG

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

However, more recently the Acting Consul for Japan has written a letter to the Acting Commissioner of Customs reporting an alleged assault by several of the Customs tide-waiters on one of the smugglers concerned in the attempt. This was said to have taken place before 6 p.m., when the smuggled goods were being transferred to the Customs' godowns for safekeeping. Several of the foreign staff affirm positively that no attack occurred. Also a medical certificate, signed by a foreign physician, now in Mr. Foster Hall's possession, states that the nature of the wounds of the smuggler, inspected by him at about 9 p.m., precludes any possibility of their having been inflicted earlier than within two hours after the shifting of the cargo at 6 p.m., which is the time at which the Japanese claim that the attack took place. It would appear, therefore, that the slight wounds and surface abrasions were either obtained in some other fracas or possibly were deliberately inflicted by the smugglers themselves for the purpose of furnishing the Japanese authorities an excuse to break their undertaking to stop further smuggling by the gang in question.

Mr. Tanaka has written another of his offensive letters to the Acting Commissioner of Customs demanding the punishment of the Customs staff for its attack on the smuggler. He has also taken the matter up with Col. Chang K'uei-wen, the High Commissioner of the Chefoo Special Area and Chief of the Bureau of Public Safety, demanding that the guilty parties be punished with the full rigor

of

1255

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

of the law. Mr. Foster Hall showed me a draft of a reply he proposed sending to the Japanese Consulate today, mentioning the medical evidence in the matter, which, I anticipate, will be completely ignored by the Japanese authorities.

Further significant developments in the case will be reported as they reach the attention of the Consulate.

Respectfully yours,

J. Hall Parton,
American Consul.

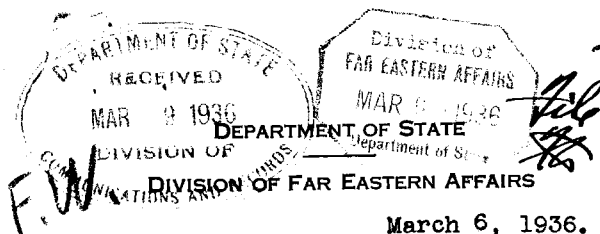
800
JHP:KL

Original to Embassy, Peiping.
Five copies to Department of State.
One copy to Embassy, Nanking.
One copy to Tsingtao, Tsinan, and
Tientsin (circulated).

x

AL

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75



March 6, 1936.

S:
 Mr. Secretary.

79394/7777

In the opinion of FE, Nanking's telegram No. 50, March 5, noon, calls for comment as follows:

The Chinese Foreign Minister stated that in November, 1935, Chiang Kai-shek informed the Japanese Ambassador that China was willing to consider the three-point program of Hirota if amplified and defined; whereas the recently appointed Japanese Ambassador stated that Chiang had agreed to the program. The explanation may be offered that Chiang made an equivocal reply which the Ambassador might interpret as acceptance warranting now a continuation of the discussion, but which Chiang might interpret as meaning that he was unwilling to consider the program in its present form. This would be a method of treating the difficult situation which would appeal to Chiang and would not find unsympathetic reception in the Japanese Embassy.

T. V. Soong's statement that procrastination will cause war with Japan and acceptance of the program would cause civil war in China shows the seriousness of the situation facing

the

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

the Chinese Government but overlooks the possibility of partial concession as a means of escape.

The telegram discloses that the Japanese Government, through the Ambassador, may be expected to continue to press the Chinese Government for a settlement along the lines of Hirota's three-point program. In this event, Chiang's attitude in the past indicates that he may be able to concede enough to avoid a break with Japan and yet forestall civil warfare.

JCV:W.M./M
JCV/VDM

108-1

126

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

FE

TELEGRAM RECEIVED

MED 1-1336

This telegram must be closely paraphrased before being communicated to anyone (a)

FROM NANKING

Dated March 5, 1936

Received 9:25 a.m.

Secretary of State,
 Washington

50, March 5, noon.

CONFIDENTIAL.

Ch paraphrase in confidence
 Division of FAR EASTERN AFFAIRS
 MAR 5 - 1936
 Department of State
 COPIES SENT TO O.N.I. AND M.I.D.

793.94

793.94/7777

One. Chang Chun yesterday told New York TIMES correspondent, but without as yet giving permission for publication, that (one) China had not (repeat not) agreed and could not (repeat not) agree to Hirota's three points and no (repeat no) written correspondence had been exchanged and nothing has been initialed or signed in this connection; (two) in November 1935 Chiang Kai Shek informed Ariyoshi that China was willing to consider the three points if comprehensively amplified and defined but Chiang was speaking personally and not as a representative of the Government; and (three) a year ago, while en route to Europe, Wang Chung Hsi had proposed to Hirota a Chinese three point program involving (a) abolition of unequal treaties (b) mutual cessation of actions and policies detrimental to the other and (c) settlement of outstanding questions through normal diplomatic means. (Chang Chun

FILED
 MAR 7 1936

F/FG

108-1

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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MED - 2 - #50, March 5, noon from Nanking

Chun recently remarked to me that he anticipated no immediate discussion of these matters with the new Japanese Ambassador and that he expected that any such discussion when begun would be protracted over a long period).

Two. Two days ago in Shanghai the correspondent interviewed Arita who said that (one) Chiang Kai Shek had given China's agreement to Hirota's three points and the Japanese were determined to hold the Chinese Government to that agreement and (two) the attempted military coup in Tokyo would not cause a stiffening of Japan's attitude toward China because that attitude was already very stiff. (Arita is arriving at Nanking today on a Japanese naval vessel to present his credentials).

Three. T. V. Soong gave the correspondent his confidential opinion, not to be ascribed to him, that continued procrastination by the National Government in dealing with Japanese issues would make hostilities between the two countries inevitable and that acceptance of the Japanese program would mean civil war in China.

Repeated to Peiping, Tokyo.

JOHNSON

KLP:CSB

108-2

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A confidential telegram (No. 50) of March 5, 1936, from the American Ambassador at Nanking reads substantially as follows:

On March 4 the correspondent of the NEW YORK TIMES was informed by Chang Chun that (a) there had not been and could not be agreement by China to Hirota's three points and, nothing had been initialed or signed in this connection, and there had been no written correspondence exchanged in the matter; (b) that Chiang Kai-shek, speaking personally and not as a representative of the Chinese Government, had informed Ariyoshi in November 1935 that China was willing to consider the three points if they were defined and comprehensively amplified; and (c) Wang Chung-hui had, while on his way to Europe a year ago, proposed to Hirota a Chinese three point program which involved settlement of outstanding questions through normal diplomatic channels, abolition of unequal treaties, and cessation by both China and Japan of policies and actions detrimental to the other. As yet Chang Chun has not given permission for the publication of the above. (Recently Chang Chun remarked to the American Ambassador that he looked for no discussion immediately of these matters with the new Japanese Ambassador and that he anticipated that when begun such discussions would be long drawn out.)

The NEW YORK TIMES correspondent two days ago in Shang-

hai

108-3

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

hai interviewed Arita who stated that as Japan's attitude toward China was already very stiff the attempted military coup in Tokyo would not cause a stiffening of that attitude and that Chiang Kai-shek had agreed for China to Hirota's three points and Japan was determined to hold the Nanking Government to that agreement. (Arita will arrive on March 5 on a Japanese naval vessel to present his credentials at Nanking.)

As his confidential opinion but not to be attributed to him T. V. Soong expressed to the TIMES correspondent the belief that acceptance of the Japanese program would result in civil war in China and that continued delay by the Chinese Government in dealing with Chinese issues would make inevitable hostilities between China and Japan.

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89.C.
 FE:EGC

III-5-36

JcV
 FE

m.m./A

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

MJP

This telegram must be closely paraphrased before being communicated to anyone. (A)

FROM

Nanking

Dated March 6, 1936

Rec'd 6:52 a. m.

Secretary of State,
 Washington.

DIVISION
 OF EASTERN
 EUROPEAN AFFAIRS
 MAR 9 - 1936
 DEPARTMENT
 OF STATE

COPIES SENT TO
 O.N.I. AND M.I.D.

51, March 6, 2 p. m.

My 50, March 5, noon.

DIVISION OF
 FAR EASTERN AFFAIRS
 MAR 6 - 1936
 Department of State

One. This office is reliably informed that at an emergency Cabinet meeting called this morning to discuss the Communist situation in Shansi it was announced that a threat had been received from Japanese Military Attache Isogai to the effect that the Japanese will not permit the sending of Central Government troops into Shansi to oppose the Communists unless the Chinese Government agrees to Hirota's three point program and even in that case any troops thus despatched must be withdrawn when their mission against the Communists is completed.

Two. Repeated to Peiping and Ambassador at Shanghai.

CSB

PECK

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MAR 12 1936

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 51) of March 6, 1936, from the American Embassy at Nanking reads substantially as follows:

According to reliable information, it was announced at an emergency meeting of the Cabinet called on the morning of March 6 to discuss the Communist situation in Shansi that Isogai, Japanese Military Attaché, had made a threat to the effect that Japan will not allow Nanking Government troops to be sent into Shansi to oppose the Communists unless China agrees to Hirota's three point program and even then any troops thus sent must be brought back when their errand against the Communists is finished.

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JCV
FE
mrm

III-6-36

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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

Paraphrased in confidence
COPIES SENT TO
O.N.I. AND M.I.D.

MJP

1-1236

FROM

This telegram must be closely paraphrased before being communicated to anyone. (A)

Peiping

Dated March 6, 1936

Rec'd 6:34 a. m.

Secretary of State,
Washington.

Ad. Ch
FAR EASTERN AFFAIRS
MAR 6 - 1936
Department of State

116, March 6, 5 p. m.

Embassy's 66, February 15, 1 p. m.

7723

Following telegram has been received from the Consul General at Canton:

"March 5, 4 p. m.

I am reliably informed that Marshall Chen, under the fiction that he is protecting Hu, is actually preventing Hu from leaving his residence. Hu yesterday announced that because of continued ill health he had abandoned his announced plan to go to Hong Kong to meet Wang Chung Hui when the latter arrives from Europe".

HPD

LOCKHART

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MAR 9 1936

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

(CONFIDENTIAL)

PARAPHRASE

A telegram (No. 116) of March 6, 1936, from the American Embassy at Peiping reads substantially as follows:

In a telegram dated March 5 the Consul General at Canton states that, according to reliable information, Marshal Chen, on the pretense of protecting Hu, is in fact preventing Hu from leaving his house. The Consul General states also that on March 4 Hu announced that on account of continued bad health he had given up his announced plan of meeting Wang Chung-hui at Hong Kong when Wang returns from his European trip.

793.94/7779

EGC.
 FE:EGC

JCV
 FE

mmf

III-6-36

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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 19, 1936.

MEM:
MMH:

Canton's despatch No.26, January 26, 1936, reviews student activities and demonstrations during December and January in protest against the Japanese sponsored autonomy move in North China. The demonstrations culminated in a clash with plainclothes political agents on January 13. Thereafter martial law was declared and other repressive measures were taken with the result that the situation quickly quieted and was normal by the end of January.

The despatch also reviews the general political situation in the southwest with particular reference to Chen Chi-tang's growing dislike for Chou Lu since his return from Nanking with enhanced prestige, and to his (Chen's) determination to attempt to prevent Hu Han-min from going to Nanking. There is also mention of Chiang Kai-shek's attempt to alienate Kwangtung and Kwangsi and Chen's counter move in reaching an understanding with Li Tsung-jen.

JCV
JCV/VDM

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 Department of State letter, August 10, 1972
 By Milton O. Huelsen NARS, Date 12-18-75

No. 26

AMF
 DEPARTMENT
 CANTON, CHINA

January 26, 1936.

CONFIDENTIAL

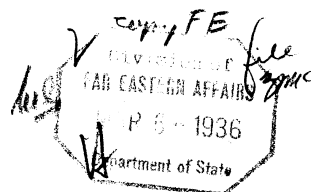
in confidence
 COPIES SENT TO
 O.N.I. AND M.I.D.

Subject: Anti-Japanese Demonstrations
and the Political Crisis at
Canton.

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	ONI-MID		

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.



Sir:

I have the honor to refer to the Consulate General's telegrams of 3 p.m., January 14, 1936, and subsequent dates, regarding student demonstrations against the Nanking Government's policy in respect to Japanese aggression in North China, the declaration of martial law at Canton, and the crisis which is reported to have arisen in connection with these events and the return of Hu Han-min to China.

As recorded in the Consulate General's political review for December, student agitation for resistance to Japan developed into forms of organized manifestation about seven weeks ago following news of the progress of the northern autonomous regime

and the

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-2-

and the activities of Peiping students in opposing it. The movement as a whole represented a widespread and spontaneous, but not particularly violent, outburst of sentiment on the part of the Southwestern students, which the authorities, while applauding cautiously, undertook to divert to relatively harmless activities. It only assumed a serious aspect in consequence of the action of Chungshan University students in initiating more vigorous tactics than those officially sponsored and the manipulations of opposing political cliques whose covert attempts to turn the situation to their own accounts evidently resulted in aggravating both the movement itself and the severity of means employed for its suppression.

Agitation among the students at Canton developed shortly before the middle of December. The authorities, admitting a fatherly sympathy with the display of youthful patriotism, promptly made it clear that they intended to regulate the movement to suit themselves. Their efforts were at first successful insofar as educational institutions subject to local governmental supervision were concerned, and the students in general accordingly confined their activities to passing resolutions, bombarding Nanking and other northern quarters with telegrams and enrolling in officially endorsed organizations purporting to offer suitable courses in military preparedness.

The politically

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-3-

The politically alert student body of the national Chungshan University, however, preferred to take matters into their own hands and hastened to formulate an independent course of action including extreme features not welcomed by military headquarters, such as parades, organized anti-Japanese propaganda work, revival of the boycott and pressure upon local as well as central government authorities. On December 12th, the University undergraduates, numbering several thousand, paraded, in an orderly fashion, through the streets of Canton, voicing denunciation of Japanese imperialism and demands for resistance of the autonomy movement, punishment of traitor officials and release of arrested helping students. Following this demonstration, and in the face of government reprimands and warnings, they abandoned their classes for a week and devoted themselves to intensive propaganda work throughout the city, picketing of stores handling Japanese wares, and efforts to enlist the cooperation of other Cantonese students.

These disturbances resulted in protests by the Japanese Consul General; and at the end of a week the majority of the demonstrators were persuaded to return to their classrooms. Their efforts, however, had meanwhile succeeded in strengthening general student sentiment throughout both Kwangtung and Kwangsi provinces. The students of other Canton institutions became more assertive in their demands, commenced to hold mass

meetings

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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meetings and showed signs of coming to the support of their Chungshan colleagues.

On December 27th Mr. Chou Lu, Chancellor of Chungshan University, returned to Canton from Nanking, his prestige greatly enhanced in consequence of the apparent restoration to the Central Government's favor of his political patron, Hu Han-min, together with his own appointment to high office in the Central Executive Committee of the National Kuomintang, the obtainment of substantial federal subsidies for his University, and other important concessions. His return appeared to re-embolden the Chungshan undergraduates, and according to press reports one would gather that the talks which he delivered to them shortly after his arrival were aimed to encourage, while seeming to discourage, resumption of their intensive propaganda campaign. Following his first address to them on January 2nd, the students are reported to have petitioned the Southwest Political Council for freedom of speech and public demonstration and for a statement of the Council's policy toward Japan. The Council's reply is said to have been confined to an informal intimation that "orderly" demonstrations would not be interfered with and that Nanking and not Canton is concerned with foreign policy.

On January 6th, Chancellor Chou addressed a mass meeting of the Chungshan undergraduates, teachers and employees, and, after lauding the University's

patriotic

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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

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patriotic demonstrations, is reported to have joined with the faculty in an eleventh hour attempt to restrain the students from further abandonment of their school work. The seriousness of the attempt would appear open to doubt, and the Canton correspondent of the SOUTH CHINA MORNING POST (Hong Kong) went so far as to report that Mr. Chou actually "egged on" the students to carry out the elaborate plans which they had laid for an organized anti-Japanese campaign. At any rate, the students promptly went ahead with their program, in accordance with which large numbers of the older undergraduates were shortly despatched in numerous small groups for a thirty day propaganda tour of all sections of the Province, while the younger boys were left to continue agitation at Canton. Revival of the boycott and unification of the nation through termination of China's internal military conflicts were announced as the particular objects of the campaign.

These new activities of the Chungshan students served to encourage other schools in the city, and there were reports that several institutions were planning similar propaganda tours and actively pressing the boycott. On January 9th, a band of approximately 5,000 students, reported to include representatives of all Canton middle schools and colleges, staged another parade. Inflammatory circulars were distributed, but the demonstration was orderly and marked by no incidents.

Matters reached a serious turn on the 10th of the month when a group of Chungshan students and boys from the First Provincial Middle School, infuriated at the authorities'

attempts

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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attempts to interfere with a meeting on the grounds of the latter institution, proceeded in commandeered buses to the office of the Provincial Commissioner of Education to press their demands for freedom of action. Finding the office closed, they forced an entrance and did considerable damage to the premises.

At this stage of the events, the authorities evidently decided that a change to more vigorous tactics was advisable. The students' demands for cessation of the nation's internal conflicts, including, as they admitted, the anti-communist campaigns, were seized upon as an alarming indication of radicalism; and military quarters professed to have discovered other convincing evidence that dangerous red elements were exploiting the students' patriotic sentiment in an attempt to turn the movement into a general overthrow of peace and order. Strict warnings against further demonstrations and orders for the arrest of "radical" agitators were circulated.

These measures did not serve to deter the students, however, and on January 13th a group of several hundred of them, said to be mostly from the Chungshan and Kuo Min Universities, assembled at the Kuo Min Campus with flags and posters in preparation for another demonstration. As they started to move off the grounds, another smaller band of persons who, while advertising themselves by banners as members of "The Citizens National Salvation Society for the Extermination of Traitors", were, beyond reasonable doubt, plain clothes agents or hired gunmen, appeared on the scene and attempted to disperse the students. A

clash

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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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clash ensued and the plain clothes men opened revolver fire. A number of students were seriously wounded, and, according to the report of sources sympathetic to the students, which the authorities have attempted to deny, at least one was killed. During the melee the students are reported to have fatally injured one of their assailants. A score or so of the students were arrested, and the remainder of them thereupon disbanded. Meanwhile a similar but less serious incident had occurred in another section of the city in connection with the visit of another group of Chungshan undergraduates to the Engineering School of Hsiang Chin University.

The military authorities then took swift and drastic action. Martial law was immediately declared by order of the Southwest Political Council, with an announcement that such measures were considered necessary in view of the dangerous activities of radical agitators among the students. The city was vigilantly patrolled by heavily reinforced police and military units, with special contingents of troops posted at Chungshan University and other educational institutions. Public street traffic was practically limited to daylight hours, even foreigners finding it difficult to travel after eight o'clock in the evening. Student meetings and abandonment of classwork without prior government sanction were strictly forbidden, and a press censorship instituted which reduced locally published news to the one-sided communiques of official quarters. In order to ensure interruption

of

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

-3-

of organized student efforts, on January 13th all Canton schools and colleges were closed for the winter vacation, a full month ahead of schedule.

Meanwhile the military authorities' previously initiated policy of persuading students to enlist in approved associations purporting to provide opportunity for putting patriotism to useful purposes through training in military preparedness was hastily developed to meet the emergency. Under a special resolution of the Southwest Political Council, an army controlled training organization known as the National Salvation Volunteer Corps was formed and active recruiting for student enlistment therein commenced. According to the SOUTH CHINA MORNING POST (Hong Kong), this corps, while having the appearance of an anti-Japanese society, is in reality more in the nature of a disciplinary "straight jacket" for the unruly; and while students pursuing their school work in peace are not compelled to join, their more vociferous comrades who insist on neglecting their classes to indulge in patriotic manifestations will find themselves forced to enroll by "invitation" from the authorities. This estimate would appear well confirmed by the circumstances that the new organization is under the direct command of the general in charge of the Provincial Gendarmerie and has established its headquarters at Chungshan University, and that it is provided with a nucleus of several companies of regular soldiers.

Since the adoption of these measures, no further incidents have been reported at Canton. Within a few days the majority of the students were reported as

having

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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having left their schools. Local Chinese merchants complained bitterly that the martial law was ruining prospects for the customary New Year sales. Restrictions were soon relaxed, as reported in this office's telegram of January 22, 3 p.m., and on January 21st the authorities announced the complete termination of martial law and the return to normal conditions.

There is evidence, however, that, although driven under cover at Canton for the time being, the student movement is far from suppressed, and local observers feel that it is likely to continue to be an important factor in the Southwest, particularly if overt Japanese aggression is not halted.

On the day following their clash with the police, local student leaders obtained an interview with Marshal Ch'en Shi-t'ang and demanded of him the immediate release of their arrested colleagues, delivery of the corpse of the student claimed to have been shot, punishment of the gunmen who fired on the demonstrators, and future freedom from police interference. Aside from a promise to release the arrested students which, so far as can be ascertained, has not yet been fulfilled, the student representatives apparently obtained no satisfaction. According to reliable private sources of information, several of the students who participated in the demonstration are still unaccounted for, and feeling continues to run high among students in general despite allegations by government quarters that only a small number of radicals were really interested in the agitation.

Frustrated

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Frustrated in their attempts to carry on at Canton, and determined to escape enforced enrollment in the officially sponsored training corps, the less energetic undergraduates have returned to their homes, while the more militant-minded have left the city to continue their propaganda work elsewhere. According to press reports, small groups have been active in stirring up demonstrations at Longmoon, Swatow and other points in the province. Over a thousand proceeded to Hong Kong for the purpose of enlisting the support of Ku Han-min and are said to have submitted a petition to him shortly after his arrival.

This completes the account of the student movement to date insofar as the facts are generally known to the public. As indicated in the Consulate General's telegrams of January 15th and 20th, however, the whole affair has been invested with added significance through its relationship to the political crisis which has been developing in connection with the Nanking Government's recent overtures to Ku Han-min and his civilian followers and the jealousies among the Kwangtung military leaders and other ambitious Southwestern political groups which these moves have served to revive.

Canton has been alive with rumors for the past few weeks and though the situation has been obviously tense, it has been very difficult to ascertain what has been going on. In the light of confidential information from sources in close touch with developments and a study of the local press, however, it would appear clear that

Marshal

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Marshal Ch'en Chi-t'ang is considerably disgruntled over the arrangements between Nanking and the Hu Han-min group which were apparently concluded independently of Ch'en's wishes and which, while ignoring his interests, have substantially increased the national and local prestige of Hu, Chou Lu and others of Hu's followers.

According to one well-placed informant, Ch'en, as a means of vitiating the Civilian Group's arrangements with Nanking, resolved to force Chou Lu out of his office as Chancellor of Chungshan University and to fill the post - recently made especially attractive in consequence of substantial subsidies to the institution voted by Nanking - with his own appointee. He decided to utilize the student agitation to compel Chou's resignation, and this motive, rather than international considerations, is said to account for the dramatic incidents which climaxed the demonstrations and the spectacularly drastic manner with which the Canton students have been suppressed. This story finds support in the allegations of the student demonstrators that the gunmen who fired on them on the 13th had been sent under Marshal Chen's orders.

Another version has been furnished the Consulate General by an official in close contact with Kwangtung Government circles. This informant, while admitting that the attack on the students was carried out by hired gunmen, claims that the reports of government complicity and of student fatalities are without foundation. According to

his

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his account, several discontented and ambitious elements antagonistic to Ch'en and Chou Lu have cooperated in exploiting the student movement for their own ends and engineered the unfortunate clash on January 13th. These elements include a faction headed by Ch'en Ming-shu, former Kwangtung Provincial Chairman now in exile at Hong Kong in consequence of his participation in the Fukien rebellion*, a number of aspiring candidates for Chou Lu's post as Chancellor of Chungshan University, and a group of disappointed office seekers who accompanied the Southwestern Kuomintang delegation to Nanking and have become embittered over Chou's failure to obtain appointments for them. With them have also been associated members of the Nineteenth Route Army clique. The latter, according to my informant, recently organized a secret association known as the "Socialist Democratic Party", which includes many students and a number of teachers; and, with the assistance of the other groups mentioned, they have been urging the students to demonstrate in hope of bloodshed and a crisis which would provide opportunity for accomplishment of their own ambitions.

In connection with the above explanation, it is interesting to note that the local press subject to official censure, which appeared at first inclined to a certain sympathy with the band of "citizens" who clashed with the students, has subsequently carried items indicating official admission of the fact that the men were gunmen and of the necessity for punishment of the ruffians.

While

*See my telegram of November 25, 1935 (9 a.m.) reporting issuance of non-immigrant passport visa to Ch'en Ming-shu whose trip abroad was understood to be financed by Marshal Ch'en Chi-t'ang.

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While differing in explanation thereof, all reports appear to agree that Chen's position has been threatened by the activities of several antagonistic quarters and that certain elements have been endeavoring to force Chou Lu to surrender his present enviable position. Apparently the Central Government has been strongly supporting Chou Lu, since it is reported as having persistently turned down his repeated offers of resignation and to have promptly denied a rumor that arrangements had been concluded whereby control of the University would be transferred from Nanking to the Kwangtung Provincial Government.

It is also clear from various sources that Marshal Ch'en was determined, if possible, to prevent Hu Han-min from proceeding direct to Nanking in accordance with his originally announced intention, and that it was probably this motive which prompted him at the last moment to go in person to Hong Kong on the occasion of Hu's arrival there. Ch'en was successful in persuading Hu at least to visit Canton before proceeding to Nanking. As announced in the press, Hu came to Canton on January 25th travelling on one of the Marshal's gunboats, and his visit here has been marked with an elaborate program of welcome festivities and the usual outward professions of complete accord. According to recent unconfirmed reports, Ch'en will not oppose Hu's plan to proceed to Nanking shortly, but is insisting that Hu utilize his

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restored influence with the Central Government to obtain certain concessions to which Ch'en feels himself entitled.

In this connection it may be mentioned that a high ranking representative of the Southwest Political Council has confirmed current rumors to the effect that Chiang Kai-shek has been endeavoring to stir up jealousy between the Kwangtung and Kwangsi factions in the hope of destroying Southwestern solidarity. Such a deduction would also appear to be supported by a recent press item to the effect that Ch'en is displaying considerable anxiety over the fact that Nanking, while appointing Chang Fa-kwei as pacification commander for Fukien, Kiangsi and Anhwei, and Li Tsung-jen in the same capacity for Hunan, Kwangsi, and Kweichow, has not yet recognized him with any commensurate honor. According to the official informant just cited, however, Chiang's attempts have been frustrated for the present as the result of a secret conference held between Ch'en and Li about ten days ago at which their various differences were thoroughly thrashed out and a complete reconciliation achieved.

The informant also confirmed the Consulate General's understanding that Japanese quarters have been endeavoring to play off the Kwangsi military leaders against the Kwangtung faction. He also verified the correctness of press reports indicating that the repeated protests of the local Japanese consular authorities against the student anti-Japanese demonstrations in Kwangtung and Kwangsi were in no way responsible for the treatment which the students

received

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received. As reported in the Consulate General's political review for December, the Kwangsi authorities replied to such protests to the effect that they would do nothing to interfere with the patriotic activities of their citizens, and the informant stated that the Kwangtung Government subsequently took similar action. He said that the Kwangsi leaders recently decided upon a strongly anti-Japanese attitude and that the reconciliation which took place a few days later between Chen and Li resulted in their joint commitment to such a policy.

While assurances of this nature must be treated with caution, the possibility that they have a basis of fact and may not be unrelated to recent evidences of a sudden stiffening of the Japanese attitude toward the Southwest is an interesting subject for speculation. In this regard it is worthy of note that on January 19th Marshal Li granted an interview to reporters at Canton in respect to his policy toward Japan wherein he is reported as having emphasized the necessity of facing the hard realities of Japan's "continental" policy which "aims to make a colony of China" and of adopting a common "minimum" policy of resistance which would ensure the maintenance of China's sovereignty and national existence; and that, almost immediately following this statement, a tense Sino-Japanese situation developed at Swatow, while at Foochow, there was a sudden gathering of Chinese and Japanese men-of-war, which would appear of considerable significance although details of the incident have not yet been received by

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this office. (See this office's telegrams of January
25, 11 a.m. and January 22, 8 p.m. respectively.)

Respectfully yours,

C. J. Spiker,
American Consul General.

Copies sent:

- ✓ 5 to Department.
- 1 to Nanking (Embassy office).
- 1 to Swatow.

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ASC/gl

A true copy of
the signed orig-
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END



Enclosure No. 4 Confidential as stated/ No. 18
Wing, General Chiang Kai-shek, Nanking, dated
December 12, 1935, on the subject "Sino-Japanese relations:
Chinese opinion on North China situation: editorial policy
of American daily."

REF ID: A66111
COPY (carbon) of
December 12, 1935
(No. 296; Vol. 58)

Shanghai, December 12, 1935, No. 296; Vol. 58

For A United China

WHILE the refusal of Mr. Hu Han-min to assume office in Nanking as chairman of the Standing Committee of the Central Executive Committee of the Kuomintang is being interpreted as a set-back for Nanking-Canton rapprochement, it by no means follows that this constitutes either a slight to Nanking or a set-back to the unification movement.

Mr. Hu remains in France, where he has been for some time. He says that reasons of health forbid him to return to China and take up Nanking duties, and there is no reason to jump to the conclusion that he is not speaking the truth. Finally, it is not necessarily a matter of any great consequence whether he is telling the truth or not because the present issue is considerably bigger than any individual and Canton rapprochement does not hang exclusively upon the issue of whether Mr. Hu comes home or stays in France.

Ever since Mr. Hu went to France rumor has been busy as to when he would be back. To begin with, his experiences in Nanking on the occasion of his last stay there were not such as to prejudice him toward further test of political vicissitude, merely as a personal reaction not to be confused with fundamental political currents. And additional to this it should be observed that a kind of hypnotic appeal sometimes begins to fasten itself about certain phrases and ideas in the mind of the crowd, so that to many the notion of a return of Hu Han-min has (quite without reference to any particular logic of the case) become identified with the thought of national reunification. We do not believe that the name of Mr. Hu as an individual warrants any much dramatic connotation.

So far as individuals are concerned, development has been along the lines forecast by this journal last summer—the centering of authority more and more upon General Chiang Kai-shek. This development is a logical outcome of the circumstances. We very much doubt whether General Chiang has himself desired anything of the sort, but as unquestionably the most potent force behind the scenes in former days, it was natural that he should be pushed perhaps in spite of himself into a position of titular as well as of real but unofficial responsibility.

It seems reasonable to believe that many who have been reluctant to enter wholeheartedly into an organization which they regarded as ambiguously constituted, due to the fact that its most powerful man was neither in a seat of recognized civil authority nor physically on the scene but instead directing communist-fighting operations far up the Yangtze, may now be disposed to adhere to a more logically organized Government. The position is now clear, General Chiang is definitely at the helm, and at the same time the disadvantages of disunity have become increasingly apparent.

South China has had its taste of Japanese displeasure through the Swatow incident. There is plenty of handwriting on the Chinese wall.