

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 32

1930-39

793.94/7781-8000
Feb.-June 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 O. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00/13381 FOR Memorandum
State Department
Under Secretary
FROM (Phillips) DATED Feb 7, 1936
TO NAME 1-1137 ...

REGARDING: Impressions of the Far East of Mr. Edward C. Carter, Institute of Pacific Relations.

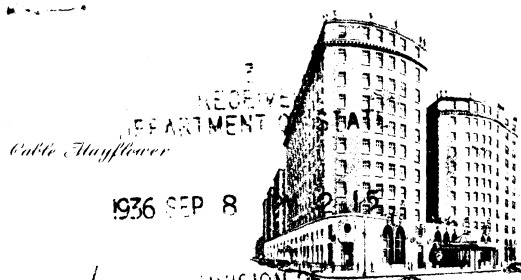
Comment on Chiang Kai Shek's handling of Sino-Japanese relations, in view of the various factions within China; efforts of Mr. D.C. Woo (Wu Ting-chang) to find some way and means, by which, Japanese and Chinese finance can pull together, for the benefit of China.

FRG.

793.94/ 7781

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



FE
✓
DR
Telephone District 3000

793.94

DIVISION OF
COMMUNICATIONS
AND RECORDS
The Mayflower
CONNECTICUT AVE. AND DE SALES ST.
Washington, D.C.

PERSONAL

February 8, 1936

Dear Phillips,

Under the compulsion of brevity yesterday, I am afraid I may have given you a wrong impression of Chiang Kai-shek, when I spoke of the choice of articulate elements in China between Tokyo and Moscow. Though it is true that Japan and Soviet Russia are the two nearest neighbors, it is perfectly clear to me that if, in a few months time, Chiang Kai-shek has to choose between cooperation with Moscow and with Tokyo, he may choose cooperation with Moscow as the lesser of two evils.. ~~But~~ He will not choose Moscow to the exclusion of cooperation with other foreign powers but, on the contrary, with the very definite hope of achieving cooperation between his Government on the one hand and the Governments of Soviet Russia, Great Britain, the United States and France on the other.

During the coming months I feel sure that he and his Cabinet Ministers will make every effort to see whether cooperation between China and Japan can be achieved on the basis of mutuality or even on a 60-40 basis. But if he and his colleagues should be convinced that the current military mentality of Japan makes it impossible even for the Chinese bankers to cooperate with the Japanese financial interests, then he will have no alternative but to run the risk of a military showdown involving, as it may for a period, the abandonment of the Port Cities.

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

Cable Mayflower



Telephone District 3000

The Mayflower
CONNECTICUT AVE. AND DE SALES ST.
Washington, D.C.

Let us hope that his statesmanship on the one hand and the re-emergence of the now discredited China policies of Baron Shidehara on the other, may prevent a devastating war between the two countries.

Sincerely yours,

Edward C. Carter
Edward C. Carter

The Hon. William Phillips,
2211 30th Street, N.W.,
Washington, D.C.,

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

February 10, 1938

Dear Carter:

Just a line to thank you for your letter of Saturday. It was thoughtful of you to write me and to clear up the matter which you had in mind. I was greatly interested in all you had to say and wish we might meet far more often.

Sincerely yours,

Mr. Edward C. Carter,
The Mayflower,
Washington, D. C.

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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 17, 1936.

~~MMH:~~
MMH:

Nanking's despatch No. 81, February 4, 1936, reports (1) that Dr. Tsur, Administrative Vice Minister of Industries, considers hostilities between China and Japan inevitable and finds encouragement in Ethiopia's stand against Italy, (2) that Suma, Secretary of the Japanese Embassy, informed the Associated Press correspondent that there was not the slightest warrant for optimism in regard to Sino-Japanese relations and evidenced an interest in popular Chinese sentiment for armed resistance, and (3) that Liu Wei-chih, Political Vice Minister of Industries, expressed the following opinions: (a) Japan and the Soviet must fight before long, (b) negotiation will be ineffectual in halting Japanese expansion in China, and (c) China can offer effective resistance to Japan in the interior and will be called upon to do so by force of arms within two or three months.

JCV
JCV/VDM

110-1

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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
Nanking, February 4, 1936.

No. 81.

CONFIDENTIAL.

Subject: Sino-Japanese Relations.



For Distribution-Check		Yes	No
Grade	To (add)		
For	In U.S.A.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ONI MID

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

The Honorable
The Secretary of State,
Washington.

Sir:

1-2/

I have the honor to enclose herewith copies of two
despatches addressed to the American Ambassador at Peiping,
both dated February 3, 1936, and both reporting evidence
that there is current in Chinese educational and political
circles a belief that hostilities between China and Japan
will commence within the next two or three months, and

that

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that the Chinese public is paying close attention to the prolonged resistance offered by the Ethiopian forces to the Italian invasion of Ethiopia, on the ground that this is an indication that China would be able to oppose effective military resistance to Japan.

I have the honor to add that in a further conversation held by me yesterday with a Chinese official, Dr. Y. T. Tsur, Administrative Vice Minister of Industries, evidence was again given that the idea of the inevitability of hostilities between China and Japan is prevalent and that the conflict in Ethiopia is receiving close attention. Dr. Tsur said he supposed that the "baptism of fire" through which China had been passing must be prolonged to include hostilities with Japan and that "perhaps" China would emerge from the ordeal improved and strengthened. He asked whether I thought that the Ethiopians would be able to continue the struggle against the Italian forces much longer. I called attention to the difference between the reports of these hostilities emanating from Italian and Ethiopian sources, respectively, and remarked that if one were to believe the Italian reports, the Italian forces in Ethiopia had met with practically no difficulty from the opposition of the Ethiopian troops, but only from climatic conditions and the terrain.

My acquaintance with Dr. Tsur began some twenty years ago when he was President of Tsinghua College.

So

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

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So far as I am aware he is still a member of the Board of Trustees of the Foundation for the Promotion of Education and Culture, which handles the American remitted Boxer Indemnity, and has recently been President of Yenching University in Peiping, an American missionary institution. He was appointed to his present post in the Ministry of Industries in December, 1935, and appears to have come at the solicitation of General Chiang Kai-shek. He told me that he had been invited by General Chiang to luncheon on February 1 and he spoke to me in an admiring tone of the high qualities of General Chiang as a national leader.

In view of the fact that Dr. Tsur is new to the political atmosphere of Nanking, I thought it advisable not to endeavor to extract much concrete information from him at this first interview.

Respectfully yours,

For the Ambassador:

Willys R. Peck

Willys R. Peck,
Counselor of Embassy.

✓ Enclosures:

- 1/ Copy of letter to American Ambassador 2/3/36
- 2/ " " " " " " " "

Original and four copies to Department
Copy to Peiping.

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WRP:MM

Received

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

Nanking, February 3, 1936.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

As I have had the honor to report in a recent despatch, I have not had an extensive conversation with Mr. Y. Suma, Secretary of the Japanese Embassy in Nanking, since his return to the capital on January 22 and have, in fact, been a little reluctant to hold any such extensive conversation with him, for fear that he may place some awkward questions in regard to recent purchases by the Chinese Government of military airplanes from the United States.

In view of my not having had a conversation with Mr. Suma recently, I was very glad to receive today from Mr. C. Yates McDaniel, Associated Press correspondent in Nanking, an oral summary of a conversation which he had with Mr. Suma on February 1.

Mr. McDaniel said that in response to prompting from him Mr. Suma gave his general impression of the present

feeling

- 2 -

feeling between Chinese leaders and Japan. He said that he did not think there was the slightest warrant for optimism in regard to the early achievement of a friendly and thorough understanding between the Chinese and the Japanese Governments. He said, however, that he was convinced that General Chiang Kai-shek does not want an armed clash between China and Japan at the present time or in the near future, because he believes that such a contest would be suicidal for China.

Mr. McDaniel said that Mr. Sume suddenly turned the tables by asking him whether he thought that popular sentiment for armed resistance was growing in China. Mr. McDaniel naturally gave an evasive reply to this question.

Mr. Sume said that he knew that certain Chinese leaders actively advocated armed resistance to Japan and that chief among them were General Tang Cheng-chih, Director General of Military Training (Hsun Lien Tsung Chien) and General Yang Chien, Dean of the National Central Military College and Commander-in-Chief of Fortifications on the Yangtze River (Chang Chiang Yao Sai Su Ling).

Mr. McDaniel told me that he was quite prepared to have Mr. Sume name these two men, for his own information was that they were actively advocating a termination of the conciliatory policy toward Japan. However, Mr. McDaniel said that he was surprised to hear Mr. Sume name as a civilian

advocate

- 3 -

advocate of armed resistance Mr. Tai Chi-tao, President of the Examination Yuan. The reason why Mr. McDaniel was surprised to hear Mr. Tai Chi-tao mentioned was that President Tai is well-known as being devoted to Buddhism and as being very well versed in the Japanese language and in Japanese affairs. He said that Mr. Suma, himself, called attention to the strange fact that President Tai was using these very circumstances to reinforce his arguments, that is, that he spoke Japanese as well as any Japanese subject and was thoroughly acquainted with Japanese conditions and on the strength of this knowledge urged that China should and could resist Japan with force of arms.

Mr. Suma also asked Mr. McDaniel whether he thought that General Chiang Kai-shek would reprove General Sung Che-yuan if the latter were to declare complete autonomy in North China. Mr. McDaniel returned an evasive answer to this question, likewise.

Mr. McDaniel said to me that he feels that the Chinese Government is tacitly permitting the armed resistance sentiment to grow among the people and he recounted an incident which occurred last week, perhaps unimportant, but seeming to show the drift of affairs.

Mr. McDaniel said that Mr. Ferrajolo, Chinese Secretary of the Italian Embassy and only representative of the Embassy residing in Nanking, last week asked Mr. McDaniel's

assistance

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

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assistance in finding out the nature of an address on the subject "Italy and Ethiopia", delivered before some four or five hundred Chinese army officers at the Officers' Moral Endeavor Association last week by General Liu Wen-tao, Chinese Ambassador to Italy, now on leave in Nanking. Mr. Ferrajolo had reported to the Italian Embassy in advance that he had noticed in the Chinese press an item regarding this projected address and had received urgent instructions from the Italian Embassy to submit a report of the nature of the remarks made by the Chinese Ambassador. Mr. Ferrajolo had run up against a stone wall in his efforts to acquire this information.

Mr. McDaniel said that he had asked Mr. Ferrajolo if he thought there was any special reason why the Chinese Government, or General Chiang Kai-shek, should want the Chinese Ambassador to Italy to make an address on the subject indicated. Mr. Ferrajolo said that he could think of no special reason, other than that the subject had a general news value. Mr. McDaniel said that he had observed to Mr. Ferrajolo that in the carefully censored Chinese press numerous items had appeared concerning the struggle between the Ethiopians and the Italians, all calculated to promote an inference by the Chinese public that since such ill-

equipped

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

- 5 -

equipped barbarians as the Ethiopians were able to put up an effective resistance for many months to the modern and efficient Italian army, the Chinese obviously could put up an effective resistance to the Japanese army; and, further, that since the League of Nations had been moved by the spirited resistance put up by the Ethiopians to impose economic sanctions against Italy, if China, in turn, should show some willingness and determination to defend itself against Japan, the League would, to save its own face, be obliged to follow the precedent set in the case of Italy, and impose sanctions against Japan. Mr. McDaniel said that he had made a study of the news items in the Chinese press relating to the Italian-Ethiopian struggle and had written a "feature article" expounding the view just described.

I have the honor to state that it is my opinion that the Chinese public is coming more and more to a conviction that China's existence as a nation depends upon its willingness to jettison the conciliatory policy toward Japan and oppose Japanese aggression with armed force, and that the growth of this belief is related to preparations being made by General Chiang Kai-shek to meet such an emergency. It is, of course, difficult to give solid

reasons

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

- 6 -

reasons for holding the belief that China is consciously preparing for an armed struggle with Japan, but as bearing on the subject I beg leave to refer to reports recently submitted by this office, based on information received confidentially through American educational workers here, to the effect that Chinese educational leaders regard a conflict with Japan in the course of the present year as almost inevitable, and to reports of extensive purchases by General Chiang Kai-shek of munitions of war from abroad. The most important point, the one which is agitating Chinese minds, as well as Japanese and other foreign minds, is the precise point of Japan's aggression at which General Chiang will regard Chinese armed resistance as unavoidable.

Respectfully yours,

Willys R. Peck,
Counselor of Embassy.

Original to Peiping
Five copies to the Department.

WRP:MM

Wmm

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

Nanking, February 3, 1936.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to a despatch written to you earlier on this same day, February 3, which concluded with an expression of opinion that the Chinese public is coming more and more to a conviction that resistance to Japan by force of arms is inevitable.

I have just returned from a conversation with Mr. Liu Wei-chih, Political Vice Minister of Industries and I wish to add this supplementary despatch, so that it may be taken by the courier who leaves for Peiping this evening.

My conversation with Mr. Liu ranged over a wide field and in the course of it he asked me what my opinion was concerning the proposed conference between the Chinese and the Japanese Governments for a fundamental readjustment of the relations between the two countries. I replied that my under-

standing

- 2 -

standing of the Chinese proposal was that it was designed to restore diplomatic negotiations to the Foreign Offices of the two countries and put an end to the handling of international questions by military men, and I observed that reports contained in the newspapers would indicate that it would be very difficult for Japan to take the management of these matters out of the hands of the Japanese military authorities in North China.

Mr. Liu, while he agreed with this view, did not seem greatly interested in my reply. Apparently, his question was a rhetorical one designed to introduce his own ideas regarding the state of affairs between China and Japan. Unsolicited by me, he expressed the opinion that (1) Japan and the Soviet Union must inevitably fight before very long; (2) no negotiations between the Chinese and Japanese Governments would have any effect in halting the program of Japanese expansion in China; (3) while Japan regards China as of no military importance whatever, nevertheless, while Japan would actually be able to occupy the coast without much trouble, China could put up a very effective resistance in the interior, as illustrated by the ability of the Ethiopians to resist Italian invasion for several months; (4) China will be compelled to resist Japan by force of arms within the next two or three months.

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

- 3 -

It is unusual to find Chinese officials in Nanking willing to express views like the above to foreign friends and the fact that Mr. Liu did so express himself seems to me an indication that affairs have reached a pretty advanced state. In any event, I was rather impressed by the coincidence that so soon after writing to you my despatch in reference, I should run across confirmation of the two reports mentioned therein, namely, that there is a general expectation on the part of the Chinese public that hostilities between China and Japan will break out before summer and that the Chinese are deriving considerable encouragement from the ability of the Ethiopians to resist the Italian invasion.

Respectfully yours,

Willis R. Beck,
Counselor of Embassy.

Original to Peiping
Five copies to Department

WRP:MM

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 17, 1936.

~~MSM:~~
~~MMH:~~

~~SL~~ Peiping's despatch No. 232, February 11, 1936, encloses a report from Nanking stating that Chiang Kai-shek's explanation of his "conciliation policy" to a group of Chinese political leaders was so persuasive as to convince his bitter critic, Dr. Tsou Lu, of the propriety and patriotism of his course.

Attached to Nanking's report was a note on railway construction giving railways to be completed in five years in south, west and central China with existing financial resources supplemented by bond issues.

With respect to reports that plans are being rushed to put China in a state of maximum preparedness for war, Peiping fails to find concrete developments justifying this confidence.

JCV
JCV/VDM

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



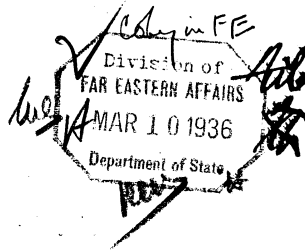
EMBASSY OF THE
UNITED STATES OF AMERICA

No. 232

Peiping, February 11, 1936.

Subject: Chiang Kai-shek's "Conciliation Policy".

CONFIDENTIAL



RECEIVED
DEPARTMENT OF STATE
MAR 12 1936

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For		In U.S.A.	<input checked="" type="checkbox"/>
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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:

I have the honor to refer to the Embassy's despatch No. 210 of February 1, 1936, on the subject of current opinion with regard to Sino-Japanese relations, and to enclose for the information of the Department a copy of a confidential letter received from Counselor Peck at Nanking under date of January 14, 1936, with its enclosure, reporting briefly on General Chiang Kai-shek's explanation of his "conciliation policy" to leading political figures in Nanking at a dinner given by him about November 18.

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MAR 28 1936

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- 2 -

It will be observed that Mr. Peck is preparing a separate despatch on the subject, but it is of interest to note in this letter substantiation of the previous report that General Chiang's explanation of his policy was so persuasive as to convince even his bitter critic, Dr. Tsou Lu, of the propriety and patriotism of his course. Evidently constituting a basic part of General Chiang's policy, the section of his explanation dealing with the development of communications is forwarded by Mr. Peck as a "Note on Immediate Railway Construction". The interesting features of this memorandum are: 1) all construction is to be completed within five years, and three years as far as possible; 2) existing financial resources will be supplemented by bond issues to meet expenditures; and 3) all construction planned is in west China and the Yangtze Valley and south.


An educator just returned from General Chiang's January 15 conference with students and educators is authority for the statement, based, it is said, on the results of conversations with an old friend who is head of the Ordnance Department, that plans were being rushed to completion which would put China in a state of maximum preparedness for war "in a very short time". This impression, it may be stated, seems to be general among those who have had the opportunity to discuss Sino-Japanese relations with General Chiang, but it is difficult to point to any concrete development which would justify this confidence.

Respectfully yours,

4 Carbon Copies

Received 22.11.72

For the Ambassador:


F. P. Lockhart,
Counselor of Embassy.

7026

DECLASSIFIED: E.O. 11652, 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 -

Enclosure: ✓

1. Copy of despatch from
Counselor of Embassy, Nanking,
January 14, 1936.

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

710

EC-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

1232
Nanking, January 14, 1936.

CONFIDENTIAL.

Dear Mr. Ambassador:

I was recently told by an American citizen here that on or about November 16, 1935, while the Kuomintang Congress was still in session, General Chiang Kai-shek arranged a dinner party to which he invited the most prominent men in Nanking, including some of the Canton representatives, for the purpose of explaining his policy of "conciliation of Japan". I am referring to this incident in a despatch now in course of preparation and make therein the observation that General Chiang's explanation of this much criticized policy was so persuasive that even Mr. Tsou Lu, of Canton, one of his most bitter critics, said he was convinced of the patriotism and propriety of this course.

My informant in regard to the dinner and the remarks of General Chiang was Dr. Bates, of the University of Nan-

king

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

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

- 2 -

king, who said he received it in confidence from one of three secretaries allowed to remain in the room while General Chiang was speaking.

Subsequently Dr. Bates sent me a "Note on Immediate Railway Construction". Dr. Bates told me that one of the measures for increasing China's combat strength during the period of diplomatically delaying hostilities with Japan, in accordance with the plan of General Chiang, is the building of strategic railways. Presumably the lines included in the enclosed "Note" are among those advocated by General Chiang for this purpose.

Yours sincerely,

Willys R. Peck.

Enclosure:

1/ Copy of "Note".

Original and three copies to the American Ambassador.

WRP:MM

mm

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

(Received from Dr. Bates (via Captain Crist)
1/6/36

NOTE ON IMMEDIATE RAILWAY CONSTRUCTION.

Selections and modifications from the general projects of the Ministry of Railways, as made by General Chiang. All to be completed within five years, and so far as possible within three. Finance to come from resources and borrowings of the Ministry, with whatever aid is needed from general and military funds as enlarged by bond issues. British capital to be invited directly for the Yunnan-Burma line (with the idea of obviating French objections to such building), and indirectly in connection with material as competition with German manufacturing interests. Contracts for 1000 km. of material already in force with Germans, and 3000 km. under negotiation (Japan is perhaps less likely to interfere with this than with other foreign arrangements). Determined to go ahead with program regardless of Japanese attitude, save in the case of stopping the Kiangsi-Fukien line at Yenping, since the Japanese have flatly declared that no line can be built from or near Foochow save with Japanese capital.

Extend the Hargchow-Nanchang line through the southern route to Kweiyang and Yunnanfu. Drop line from eastern Kiangsi on the above, to Yenping in Fukien. From Kweiyang to Chungking (rush work on this from both ends). Chungking to Chengtu. Chengtu northeastward to connect with Lunghai route. Kiangnan Railway to be deterred from its plan to work westward rather close to the south bank of the Yangtze, eventually reaching

Wuchang;

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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Wuchang; to be permitted to undertake any reasonable extension and spurs on "interior" lines, away from the river.

Comment on the military conception of these southern and western projects is unnecessary. Information from chief secretary of Tseng Yang-p'u, Vice-Minister and the real director of Ministry of Railways. Conversation December 27, 1935. Details to be checked and filled in when possible, but main purport is certified.

Copied:MM

0025

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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 17, 1936.

WTT
MSM:
MMH:

Canton's despatch No. 92, January 15, 1936, transmitted from Peiping, encloses a secret document concerning the alleged activities of the Japanese looking to the establishment of an autonomous government of "South China" with its beginning in the Province of Fukien. Canton remarks that the document is of a "business like tenor" and "in general rings true". The plan envisages the foundation of an anti-Chiang Kai-shek movement because of his pro-Japanese attitude, this movement to develop into an autonomous régime secretly directed by the Japanese navy.

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
Peiping, January 30, 1936.

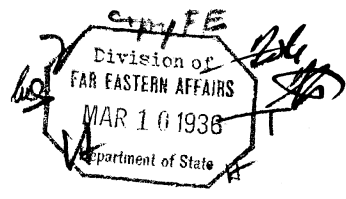
FE
22K

No. 199

Subject: Alleged Japanese plan for
autonomy of Fukien Province.

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STRICTLY CONFIDENTIAL.



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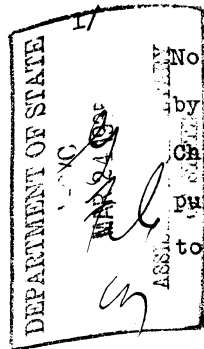
The Honorable

The Secretary of State,
Washington, D.C.

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

Sir:

793.94/7784



I have the honor to forward a copy of despatch
No. 92 of January 15, 1936, addressed to the Embassy
by the Consul General at Canton, enclosing copies in
Chinese and in translation of a confidential document
purporting to describe activities of Japanese intended
to establish an autonomous government in south China.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson,

Enclosure:

1/ Copy of despatch No. 92,
January 15, 1936, from
Consulate General, Canton.

800.710
LES/js.

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

Carbon Copies
Preserved

MAR 25 1936

FILED

F/FG

PAK - 1

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

No. 92

199

January 15, 1936

STRICTLY CONFIDENTIAL

Subject: Alleged Plans for Establishment of
Autonomous Government in Fukien Province.

The Honorable
Nelson Trusler Johnson,
American Minister,
Peiping.

Sir:

1/- I have the honor to enclose for the Embassy's in-
2/- formation a copy of the Chinese text and this office's
English translation of a secret document concerning the
alleged activities of the Japanese looking to the estab-
lishment of an autonomous government of "South China",
with its beginnings in the Province of Fukien. A copy
of the secret document was handed to me by a reliable
informant upon my assurances that the document would
be handled in strictest confidence and that every care
would be taken to preserve its secrecy. For this
reason, no mention is made in this despatch of the name
of my informant who, it is to be observed, is an offi-
cial occupying a position of authority and who has
proved a reliable informant in the past. This office
is inclined to accept his assurances that the secret
report

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

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report is an entirely authentic one submitted by secret Government agents in Fukien. I am informed that these agents, posing as enemies of Marshal Chiang Kai-shek and of the Nanking regime, are being accepted by the Japanese agents as malcontents who may be depended upon to join the "Anti-Japanese Associations" which will shortly transfer their opposition to the allegedly "pro-Japanese" Chiang Kai-shek and the present Nanking Government. Those back of the scheme appear to believe that by this subterfuge it will be a comparatively simple matter to arouse local opposition to Nanking's appointees in Fukien and to overthrow the existing government regime there, making room for such of the numerous malcontents as may be approved by the Japanese as puppets in the proposed new "autonomous government".

The secret report is of a business-like tenor, admits that full information has not yet been procured by the secret agents and, in general, rings true as compared with the usual flamboyant reports of Chinese subordinates to their superiors in relation to the accomplishment of tasks to which the former have been set.

While the events described in press reports may be entirely disassociated from the scheme described in the secret report, this office has been interested in the possible relationship of recent newspaper reports similar to the following one which appeared in the SOUTH CHINA MORNING POST of January 7, 1936, under a

Canton

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-3-

Insert date line:

"Communists in southern Fukien have looted the hamlets around Yang Ting (in southwestern Fukien close to northern border of Cheungtung province), their leader being 'General' Lee Tien-sui.

"Lee Tien-sui's men are equipped with new rifles and wear smart uniforms. The Communist officers told the villagers that they had instructions from the 'Central Authorities' to summon a big anti-Japanese meeting.

"After plundering the border villages, the Reds escaped back into Fukien taking several hostages with them.

"Another Communist band is in league with pirates in northern Fukien, to whom they are supplied with smuggled arms."

In relation to such news reports, it is to be observed that smuggling activities which have long existed between Taiwan and the Fukien coast, which have involved railroads in Fukien, and which, at times, have resulted in the intervention of the Japanese consular, naval and other authorities, would indicate the feasibility of landing arms and munitions for the use of malcontents in Fukien, as described in the secret report.

My informant states that definite information has been received to show that, while the Japanese Army is to have control over the establishment of autonomous governments in the north and the interior of China, this task, in relation to the southern coastal provinces, has been assigned to the Japanese naval authorities in co-operation with the Taiwan Government.

Information is now being gathered in relation to Japanese activities in South China in general and will

be

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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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be transmitted in a subsequent despatch.

A copy of this despatch is being supplied in strict confidence to the American Consulates at Foochow, Amoy and Swatow, and to the Commander of the South China Patrol of the United States Asiatic Fleet.

Respectfully yours,

C. J. Spiker,
American Consul General.

List of enclosures:

- No. 1. Copy of Chinese text of secret report,
(To Peiping and Hanking only).
- No. 2. Translation of secret report.

In quintuplicate (one copy sent direct to Embassy at Hanking.)

Copy to American Consulates at Foochow, Amoy, Swatow.
Copy to Commander of the South China Patrol.

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CJL/g1

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111-5

Enclosure No. 2 to despatch No. 92 dated January 10, 1936, from C. J. Spiker, American Consul General, Canton, China, on the subject of "Alleged Plans for Establishment of Autonomous Government in Fukien Province".

REPORT

(Translator's note: This office has no facilities for obtaining the Romanized equivalent of the Japanese names included in the following translation. Such names are accordingly given in Chinese characters only and a blank left for filling in the Japanese name when Romanized by the embassy which has a Japanese-Chinese name "dictionary".)

The following confidential report is submitted for your information. It concerns the proposed establishment of a "South-China Autonomous Government" under Japanese imperialism by using Chinese traitors as their tools and by secretly organizing such a movement in Amoy. Our Association deputed officers to carry out a careful investigation and the information obtained is authentic:

(a) Period of Fomentation:

Ever since the suppression of the Fukien rebellion, Japan has had a sinister desire to establish a "Hua Nan Kuo" (華南國). Information concerning this leaked out, and several important offenders [presumably Chinese] paid the extreme penalty. This did not deter the Japanese from again trying the game, and accordingly in December last three prominent Japanese (福 田) (杉 村) and (河 東 修) by name, were deputed by the Navy Department for the purpose. They arrived at Amoy and put up at the (藍 田 旅 館) Hotel, Kulangsu. Invitations to dine at the Chinese-British Hotel (中 英 酒 店), Kulangsu, were sent out to many of the civil and military officials

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

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officials who were disappointed at the result of the Fukien rebellion, but only a few accepted such invitation. Each was given a sum of Yen 500. Wu P'eng (吳鵬) was elected to spy out military affairs of the South China Political Council. Huang Nan-p'eng (黃南鵬) and Liu P'ei-ying (劉培英) were to organize a movement under the name of "The Fukien Peoples' Association" (福建民社) and another one under the name of "The Fukien Blessing Association" (福建福祉). "Salvation of the Country" would be the slogan of the first movement. [Seventeen Chinese characters have been cut from the document at this place] In order to enlist the sympathies of the People's Army in Fukien. The object of the second movement would be to secure the cooperation of the intelligentsia. The monthly expenses therefor would be paid by the Japanese Consul at Amoy through one Hsieh Ah-fa (謝阿發), a Taiwanese and Manager of the South East Hotel (東南旅社) at ³⁵⁰Wing North Road (思明北路). It is heart-rending to learn that such people should have accepted these posts and begun their activities.

(b) Names of Participants:

Since the establishment of the "Fukien Peoples' Association" and the "Fukien Blessing Association", there has been an indication of great activities with the result that the following traitors have been enrolled:

1. Naturalized Formosans: Here the names of 27 persons are given including a few Japanese.
2. Chinese Traitors: Here the names of 57 persons are listed.
3. Japanese representatives: [This list consists of characters which are the names of a number of Japanese.]

The

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The above comprise the names of only those who have to date been ascertained [to belong to these groups].

(c) Organization:

The policy of the organization is to advocate the "Principle of Asiatic Peace" and to carry out its object of "Pan-Asiatic Union". (福田太村) has been appointed as the Chief Superintendent by the Japanese Navy Department, with (疊田) as adviser and (新木二郎) as Secretary General. Under a Committee of Self-Government, there are to be three ministries, namely, Political, Military and Finance and the following five departments, Secretary, Judge, Advocate General, Adjutants, Chief of Staff and Commissariat. At various places there will be established an "Anti-Japanese Iron Blood Salvation Society (抗日救國鐵血團)" as a camouflage. On December 16, an election of committee chairmen and members took place at (安田料理店) shop (Japanese Merchant) in Sun Kwong Road (晨光路), Amoy. The result was:

Chairman of the Committee: Kao I (高義).
 Members of the Committee: 17 others.

Military: Kao I and 10 others.

Political: (岡本木橋太郎) and 10 others.

Finance: (中津) and 10 others.

The individuals for the various departments were confidentially appointed, and there are no means of ascertaining who they are. Subsequent reports will show whether there will be any changes in the personnel.

(d) Activities:

As to the Chinese traitors, there is a chief organ under the direction of the Commander of Taiwan Forces of the Japanese Navy Department. Its offices are located at the

above

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

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above-mentioned shop (安田料理店) Chen Kuang Road (晨光路), Amoy. Sub-organs are established at Taiwanese shops or residences in Shui Hsien Road (水仙路), Ssu Ming North Road (思明北路), Hsiao Chih Monastery Road (妙釋寺路), Hsia Ho Road (厦禾路), Nan Chiao Lane (南橋巷) et cetera. 50,000 dollars has already been appropriated by the Japanese Navy Department and (太村氏) will bring this sum with him to Amoy. Arms and ammunition will be imported at San Tou in P'u Tien (莆田之涵頭) Ch'ung su in Hui An (惠安之崇武) and San Hsiao Chiang in Tung Shan (東山三小港) by sailing vessels under the escort of Japanese men-of-war, and February 1, 1938, has been fixed as the day for the "Uprising". Therefore the Chinese traitors are now returning to their places of nativity to seize the local self-governments as a political foundation and to consolidate the local people by establishing "Anti-Japanese National Salvation Societies". As to Foochow and Amoy, it has been decided that Taiwanese shall be responsible (for the upheaval).

As regards the preparation of the plan, it has been ascertained that (1) Ch'e Kun (陳昆) and Han Liu-tien (韓柳添) will be responsible for the seizure of five districts in Changchow area, namely, Ping Ho (平和), Chang P'u (漳浦), Chao An (詔安), Yun Hsiao (雲霄) and Tung Shan (東山) with the cooperation of Yang Feng-nien (楊逢年) who will station at Changchow; that (2) Chang Ching-shan (張靜山) and Tseng Chi-chang (曾紀章), for the seizure of Ta K'u (塔窟), Ch'ung su (崇武) and Ta Chai (大岞) in Hui An area and that (3) as soon as the coast ports have been seized,

the

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

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the other places shall all rise thereby making Southern Fukien the foundation of the new political arena. Since the return of Wu Han-lai (吳萬來) who has been to Taiwan asking for instructions, representatives of Manchukuo and the Pan-Asiatic Union of Taiwan have arrived and participated in the movement. Several meetings were urgently called during the past few days, and it is with regret that the details thereof have not as yet been ascertained.

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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 17, 1936.

~~MSM:~~
~~MMH:~~
~~SMH:~~

Peiping's despatch No. 234, February 12, 1936, encloses an editorial from the PEKING AND TIENSIN TIMES in which the following expressions of opinion are worthy of note: (1) cooperation between China and Japan with respect to North China may be expected to continue until autonomy has reached such perfection that Nanking is relieved of further responsibility, (2) a national agreement however as desired by the Japanese is now more than ever impossible, (3) the real issue for China lies between neutrality and an alliance with Russia, with sentiment favoring the latter, but with neutrality holding the field under Chiang Kai-shek's direction, and (4) the anti-communist crusade has ceased to have any validity or any appeal for the Chinese.

The Embassy does not express disagreement with the above views. There is additional comment in the despatch concerning particular phases of the North China and the Mongolian situations which adds nothing to information already received.

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 JCV/VDM

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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

No. 234

Peiping, February 17, 1936.

Subject: Sino-Russo-Japanese Relations.

CONFIDENTIAL



For Distribution-Check		Yes	No
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For	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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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 the Embassy's strictly confidential despatch No. 184 of January 17, 1936, with regard to the subject of the conflicting policies of China, Japan, and the Soviet Union in Eastern Asia, and to enclose for 1/ information of the Department a copy of an editorial, entitled "Neither Accepted Nor Rejected", published in the PEKING & TIENTSIN TIMES (British) of January 31, 1936, discussing the problem of China's present position in the triangle.

The

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

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The title of the article is derived from the recent statement of the spokesman of the Chinese Ministry of Foreign Affairs, that Japanese Foreign Minister Hirota's "Three Principles" had been "neither accepted nor rejected" by the National Government. The writer of the article, basing his observation on the assumption that facts are at this juncture more reliable than official (oral) statements, believes that in reality the National Government is assisting the present movement toward decentralization in the country (by implication, in North China), "Subject to the nominal preservation of national integrity". It is the deduction of the observer mentioned, however, that, although the National Government is prepared to permit "autonomy" to develop in North China until Nanking would no longer have voice or responsibility in affairs in that part of the country, it is now more than ever impossible for there to be achieved a Sino-Japanese alliance directed against the Soviet Union; he then adds: "Any leading (Chinese) statesman who had the hardihood to suggest that China should join Japan in a war with the Soviet Union, whether defensive or offensive, would be a political corpse next day." The point at issue, in the mind of the writer of the editorial, is whether China can maintain itself in a neutral position between the forces of Japan and the Soviet Union, or whether it will be forced into an alliance with the latter against Japan, possibly to be forced into war with Japan even before the Soviet Union.

The editor refers to the influence of internal factors on the situation, laying particular emphasis on the essentially patriotic

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

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patriotic and nationalistic character of the several radical movements which have begun to take form, but is of the opinion that even the radicals are not yet ready for war. He concludes:

"On the whole...neutrality holds the field as strongly as ever. The anti-Communist crusade has for the Chinese ceased to have any validity or any appeal. Even in the domestic rivalry for power, it is no longer the motivating factor it once was in military expenditures, troop movements, and Central Government policy."

The initiative, as heretofore, rests with the Japanese. As emphasized by Ambassador Grew in his confidential despatch No. ^{82410/560}1650 of January 7, 1936, the moderate group in Japan is loath to have the Japanese Army undertake any adventures on the Asian continent that might check the substantial improvement of economic conditions now being experienced in Japan. The Army, stressing the political aspects of the situation more heavily than the economic, is convinced of the need of establishing the Japanese position in Asia on so strong a base that the Japanese Empire would be free from threat from any quarter, but it recognizes the strength of the argument that a China thrown into disorder would be to the disadvantage of Japan both economically and politically. It is probably primarily because of this realization that the Army has endeavored to achieve its ends in North China and Nanking by the exercise of steady pressure and threats to force acquiescence from the Chinese side without open conflict between the two countries.

The policy of attrition, however, is necessarily slow, and in China forces seem to be gathering which threaten to decrease the pace still further. Japan can hardly view

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

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with equanimity the growing radicalism in student circles, weakness of the economic structure, obduracy toward the Japanese program in even "pro-Japanese" officials, and growing strength of Chinese Communism, which threaten to bring the whole thing down upon the Japanese Army's head. And on "Manchukuo's" frontiers, the strength of the Soviet Army grows appreciably from month to month.

In these circumstances, the question would seem to be how long the patience of the Japanese militarists can last under a strain that is increasing. The border incidents arising out of clashes between Japanese-"Manchukuo" and Soviet Russian and Outer Mongolian forces have of late been increasing in number and intensity, and there is now reported in the press the advance of augmented "Manchukuo" forces to the Buir Nor region, which has been the scene of frequent pitched battles. (An informed Russian newspaperman states that both Soviet Russian and Mongol sources report that the presumably hostile troops have not yet appeared on the border, and he suggests that the Japanese have perhaps in this case been more interested in creating an alarm than in actually going into action. Consul General Adams of Harbin in his despatch No. ^{893.91 Outer Mongolia/69} 192 of January 27, 1936, also gives evidence indicating that Japan does not contemplate major hostilities with the Soviet Union in the immediate future.) As regards North China, there exists substantial evidence that the Japanese are pressing hard on the local Chinese militarists for a definitive settlement along autonomous lines and that, in the absence of such a settlement, Yin Ju-keng's East Hopei regime and other "autonomous" organizations

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organizations may be expected to constitute the spearhead of a new Japanese thrust into North China. It is reported by the Military Attache's Office that Yin Ju-keng is now expanding his military cadres, which were built around the former Peace Preservation Corps, into five divisions of troops totalling 27,000 men; Japanese advisers and instructors are said to have been engaged. At Changpei in Chahar the "Manchukuo" forces of Li Shou-hsin are already in control - and Changpei District extends to Kalgan and includes that part of the city lying northwest of the river traversing its area, so that Kalgan, important both strategically and commercially, would probably fall without a blow. Abandoned to their fate by the National Government, the Mongols of Inner Mongolia in Chahar are apparently being forced into a position which will give them no choice but to throw in their lot with the Japanese, for reasons of self-preservation.

In a well informed quarter in Peiping it is held that the Japanese army would not dare force war with the Soviet Union prior to the establishment of control firmly in North China; however, as regards the Outer Mongolia-"Manchukuo" border incidents, the same authority stated that it is quite possible that the Japanese Army is preparing at this time to open "the Outer Mongolia problem", and to make an initial test of the Soviet Union's attitude toward the question of that country's defense, by launching a strong attack westward on Ulan Bator (Urga). A simultaneous Japanese advance into Suiyuan, he pointed out, would facilitate a flank attack

on

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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 the same objective.

In this connection, the recent visit to Moscow of Premier Gembun of Outer Mongolia and the popular importance attached to the visit to the Kremlin of a delegation from the Buriat-Mongolian A.S.S.R. at the end of January may be of significance and are facts attesting to the Soviet Republic's interest in this situation. It is improbable that the Russians view Outer Mongolia indifferently, especially inasmuch as the control of that territory by Japan would not only put the Soviet Union at a grave strategic disadvantage militarily but would result in a serious loss of Soviet prestige both at home and abroad. According to a statement made by a local Russian to a resident British banker, the Soviet Union's attitude regarding Outer Mongolia can be discovered from a careful reading of the speech made on foreign relations by Molotov, Chairman of the Council of People's Commissariat of the Union of Soviet Socialist Republics, at the meeting on January 11 of the Central Executive Committee. This speech, it is said, was meant to be a clear warning to Japan. (There is enclosed, for the ready reference of S/ the Department, a copy of that section of the speech which deals with the Far East, as reported by the TASS NEWS AGENCY.)

The military conferences at present taking place in Tokyo are therefore of more than usual significance. Major-General Isogai (Japanese Military Attache in China), Lieutenant-General Sugiyama (Vice-Chief of the Tokyo General Staff), Minister of War Kawashima, and other important Japanese militarists are said now to be considering the

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


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whole matter of the future of Sino-Japanese relationships.

- 3/ There is enclosed; in English translation, a copy of a news item appearing in the YACHOU MIN PAO (ASIA PEOPLE'S VOICE, Japanese Chinese-language newspaper, Peiping) of January 31 which purports to give the agenda of the discussions. If this report is correct, it will be noted that the present discussions are very comprehensive. After the conference has terminated, Sugiyama is scheduled to make a one month's trip to "Manchukuo" and North China, reputedly for the purpose of coordinating the policies and activities of the Kwantung Army and the North China Garrison with the plans of the War Office; Isogai will return to Shanghai; as already reported, Major-General Doihara intends to take up a permanent residence in Peiping "for the purpose of promoting Sino-Japanese relations".

Respectfully yours,

For the Ambassador:


 F. P. Lockhart,
 Counselor of Embassy.

✓ Enclosures:

- 1/ Copy of editorial, "Neither Accepted Nor Rejected", PEKING & TIENTSIN TIMES, January 31, 1936.
- 2/ Copy of portion of Molotov's speech on January 11, 1936, as reported by the TASS NEWS AGENCY.
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Original and 4 copies to the Department.
 Copy to American Embassy, Tokyo.
 Copy to American Embassy, Nanking.

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

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PEKING & TIENTSIN TIMES, FRIDAY, JANUARY 31, 1936.

"NEITHER ACCEPTED NOR REJECTED."

THE Sino-Japanese conversations on the basis of the three points set forth by Mr. Hirota do not appear to have made much headway. A week ago a spokesman of the Chinese Foreign Ministry denied that the Nanking Government has accepted the three principles. His opposite number in Tokio suggested that things were not wholly what they seemed. The Waichiaopu official had referred only to the conversations between Mr. Hirota and General Chiang Tso-pin before that official returned to Nanking three months or so ago. He had said nothing of the talks between the Generalissimo and the Japanese Ambassador. The same observation applies to the more recent interview between General Chiang Kai-shek and the Japanese Military Attache, whose statements after this meeting indicated considerable satisfaction. Nanking's latest statement on the subject is that the principles have been neither accepted nor rejected. For the moment facts are much more reliable than official statements, most of which are for popular consumption, at home and abroad. As they reveal themselves in this part of the country, it is evident that a certain degree of co-operation is functioning. Subject to the nominal preservation of national integrity, Nanking is co-operating in the practical details of a local transformation which reverts from the centralisation so laboriously effected in recent years to the decentralisation long since manifested in the South-West.

It is to be supposed that Nanking is not unduly anxious to stand in the way of any political and strategic moves

calculated to bring the real rivals for ultimate military power in the Far East nearer in the physical, though not, of course, in the political, sense. The Chinese, in any case, are powerless to prevent a clash between Japan and the Soviet if that is what one or both parties seek. On these points there is probably more agreement between all elements in this country than on any other single issue. In this situation the Chinese are not pacifists. Of course, there are now and then cries of warning against the dangers of international war, but the note of satisfaction is much more evident than that of alarm. Mr. Sun Fo, indeed, goes so far as to pose as a war expert and to express the opinion that Japan is no match for the Soviet Union, now the most highly-armed State in the world. We did not derive from the rest of his statements the impression that he used this view as a recommendation to his countrymen to help Japan out and maintain the balance! But whilst a certain amount of co-operation in the "local" situation in the North is clear, and may be expected to continue until autonomy has reached such perfection that Nanking is relieved of all further voice or responsibility for what is toward, a national agreement in the sense desired by the Japanese Government is now more than ever impossible. The issue in this country does not repose on the project of a Sino-Japanese anti-Communist Alliance, if by that is meant an alliance against the Soviet Union. We doubt now whether even Sung Cheh-yuan's troops would ever be available for a joint expedition into Mongolia. The real issue in China lies between the neutrality which was successfully maintained in the Russo-Japanese War a generation ago, and an alliance with the Soviet Union against Japan. Any leading statesman who had the hardihood to suggest that China should join Japan in a war with the Soviet Union, whether defensive or offensive, would be a political corpse next day. Not one has ever had the courage to hint at such a policy, so far as we can recall. On the other hand, there are leaders who have openly advocated an alliance with the Soviet Union, and there are powerful forces working for that policy.

For the time being neutrality holds the field, and so long as the authority of the General-

the Nanking Authorities. Of less immediate importance, but of perhaps much greater potential significance, is the rising of a new nationalist factor in the shape of the radical student movement and the campaign of the National Salvation organisations. They reiterate and reinforce the slogans which issued forth from Kalgan during Feng Yu-hsiang's brief *regime* there after the occupation of Jehol. There are undoubtedly all sorts of doctrinaire elements in this movement, from the reddest Communist to the most fanatical nationalist. But the basis is essentially patriotic and nationalistic. For the present they represent a minority without any solid backing whatsoever, for even public opinion is still quiescent in North and South alike. The majority are on the side of the Government and of neutrality.

The radicals do not expect to be taken too seriously yet. They know well enough that their demand for a military expedition against East Hopei and the Four North-Eastern Provinces would mean war, and they do not want that—yet. And if they did, they know they would not be listened to by any military leader of real power. Even Feng Yu-hsiang, the irreconcilable, is biding his time in Nanking. The difference between the situation now and during the last upheaval in 1925, in a domestic sense, lies in the fact that whereas the Yangtze territory in 1925 was a corridor wherein authority had already fatally disintegrated with Wu Pei-fu's defeat in the North a few months earlier, to-day it is the centre of the Government's political and military power, from Chengtu to Shanghai. So far, moreover, Canton has shown every desire not to utilise, but to put down, the uprising of radical students. In 1925 the situation was very different. There is, unfortunately, no assurance that it may remain permanently so. On the whole, however, neutrality holds the field as strongly as ever. The anti-Communist crusade has for the Chinese ceased to have any validity or any appeal. Even in the domestic rivalry for power, it is no longer the motivating factor it once was in military expenditures, troop movements, and Central Government policy.

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For the time being neutrality holds the field, and so long as the authority of the Generalissimo in Nanking remains unimpaired it will continue to be the policy of the Chinese Government. It is on the whole a logical policy, but it is menaced from many sides. Japanese military and political aims in North China are being pursued with meticulous patience, in strong contrast with the forthright methods used in Manchoukuo, but the policy of attrition is irritating and gives plenty of scope for radical agitation. On the other hand, military invasion would provoke a series of explosions which would reverberate throughout the world. Chinese neutrality would pass without much more than a sigh. Resistance by military means would then be inevitable, and instead of a Russo-Japanese conflict which so many folk predict there would first of all be a Sino-Japanese war, more likely to purchase another year or two of preparations for the Soviet than to precipitate the involvement of that State.

The other factors are internal. We are by no means satisfied that personal grievances have ceased to play their desolating part in the Chinese political scene. The temptation to exploit any concessions in the North for purposes of private vengeance, under the guise of superior patriotism, is not to be ignored. And the attitude of the Kwangsi leaders especially, now that Hu Han-min is in Canton, must greatly exercise

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(Copy of portion of speech made by
 Molotov at meeting of Central Executive
 Committee of the Union of Soviet
 Socialist Republics, January 11, 1936.)

Relations with Japan.

Finally, the relations with Japan. The Soviet Union demonstrated its peacefulness and pliability by the conclusion of the agreement for the sale of the Chinese Eastern Railway in Manchuria.

The agreement for the sale of the C.E.R. was signed in March last year. The railway was turned over to the Japano-Manchurian authorities. The payment of the sums due to the Soviet Union for the C.E.R. and the purchase for the same goods from Japan and Manchuria are proceeding normally. All other practical questions of the Soviet Union up to now also found ways towards agreement with Japan.

However, the principal question of the relations between the USSR and Japan is remaining unsolved. Japan up to now is evading our proposal made three years ago regarding the conclusion of the Soviet-Japanese Non-Aggression Pact. Such conduct cannot but be considered suspicious.

On the other hand, attempts of new violations of our frontiers on the part of the Japano-Manchurian military attachments do not cease and do not decrease. I shall point out just one incident which occurred on Oct. 12 in the region of Novoalexeyevka, when about fifty Japano-Manchurian soldiers entered into the Soviet territory to a distance of over one-two kilometers from the line of the frontier and opened rifle and machine gun fire upon our frontier patrols. In the result of the skirmish, the squad commander of our frontier guard, Kotelnikov, was killed and two others of the frontier guards were wounded. Having met with vigorous rebuff and having

suffered

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suffered corresponding losses, the violators of the frontier returned to Manchurian territory.

The provocational character of such incidents is clear without further explanations.

Here is another example of the conduct of the representatives of the Japanese Government, and this conduct either cannot be regarded as being within the limits of normal relations.

Already nearly half a year has elapsed since our Ambassador to Japan, Yurenev, handed the draft of the agreement regarding the Soviet-Japanese-Manchurian frontier committees, which could investigate and liquidate the frontier incidents. But up to now, the Japanese Government has not replied to our draft. It is said that definite circles of the Japanese militarists needed frontier incidents on the Soviet frontier in order to divert somebody's attention from Japan's bossing Manchuria and from those expansionist actions which she conducts in North China and in the territory of the Chinese Republic generally.

Such and similar frontier incidents are also supposed to be needed by certain people in Japan to demonstrate before the outer world the "firmness" and the "strength" of the Japanese policy. One thing is clear, i.e., playing with fire along our Far Eastern frontiers does not cease and the Japanese militarists are stealing up to our frontiers directly as well as through other territories.

Danger of Anti-Soviet War.

Recently the reports appeared regarding the military agreement concluded between Japan and Germany, and Poland's relation in this matter.

We find nothing surprising in this. Not without reason

both

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both Japan and Germany has left the League of Nations in good time in order to unite their hands, and for comprehensible reasons are considered as the world's most aggressive powers in their foreign policy.

The fascist rulers of Germany sometimes attempt to deceive the eye of naive people as regards their annexionist plans against the Soviet Union by referring to the absence of common frontiers between Germany and the USSR. But we know on the other hand that encouraged by certain foreign powers Germany is feverishly preparing to occupy the dominating position on the Baltic Sea, and she has entered into special relations with Poland having sufficiently long frontier with the Soviet Union.

Therefore, in relation to the eastern as well as the western frontiers, we must place defence onto due high level. (Applause).

In the course of the last years, much was done in this connection. But we cannot remain satisfied with the results achieved in the field of defence when it concerns the defence of the peaceful labour toilers and collective farmers of our country from the attack from without, and when it concerns the defence of our conquests and great socialist upbuilding. (Applause).

We must without fail find all necessary ^{material} means for it and therefore we must this year considerably increase the part of the State Budget connected with the defence of our country. (Applause). (Comrade Stalin comes nearer to the table of the Presidium and is met with prolonged non-ceasing applause. All rise and hurrah resounds.)

We

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We have brought up a strong workers-peasant Red Army (Applause), and we must now work still more persistently that all our army consists of loyal and fully skilled of their work fighters, fliers, artillerymen, chemists, tank operators, shooters, and fighters of all other indispensable branches of of the army. (Applause). We have introduced personal titles for the commanding personnel of the Red Army in order to still more strengthen and raise the importance of the leading cadres of our Army (Applause). Only such a Red Army will honourably serve the cause of peace, the cause of defence of the frontiers of the Soviet Union, and the cause of socialism (Applause).

We must further consolidate our Red Army and at the same time utilize every possibility for the preservation of peace and the explaining to the toilers of all countries of our policy of peace.

(Copied by RD)

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(C O P Y)

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NEWS ITEM

Translation of a news item appearing in ASIA
PEOPLE'S VOICE of Peiping for January 31, 1936.

(Trans. CHT)

(Checked: PWM)

THE CENTRAL HEADQUARTERS OF THE JAPANESE
ARMY WILL DECIDE THE TEN LEADING PRINCIPLES
OF THE POLICY TOWARD CHINA.

-To assist China and to expel western
barbarians-

Nippon Dempo telegram--

TOKYO, January 30th:--After General Isogai, Military
Attaché stationed in China, has returned to Japan on
February 2nd, the Central Headquarters of the Army will
hold a Headquarters meeting to listen to his detailed
report, so that in conjunction with the Foreign Office
and other parties concerned a concrete policy toward
China may be determined. The contents are generally
as follows:

- (1) Japan's policy in dealing with the currency
reform.
- (2) With regard to the currency reform, how to
influence it (China) in its relationship with other
countries.
- (3) How to take steps when assistance is rendered
to the Nanking Government.
- (4) How to fulfil the three concrete principles
in regard to China.
- (5) As the several countries have recently often
attempted to effect political and military rapprochement

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with China in order to impede the progress of Japan,
what policy should be taken in this regard?

(6) What attitude should be adopted in regard to
aggression from and defense against the adjoining
countries surrounding China?

(7) What shall be the policy of active assistance
to be rendered to the Southwest?

(8) What shall be the policy in dealing with the
Nanking Conference?

(9) How in future to assist the Hopei-Chahar
Political and the Eastern Hopei Autonomous Governments.

(10) How to regulate the relations between the
said Governments and "Manchukuo".

(Copied by RD)

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

No. 134

Peking, February 17, 1936.

Subject: Sino-Russo-Japanese Relations.

CONFIDENTIAL

*Sino-Jap
"Manchukuo" - Soviet
Relationships*

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to refer to the Embassy's strictly confidential despatch No. 134 of January 17, 1936, with regard to the subject of the conflicting policies of China, Japan, and the Soviet Union in Eastern Asia, and to enclose for the information of the Department a copy of an editorial, entitled "Neither Accepted Nor Rejected", published in the Peking & Tientsin Times (British) of January 21, 1936, discussing the problem of China's present position in the triangle.

The

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The title of the article is derived from the recent statement of the spokesman of the Chinese Ministry of Foreign Affairs, that Japanese Foreign Minister Hirota's "Three Principles" had been "neither accepted nor rejected" by the National Government. The writer of the article, basing his observation on the assumption that facts are at this juncture more reliable than official (oral) statements, believes that in reality the National Government is assisting the present movement toward decentralization in the country (by implication, in North China), "Subject to the nominal preservation of national integrity". It is the deduction of the observer mentioned, however, that, although the National Government is prepared to permit "autonomy" to develop in North China until Nanking would no longer have voice or responsibility in affairs in that part of the country, it is now more than ever impossible for there to be achieved a Sino-Japanese alliance directed against the Soviet Union; he then adds: "Any leading (Chinese) statesman who had the hardihood to suggest that China should join Japan in a war with the Soviet Union, whether defensive or offensive, would be a political corpse next day." The point at issue, in the mind of the writer of the editorial, is whether China can maintain itself in a neutral position between the forces of Japan and the Soviet Union, or whether it will be forced into an alliance with the latter against Japan, possibly to be forced into war with Japan even before the Soviet Union.

The editor refers to the influence of internal factors on the situation, laying particular emphasis on the essentially patriotic

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patriotic and nationalistic character of the several radical movements which have begun to take form, but is of the opinion that even the radicals are not yet ready for war. He concludes:

"On the whole...neutrality holds the field as strongly as ever. The anti-Communist crusade has for the Chinese ceased to have any validity or any appeal. Even in the domestic rivalry for power, it is no longer the motivating factor it once was in military expenditures, troop movements, and Central Government policy."

The initiative, as heretofore, rests with the Japanese. As emphasized by Ambassador Grew in his confidential despatch No. 1620 of January 7, 1936, the moderate group in Japan is loath to have the Japanese Army undertake any adventures on the Asian continent that might check the substantial improvement of economic conditions now being experienced in Japan. The Army, stressing the political aspects of the situation more heavily than the economic, is convinced of the need of establishing the Japanese position in Asia on so strong a base that the Japanese Empire would be free from threat from any quarter, but it recognizes the strength of the argument that a China thrown into disorder would be to the disadvantage of Japan both economically and politically. It is probably primarily because of this realization that the Army has endeavored to achieve its ends in North China and Hanking by the exercise of steady pressure and threats to force acquiescence from the Chinese side without open conflict between the two countries.

The policy of attrition, however, is necessarily slow, and in China forces seem to be gathering which threaten to decrease the pace still further. Japan can hardly view

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with acquiescence the growing radicalism in student circles, weakness of the economic structure, obsequy toward the Japanese warren in even "pro-Japanese" officials, and growing strength of Chinese Communism, which threaten to bring the whole thing down upon the Japanese Army's head. And on "Manchukuo" frontiers, the strength of the Soviet Army grows appreciably from south to north.

In these circumstances, the question would seem to be how long the patience of the Japanese militarists can last under a strain that is increasing. The larger incidents arising out of clashes between Japanese-"Manchukuo" and Soviet Russian and Outer Mongolian forces have of late been increasing in number and intensity, and there is now reported in the press the advance of augmented "Manchukuo" forces to the Buir Nor region, which has been the scene of frequent pitched battles. (An informed Russian newspaperman states that both Soviet Russian and Mongol sources report that the presumably hostile troops have not yet appeared on the border, and he suggests that the Japanese have perhaps in this case been more interested in creating an alarm than in actually going into action. Consul General Adams of Harbin in his despatch No. 198 of January 27, 1938, also gives evidence indicating that Japan does not contemplate major hostilities with the Soviet Union in the immediate future.) As regards North China, there exists substantial evidence that the Japanese are pressing hard on the local Chinese militarists for a definitive settlement along autonomous lines and that, in the absence of such a settlement, Yin Ju-keng's East Mongol regime and other "autonomous"

organizations

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organizations may be expected to constitute the spearhead of a new Japanese thrust into North China. It is reported by the Military Attache's Office that Yin Ju-keng is now expanding his military cadres, which were built around the former Peace Preservation Corps, into five divisions of troops totalling 27,000 men; Japanese advisers and instructors are said to have been engaged. At Changpei in Chahar the "Manchukuo" forces of Li Shou-hsin are already in control - and Changpei District extends to Kalgan and includes that part of the city lying northeast of the river traversing its area, so that Kalgan, important both strategically and commercially, would probably fall without a blow. Abandoned to their fate by the National Government, the Mongols of Inner Mongolia in Chahar are apparently being forced into a position which will give them no choice but to throw in their lot with the Japanese, for reasons of self-preservation.

In a well informed quarter in Peking it is held that the Japanese army could not spare force war with the Soviet Union prior to the establishment of control firmly in North China; however, as regards the Outer Mongolia-"Manchukuo" border incidents, the same authority stated that it is quite possible that the Japanese Army is preparing at this time to open "the Outer Mongolia problem", and to make an initial test of the Soviet Union's attitude toward the question of that country's defense, by launching a strong attack westward on Hsiao Hsiao (Urga). A simultaneous Japanese advance into Suiyuan, he pointed out, could facilitate a flank attack

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In this connection, the recent visit to Moscow of Premier Nehru of Outer Mongolia and the popular importance attached to the visit to the Kremlin of a delegation from the Buriat-Mongolian A.S.S.R. at the end of January may be of significance and are facts affecting to the Soviet Republic's interest in this situation. It is improbable that the Russians view Outer Mongolia indifferently, especially inasmuch as the control of that territory by Japan would not only put the Soviet Union at a grave strategic disadvantage militarily but would result in a serious loss of Soviet prestige both at home and abroad. According to a statement made by a local Russian to a resident British banker, the Soviet Union's attitude regarding Outer Mongolia can be discovered from a careful reading of the speech made on foreign relations by Molotov, Chairman of the Council of People's Commissariat of the Union of Soviet Socialist Republics, at the meeting on January 11 of the Central Executive Committee. This speech, it is said, was meant to be a clear warning to Japan. (There is enclosed, for the ready reference of the Department, a copy of that section of the speech which deals with the Far East, as reported by the TASS NEWS AGENCY.)

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Respectfully yours,

For the Ambassador:

F. P. Lockhart,
 Counselor of Embassy.

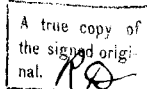
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PEKING & TIENTSIN TIMES, FRIDAY, JANUARY 31, 1936.

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It is to be supposed that Nanking is not unduly anxious to stand in the way of any political and strategic moves

calculated to bring the real rivals for ultimate military power in the Far East nearer in the physical, though not, of course, in the political, sense. The Chinese, in any case, are powerless to prevent a clash between Japan and the Soviet if that is what one or both parties seek. On these points there is probably more agreement between all elements in this country than on any other single issue. In this situation the Chinese are not pacifists. Of course, there are now and then cries of warning against the dangers of international war, but the note of satisfaction is much more evident than that of alarm. Mr. Sun Fo, indeed, goes so far as to pose as a war expert and to express the opinion that Japan is no match for the Soviet Union, now the most highly-armed State in the world. We did not derive from the rest of his statements the impression that he used this view as a recommendation to his countrymen to help Japan out and maintain the balance!

But whilst a certain amount of co-operation in the "local" situation in the North is clear, and may be expected to continue until autonomy has reached such perfection that Nanking is relieved of all further voice or responsibility for what is toward, a national agreement in the sense desired by the Japanese Government is now more than ever impossible. The issue in this country does not repose on the project of a Sino-Japanese anti-Communist Alliance, if by that is meant an alliance against the Soviet Union. We doubt now whether even Sung Cheh-yuan's troops would ever be available for a joint expedition into Mongolia. The real issue in China lies between the neutrality which was successfully maintained in the Russo-Japanese War a generation ago, and an alliance with the Soviet Union against Japan. Any leading statesman who had the hardihood to suggest that China should join Japan in a war with the Soviet Union, whether defensive or offensive, would be a political corpse next day. Not one has ever had the courage to hint at such a policy, so far as we can recall. On the other hand, there are leaders who have openly advocated an alliance with the Soviet Union, and there are powerful forces working for that policy.

For the time being neutrality holds the field, and so long as the authority of the General-

the Nanking Authorities. Of less immediate importance, but of perhaps much greater potential significance, is the rising of a new nationalist factor in the shape of the radical student movement and the campaign of the National Salvation organisations. They reiterate and reinforce the slogans which issued forth from Kalgan during Feng Yu-hsiang's brief regime there after the occupation of Jehol. There are undoubtedly all sorts of doctrinaire elements in this movement, from the reddest Communist to the most fanatical nationalist. But the basis is essentially patriotic and nationalistic. For the present they represent a minority without any solid backing whatsoever, for even public opinion is still quiescent in North and South alike. The majority are on the side of the Government and of neutrality.

The radicals do not expect to be taken too seriously yet. They know well enough that their demand for a military expedition against East Hopei and the Four North-Eastern Provinces would mean war, and they do not want that—yet. And if they did, they know they would not be listened to by any military leader of real power. Even Feng Yu-hsiang, the irconcilable, is biding his time in Nanking. The difference between the situation now and during the last upheaval in 1925, in a domestic sense, lies in the fact that whereas the Yangtsze territory in 1925 was a corridor wherein authority had already fatally disintegrated with Wu Pei-fu's defeat in the North a few months earlier, to-day it is the centre of the Government's political and military power, from Chengtu to Shanghai. So far, moreover, Canton has shown every desire not to utilise, but to put down, the uprising of radical students. In 1925 the situation was very different. There is, unfortunately, no assurance that it may remain permanently so. On the whole, however, neutrality holds the field as strongly as ever. The anti-Communist crusade has for the Chinese ceased to have any validity or any appeal. Even in the domestic rivalry for power, it is no longer the motivating factor it once was in military expenditures, troop movements, and Central Government policy.

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next day. Not one has ever had the courage to hint at such a policy, so far as we can recall. On the other hand, there are leaders who have openly advocated an alliance with the Soviet Union, and there are powerful forces working for that policy.

For the time being neutrality holds the field, and so long as the authority of the Generalissimo in Nanking remains unimpaired it will continue to be the policy of the Chinese Government. It is on the whole a logical policy, but it is menaced from many sides. Japanese military and political aims in North China are being pursued with meticulous patience, in strong contrast with the forthright methods used in Manchoukuo, but the policy of attrition is irritating and gives plenty of scope for radical agitation. On the other hand, military invasion would provoke a series of explosions which would reverberate throughout the world. Chinese neutrality would pass without much more than a sigh. Resistance by military means would then be inevitable, and instead of a Russo-Japanese conflict which so many folk predict there would first of all be a Sino-Japanese war, more likely to purchase another year or two of preparations for the Soviet than to precipitate the involvement of that State.

The other factors are internal. We are by no means satisfied that personal grievances have ceased to play their desolating part in the Chinese political scene. The temptation to exploit any concessions in the North for purposes of private vengeance, under the guise of superior patriotism, is not to be ignored. And the attitude of the Kwangsi leaders especially, now that Hu Han-min is in Canton, must greatly exercise

ceased to have any validity or any appeal. Even in the domestic rivalry for power, it is no longer the motivating factor it once was in military expenditures, troop movements, and Central Government policy.

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(Copy of portion of speech made by
 Molotov at meeting of Central Executive
 Committee of the Union of Soviet
 Socialist Republics, January 11, 1936.)

Relations with Japan.

Finally, the relations with Japan. The Soviet Union demonstrated its peacefulness and pliability by the conclusion of the agreement for the sale of the Chinese Eastern Railway in Manchuria.

The agreement for the sale of the C.E.R. was signed in March last year. The railway was turned over to the Japano-Manchurian authorities. The payment of the sums due to the Soviet Union for the C.E.R. and the purchase for the same goods from Japan and Manchuria are proceeding normally. All other practical questions of the Soviet Union up to now also found ways towards agreement with Japan.

However, the principal question of the relations between the USSR and Japan is remaining unsolved. Japan up to now is evading our proposal made three years ago regarding the conclusion of the Soviet-Japanese Non-Aggression Pact. Such conduct cannot but be considered suspicious.

On the other hand, attempts of new violations of our frontiers on the part of the Japano-Manchurian military attachments do not cease and do not decrease. I shall point out just one incident which occurred on Oct. 18 in the region of Novoselxeyevka, when about fifty Japano-Manchurian soldiers entered into the Soviet territory to a distance of over one-two kilometers from the line of the frontier and opened rifle and machine gun fire upon our frontier patrols. In the result of the skirmish, the squad commander of our frontier guard, Kotelnikov, was killed and two others of the frontier guards were wounded. Having met with vigorous rebuff and having

suffered

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suffered corresponding losses, the violators of the frontier returned to Manchurian territory.

The provocation character of such incidents is clear without further explanations.

Here is another example of the conduct of the representatives of the Japanese Government, and this conduct either cannot be regarded as being within the limits of normal relations.

Already nearly half a year has elapsed since our Ambassador to Japan, Yurenev, handed the draft of the agreement regarding the Soviet-Japanese-Manchurian frontier committees, which could investigate and liquidate the frontier incidents. But up to now, the Japanese Government has not replied to our draft. It is said that definite circles of the Japanese militarists needed frontier incidents on the Soviet frontier in order to divert somebody's attention from Japan's bossing Manchuria and from those expansionist actions which she conducts in North China and in the territory of the Chinese Republic generally.

Such and similar frontier incidents are also supposed to be needed by certain people in Japan to demonstrate before the outer world the "firmness" and the "strength" of the Japanese policy. One thing is clear, i.e., playing with fire along our Far Eastern frontiers does not cease and the Japanese militarists are stealing up to our frontiers directly as well as through other territories.

Danger of Anti-Soviet War.

Recently the reports appeared regarding the military agreement concluded between Japan and Germany, and Poland's relation in this matter.

We find nothing surprising in this. Not without reason

both

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both Japan and Germany has left the League of Nations in good time in order to unite their hands, and for comprehensible reasons are considered as the world's most aggressive powers in their foreign policy.

The fascist rulers of Germany sometimes attempt to deceive the eye of naive people as regards their annexionist plans against the Soviet Union by referring to the absence of common frontiers between Germany and the USSR. But we now on the other hand that encouraged by certain foreign powers Germany is feverishly preparing to occupy the dominating position on the Baltic Sea, and she has entered into special relations with Poland having sufficiently long frontier with the Soviet Union.

Therefore, in relation to the eastern as well as the western frontiers, we must place defence onto due high level. (Applause).

In the course of the last years, much was done in this connection. But we cannot remain satisfied with the results achieved in the field of defence when it concerns the defence of the peaceful labour toilers and collective farmers of our country from the attack from without, and when it concerns the defence of our conquests and great socialist upbuilding. (Applause).

We must without fail find all necessary ^{material} means for it and therefore we must this year considerably increase the part of the State Budget connected with the defence of our country. (Applause). (Comrade Stalin comes nearer to the table of the Presidium and is met with prolonged non-ceasing applause. All rise and hurrah resounds.)

Ms

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We have brought up a strong workers-peasant Red Army (Applause), and we must now work still more persistently that all our army consists of loyal and fully skilled of their work fighters, fliers, artillerymen, chemists, tank operators, shooters, and fighters of all other indispensable branches of of the army. (Applause). We have introduced personal titles for the commanding personnel of the Red Army in order to still more strengthen and raise the importance of the leading cadres of our Army (Applause). Only such a Red Army will honourably serve the cause of peace, the cause of defence of the frontiers of the Soviet Union, and the cause of socialism (Applause).

We must further consolidate our Red Army and at the same time utilize every possibility for the preservation of peace and the explaining to the toilers of all countries of our policy of peace.

(Copied by RD)

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NEWS ITEM

Translation of a news item appearing in ASIA
 PEOPLES' VOICE of Peiping for January 31, 1936.

(Trans. GHT)

(Checked: PWM)

THE CENTRAL HEADQUARTERS OF THE JAPANESE
 ARMY WILL DECIDE THE TEN LEADING PRINCIPLES
 OF THE POLICY TOWARD CHINA.

-To assist China and to expel western
 barbarians-

Nippon Dempo telegram--

TOKYO, January 30th:--After General Iwagai, Military
 Attaché stationed in China, has returned to Japan on
 February 2nd, the Central Headquarters of the Army will
 hold a Headquarters meeting to listen to his detailed
 report, so that in conjunction with the Foreign Office
 and other parties concerned a concrete policy toward
 China may be determined. The contents are generally
 as follows:

(1) Japan's policy in dealing with the currency
 reform.

(2) With regard to the currency reform, how to
 influence it (China) in its relationship with other
 countries.

(3) How to take steps when assistance is rendered
 to the Nanking Government.

(4) How to fulfil the three concrete principles
 in regard to China.

(5) As the several countries have recently often
 attempted to effect political and military rapprochement

with

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with China in order to impede the progress of Japan,
what policy should be taken in this regard?

(6) What attitude should be adopted in regard to
aggression from and defense against the adjoining
countries surrounding China?

(7) What shall be the policy of active assistance
to be rendered to the Southwest?

(8) What shall be the policy in dealing with the
Nanking Conference?

(9) How in future to assist the Hopei-Chahar
Political and the Eastern Hopei Autonomous Governments.

(10) How to regulate the relations between the
said Governments and "Manchukuo".

CHI-PHASE

(A true copy: )

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DOCUMENT FILE

NOTE

SEE 761.94/872 FOR #184

FROM China (Johnson) DATED Jan. 17, 1936
~~XXXX~~ NAME 1-1127 ***

REGARDING: relations between China and Japan. Memorandum concern-
ing the attitude of China towards the Far Eastern situation. Dis-
cussion of Chinese preparations.

dew

793.94/7786

7786

0068

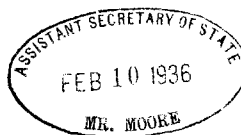
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton C. Gustafson NARS, Date 12-18-75

No. 184

Peiping, January 17, 1936.

Subject: Conflict Between the Soviet Union
and Japan in Eastern Asia.

STRICTLY CONFIDENTIAL



The Honorable

The Secretary of State,
Washington, D. C.

Sirs

I have the honor to refer to the Embassy's
confidential despatch No. 129 of December 18,
1935, regarding the general subject of the
conflict of the policies of the Soviet Union and
Japan in eastern Asia, and to enclose for the
information of the Department a copy of a memorandum
by Third Secretary O. Edmund Clubb under date of
January 12, 1936, giving further observations on
the same matter.

Respectfully

761.94/812-

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Respectfully yours,

Nelson Trusler Johnson.

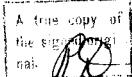
Enclosures:

- 1/ Copy of memorandum by
Third Secretary O. Edmund
Clubb, January 18, 1936.

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Original and 4 copies to the Department.
Copy to American Embassy, Moscow.
Copy to American Embassy, Tokyo.
Copy to American Embassy, Hanking.
Copy to American Consulate General, Tientsin.

EC/rd



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STRICTLY CONFIDENTIAL

MEMORANDUM

Conflict Between the Soviet Union and Japan

in

Eastern Asia.

O. Edmund Clubb
Third Secretary of Embassy

Peiping, China, January 18, 1936.

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With reference to the Embassy's despatch No. 189 of December 18, 1938, speculating on the possibilities of armed conflict between the Soviet Union and Japan, there is submitted below certain additional information regarding one phase of the subject.

It is confidentially stated by a British banker in Peiping that the Tientsin-Pukow Railway is reported to have entered upon a contract with German interests for the purchase of "railway material", payment for which is to be spread over a period of ten years; however, the material is said to comprise not only three train-sets for use on the railway but large quantities of war supplies, especially anti-aircraft guns and light artillery, and the German sellers are believed to be the Krupp organization. (An effort will be made to confirm this report).

Information paralleling this has come to the Embassy from a foreign official of the Salt Gabelle, who stated that large amounts of war material are being imported by the National Government and that, as regards the Salt Gabelle forces, every effort is being made to complete their armament within the shortest period of time possible. Again the emphasis is being placed on anti-aircraft guns, and these and several million rounds of machine-gun ammunition are being sent to the base at Haichow (eastern terminus of the Lunghai Railway). Information from other sources tends to support the general belief that the National Government is making heavy purchases of war material at the present time, the feeling being that expense is a secondary consideration

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consideration notwithstanding the financial stringency being experienced by the Finance Ministry at this time. These purchases are said to include an unusually large number of airplanes and some new tanks, and it is reliably reported by several sources that large-scale ammunition-dumps exist at Chengchow, Loyang and Sian (all on the line of the Lunghai Railway). Another foreign official in the employ of the National Government stated confidentially recently that General Falkenhausen, German military adviser attached to Chiang Kai-shek's organization, has given it as his estimate that "China will be ready for war next April".

The immediate reaction of the observer is to conclude that Chiang Kai-shek is preparing for war with Japan, but there are certain circumstances which make it difficult for one to accept unconditionally such an explanation. It is to be recalled that Chiang Kai-shek has for several years past employed as military advisers a large number of German tacticians, among them being such prominent figures as General von Seeckt and General Falkenhausen. It seems highly probable that Chiang Kai-shek's military policy, therefore, will reflect in part the advice of the Germans on his staff. In this connection, there comes to mind the reported agreement that exists between the German and Japanese General Staffs for joint action of the two armies in case of war by one of them against the Soviet Union, and it is immediately seen to be improbable that such a sale as that alleged to have been made by the Krupp interests to the Tientsin-Pukow Railway

would

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would have been made unless it were in accord with the general plan of the German General Staff.

In short, if the report of the sale were true - and the Embassy has as yet received nothing which would confirm that report - this circumstance would indicate the possibility that Chiang Kai-shek, presumably partly by reason of the advice of his German advisers, has already begun the implementation of Foreign Minister Hirota's "Three Principles" (said to have been already accepted "in principle") and is coordinating his military program with that of the Japanese Army. The feeling of competent observers has been that Chiang Kai-shek for financial reasons, if for no other, would be very reluctant to go to war with Japan,* but the statement allegedly emanating from the Tokyo Foreign Ministry on New Year's Day that it would be found possible to assist China with a concrete plan for economic reconstruction, including provision for loans, if China would but abandon its policy of relying upon Western Powers,** would oppositely constitute a strong consideration for Chiang Kai-shek in determining his course of action.

There is still considerable discussion from the Japanese side of the necessity of China's displaying "sincerity" in the matter of Hirota's Three Principles. It is most probable, however, that even the most impatient Japanese militarist would recognize the practical difficulties faced by Chiang Kai-shek in making a choice, and it is

conceivable

* Cf. Embassy's Gaspach No. 78, November 18, 1935.
** Peking & Tientsin Times, January 3, 1936.

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conceivable that the Japanese side would be prepared to sanction (and even abet) Chiang Kai-shek's putting up a show of resistance so long as they achieved within a moderate period of time the substance of Hirota's program.

A plan of cooperation on the basis of Hirota's "Three Principles" would have obvious political and military attractions for both Chiang Kai-shek and Japan, and Germany would presumably be drawn into it chiefly for the purpose of facilitating the strengthening of Japan vis-a-vis the Soviet Union in Eastern Asia. At this point a new element is introduced into the situation by the visit to Tokyo of Mr. Leon Weill-schott, former Counselor of the Italian Embassy in Tokyo, on a mission which is still somewhat obscure.* THE MANCHURIAN DAILY NEWS (Japanese-controlled English-language newspaper, Dairen) in its issue of January 11, 1938, carried a news item to the effect that Italy and Germany are reported to be intending to take the lead in extending formal recognition to the State of "Manchukuo". The news despatch continued:

"The main motive that may actuate Germany to extend formal recognition to Manchukuo, the dispatch says, is traced to her earnest desire for a closer rapprochement with Japan in consideration of the present Soviet-German situation..."

"The reported intention of the Fascist (Italian) State to take the same action, the Manshu Nichinichi understands, has arisen from her plan to co-operate more closely with Japan as a step to cope with its strained relations with Britain and France among other European Powers."

The

*See Embassy's telegram No. 19, January 18, 1938, 4 p.m.

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The same issue of that newspaper, it must be said, contained two KOKOTSU despatches tending to cast doubt upon the imminence of such a development, one from Rome stating that even the mooted opening of an Italian consulate in Mukden would not necessarily mean Italian recognition of "Manchukuo", one from Hsinking quoting a spokesman of the "Manchukuo" Foreign Office as stating that the Italian authorities should proceed through the accepted formal channels if they wished to establish relations with "Manchukuo". It is nevertheless probable that Mussolini, if hard pressed in his Abyssinian venture, would be quite prepared to come to an agreement with "Manchukuo" (and Japan) if it would ease the pressure on his regime.

Nevertheless, the economic problems facing Italy, Germany and Japan are found in a different and much more acute form in China. It is a matter of considerable doubt whether any sum of money at the ready disposal of the three first-named countries would suffice to put China in shape for a major war. It is probably realized by Japan that China as an active military ally might prove finally a liability, so that the probability seems to be that the Japanese energies will go chiefly to the strengthening of North China; the National Government would be used in so far as possible for the maintenance of the status quo and the extension of the market for Japanese goods in Central China, without its being found necessary for Japan to expend much of its strength for the bolstering up of Chiang Kai-shek's regime. But

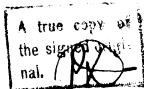
China

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China, now in an advanced stage of political and economic deterioration, might under even comparatively minor additional stresses fall into a disorder which would hold dangers for all of Asia. This potentiality gains dynamic force from the circumstances that Chinese public opinion is far from crystallized as regards China's domestic political and economic problems, and also lacks unanimity as regards a policy for dealing with the Japanese program for achieving control over China. Chiang Kai-shek, the virtual dictator of the country, is presented with the harsh alternatives involved in being forced to abandon the policy of playing one country against another, that is, it is apparent that he is being forced, much against his will, to choose between the retribution that would be visited upon his regime by Japan in case he embarked upon the way of a Sino-Soviet alliance, and the probable domestic consequences of a politico-military alliance with Japan. From all that is at present actually known of his intentions, it would seem possible that he might choose either alternative at the time of the "crisis" which by the original Japanese hypothesis will occur in 1956.

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

DOCUMENT FILE

NOTE

SEE 702.0093/89 FOR #95 to Embassy at Peiping

FROM Tsingtao (Sokobin) DATED Feb. 10, 1936
TO NAME 1-1127 ...

REGARDING: Claim of the newly appointed Japanese Consul General at
Tsingtao to precedence over other members of the Consular
Corps discussed. Chinese officials refused to accord him
this precedence and they fear that Japan may take offense
and will regard it as another "anti-Japanese" action.

wb

793.94 / 7787

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Department of State letter, August 10, 1972
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Copy for Department of State.

10. 25

AMERICAN CONSULATE

Tsingtao, China, February 10, 1936.

SUBJECT: Japanese Consul General's Claim
to Precedence.

The Honorable

Nelson Frasier Johnson,
American Ambassador,
Peking, China.

Sir:

I have the honor to report an amazing incident in which the Mayor of Tsingtao, the foreign consuls in this city and the newly arrived Japanese consul general, Mr. T. Hishi, have been involved. The incident concerned the claim of the Japanese consul general, who only on February 4, 1936, assumed the duties of his office at Tsingtao, to a position of precedence over all of his colleagues and all foreigners at a ceremony celebrating the opening of a new pier in Tsingtao today. Actually, the British consul general, being the only other consul general in Tsingtao, was more directly concerned than the other colleagues, but the matter in general was of the greatest interest to all the foreign consuls in Tsingtao.

On Saturday morning, February 8, at 10 o'clock.

Yours...

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Mr. Andrew C. Young (楊津生), Counsellor of the Tsingtao Municipal Administration, called at this consulate and asked what the rule as to precedence among foreign consular officers was; Mr. Young was immediately referred to Section 76 of our Consular Regulations to which was added the statement that naturally that was the rule governing American consular officers particularly, but that I was sure that all other consular organizations accepted this statement as a general rule of international law, and it was pointed out that Section 76 appeared to be a quotation from Callick's work on international law. Inquiry was made as to the cause of Mr. Young's call and he then related to me the following.

The Municipal Government had made considerable preparations for a ceremony to celebrate the opening of the new No. 3 pier built at a cost of some four million dollars under a contract with a Japanese construction firm. In fact, some five thousand dollars had been appropriated by the municipality to defray the expenses of a huge mast-head, decorations and refreshments. General Chiang Kai-shek dispatched General Hsiung Yin (熊斌) as personal representative; the Minister of Railways also delegated a deputy and other important Chinese officials had accepted the Mayor's invitation. All this was a matter of public knowledge. On Friday, February 7, a Japanese vice consul called on the counsellor of the municipality in charge of Japanese affairs to enquire what the

program...

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program would be. He was informed that a number of addresses would be made and in reply to his enquiry as to who would represent the foreigners, he was told that naturally the British consul general, as senior consular officer in the port, would make the reply.

The Japanese vice consul, after reporting to his consul general, returned with the statement that such a program was entirely unacceptable to the Japanese consul general, that the Japanese consul general insisted that he should be the first foreigner to speak following the Mayor's address. The Chinese official pointed out that he was not the senior consul and that international etiquette and courtesy made it necessary to give the British consul general the privilege of making the reply for the foreigners. An argument ensued at which the Japanese vice consul made references to the rank of the newly arrived Japanese consul general as equivalent to that of a brigadier general and to the fact that a Japanese firm had constructed the pier and that in any case Japanese interests in Tsingtao were dominant. Mr. Young then added that the Chinese had refused to grant any precedence to any Japanese and that they were quite aware that the international rule was precisely as that given in Section 76 of our Consular Regulations out that he had only come to confirm that it was so. However, I have since learned that that was not the full reason for Mr. Young's call at this office but that the Chinese so thoroughly appreciated that precedence should be given to the British consul...

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consul general and yet were so apprehensive as to the Japanese attitude if precedence were so given, that it was hoped that I would perhaps endeavor to explain to the British consul general the dilemma of the Chinese, which I declined to do; Mr. Young, it may be stated, quite appreciated my action. I suggested to Mr. Young that he call personally on the British consul general and explain the situation and that regardless of what position the British consul general would take, he would be no less sympathetic toward the Chinese and appreciative of their position than this consulate was. In the evening, Mr. Young informed me over the telephone that the Chinese had made a proposition to the Japanese consul general that no foreigners actually speak at the ceremony but that their expressions of good wishes be printed in the program. The Japanese appeared to agree thereto on Saturday night, but the next morning the Chinese were informed that the Japanese consul general had reversed his decision and still insisted that so long as addresses were to be made by the Chinese, the Japanese consul general should be given a place on the program so that he might respond to the Mayor's address, and that this place must be prior to that of any other foreign speaker. Mr. Young then found it was necessary to call on the British consul general to whom he explained the situation. The

British...

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

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British consul general, a man of a thoroughly democratic character, nevertheless indicated at once that he could not yield precedence to the newly arrived Japanese consul general but stated that he would consult his colleagues in the matter, although he being the only other consul general, was the only foreign officer besides his Japanese colleague whom the matter directly concerned. At 4:30 Sunday afternoon, a meeting of the consular representatives, with the exception of the Japanese consul general, was held in the British consulate general. It was the unanimous agreement that the sense of the meeting was as follows:

"Unless Admiral Chen Hung-lich can assure the foreign consuls that the British consul general, who is the senior in accordance with international law and procedure, will be the first foreigner to speak, in the event of any formal addresses being made, the foreign consuls will not be able to be present at the opening of the new wharf."

After this was duly conveyed to the Chinese the British consul general was informed that there would be no addresses at the ceremony; the Mayor would simply make a few remarks of welcome, after which all the guests would adjourn to the refreshment tables.

Actually the ceremony which I attended this morning was carried out in that manner. The Mayor made an address which was translated into English and Japanese. He expressed his welcome and thanks to the several hundred foreigners and Chinese assembled and stated that

they...

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they would not be delayed by prolonged addresses on his part and by any other addresses on account of the bitterly cold weather.

After the interpreters had finished, the throng went outside of the mat-shed to see the Mayor unveil a plaque; then the guests returned to the mat-shed where the refreshments were served. About 10 o'clock the consuls took leave and just as they moved away from the Mayor, the Japanese consul general assembled a small group of his nationals and gave three "hanzaia".

I have used the word "amazing" in the first paragraph and can only remark that the incident has appeared in that light to my foreign colleagues here other than the Japanese consul general. That a Japanese consul general of long experience should deliberately flaunt the accepted convention existing among consular officers as to precedence is extraordinary; that he should presume to assert to a Chinese official his place in a Chinese ceremony regardless of his precedence among other consular officers is even more extraordinary; that action on the part of the Japanese in plain words refuses to recognize the international character of this great port of Tsingtao and plainly asserts that Japan has "a special position" here. It is true that the old Sino-foreign treaties do indicate what the rank of a foreign consular officer is in relation to Chinese officials...

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officials, but certainly there is nothing in the treaties giving precedence to a Japanese consular officer. That is, of course, a trite statement, for the Japanese action in this matter is simply a bare-faced assertion of "a special position" in Tsingtao. This assertion is not entirely new, of course, for in the consulate's despatch no. 71 of November 12, 1935, file no. 702.1, subject: Formation of Consular Body in Tsingtao - Japanese Consul General protests, the consulate used the following language:

**** However, his protest conforms with the attitude that the Japanese officials in this city have taken for some time as respects their relations with occidentals; i. e., that the Japanese consul general will deal independently with the Chinese in all matters concerning foreigners; that in ceremonial matters where Japanese and occidentals are present they will dissociate themselves from the westerners.

Since the above was written, the consulate has learned that the Chinese are now apprehensive lest the Japanese exert pressure, taking the refusal of the Chinese to accord precedence to the Japanese consul general as another instance of the "anti-Japanese spirit". It will be regarded by the Japanese, the Chinese feel, as one more deliberate failure of the Chinese to prove their friendship for Japan.

Respectfully yours,

Samuel Sokobin,
 American Consul.

A true copy of
 the original
 is in
 the
 file

Em

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800
33/CML

Original to Embassy, Beijing.
Five copies to Department of State.
Copy to Embassy, Nanjing.
Copy to Tainan-Chefco.

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DOCUMENT FILE

NOTE

SEE 711.94/1074 FOR #11

FROM Shanghai (Gauss) DATED Feb 17, 1936.
 TO NAME 1-1127 ...

REGARDING:

Sino-Japanese Relations. Press comment on speech of Senator
 Key Pittman. Submits - which gives various views of opinion.

b

793.94/7788

793.94

7788

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

No. 11

AMERICAN CONSULAR SERVICE.

American Consulate General,
 Shanghai, China, February 17, 1936.

Subject: Sino-Japanese Relations. Press
 Comment on Speech of Senator Pittman.

THE HONORABLE

THE SECRETARY OF STATE,
 WASHINGTON.

Sir:

I have the honor to report that in accordance with the Department's telegraphic instruction as transmitted by the Embassy under date of February 14, 1936, copies of local English language newspapers containing comments upon Senator Pittman's speech of February 10, 1936, are being sent by pouch today as accompaniments to this despatch and selected editorials from the English language and Chinese vernacular press are enclosed.

THE CHINA PRESS, which is understood to be owned and controlled by Dr. H. H. Kung and a group of associates, sums up the local reaction to Senator Pittman's speech in its issue of today's date in the following paragraph:

"Senator Pittman, head of the American Senate's Foreign Relations Committee, startled the Far East with a resounding speech in the Senate condemning Japan for aggressive and monopolistic designs in China and informing all and sundry that America was ready to stand up and defend her rights. The Japanese were incensed, the Soviets pleased, the Chinese gratified, the British smug."

That

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- That the Chinese were gratified has been very apparent. An editorial in THE CHINA PRESS of February 13 points out that Senator Pittman as an influential member of Congress is in a position to impress upon his countrymen the seriousness of developments in the Orient, and expresses the opinion that his clear-cut analysis of Japan's foreign policy will be readily grasped by Americans and that unless Japan turns a new leaf she may find herself in complete isolation. According to a summary appearing in the February sixteenth issue, the Chinese vernacular dailies have commented extensively upon the speech under discussion. The TIEN KAN PAO (Chinese) is quoted as having expressed the belief that the United States is taking a more forceful attitude on affairs in the Pacific, as evidenced by measures taken with regard to coastal defense, naval bases at Hawaii and Panama, strengthening the army, and expansion of air force.
- THE CHINA PRESS (Chinese) points out in its issue of February 13 that Senator Pittman's utterances are worthy of serious consideration by those interested in the trend of international events. It recalls that Great Britain failed to support American protests after the Manchurian incident of September 18, 1931, and expresses the view that it was only when there appeared to be no hope of a favorable Anglo-Japanese agreement that Great Britain looked with favor upon collaboration with the United States, but that both Great Britain and the United States will now be compelled to meet the requirements of the times and resort

to

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to genuine cooperation. It sees in the present controversy a conflict between the Nine Power Pact and the so-called Japanese Monroe Doctrine but thinks that if the Japanese Ambassador was correct in saying Japan has no intention of violating the principle of the "open door" it is not too late for the Powers to uphold the Nine Power Pact.

- 4/ The HUN PAO (Chinese) of February 14 remarks that the Senator's speech is virtually an appeal for sanctions against Japan as an aggressor in the Far East and concludes that the United States knows very well who has been playing the role of aggressor in the Far East but is unable to talk of collaboration with Great Britain, is skeptical of Russia, and is indifferent to the so-called policy of collective security of the League of Nations. Hence this journal fears that denunciation of militarism alone will hardly prove to be a solution of the situation. It is noteworthy that the Chinese vernacular press, which has been so closely censored during the past year, should express views so patently unwelcome to the Japanese.

- 5/ The FINANCIAL TIMES (British daily with pro-Japanese leanings) in its issue of February 12, 1936, attacks the speech as an example of the intense anti-Japanese feeling "entertained by certain politicians", and attempts quite inconsistently to detract from its importance by inferring that the sentiments expressed have been officially disowned on the one hand, and to emphasize the seriousness of
- of

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of such an utterance on the other.

Respectfully yours,

C. E. Gauss,
American Consul General.

Accompaniments:

- 1/- Two copies of the NORTH CHINA DAILY NEWS of February 12, 1936.
- 2/- Two copies of the SHANGHAI TIMES of February 12, 1936.
- 3/- Two copies of the CHINA PRESS of February 12, 1936.
- 4/- Two copies of the CHINA PRESS of February 13, 1936.

Inclosures:

- 1/- Editorial from the CHINA PRESS of February 13, 1936.
- 2/- Summary of comment in Chinese papers as published in the CHINA PRESS of February 16, 1936.
- 3/- Translation of editorial from the LUN WAN PAO (Chinese) of February 13.
- 4/- Translation of editorial from the SHUN PAO (Chinese) of February 14.
- 5/- Editorial from the SHANGHAI TIMES of February 12, 1936.

800
MBD:LB

In quintuplicate.

Copy to Embassy, Peiping.

Copy to Embassy, Nanking.

orig-

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Enclosure No. 1 to despatch No. 11 of C. E. Gauss,
 American Consul General at Shanghai, China dated February
 17, 1936, on the subject: "Sino-Japanese Relations: Press
 Comment on Speech of Senator Pittman."

SOURCE: THE CHINA PRESS (Chinese
 owned, American registered).
 February 13, 1936.

Editorial.

SENATOR PITTMAN

SPEAKS

CP 2/13/36
 SENATOR Key Pittman has
 given full vent to his views
 on Japan's foreign policy. As
 an influential member of Con-
 gress, he is sure to impress upon
 his countrymen the seriousness of
 the developments in the Orient.

On the independence of the
 Chinese republic, he has avowed
 his usual belief. As he says:

China is still an independent
 and sovereign country living on
 peaceful terms with the world and
 anxious to trade with us. Con-
 sequently nothing can legally or
 practically stand in the way of these
 trade relations.

Turning to the open door
 policy he has made observa-
 tions of the greatest importance.
 He has derided Japan's claim to a
 Monroe Doctrine for the Far
 East. He has recognized only the
 Nine-Power treaty as the em-
 bodiment of that doctrine. He
 has tried to open the eyes of the
 American public to the demise of
 that doctrine in Manchuria, as he
 continues:

But there is no open door in
 Manchuria for the United States.
 American bankers, importers and
 business men were shut out from
 there. Yet, if the necessity of the
 rule—invoked by all conquerors—
 justifies the violation of solemn com-
 mitments and treaties above referred
 to, what does Japan care if she
 breaks her pledge of keeping the
 door open in China?

I think we are fully entitled to
 show concern over the violation of
 peace treaties.

We know there are only two ways
 of protesting our peace: the first is
 the respect and observance of treaties,
 while the second is to rely on
 adequate navy and air forces.

As the first course seems
 obviously impossible of realiza-
 tion as long as Japan persists in
 her present temperament, there is
 no other choice for America but to
 strengthen her national defence.
 On this point Senator Pittman is
 most eloquent in the following
 remarks:

Never in modern times was such
 an arrogant and impertinent state-
 ment made by a personage of such
 standing. Admiral Takahashi is
 ordering us in an unmistakable way
 to give up our national defense and

renounce the extension of our foreign
 trade.

Of course Congress will not be
 compelled by such threats to abandon
 national defense, or to give up the
 protection of our foreign trade and
 of our commercial relations with
 China, a friendly nation.

The clear-cut analysis of
 Japan's foreign policy by Senator
 Pittman can be readily appre-
 ciated by the clear-minded Ameri-
 cans. Some of it may perhaps
 be attributed to domestic political
 inspiration, but in any event it
 was domestic political inspiration
 which impelled America to enter
 the World War. Unless Japan
 begins to appreciate her present
 position in international affairs
 and turn a new leaf in time, she
 may one day find herself in com-
 plete isolation.

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Enclosure No. 2 to despatch No. 11 of C. E. Gauss,
American Consul General at Shanghai, China, dated February
17, 1936, on the subject: "Sino-Japanese Relations: Press
Comment on Speech of Senator Pittmann."

SOURCE: THE CHINA PRESS (Chinese
owned, American registered).
February 16, 1936.

Editorial.

Senator Key C.P. 2/16/36
Pittman's Speech

The scathing attack made by Senator Key Pittman, Chairman of the United States Senate Foreign Affairs Committee, on Japan's policy towards China, is widely commented upon in the leading Chinese newspapers in Shanghai.

The Ta Wan Pao expresses surprise at the Senator's speech saying that it is rather late now to make further reference to Japan's flagrant violation of the League Covenant, the Nine-Power Treaty and the Kellogg Peace Pact; that China considers it a "thing of past history" but still thinks it is "amusing" to have the American Senator again point it out.

It continues: Although Senator Pittman is not holding any high administrative post at Washington and cannot represent the official views of the American Government, he can at least express the opinion of a section of the American people. His fiery attack on Japan shows us that there are many Americans who would eagerly and to an equal extent denounce Japanese aggression in China.

The Ta Wan Pao believes that the United States is taking a more forceful attitude regarding affairs in the Pacific as shown by the strengthening of her coastal defense, the naval bases at Hawaii and Panama, the increase in her army to 150,000 men and the expansion of her air force. These developments show that nations today are beginning to realize that reason cannot control Japan and that force must be used eventually.

The psychology of force, the Ta Wan Pao believes, has been strengthened by the failure of the League of Nations in settling the Manchurian dispute. More than one nation today is eager to use force in settling controversies, for instance France in the controversy with Germany and Britain in that with Italy. The hope of collective peace is growing more remote while the armament race is gaining momentum.

The paper concludes by saying that a major war is inevitable and that the time is soon coming when nations must test their strength. The strong will remain while the weak will be eliminated. Whether China will continue to exist or be eliminated depends largely on whether she is prepared to meet the coming crisis.

The Sin Wan Pao expresses deep gratification at the attack made by Senator Pittman against Japan and points out that it is not too late for the powers to enforce the Nine-Power Treaty. It hopes that something tangible will result from the Senator's statement. It states:

China is still an independent country and it is her duty to defend her own interests. The Chinese people have their own responsibilities and can expect no benefit from controversies between foreign Powers on Chinese territory. China's real hope is the maintenance of the treaties and pacts which secure world peace and respect by the Powers of her territorial and administrative integrity.

From Senator Pittman's speech it

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From Senator Pittman's speech it seems to us that the conflict is now centered on the Open Door Policy and Japan's "Monroe Doctrine" for Asia. In other words, it is a conflict between the powers, struggling for equal opportunities in China, and Japan who desires to monopolize the market in this country.

China has no intention of closing her doors to foreign Powers but we are eager to trade only with those countries who treat us with respect and on an equal basis.

The Japanese Ambassador to Washington, Mr. Saito, in commenting on Senator Pittman's speech, declared that Americans "Misunderstood" Japan. He added that Japan had not violated the principles of the Open-Door Policy.

We are convinced that, if the powers are eager to carry out the stipulations of the Nine-Power Treaty, it is not entirely

too late. We hope concrete results will follow Senator Pittman's statement so that the mutilateral agreements between nations may be maintained.

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Enclosure No. 3 to despatch No. // from C. E. Gauss,
 American Consul General at Shanghai, China, dated February
 17, 1936, on the subject "Sino-Japanese Relations: Press
 Comment on speech of Senator Pittman."

COPY

SOURCE: SHEN KUI PAO (Chinese Independ-
 ent Daily) of February 13, 1936.

TRANSLATION

Senator Pittman's Speech and the Relations of
 Britain and the United States with China.

(China's Sympathy)

In a further significant speech delivered a couple of days ago, Senator Key Pittman, Chairman of the Foreign Relations Committee, scathingly denounced Japan's policy in the Far East and expressed the conviction that it is Japan's desire to close the door in China to American commerce even if a war is necessary to accomplish the aim. He asserted that it was urgently necessary for the United States to expand naval and aerial forces by way of protecting its trade. So severe was the criticism which he levelled at Japan that it has already produced a far-reaching effect on the family of nations. In this connection, it may be well to point out that the Foreign Relations Committee of the Senate is the most influential organ which has control over the diplomacy of the United States and Senator Pittman is one of the most veteran leaders of the ruling party by whom a number of bills affecting foreign relations have been drafted. Even the latest neutrality legislation of the United States was revised by Senator Pittman whose utterances, being no commonplaces, are doubtless worthy of serious consideration by those interested in the trend of international events. It goes without saying that China, which has been suffering a great deal for some years in respect to military, political and economic affairs, will show abundant sympathy with such a pleasant talk.

(Change of attitude toward the Far East)

Since the September 18th coup, with a view to the preservation of territorial integrity and sovereign rights and to the safeguarding of the sanctity of international agreements, China has always entertained the earnest hope that the friendly powers which are responsible for the Nine-Power Pact and the Anti-war Treaty will take effective measures to maintain the Far Eastern and world peace. However, the British Conservatives who pinned their faith in the possibility of Britain and Japan making an equal division of advantages in China and dreamed about a revival of the Anglo-Japanese Alliance did their best to protect Japan in the League of Nations while Stimson's protests were regarded as empty words with the result that the principle of non-recognition has become a dead letter. Four years have since elapsed but the situation in North China is

going

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going from bad to worse. British authorities are now aware of the impossibility of reaching an understanding with Japan. This coupled with the fact that Japan is ready to embark upon the task of naval construction following the collapse of the Naval Conference has convinced Britain that the latter is unable not only to preserve her interests in China but also to strengthen her position in the Far East. Only when she abandoned the hope of coming to terms with Japan did Britain think of collaborating with the United States. As an important turning point in the history of the relations of the Powers with the Far East, this caused no little uneasiness on the part of the Japanese authorities who are doing all in their power to forestall the project of Anglo-American cooperation. As a matter of fact, we saw Britain and the United States on the same battle-line while the Naval Conference was in progress. Since the relations between Britain and Italy were strained following the outbreak of the Italo-Syrian war, the United States promulgated and revised the neutrality law and imposed an embargo on the export of military supplies to the belligerents thereby indirectly placing Italy under restraint and enabling Britain to enjoy certain advantages over her. Moreover, the United States made every possible exertion to defend the Atlantic when one bill after another for expansion of armament passed through the Congress. The meaning of all these activities was well understood and so, since Britain and the United States are now compelled to meet the requirements of the times and change their attitude toward the Far East, it is felt positively that they will ultimately resort to the plan of cooperation. Only when they are able to rectify the error of going in different directions will something be accomplished.

(sanctity of international treaties)

China is an independent state. While it is our duty to protect Chinese national life and interests, we do not expect friendly powers to play off one nation against another in their struggle for advantages in this country. We hope that they will uphold the sanctity of treaties, preserve international peace and respect the sovereign rights and territorial integrity of China as an independent nation which seeks to co-exist with others. Senator Pittman's address seems to be a controversy between the open door policy of the Nine Power Pact and the so-called Japanese Monroe Doctrine for East Asia. It sounds like a conflict between the principle of equal opportunities in China and the principle of Japanese hegemony over the East. It is a well known fact that China herself has not the least desire to close her door to the trade of friendly powers which treat us on a footing of equality. In response to Senator Pittman's address, M. Arita, the Japanese Ambassador to Washington, has just declared that the United States simply misunderstands Japan which has no intention of violating the principle of the open door. If that is the case, it will not be too late for the Powers to discharge in one

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way or another the obligations provided for in the line-
 over act. Senator Pittman ought to show definitely
 that actual steps will be taken to uphold the dignity of
 international treaties so that the speech which he has
 just delivered may amount to something at least.

Trans TG
 sen by JED

Copied by NHH
 Compared with MB

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Enclosure No. 4 to despatch No. // from S. S. Cause,
 American Consul General at Shanghai, China, dated February
 17, 1936, on the subject "Sino-Japanese Relations:
 Press Comment on speech of Senator Pittman."

Y

Source: HUNAN (Chinese Independent
 Daily) of February 14, 1936.

REPORT ON SENATOR

Senator Pittman's speech.

After quoting Senator Pittman as saying that Japan
 has scrapped the Sino-power pact and so America is com-
 pelled to build large naval and aerial forces to uphold
 the sanctity of the peace treaties, the HUNAN also remarks
 that, reading between the lines, one will realize that
 the Senator's speech is tantamount to an appeal for
 sanctions against Japan as an aggressor in the Far East.
 Reference is then made to the address which the Senator
 delivered on December 20, 1935, when he compared the
 ambition of Japan to that of Germany in the pre-war days
 and predicted a war with Japan as the inevitable result.
 The journal goes on to say that, from these two signifi-
 cant speeches, it appears that it is the Senator's belief
 that a war between America and Japan is but a matter of
 time. Since Mr. Pittman is the diplomatic leader of an
 American legislature, the journal warns its readers that
 his views are worthy of serious consideration, indeed.

In regard to the attitude of the United States toward
 the Far East and Europe, the journal avers that America
 has seldom expressed herself on the subject of Japanese
 militarism since Democrats began to hold the reins of
 government and that the enactment of the neutrality law
 immediately after the outbreak of the Italo-Abyssinian
 war and the disinclination to strictly exercise the right
 of freedom of sea have created the impression that, as
 a snail hiding herself in shell, the United States has no
 desire of frequently wrangling with others at present.
 Taking advantage of the opportunity thus offered, the
 journal adds, Japan endeavors to reach the goal of
 hegemony over East Asia and talks of division of au-
 thority over the Pacific with the United States which
 makes it still more manifest that she wants America to
 keep hands off the Far East. Since these are diametri-
 cally opposite to the open door policy of the United
 States, the journal continues, the American authorities
 find it impossible to keep silent and so the New Year
 message of President Roosevelt was followed by the
 addresses of Senator Pittman who has openly denounced
 Japan in the hope that Japanese militarists may reflect on
 their actions at last.

In conclusion, the journal has the following to say:

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"It may be said that Americans are truly lovers of peace. But, in order to ensure world peace, it is necessary to distinguish between aggressors and the aggressed and to ascertain who should receive sanctions and who are entitled to help. When these points are solved, it is necessary to gather together countries which are in a position to cooperate in the suppression of the strong and the succor of the weak; otherwise expressions of love for peace are all empty words. The United States proclaimed neutrality soon after the outbreak of the Italian-Byssinian war but, although the supply of munitions to Italy was discontinued, raw materials are furnished in such quantities as will make it naturally impossible to shorten the duration of the hostilities. The United States knows very well who has been playing the role of aggressor in the war east and she is not unaware of the lack of sufficient forces to cope with the situation at present. Nevertheless, she is unable to talk of collaboration with Britain - the only country with which she may cooperate - and she is skeptical of Russia which is within call. She is indifferent to the so-called policy of collective security of the League of Nations. Under the circumstances, it is feared that denunciation of militarism by American politicians will hardly reduce the gravity of the situation in the world. The United States should make further actual exertions if it is really her desire to help forward the cause of genuine world peace."

Prepared by TG
 Seen by HFD

Copied by HFD
 Compared with MB

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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. /// of C. E. Gauss,
 American Consul General at Shanghai, China, dated February
 17, 1936, on the subject: "Sino-Japanese Relations: Press
 Comment on Speech of Senator Pittman."

SOURCE: THE SHANGHAI TIMES (British),
 February 12, 1936.

Editorial.

Shanghai, Wednesday, February 12, 1936

PITTMAN'S POLEMICS

The early disavowal which Mr. Cordell Hull has made of any responsibility for the extraordinary speech which Senator Key Pittman, Chairman of the Foreign Relations Committee of the U. S. Senate, has seen fit to make does little to palliate the seriousness of such an utterance. One of the most serious features of the international situation in the Pacific is the intensity of the anti-Japanese feeling entertained by certain politicians in the United States—an attitude of mind which sees nothing but wickedness in whatever Japan does. And when a man like Senator Pittman, who is the head of a powerful Senate Committee, gets up and so severely castigates Japan in the senior legislative assembly of the country he is performing an act of the greatest disservice to the establishment of those better relations on which peace must eventually rest. But Senator Pittman does not seem to believe much in peace, for he speaks so much of war. He avers (though with what proof one does not know) that Japan intends to close the door in China to America, even if a war is necessary to accomplish it; he demands naval and air forces sufficient to protect American rights; he condemns Japan's "threats and propaganda" as being so much arrogance; he declares that Japan has "openly and ruthlessly violated the Covenant of the League of Nations and the Kellogg and Nine-Power Pacts"; and he feels sure that "Congress will not be bull-dozed into the abandonment of our national defence and the protection of our legitimate commerce with China." In effect, he sees nothing good about Japan in any way and is himself guilty of one of those sins of arrogance which he so roundly condemns in others. At the same meeting of the Senate another curious speech was made by Senator J. Hamilton Lewis. He saw the possibility of a Russo-Japanese alliance for the control of Asia at the expense of American interests and prophesied that the first Russo-Japanese move against America would be directed against Alaska. That is extremely interesting in view of the present Russo-Japanese tension over the incidents along the border of Manchoukuo and Mongolia, but Mr. Lewis would probably explain that he is thinking of the dim and distant future.

One realizes, of course, that Senators Pittman and Lewis are not in responsible executive positions, that they occupy a role in the present instance such as might be occupied by a politician like Mr. Lloyd George in Britain, who can get up and airily deliver himself of all manner of personal opinions and as much criticism

ments. We see nations protesting against being thwarted in their legitimate interests, we see enmity being increased and friction being developed. Germany protests, and with apparent sincerity, that it does not want war; it wants equality of treatment; and Mr. Hiroshi Saito, the Japanese Ambassador to Washington, declares in reply to Senators Pittman and Lewis that Japan has no intention of closing the door in China to the commerce of America or to any other nation, that the Japanese people do not desire to fight and that there is no cause why America or Japan should fight. But Senator Pittman will not believe that, for he is one of those who love to go blundering on from one indiscretion to another. It is difficult indeed to find any constructive purpose which he thinks he is serving, and one has to leave him with his fulminations in the hope that not only will his sentiments be officially disowned but that responsible public opinion will be warned against accepting the provocative viewpoint he has expressed.

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

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One realizes, of course, that Senators Pittman and Lewis are not in responsible executive positions, that they occupy a role in the present instance such as might be occupied by a politician like Mr. Lloyd George in Britain, who can get up and airily deliver himself of all manner of personal opinions and as much criticism and condemnation as he pleases. But it is important to realize that these two Senators are representative of a multitude of others who are imbued with the same ideas, who have made up their minds that Japan is the villain of the piece against whose aggressions everybody else has to prepare. It is significant that a Bill has just been introduced into the House of Representatives asking for the largest peacetime sum for the strengthening of the defence services, providing for the expansion of the air force, an increase in coastal defences and those in Panama and Hawaii, and the raising of the enlisted strength of the army up to 150,000 men. There is possibly little direct connection between the speeches of Senators Pittman and Lewis and the request by the War Department for such a huge sum of money, but they do go together to make up the picture of American psychology as it is displayed so frequently towards the affairs of the Pacific. No doubt the view is taken that if America makes herself enormously strong in arms and shows a determined intention to protect her interests if at any time they should be threatened then that threat will not be lightly made.

But that amounts to something else; it amounts to the view that Japan cannot be co-operated with, but has to be "controlled" by a show of opposition. It is that view which strikes us as being the saddest about the present-day international situation in more places than one. We see it being manifested in Europe as between France and Germany, and we see how it is leading to a disastrous race in arma-

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

79 3.94

DOCUMENT FILE

NOTE

SEE 893.00/13385 FOR Tel#115, 4pm

FROM China (Lockhart) DATED March 6, 1936
TO NAME 1-1127 ...

REGARDING: Activities of Communist forces in Shansi
Likelihood of Japanese military action, if situation warrants it
according to local Japanese Assistant Military Attache.

FRG.

793.94/7789

7789

0102

DECLASSIFIED: E.O. 11652, 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 7, 1936.

CONFIDENTIAL
 THE UNDER SECRETARY
 MAR 10 1936
 DEPARTMENT OF STATE

Subject: The Situation in North China.

MAR 9 1936

S:

NOTED

Mr. Secretary.

During the past week the situation in North China has been quiet.

The Embassy at Peiping reported that on March 3 Major General Dolhara, unofficial Japanese Army observer and negotiator in North China, left Peiping and that it is understood that he will be replaced by a high ranking officer.

The Embassy at Nanking reported that the Chinese Minister for Foreign Affairs told the NEW YORK TIMES correspondent that China had not agreed and could not agree to the Japanese Foreign Minister's three-point program and that in November, 1935, Chiang Kai-shek had expressed to the former Japanese Ambassador China's willingness to consider this program if comprehensively amplified and defined (the purport of this latter statement was embodied in a statement to the press which was made by the Chinese Foreign Office a few days after the Japanese Foreign Minister's speech to the Diet on January 21, 1936); that on March 3 the new Japanese Ambassador had stated to this correspondent that Chiang Kai-shek had signified China's acceptance of this three-point program,

793.94/7790

F/FG

0103

DECLASSIFIED: E.O. 11652, 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 -

program, that the Japanese Government would hold the Chinese Government to that agreement and that the recent Tokyo affair would not cause a stiffening of Japan's attitude toward China as that attitude was already very stiff.

Nanking also reported information from a reliable source to the effect that the Japanese Military Attache had notified the Chinese Government that the Japanese would not permit the sending of Central Government troops into Shansi Province to assist the provincial troops in opposing the Chinese communist forces (which had entered that province from the west) unless the Chinese Government agreed to the three-point program and ^{that} even in that case any Central Government troops that might be sent into that province would have to be withdrawn as soon as their mission had been accomplished.

Whether or not Chiang Kai-shek has expressed agreement with the Japanese Foreign Minister's three-point program, the statement of the new Japanese Ambassador would seem to indicate that the Japanese Foreign Office intends to push negotiations with Nanking and thus to attempt to placate the Japanese military. Any attempt of this kind, it would seem, would require that the Foreign Office initiate negotiations and continue to press them in such manner as may

be

DECLASSIFIED: E.O. 11652, 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 -

be expected to produce results satisfactory to the military.
The statement of the Japanese Military Attaché would tend
to support the contention of the Ambassador and to in-
timidate the Chinese.

5/14/75

10/14/75
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

793.94

DOCUMENT FILE

NOTE

SEE 894.00/614 FOR Memorandum
State Department
Far Eastern Div.
FROM (Hornbeck) DATED March 5, 1936.
TO NAME 1-1127 ...

Situation in Tokyo
REGARDING: Hirota as Premier: Possible effect on Japan's China policy.

FRG.

793.94/7791

7741

0106

DECLASSIFIED: E.O. 11652, 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 894.00/613 FOR Tel#74, 7pm
FROM Japan (Grew) DATED March 13, 1936
TO NAME 1-1127 ***

793.94/ 7792

Foreign policies of the Government under Hirota's leadership.
REGARDING: Former policy, in effect, when he was Minister for Foreign Affairs, to prevail, according to Hirota, who commented on Sino-Japanese relations and the "Open Door" Policy. Further, he stated that there would be no war while he is in office.

FRG.

7792

0107
DECLASSIFIED: E.O. 11652, 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

CORRECTED COPY.

McL

1-1336

FROM

Special Gray.

Nanking via N. R.

Dated March 14, 1936.

Received 7 a.m.

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

Secretary of State,
Washington.

53, March 14, 9 a.m.

Division
FAR EASTERN AFFAIRS
MAR 18 1936
Department of State

One. This office has been informed by a responsible official of the Executive Yuan that, (1), United Press reports that the Yuan order No. 12 "decided to use armed force for the suppression of Japanese smuggling in North China" are untrue; (2) Executive Yuan, after discussing this problem decided merely to issue instructions to the natives to employ effective measures"; (3), the Yuan is hoping to inspire commercial and other public opinion against the purchase of smuggled goods some of which are now being shipped south on both the Tientsin-Pukow and Peiping-Hankow Railways; (4), the Chinese authorities are unable to stop the smuggling operations because the Japanese military have refused to permit armed customs troops to proceed against smugglers along the coast on the ground that such action would violate the Tangku truce and have warned the Chinese against operations outside the

F.W. 793.94/7793

FILED

F/FG

113-1

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

-2- 53, March 14, 9 a.m. from Nanking.

the three mile limit as being on the high seas beyond Chinese jurisdiction.

Two. He said that protests filed with the Japanese Embassy here had elicited official replies that the Japanese authorities in the North would assist in suppressing smuggling into the demilitatized zone but spokesmen of the Embassy had stated unofficially that Japanese civil officials were powerless to act in the matter.

PECK.

EPD

113-2

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

TELEGRAM RECEIVED

FS

1-1820

FROM

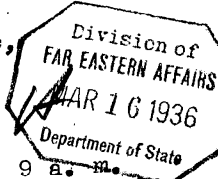
SPECIAL GRAY

Nanking via N. R.

Dated March 14, 1936

Rec'd 7 a. m.

Secretary of State,
Washington.



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

53, March 14, 9 a. m.

One. This office has been informed by a responsible official of the Executive Yuan that, (1), United Press reports that the Yuan order No. 12 "decided to use armed force for the suppression of Japanese smuggling in North China" are untrue; (2) Executive Yuan, after discussing this ~~problem~~ ^{problem} decided merely to issue instructions to ~~the~~ ^{natives} the ~~(27)~~ "to employ effective measures"; (3), the Yuan is hoping to inspire commercial and other public opinion against the purchase of smuggled goods some of which are now being shipped south on both the ~~Tientsin~~ ^{Tientsin} Pukow and Peiping-Hankow Railways; (4), the Chinese authorities are unable to stop the smuggling operations because the Japanese military have refused to permit armed customs troops to proceed against smugglers along the coast on the ground that such action would violate the Tangku truce and have warned the Chinese against operations outside the three-mile limit as being on the high seas

beyond

793.94/7793

F/FG

113-3

0110
DECLASSIFIED: E.O. 11652, 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. 53, March 14, 9 a. m. from Nanking

beyond Chinese jurisdiction.

Two. He said that protests filed with the Japanese Embassy here had elicited official replies that the Japanese authorities in the North would assist in suppressing smuggling into the demilitarized zone but spokesmen of the Embassy had stated unofficially that Japanese civil officials were powerless to act in the matter.

HPD

PECK

113-4

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

TELEGRAM RECEIVED

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

FS

1-1330

GRAY

FROM

Peiping via N. R.

Dated March 16, 1936

Rec'd 11 a. m.

Secretary of State,
Washington.

135, March 16, 4 p. m.

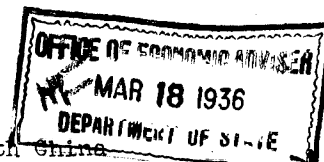
One. Sino-Japanese relations in North China

continue to be quiet as reported in paragraph one of
the Embassy's 102, March 3, 11 a. m. It would seem
that the present period of quiet may continue for some-
time. There have been some minor developments which
ought to be pleasing to at least some of the Japanese
military.

Two. An agreement was signed March 6th at Tientsin
by the Managing Director of the Peiping Mukden Railway,
and by an official of the South Manchuria Railway for
the establishment from May first of through freight
car service with Peiping Mukden Railway. (Conclusion
of such an agreement was supposed to have been promised
by the Chinese at the time of the Tangku truce). A
local Japanese official states that he expects a through
freight car agreement later. According to a Japanese
press despatch, the Kwantung army regards the new agree-
ment as "a great contribution to the promotion of close

communication

114-1



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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. 135, March 16, 4 p. m. from Peiping

communication between North China and Manchukuo".

Three. A total of five Japanese advisers have been appointed to the Hopei Chahar Political Council. In addition to the two mentioned in paragraph two of the Embassy's ^{893.01-Outer Mongolia/62} 62, February 14, 5 p. m., Nagai, who was mentioned in the Embassy's ⁷⁷¹⁹ 59, February 11, 3 p. m. has been definitely assigned to assist the Economic Committee of the Council. Also, an officer of the South Manchuria Railway and an officer of an electric company in Manchukuo have been assigned to advise construction and communication committees which are yet to be inaugurated under the Council.

Four. It is reliably reported that Doihara, who has been assigned to Kurume, Kyushu, is to be succeeded as unofficial negotiator in Peiping by Colonel Takayoshi Matsumuro (see Embassy's ⁷⁷⁴⁷ 89, February 25, 5 p. m.) but that Matsumuro will be attached to the North China garrison and not (repeat not) to the Kwantung Army. This apparent effort on the part of the Japanese authorities to place Sino-Japanese affairs in North China under the North China garrison may not, however, be entirely successful in practice because the Kwantung Army as negotiator of the Tangku truce will presumably be able

to

114-2

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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 3-No. 135, March 16, 4 p. m. from Peiping

to intercede in matters which derive from that truce.

Five. Japanese Military Attache Isogai on a brief visit from Shanghai to Peiping is reported to have informed Japanese press men at Peiping on March 14 that Japan could not much longer tolerate the present unsatisfactory situation in North China and that he had received a most unpleasant impression of the results of General Sung Che Yuan's regime. It is doubted that this speech has much significance. He has made similar fiery statements in the past in Shanghai and he may desire to intrude himself as Military Attache into Sino-Japanese questions in North China during the present period of suspended activity.

By mail to Tokyo.

CSB

JOHNSON

114-3

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/88 FOR #159

FROM Shanghai (Davis) DATED Feb 5, 1936
 TO NAME 1-1127 ...

REGARDING:

Sino-Japanese Relations. Incidents which marred the outward
 tranquility of -. Student movement and disturbances.

b

793.94/ 7795

793.94

7795

5.94
b. Relations with Other Countries. Japan.

Attention continued to be centered throughout the month upon the course of Sino-Japanese relations. In Shanghai itself there occurred no serious "incidents" to mar the outward tranquility of relations between China and Japan. Student agitation, which during the previous month had assumed an anti-Japanese character of such proportions as to cause the Japanese authorities in Shanghai serious concern, greatly diminished and assumed a less unified aspect; it was confined largely to lecturing by itinerant groups and the occasional distribution of handbills. In fact Japanese officials expressed no concern regarding student activities in January and appeared to believe that the movement had become definitely critical of General Chiang Kai-shek and the National Government and had lost much of its original anti-Japanese character.

Readjustment of relations between China and Japan along the lines enunciated by Foreign Minister Hirota

in

*Despatch No. 124 of February 1, 1938.

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

-3-

in his three-point program occupied the attention of local Chinese and Japanese officials during the month. Japanese officials, and particularly military officials, from whom of late there has been a plethora of statements of policy, interpretations of policy and the like, have by no means been consistent in their pronouncements regarding the convening of Sino-Japanese conferences looking towards the implementing of Hirota's program. During the first two weeks of January local Japanese officials appeared to feel that in view of recent student activities and evidences of a stronger anti-Japanese spirit, nothing satisfactory could be expected from the holding of a Sino-Japanese conference." More recently, however, this feeling appears to have given way to a reiteration and stressing of the need for a "firmer" attitude and the desirability of carrying out the Hirota program. In this connection it may be remarked that a definite stiffening in the attitude of local Japanese officials, as a result of fresh instructions from the Japanese Government, was brought to my attention by responsible Chinese officials."

DECLASSIFIED: E.O. 11652, 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
see p 2

The student movement. The student agitation of December assumed a less active form during January due largely to the diversion occasioned by the conference of students and educationists called by General Chiang Kai-shek on January 15.** Professors and student dele-

gates

- * Despatch No. 85 of January 17, 1936.
- ** Despatch No. 74 of January 15, 1936.

0118

DECLASSIFIED: E.O. 11652, 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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gates from the principal universities and schools left Shanghai for Peking about January 13. In this connection it is of interest to note that the Shanghai student delegates were not selected by the students themselves but by the school authorities and that this gave rise to some dissatisfaction and resulted in three or four universities refusing to accede to the procedure mentioned or to participate in the conference.

The first meeting occurred on January 13 when General Chiang Kai-shek received about 150 university presidents and high school principals who had gathered from all parts of the country. At the same time about 130 student representatives voiced their views to the Secretary General of the Executive Yuan. The second meeting took place on January 16 at which General Chiang addressed the students and educators. His speech, in brief, expressed confidence in the future of the nation, urged the maintenance of discipline, and included a pledge that he would not sign any treaty or secret agreement prejudicial to China's territorial or administrative integrity. However, a very rigid censorship appears to have been enforced and as a result little appeared in the papers regarding the conference. In this connection the CHINA FAMILY REVISOR (American and Chinese registered) states:

"Judging from the length of the discussions and scarcity of information about the conference we realize at once that what was published is apparently only a brief outline, obviously due to a rigid censorship system which permitted the local papers to publish only what was released for publication."

Student

-7-

student activities in Shanghai during the month were largely confined to lecturing by itinerant groups and the distribution of pamphlets. These activities were in the main orderly with the exception of a riot which occurred at the Jessfield Branch Bureau of the Bureau of Public Safety on January 16, on which occasion the students were at least partially responsible for inciting a mob of loafers and riffraff to attack the station and attempt to rescue students alleged to be incarcerated there.

Hu Han-min's Return. The return to China of this important political figure gave rise to much speculation as to whether a reconciliation would really be effected between Hu and Chiang Kai-shek. Mr. Hu's relatives have prepared a residence for him in Shanghai and still appear to expect him to visit this city. However, it is believed in well informed quarters that his participation in the Government is dependent upon an agreement being reached between Chiang and Hu. The reported illness of Hu Han-min since his return to this country perhaps indicates that differences have already arisen and that he will not leave Canton until matters are arranged to his satisfaction.

Rumored Resignation of Minister of Finance.

There were persistent rumors in Shanghai during the latter half of January that Mr. H. H. Kung was about to resign. These rumors were referred to by the local papers which alleged that there had been much speculation in silver and government bonds by public functionaries,

and

- Despatch No. 181 of February 1, 1936.
- Despatch No. 83 of January 18, 1936.

-8-

and it is not surprising that they have been accompanied by much adverse criticism in political and financial circles.* They increased in frequency and circumstantial detail as the China New Year holidays approached and it is said that on or about January 24 Mr. Jung actually tendered his resignation, and that it was accepted by General Chiang Kai-shek, who thereupon offered the finance portfolio to T. Y. Soong, who declined it. However, Jung was still in office as the month closed.

General Chiang Kai-shek's Visit to Shanghai. The Generalissimo paid a brief visit to Shanghai, arriving here on the morning of January 5 and leaving the same evening. Following a discussion of the local situation with Mayor Wu Te-chen and General Yang Hu, Commander of the Shanghai Peace Preservation Corps, General Chiang went to call on Mr. Yang Ching-wei and inquired regarding the state of his health. He also called upon General Huang Yu, Marshal Tuan Chi-jui, Mr. H. H. Fung, and Mr. T. Y. Soong. However, very little information is available regarding the nature of the matters discussed.**

b. Provincial.

Nothing to report.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Swatow/99 FOR #111
#106 to Embassy

FROM Swatow (Hinke) DATED Feb. 5, 1936.
TO NAME 1-1127 ...

REGARDING:
Sino-Japanese Relations for the Month of January, 1936.

793.94/ 7796

793.94

7796

DECLASSIFIED: E.O. 11652, 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.

743.74
Sec
116

On January 20, 1936, the Japanese Consul filed a protest with the Swatow Municipal authorities regarding the alleged intimidation of the proprietor of a Japanese (Formosan) shop by two armed Chinese on the evening of January 19th. After making threats, the Chinese are said to have departed leaving the Japanese unharmed. Another incident of like character is also rumored to have occurred on the night of January 22nd.

On January 21, 1936, about noon, a Japanese constable named Susumu Tsunoda, attached to the Japanese Consulate in this city, was found lying in the street and was taken by a Chinese policeman to the Japanese Hospital nearby, where the Japanese is thought to have died. (The exact time and place of death has not been definitely determined). The Japanese physician attached to the Hospital claims to have found four wounds and to have extracted two pistol bullets from the body. The case was promptly reported to the Japanese Consulate and to the Mayor's Office. The latter requested Dr. H. A. North of the Anglican Presbyterian Mission to make an autopsy, to which the Japanese Consul agreed, but when he declined to certify the cause of death on a superficial, external examination, the Japanese Hospital and police authorities objected to a complete post-mortem examination with such vehemence that the Chinese Municipal authorities withdrew their demand for an autopsy. However, the Japanese did take an X-ray of the body after the

bullets

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

(b) Provincial.

793.94 On January 14, 1936, small numbers^{of}/middle school and Chung Shan University students from Canton began to visit Swatow with a view to carrying on propaganda against Japanese aggression in North China. Middle school students in Eastern Kwangtung decided to take part in propagandistic activities and no mid-term examinations were held except for graduating classes, with the result that all such schools were closed by the authorities. As a result of these measures, student activities were held firmly in check in this district and public demonstrations were effectively discouraged.

(c) Municipal.

There were no important political developments in respect to the administration of the Municipality of Swatow during January, 1936, except for the Japanese incidents previously noted in this report.

IV. JUDICIAL AND LEGAL MATTERS.

Nothing to report.

V. NARCOTICS.

0124

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/95 FOR #93

FROM Tsingtao (Sokobin) DATED Feb. 6, 1936.
TO NAME 1-1127 ...

REGARDING:

B. Relations with Japan.

793.94
A local Japanese newspaper on January 18, 1936, published an interview with Mr. R. Takagi, Vice President of the Sino-Japanese Industries Association, and a Japanese in close contact with Chinese officials, who recently toured North China. He is quoted as having stated:

"General Sung Che-yuan is now beginning to understand Japan's ideas in regard to North China and I am now optimistic on that point... General Sung's government can carry on very well with only the salt revenue and the consolidated tax and without touching the customs revenue."

793.94/7797

793.94
4797

DECLASSIFIED: E.O. 11652, 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

793.94/798

SEE 893.00 P.R. Hankow/105 FOR #127

FROM Hankow (Josselyn) DATED Feb 8, 1936.
TO NAME 1-1127 ***

REGARDING:

(b) Japan

(1) Student movements

Students and teachers from Hankow attended the "students conference" called in Nanking by General Chiang Kai-shek on January 15, 1936, at which the foreign policy of the Government was explained. Locally there were no demonstrations or trouble after the first week in January, the month passed quietly, and the schools re-opened on January 31 without incident.

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798

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Harbin/87 FOR #314
#199 to Embassy
 FROM Harbin (Adams) DATED Feb 8, 1936.
 TO NAME 1-1127 ...

REGARDING:

Sino-Japanese Relations. Editorial in the HARBIN NICHINICHI
 of January 6, 1936, characterized the policy of the Japanese
 Foreign Office with regard to China as too conservative and
 impractical.

793.94/7799

793.94
7799

4. China.

793.94
A violent editorial in the HARBIN NICHINICHI of January 6, 1936, characterized the policy of the Japanese

- Foreign -

* See despatch No.192 to the Embassy (No.300 to the Department), January 27, 1936.

**See Legation's instruction of January 8, 1935, et seq.)

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Foreign Office with regard to China as too conservative and impractical, and suggested that perhaps Mr. Hirota was not sane. The inactivity of the Foreign Office, it was asserted, accounted for all the trouble in China, and in no wise assisted the substantial accomplishments of the Army in that area*. This editorial, and others which might be mentioned, show a recent tendency on the part of the Harbin Japanese language press to attack the Foreign Office. Under the circumstances existing here this tendency could not become manifest without the approval of the Japanese military authorities.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/97 FOR #94 to Embassy

FROM Canton (Spiker) DATED Feb 8, 1936.
 TO NAME 1-1127 ...

REGARDING:

Relations between China and Japan. Authorities concern over the Swatow Incident. Japanese Protests against Student Demonstrations. Japanese favors to Kwangai. Apparent failure of Japanese Conciliatory Policy. Resumption of student demonstrations. Relations of student movement to internal political crisis.

793.94/7800

793.94

7800

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B. Relations with Other Countries:

1. Japan:

(a) Authorities' Concern over the Swatow Incident:

79394
(Am 898)

The Kwangtung Provincial authorities, constantly apprehensive of further trouble at Swatow in view of persistent Japanese smuggling and alleged subversive political activities, evidenced serious concern over the shooting there on January 21st of a Japanese consular policeman. Marshal Ch'en Shi-t'ang wired immediate instructions to the Swatow Municipal Government the character of which indicated that he was most anxious to have the incident settled amicably, irrespective of the question of responsibility.¹ The Japanese Government has evidently desired to create the impression that the affair can be arranged locally without recourse to pressure on the Provincial Government, since the Japanese Consul General at Canton has taken pains to deny press reports that settlement is being negotiated between himself and Marshal Ch'en.

(b) Japanese protests against student demonstrations:

Renewed protests to the Kwangtung authorities by the Japanese Consul General over the recrudescence of anti-Japanese student agitation apparently had little effect and are understood, on reliable authority, to have been disposed of in the same abrupt fashion as those made in December to the Kwangtung and Kwangsi Governments, reply being

¹ Consulate General's telegram of January 25, 11 a.m.

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being to the effect that nothing could be done to curb legitimate patriotic manifestations so long as Japan continued her aggressions in North China.¹ The reported intention of the Tokyo Foreign Office to make stronger representations was apparently not carried out, presumably due to the effective suppression of student excesses.

(c) Continued Japanese Favors to Kwangsi:

Official sources confirmed recent evidence that Japan has been courting Kwangsi favor with a view to increasing her economic foothold in that province and at the same time undermining Southwestern solidarity. Colonel H. Nemoto, Chief of the Press Section of the Japanese War Ministry and one of the several prominent Japanese military men who have visited the Southwest and favored Kwangsi with especial attention during the past few months, is reported as having given press interviews at Hanking and Shimonoseki in which he indulged in obvious flattery of the Kwangsi leaders and expressed concern over the strong British influence in their province. THE CHINA WEEKLY REVIEW cited the TOKYO HOCHI of December 25th as announcing the conclusion of a secret agreement between the Kwangsi military and the Sumitomo interests under which the latter are to supply Yen 15,000,000 of munitions and large quantities of refined oil to the former in return for extensive mining rights in Kwangsi. The report has not been confirmed.

(d) Apparent Failure of Japanese Conciliatory Policy:

Japanese efforts to conciliate and divide the Southwest appear to have suffered a setback, however. According

to

¹ Consulate General's despatch No. 93 of January 26, 1936.

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to confidential information from a high ranking local official, existing differences between Marshals Ch'en Shi-t'ang and Li Tsung-jen were adjusted in a secret conference held about the middle of January and both leaders agreed to adopt a strongly anti-Japanese attitude. On January 19th Li granted an interview at Canton 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" attitude of resistance which would ensure maintenance of China's national existence. Some observers felt that these developments, together with manifestations of growing anti-Japanese sentiment among students and the general public and the encouragement to anti-Japanese elements provided by the return of the fiery Hu Han-min, were influencing Japan to adopt more positive tactics in the Southwest and might well be not unrelated to the Swatow incident and reported embryonic separatist moves along the South China coast.¹

2. Great Britain:

(a) Demonstrations of Respect for King George:

The Southwestern authorities and press gave evidence of a desire to pay more than perfunctory tribute to the memory of the late King George. By decree of the Southwest Political Council, the flags of all government offices were half masted for three days following his death. On January 28th a memorial service was held at Shaoen which was attended by the Kwangtung Provincial Chairman and other prominent Southwestern officials, as well as by the members
of

¹ Consulate General's despatch No. 93 of January 26, 1936.
 Also confidential despatch No. 92 of January 26, 1936.

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to be prepared to offer Hu in return for the latter's support. Meanwhile a number of discontented and ambitious elements, including the Nineteenth Route Army clique and numerous office seekers, have taken the opportunity for a "new deal" created by Hu's return to work for a political coup of some sort.¹

While Chiang has continued to wire urgent summons to Hanking, the Kwangsi leaders have been endeavoring to persuade him to visit Hanking. Shortly after his arrival at Canton, however, the strain of continuous social festivities brought on a return of Hu's "illness" which has conveniently prevented him from accepting either invitation. Latest reports assert that he will not visit Kwangsi and that he will go to Hong Kong in time to meet Jang Chung-hui there and then proceed with him to Hanking.

3. Resumption of Student Demonstrations:

As reported in detail in the Consulate General's despatch No. 93 of January 26, 1936, student agitation for resistance to Japan, which had developed into forms of organized manifestation during December, assumed a more serious aspect in consequence of the persistence of the Chungshan University undergraduates in employing more aggressive tactics than those sponsored by the authorities 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.

4. Declaration

¹ Consulate General's despatch No. 93 of January 26, 1936.

793.94
 (See 882)
 "29"

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4. Declaration of Martial Law and Other Measures to Suppress Agitation:

773.94
 (100-151-100)
 Following the demonstration by Chungshan and other students of January 18th which culminated in a clash with a band of plain clothes agents who had disguised themselves as members of a patriotic citizens' organization, the military authorities took suspiciously drastic suppressive measures, which included the imposition of martial law at Canton, press censorship, the premature closing of all Canton educational institutions for vacation a month ahead of schedule, and an attempt to enlist unruly students in a government organized "military training" institution which was obviously in the nature of a reform school unit of the Kwangtung Provincial Gendarmerie.

Since the adoption of these measures, no further incidents have been reported. Most of the Canton students left their schools. On January 21st the authorities announced the termination of martial law and the return to normal conditions.

5. Relation of Student Movement to Internal Political Crisis:

Since the Canton schools are only now reopening, it is not yet evident how far the student agitation has survived the tactical vacation decreed by the military. According to the latest reports, however, the authorities had taken no steps to comply with the students' demands for release of their arrested comrades and punishment of the ruffians who attacked them on the 18th, which circumstance, coupled with the drastic methods of suppression of their patriotic manifestations, had

aroused

-10-

aroused wide-spread indignation among them. Large numbers of them only left Canton to escape enforced enrollment in the government training corps and passed their holidays in continuing agitation in other parts of the Province. A recent press report stated that only eleven students had enlisted in the training corps; and it remains to be seen how many of the agitators will be persuaded to resume school work at Canton under the distasteful conditions imposed by the authorities, particularly in the event of new overt Japanese aggression in the North.

As reported in the Consulate General's confidential despatch no. 93 of January 28th, moreover, the situation has been complicated by connection with recent underground activities of rival political factions, a continuation of which may well result in further aggravation of the student troubles. In the light of confidential information from two independent well placed official sources, it appears clearly established that a number of discontented elements, including disappointed office seekers and members of the Nineteenth Route Army clique, have exploited the student movement and that the whole affair has been closely related to the crisis which developed in connection with the ranking Government's recent overtures to Hu 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.

While both agreeing that the students' assailants on the 15th were hired gunmen, the two sources differ in

assigning

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assigning responsibility for the shooting. One claims that the affair was engineered by Marshal Ch'en Shi-t'ang in order to create an incident which would provide excuse for drastic measures to thwart the revolutionary designs of his political enemies and at the same time force the resignation of Chou Lu from his post as Chancellor of Chungshan University, thus hampering the Civilian Group's new arrangements with Hanking which Ch'en has resented as neglectful of his interests and also making room for his own appointee to Chou's post - now made additionally attractive in consequence of substantial subsidies granted the University by the Central Government. According to the other source, the Nineteenth Route Army group and other discontented factions hostile to both Ch'en and Chou not only encouraged the students in their anti-Japanese activities but also staged the affray on the 10th in the hope of bloodshed and a resultant crisis which could be utilized for the accomplishment of their own ends.

6. Revolutionary Activities of Nineteenth Route Army:

793.94
(Am 1-17-73)
 It would appear very clear that the Nineteenth Route Army leaders have been associated with schemes for a coup of some sort. One of the official informants above cited states that they have been active in promoting a secret organization known as the "Socialist Democratic Party", and have succeeded in enlisting a large number of students and teachers therein. According to the SOUTH CHINA MORNING POST (Hong Kong), the Canton student delegation which departed in early January to attend the conference of student representatives called by Chiang Kai-shek at Hanking to hear an explanation of his foreign policy

took

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took the opportunity of their passage through Hong Kong to consult personally with General Tsai Ting-kai (蔡廷楷), former commander of the Nineteenth Route Army. Reliable private sources state that Ch'en Ming-shu, who also commanded the Army prior to 1938 and is now in exile at Hong Kong in consequence of his participation in the Fukien rebellion, has played a prominent part in encouraging the students and organizing a movement to undermine the existing regime - apparently having decided that favorable circumstances for a political "comeback" justified abandonment of his trip abroad which had been recently prescribed and financed for him by Marshal Ch'en (and in connection with which the Consulate General had issued him a visa - see Consulate General's telegram of November 25, 1935, 9 a.m.). The correctness of this allegation appears more substantiated than disproved by the "emphatic denials" of his connection with the Socialist Democratic Party which Ch'en Ming-shu has just issued in the vernacular press, according to despatches from Hong Kong.

7. Pressure tooust Chou Lu from Office:

It is also manifest that, whatever the actual responsibility of Chou Lu for the student troubles, some quarters have been working persistently to deprive him of his post as Chancellor of Chungshan University and remove the institution from Nanking's control. Thus far Chou has managed to retain his position, thanks apparently to the strong backing of Nanking, which has vigorously turned

down

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down his repeated offers of resignation and emphatically denied rumors of surrender of control of the University to the southwestern division of the Kuomintang Central Executive Committee.

8. Precautions to prevent spread of student troubles through province:

793.74
 12-18-75
 except for the developments at Canton before related, the student movement was marked by no important demonstrations or incidents during the month. The authorities are evidently apprehensive of trouble, however, since recently the Kwangtung Provincial Government instructed its district officials to suspend middle schools whenever Canton student itinerant agitators appear and also to organize student military training corps similar to that instituted at Canton.

9. Communist Invasion of Kweichow:

The communist forces under Ho Lung (賀龍), and Hsiao Teh (蕭克), which at the end of December had been reported in southwestern Hunan closely surrounded by government troops and about to be annihilated, succeeded with suspicious ease in a rapid invasion of Kweichow. Rushing westward from the region of Chinkiang (芷江), central west Hunan, in early January, they were reported as having occupied the Tangjen, Yaping, Chenyuan, Taikung and Chienho districts of central eastern Kweichow by the eleventh of the month. During the next week, either of their volition or in consequence of mild pressure by government forces from the south, the main forces of the Reds advanced in northerly and northwesterly directions, reaching Szenan (思南) and Sungtao (松桃) in the north and points on the Wu River in the west at about the same time that their rearguard contingents were abandoning the Chenyuan region

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region in the face of a convergent advance by Hanking and Hunanese divisions. Then, as government troops hastily assembled in the north, they swung suddenly south and west in a determined drive apparently aimed at Kweiyang. According to the most reliable local source of information, the bulk of the communist forces occupied Wengan (甯安), sixty miles northeast of Kweiyang, on January 24th, Pingyueh (平越) on the 26th, and, after defeating a small force of government troops at Mapingchang (馬場坪) on the same day, gained control of the main highway leading to Kweiyang from the east. Kweiting (貴定), less than forty miles east of Kweiyang, was taken a day or two later. With the capture of Kweiyang apparently imminent, the Kweichow authorities declared martial law in the city, called urgently for reinforcements from Yunnan, Kwangsi and Hunan, and made hurried attempts to improve the town's system of fortifications.

According to the latest locally obtainable information, the communists have succeeded in approaching close to the eastern and northern outskirts of the city while Central Government units rushed from western Kweichow and Yunnan are arriving to assist in the capital's defense.

10. Failure of Kwangsi Forces to Assist in Repelling Invasion:

A study of reports of the communists' movements outlined above indicates that the government troops have been careful to avoid decisive engagements and that various factors other than military prowess have contributed to facilitate the invaders'

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invaders' rapid westward drive. It has been learned on reliable authority that, despite frequent urgent requests for Kwangsi military assistance made by both Hanking and the Chairman of Kweichow, the forces of Marshal Li Taung-jen assigned for duty in the latter province are still confined to garrisons at Tuanan (獨山) and other points near the Kwangsi border which, though only a relatively short distance south of the Reds' line of westward advance, have steadfastly refrained from any move to intercept their passage.

As far as can be ascertained, this indifference of the Kwangsi Military is concerned with Marshal Li's unwillingness to accept the appointment as Pacification Commander for Kwangsi, Hunan and Kweichow recently offered him by Hanking until assured that recompense for his expenditures in that capacity will amount to something more substantial than a title and the meagre "pickings" of the poorest province in China. A local press release several weeks ago quoted him as stating that he would certainly assume the proffered post if the Central authorities would remit money to cover the cost of his campaigns. According to a more recent REUTER despatch, the first official admission of Kwangsi's "inability" to send an army to the succour of Kweichow was conveyed to Hanking by a sarcastic telegram from the Southwest Political Council on January 30th to the effect that it was impossible to send troops to that province in view of the nationalization of silver and the non-acceptance of Kwangsi banknotes in Kweichow territory, and that under these circumstances the appointment of the Governor of Yunnan as Pacification Commander for

Kweichow

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Kweichow was recommended.

Also worthy of note in relation to the facility of the communists' movements in Kweichow were local press reports that the advancing Reds have been winning popular sympathy and assistance by announcing that they are on their way to North China to fight the armies of Japan and "Manchukuo". Such stories appear quite credible in the light of recent information from reliable private sources that anti-Japanese sentiment in Kweichow has been increasingly manifest.

11. Reported Reconciliation of Kwangtung and Kwangsi Military Actions:

As indicated under a previous heading, the Consulate General was informed by a high ranking local official that Marshals Ch'en Chi-t'ang and Li Tsung-jen held a secret conference at Canton which resulted in an adjustment of their differences and their joint adoption of an anti-Japanese policy. Li's visit to Canton during the latter part of the month, following prolonged retirement at Nanning, and a public statement of strongly anti-Japanese tone made on January 19th appeared to substantiate this report.

B. Provincial:

1. Militant Resolutions Adopted by Kwangtung Provincial Assembly:

The Kwangtung Provincial Assembly passed several resolutions of militant nature, calling on the Central Government to prepare to fight "the enemy" of China and to dispatch troops to quell the northern autonomy movement.

2. Military Preparedness Measures of Kwangtung:

Military preparedness measures taken in Kwangtung gave evidence of a determination to improve and modernize the province's system of defense. A program of retrenchment

was

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was undertaken under which a considerable number of infantry units are being disbanded and the salaries of all officers being cut from 5 to 20%. The savings anticipated, which are said to amount to about Yuan 5,500,000 a year, are to be expended for mechanization of the army and other improvements in means of national defence.

The Provincial Government approved the flotation of Yuan 10,000,000 of "air defense bonds". According to the Canton Daily Sun, the provincial assembly is preparing to establish an organ to take charge of the flotation, and air defence equipment will be purchased with the proceeds. It is reported in the press that the First Group Army Headquarters has recently secured a supply of two thousand gas masks; and that the Provincial Air Defense Committee is busy persuading the local population to purchase shaded lights for use during air raids. It is also stated that, in connection with its program of compulsory military training, Army Headquarters plans to require every government employee to put in a total of 102 hours of training.

In connection with the government's aviation activities, it may be recorded as of possible interest that on December 18th two airplanes belonging to the Canton Air Force were destroyed as the result of a collision in mid-air. The four occupants of the planes were all killed.

C. Municipal:

Nothing to report.

IV. FOREIGN AND LEGAL:

Nothing to report.

V. CONFIDENTIAL

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NOTE

SEE 893.00 P.R. Yunan/88 FOR #161

FROM Yunanfu (Ringwalt) DATED Feb. 4, 1936
TO NAME 1-1127 ***

REGARDING: Anti-Japanese Student movement

793.94/7301

7801

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793.94
 4. Anti-Japanese Student Movement.

About three thousand middle school and university students took part in a demonstration, held on January 1st, against what they consider to be recent Japanese aggression in North China. It is believed that this demonstration was held with the unofficial sanction, if not the encouragement, of responsible members of the Provincial Government. As anticipated, with the return of the students to their homes for the New Year vacation, the agitation has ceased and the movement has been allowed to die out (reference this Consulate's Despatch No. 131, dated January 13, 1936).

5. Relations of a General International Character.

Nothing to report.

6. Foreign Military and Naval Forces in China.

Nothing to report.

7. Occupation of American Property.

Nothing to report.

III. INTERNAL POLITICAL ACTIVITIES.

A. National.

1. Communist Situation.

a. Threat to Hailuans.

Apparently the communists who last December established at Tienchuan (天全), a district city near the Szechwan-Haikang border, a Haikang-Szechwan

Provincial

Provincial Government, have been content to remain more or less stationary pending the arrival of warmer weather.

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NOTE

793.94

SEE 893.00 P.R. Tsinan/93 FOR #5

FROM Tsinan (Smith) DATED Feb. 4, 1936
TO NAME 1-1127 ...

REGARDING: Relations between China and Japan. Chief political events during month under review were **three** brief visits to Tsinan by important Japanese officials for the purpose of interviewing General Han Fu-chu. No change between Provincial and the Central Government authorities. Comments concerning Student Strikes.

793.94 / 7802

7804

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B. Relations with other countries

1. Japan

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(Am 12-2)

The chief political events during the month under review were three brief visits to Tsinan by important Japanese officials for the purpose of interviewing General Han Fu-chu. A party composed of six leading members of the Japanese Diet arrived on the eighth and left after an interview the next day. They were allegedly either followed or preceded within a day or two by Mr. Ohashi, Vice Minister of Foreign Affairs of Manchukuo. On January 18th Major General Itageki, Vice Chief of Staff of the Ewantung Army, arrived by airplane for an interview that evening. It appears probable that some or all of these officials urged General Han to take over the leadership of the "autonomy movement" and that he was offered a comparatively free hand in North China in addition to substantial financial subsidies to carry him over until the huge revenues of North China could be diverted into his coffers. Great emphasis was believed to have been laid on the lack of sincere appreciation General Han had gained from the Central Government by standing firm against autonomy and the practical advantages which would accrue from a discreet acceptance of the inevitability of autonomy. However, it is believed that General Han Fu-chu succeeded in refusing to

commit

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commit himself at this time to support or heed any movement for the separation of North China from the rest of the nation.*

During the last half of the month considerable uneasiness was caused following the announcement in the press by Major-General Doihara that he was about to make a visit to Tsinan to bring General Han into line with the autonomy movement. That the announced visit did not materialize may perhaps be taken as an indication of the strength of Han's attitude during his conference with General Itagaki.

2. Great Britain

On January 28, 1936, a memorial service for King George V was held at Cheeloo University by the British residents of Tsinan. The service was attended by Chairman Han Fu-chu, the Japanese Consul General, the German Consul, and by the writer.

3. Relations of a general international character

Nothing to report.

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A. National

1. General situation

79394
(see 1411)

No major change seems to have occurred since last month in the fundamental factors entering into the relationship between the Provincial and the Central Government authorities. The secret tendering by General Han of his resignation from either the Chairmanship of the province or the command of the 3rd Route Army reported in this office's despatch No. 8 of January 15, 1936, tends to confirm the reports received by this office of continued friction between General Han and the Nanking Government; and, despite obvious Japanese pressure on General Han and reported Japanese dissatisfaction with General Sung Che-yuan, the continued refusal of General Han to commit himself leaves the situation vis-a-vis autonomy little changed.

2. Student Strikes

79394

Early in the month a group of eleven striking Tsinghua student delegates enroute from Peiping to Nanking succeeded in shaming the hitherto inactive

student

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student body of the College of Arts and Sciences of Cheeloo University to strike in support of the anti-autonomy movement. Their opportune arrival the night before the semi-annual examinations no doubt made the agitators' task less difficult.

When the other schools were closed on December 18, 1935, the Commissioner of Education warned the Cheeloo students that they would also be sent home if they did not stay at work. Within two hours of their decision to strike, General Han sent "Big Sword Men" to order the Cheeloo Students to pack and proceed at once to their homes. The few who did not do so voluntarily were forcibly started toward home two days later.

At present only the medical students and the primary students are still studying in Tsinan and no date has yet been set for the resumption of work by the striking students. General Han carefully warned them that he would not tolerate any student attempt to dictate his action on the autonomy question and, since they were sent home, explained to their parents and guardians the exact reason for dismissal. He was quite sympathetic until the students "called his bluff," but he is now apparently determined to make certain that they will concentrate on their studies and leave the management of the State to older heads before he permits schools to reopen.

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SEE 893.00 P.R. Chefoo/106 FOR #162
FROM Chefoo (Paxton) DATED Feb. 5, 1936
TO NAME 1-1187 870

793.94 / 7803

REGARDING:

Japanese Fracas at the Chefoo Custom House. Reports disturbance with reference to-.

7803

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8. Japanese Process at the

Shofco Custom House:

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As more fully reported in despatches Nos. 148, 149, and 160, of January 15, 16 and 21, 1936, respectively, there was a disturbance at the Shofco Custom House on January 14, which, but for prompt and effective handling by the acting Commissioner of Customs, might have had serious consequences. A gang of smugglers attempting to run through a cargo of sugar were stopped by the Customs authorities and the cargo seized and transferred to the Customs godowns, in spite of demonstrations by the smugglers. After the Japanese Consulate had failed to provide adequate protection and assistance, the Customs authorities as a face-saving gesture for the former agreed to release the cargo upon simple payment of the duty without imposition of a fine, on condition that the Japanese authorities would

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would take active steps to prevent this particular group of smugglers from repeating their offense. Towards the end of the month the smugglers appear to have brought pressure to bear on their consulate to such a degree that it took up officially with both the Customs and the Bureau of Public Safety an apparently trumped-up charge of assault by certain tide-waters. It is now thought possible that no further action will be taken by the Japanese authorities in view of the complete explanation by the Customs, which would seem to show that the Japanese Consulate has again protested on behalf of a certain element of its nationals and has once more been forced to yield ground. It is reliably rumored that the Acting Consul for Japan is in exceedingly bad odor with the local Japanese community, due to his ineffectiveness in actual accomplishments. This would not be surprising as he has alienated the sympathies of all officials with whom he has had any dealings, by his arbitrary and highhanded methods and insulting and provocative correspondence.

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NOTE

793.94

SEE 893.00 P.R. Tientsin/92 FOR #149

FROM Tientsin (Caldwell) DATED Feb. 11, 1936
TO _____ NAME _____ 1-1127 ...

REGARDING:

Relations between China and Japan. Affairs of the
Hopei-Chahar Council. Anti-Japanese acts.

re

793.94 / 7304

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II. FOREIGN RELATIONS.

A. Relations with the United States.

Nothing to report.

B. Relations with Other Countries.

1. Japan.

a. Affairs of the Hopei-Chahar Council.

(1) Anti-Japanese acts. Members

793.94
 of the 22th Route Army, commanded by General Sung Che-yuan, Chairman of the Hopei-Chahar Council, were involved at the beginning of January in several allegedly anti-Japanese acts, the most serious of which were a shooting affray at Ch'oyang Men in Peiping, during which, according to the Japanese version, Japanese officers demanding entrance to the city after the

gate

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

gate had been closed were fired upon by Chinese troops on guard at the gate; and the so-called Taku incident, in the course of which an insult was alleged to have been offered the Japanese flag by a group of Chinese soldiers, who were also said to have looted a Japanese store. The series of demands delivered by the Japanese Consul General at Tientsin to the Chinese authorities in connection with the settlement of the latter incident, and the accusation laid against General Sung by the Japanese military that he was still really anti-Japanese, resulted in a feeling of some tension during the first part of the month. Both the Chiao-yang Men and Taku incidents were, however, brought to an amicable close by General Sung Cho-yuan's apology for their occurrence and promise to punish the Chinese directly responsible and to make good any losses suffered by the Japanese.

(2) Enlargement of Council. In the course of the month General Hoihara and several other high ranking Japanese military officers visited both Shantung and Shansi in what was reported to be a renewed effort to bring those two provinces, and perhaps Suiyuan as well, into the Political Council. Reports from Chinese sources indicated that it was widely feared that Shantung might be brought into the new government before the Chinese New Year. It is understood that the Provincial Government of Shansi was unresponsive, and that General Fu Tso-i in Suiyuan definitely rejected the proposals of General Hoihara.

Major-General

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

Major-General Itagaki, the Vice Chief of Staff of the Kwantung Army, on a tour of inspection of North China, is reported to have told General Sung in the course of a two-hour conversation with him that if General Sung succeeded in establishing a completely autonomous state in North China the Kwantung Army would give him its support.

Information given the Consulate General tends to corroborate press reports that the National Government has been asked to consent to the increase of the membership of the present Council from seventeen to twenty. As the additional members General Sung has nominated Ch'ou Chueh-sheng, the Managing-Director of the Peiping Railway; Niu Chuan-shan (), a leader in the formation of the Eastern Asiatic Economic Association (); and Ch'ou Chung-fu (), Chairman of the Diplomatic Commission of the Hopei-Chahar Council.

A Japanese press agency reported on January 19th that plans had been made for the formation of a permanent commission under the Council to be composed of representatives of the autonomy organizations in the several hsien of Hopei Province. No such commission has yet been formed, but the report is significant as suggesting the next step in the preparation of North China for complete autonomy.

(3) Council Regulations. The National Government announced the regulations governing the Hopei-Chahar Political Council in the

Gazette

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

- 5 -

Gazette of January 17. The significant provisions would appear to be those requiring that all members of the Council be appointed by Nanking; that the Council might, as the need arose, appoint special commissions; and that subject to the approval of the National Government the Council might promulgate regulations.

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

7805

DOCUMENT FILE

NOTE

SEE 500.A 15 a 5/678 FOR #1665

FROM Japan (Grew) DATED Feb. 7, 1936.
TO NAME 1-1127 ***

REGARDING:

Possibility of a Sino-Japanese Non-aggression Pact. In the opinion of this Embassy, it is doubtful if any Sino-Japanese non-aggression or other political pact can be concluded at the present time, as the Japanese Military do not wish to have their hands tied by any pacts binding the nation to peaceful methods.

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793.94/7805

793 94

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

7806

DOCUMENT FILE

NOTE

743

SEE 893.00 P.R. Tientsin/92 FOR #149

FROM Tientsin (Galdwell) DATED Feb. 11, 1936
 TO _____ NAME _____ 1-1127 ***

793.94/7806

REGARDING:

The Student Movement. Chiang's Conference. Call issued by General Chiang K'ai-shek for the selection throughout the country by student groups of representatives to attend a conference in Nanking to explain the foreign policy of his Government.

re

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

d. The Student Movement.

193.94
 (See p. 16)

(1) Chiang's Conference. In order to prevent the politically powerful student movement from turning against himself, General Chiang K'ai-shek issued a call for the selection throughout the country by student groups of representatives to attend a conference in Nanking at which he promised to explain the foreign policy of his government, with especial reference to the situation in North China against the course of which the students were protesting. The representatives from Peking and Tientsin were selected by the school authorities and would not appear to have been in any sense representatives of the student groups of either of those cities. Mass meetings were held to condemn those students who attended the

- 10 -

the conference, and on the day on which it opened in Nanking the Peiping students issued a statement quoting General Chiang as having promised a student delegation four years ago that "if the lost territory cannot be recovered after three years I shall cut off my head to show the people my remorse", and pointing out that the performance of this promise would already appear to be a year overdue. The deepening anti-Chiang complexion of the now nation-wide student agitation appears to be a fact of great potential significance in the history of the movement, and perhaps even in that of China itself.

(2). Propaganda crusade. Three brigades, numbering altogether perhaps five hundred students, of whom about ten were reported to have been girls, left Peiping and Tientsin on January 2 to begin a propaganda crusade against Kuapei "autonomy" through the rural districts of Hopei Province. They had evolved an elaborate organization, and carried small mimeograph machines with which to reproduce the cartoons and handbills which they distributed freely over the countryside. The students reported that the results of their efforts were gratifying. Perhaps in acknowledgment of the effectiveness of this crusade, it was halted by the 29th Route Army acting on orders from General Sung Chayuan about January 15, and the student brigades were forcefully disbanded.

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

7807

DOCUMENT FILE

NOTE

793.94

SEE 893.00 P.R.Tientsin/92 FOR #149

FROM Tientsin (Caldwell) DATED Feb.11,1936
 TO _____ NAME _____ 1-1137 ***

REGARDING:

Peining subsidy to Yin. Circumstances investigated surrounding the seizure of the post of Managing-Director of the Peining Railway by Ch'en Chuch-Sheng, and to attempt to find some settlement of the difficulties caused by Yin Ju-keng's retention of the ticket revenues of the railway within the Zone.

793.94/7807

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

(8) Joining subsidy to Yin, Chang

793,94
 Chia-ao (), the Minister of Railways of the National Government, came north during the first week in January to investigate the circumstances surrounding the seizure of the post of Managing-director of the Peining Railway by Ch'en Chuoh-sheng, and to attempt to find some settlement of the difficulties caused by Yin Ju-keng's retention of the ticket revenues of the railway within the zone. Upon his arrival here he found himself obliged to accept the appointment of Ch'en as Managing-director and to put in Ch'en's hands the solution of the difficulties between the Railway and Yin. Ch'en promptly negotiated a settlement whereby the Peining Railway pays Yin Ju-keng Yuan 100,000 a month in consideration of his promise not to molest the Line and to afford it police protection.

b. Yin and East Hopei.

(1) Renewed "Manchukuo" pact. It has apparently become the custom for ranking Japanese officials visiting North China to include a visit to Tientsin in their itinerary as an earnest of Japanese interest in the welfare of Yin and his East Hopei Government. This practice has given rise to considerable

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

- 7 -

considerable speculation among political observers which may have been justified in regard to the calls of Major-General Itagaki, Vice Chief of Staff of the Kwangtung Army, and Mr. Chuichi Shashi, Vice Minister of Foreign Affairs of "Manchukuo".

Itagaki was said to have assured Yin of his support in any eventuality in return for some consideration, possibly the recognition of "Manchukuo", and Shashi was said to have negotiated a treaty on behalf of "Manchukuo" with Yin, in which the two governments recognized each other, and made mutual customs and other concessions, no confirmation of these reports has been possible.

(2) Ch'angping attacked. On January 27th the town of Ch'angping, lying on the Peking Tientsin Line, was mysteriously attacked by a band of over 2,000 men, who took possession of the city. They were variously reported to be bandits, discharged Pao An Tui, and militia men. Feng Shou-p'eng, the notorious commander of the Peace Preservation Corps charged with the defense of the city, failed to function, and the gentry of the city opened its gates to the attackers.

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

~~EC~~

TELEGRAM RECEIVED

MJP

PLAIN

1-1336

FROM Nanking via N R

Dated March 20, 1936

Rec'd 7 a. m.

Secretary of State,
Washington.

W. H.
MAR 20 1936
Department of State

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

March 20, 2 p. m.

My March 18, 4 p. m. to Peiping. Section one,
paragraph one.

A joint communique was issued by the Foreign Office
and the Japanese Ambassador late March nineteenth as
follows:

"With reference to the question of readjusting
Sino Japanese relations, General Chang Chun, Minister
for Foreign Affairs, and Mr. Hachiro Arita, Japanese
Ambassador to China, had a series of four talks in the
Waichiaopu between March sixteen and March nineteen.
Each conversation lasted from two and a half to three
hours, nobody else being present besides the two diplomats.
The conversations were in the nature of an informal
exchange of opinions, both expressing their frank views in
a free and sincere manner.

As the object of the parleys was to facilitate
satisfactory progress of future negotiations for read-
justing Sino Japanese relations, no definite procedure

has

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793.94/7808

FILED
MAR 23 1936

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

MJP -2- March 20, 2 p. m. from Nanking.

has been arranged, nor was the scope of discussion limited to any particular subjects. All questions concerning the relations between the two countries were discussed, and no attempt was made to reach any conclusions.

The talks were conducted in a most friendly atmosphere throughout the four days and ended at four thirty o'clock on Thursday afternoon (March nineteen), as previously arranged. Although a complete agreement on all points has not yet been achieved, the parleys may be considered to be very helpful towards producing a better appreciation of each others viewpoints."

Two. Section two follows.

HPD

PECK

115-2

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

TELEGRAM RECEIVED

MJP 1-1326

FROM

GRAY AND SPECIAL GRAY

Nanking via N R

Dated March 20, 1936

Rec'd 11:05 a. m.

Secretary of State,
 Washington.

59, March 20, 2 p. m.

(SECTION TWO)

Three. Chang Chun and Arita have held four lengthy daily conferences from March 16th to 19th inclusive. From such information as is available it appears that these conversations were actually, as reported in the press, more in the nature of an exchange of views than of negotiations and that no basis for future negotiations was agreed upon or any actual progress made toward a readjustment of Sino-Japanese relations. It appears that Arita did not make any definite proposals, one reason being his uncertainty as to his own future assignment and another reason being, possibly, lack of specific instructions based upon whatsoever "positive" policy may have been adopted in Tokyo as a partial basis for Hirota's press announcement of March 17,

Four. Arita is to talk with Chiang Kai Shek this
 afternoon

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

MJP -2- No. 59, March 20, 2 p. m. from Nanking

afternoon and is planning to proceed to Shanghai
tomorrow for a conference with Japanese consuls
general
~~following~~ from various Chinese posts before going on
to Tokyo.

PECK

CSB

*Correction made
3/26/36
H.E.F.*

115-9

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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./104 FOR #191

FROM China (Johnson) DATED Jan 29, 1936
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Chief developments during December.

FRG.

793.94/7309

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

1. Japan:

793.94
The inauguration of the Hopei-Chahar Political Council, nation-wide demonstrations by students against autonomy in North China and Japanese imperialism, and a proposal by the Chinese authorities that Sino-Japanese relations be clarified by diplomatic negotiations were the chief developments during December arising out of Japanese activities which had been accelerated as a result of dissatisfaction with the National Government's monetary decree of November 3.

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



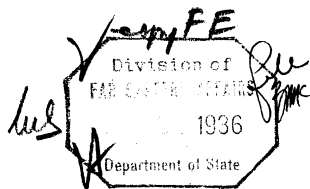
EMBASSY OF THE
UNITED STATES OF AMERICA

Peiping, February 28, 1936.

No. 271

Subject: Disturbance at Ch'angping on
the Peiping-Suiyuan Railway.

793.94



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1936 MAR 23 PM 1 53

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DIVISION OF
FAR EASTERN AFFAIRS
U.S. DEPARTMENT OF STATE

793.94/7810

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

Sir:

I have the honor to refer to paragraph three
of the Embassy's telegram No. 40 of January 30,
4 p.m., 1936, in which was reported a military
clash of an uncertain nature at Ch'angping, a town
which is about thirty miles northwest of Peiping
on the Peiping-Suiyuan Railway and also on the
border of the demilitarized zone which Yin Ju-keng
now administers independently of the National Gov-
ernment

APR 1 1936

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- 2 -

ernment under the name of the Eastern Hopei Anti-Communist Autonomous Government. As the situation at Ch'angping continued to be obscure and did not develop into significant proportions, the Embassy made no further report with regard to it. However, the Military Attache has now written a detailed report of the affair, based on information obtained from a Chinese whom he regards as reliable, and a copy of this report is enclosed as 1/ of possible interest.

According to this report, a force of more than 2,800 men occupied Ch'angping on January 22, which had been garrisoned by 340 men of Yin Ju-keng's "government". The invading force was the militia which had been raised and trained by Colonel Liu Tso-chou, who was assassinated August 4, 1935, at Lanhsien in the demilitarized zone (See page 5 of the Embassy's despatch No. 4 of September 27, 1935). Following Yin Ju-keng's declaration of autonomy on November 25, 1935, this force was put under Japanese direction and was ordered on January 8, 1936, to march to T'ungchow, Yin Ju-keng's so-called capital. They were led by Japanese, however, to Ch'angping, where fighting between this force and the forces in the town ensued. The invading force was then ordered on January 31 to move westward, which they did, leaving the demilitarized area and crossing the Peiping-Suiyuan Railway. Later, they were met by forces of General Sung Che-yuan, the Hopei Provincial Chairman, and, without resistance, were incorporated in General Sung's army, with the exception

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


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ception of some 200 men who fled.

According to the report of the Military Attaché,
the intention of the Japanese was to create disorder
which would result in an enlargement of the area under
the control of the Eastern Hopei Anti-Communist Auton-
omous Government. Although it is not improbable that
this may have been the purpose of the Japanese con-
cerned, confirmatory information is lacking.

Respectfully yours,

For the Ambassador:


F. P. Lockhart,
Counselor of Embassy.

710
LES/js.

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

Enclosure:

1/Copy of report from
Military Attaché,
Peiping, China.

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

CORRECT COPY
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 271

THE CH'ANGPING DISTURBANCES

Ch'angping is located at a distance of about 30 miles north of Peiping and 3 miles east of the Peiping-Suiyuan Railway passing through this area. This town is now under the control of the East Hopei Autonomous Government and garrisoned by the 3rd Detachment Corps under Feng Shou-peng (formerly Peace Preservation Corps of the Demilitarized Zone), with a force of approximately 340 men. On January 22nd a group of militia, consisting of more than 2,800 men, in black uniform and full equipment, suddenly entered this town, occupied the Hsien Government, the magistrate and the staff of which had fled before their arrival, and burned all the archives of this government office. During their stay in the town they lived separately in the local inhabitants' houses. They called themselves the 1st Brigade of the "People's Union Autonomous Army", which was originally the Lwanchow militia. When the late Liu Tso-chou commanded the garrison of Lwanchow composed of his Peace Preservation Corps, he ordered the local inhabitants to choose ten men out of every hundred from this town, to provide them with arms and uniforms, and to have them concentrate at a certain place for military training for one month. After receiving their training they were dismissed and ordered to return to their respective homes for the defense of their own towns. Subsequently, this militia received some more military training and therefore has had some military knowledge.

79546/17810

Upon the inauguration of the East Hopei Autonomous Government, this militia was ordered concentrated in Ch'angli for military training by Yin Ju-keng under Japanese direction. When all the men of this militia reached Ch'angli they were detained and organized into a formal brigade of two regiments, numbering more than 2,800 men, with Ning Yu-shih as commander. Five Japanese were detailed to this force by order of the East Hopei Autonomous Government as instructors and advisers. After the completion of its organization, on January 8th, the Japanese ordered this force to be transferred to Tungchow and told its men that they were being transferred there as the Guard of the Autonomous Government. Led by the Japanese, they walked for 13 days and finally reached Ch'angping instead, contrary to their expectations. Upon their arrival at this town, they became suspicious of the Japanese who directed their movements.

On January 27th at 3:00 p.m. the men of this autonomous army who were sent to take over the control of the city gates of Ch'angping were disarmed by the Peace Preservation Corps under Feng Shou-peng stationed in this town; as a result fighting ensued between these two forces and did not cease until 6:00 a.m. on January 28th. Owing to their being outnumbered, the Peace Preservation Corps under Feng Shou-peng retreated to Lungshan, a small village about 8 li east of Ch'angping. Upon the outbreak of hostilities, a state of confusion existed and the local people began to flee for their lives. At this point the men and officers of this militia began to realize that they had been tricked by the Japanese into carrying out some of the latter's unknown schemes. They then asked their brigade commander, Ning Yu-shih, for their pay. After some negotiations between Ning and the Japanese, a sum of \$30,000 was brought to

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

this town from T'ungchow and 100,000 rounds of ammunition, 6 machine guns and 4 howitzers were conveyed there from Kupeikow. On January 25th approximately 120 Japanese soldiers arrived and observed the movements of this force. On January 21st its brigade commander Ning ordered them to move westward. By 6:00 a.m. on that day this force had all left the West Gate of the town under the direction of the Japanese. After passing the Demilitarized Zone border they crossed the Peiping-Suiyuan Railway line. The Japanese told them that they were being transferred to Pan-shanhsien, over 30 li southwest of Peiping. After walking for more than 20 li, they were rounded up by the 37th Division of the 29th Army Corps under Sun Che-yuan. When Sun Che-yuan's troops opened fire this autonomous force did not return the fire and were subsequently disarmed. About 300 men succeeded in escaping, the other 2500 were taken prisoners. The brigade commander, Ning Yu-shih, and the two regimental commanders were also captured and brought to the 37th Division Headquarters at Hsiyuan for trial. The five Japanese were also captured but later released after some questioning. The 29th Army has decided to incorporate these captured prisoners into the different units of its forces. Of the 300 men who had escaped, 120 were later also captured.

Conditions in Ch'angping have now been restored to normal, but there are still bandits in the outskirts of the town. All the different kinds of foodstuff in Ch'angping were consumed by the autonomous force before its departure. Yin Ju-keng has despatched a representative named T'ang Tau-hsi, with a sum of \$5,000, to Ch'angping to readjust the Hsien Government and also to give relief to the unfortunate victims in the town.

The Japanese are behind the scenes in the Ch'angping disturbances. They intended to have the autonomous force create disorder in the Nankow and West Peiping area, aiming at the enlargement of the East Hopei autonomous district, the taking over of the southern section of the Peiping-Suiyuan Railway, and also the withdrawal of the forces of the 29th Army to Hopei from Chahar. When the Japanese directed the autonomous force to leave Ch'angping and move westward, they did not believe that the 29th Army would dare to check their advance and they never expected that the autonomous force would not resist at all, with the result of being totally disarmed.

It is reported that, this move having failed, the Peace Preservation Corps under Yang Tao-i, stationed at Yenking, Chahar, has been encouraged by the Japanese to cause disturbances outside the Demilitarized Zone. The 38th Division of the 29th Army Corps is taking precautions to cope with the situation.

COMMENTS: The above is substantially the report of a competent observer (Chinese) in whom I have confidence. He spent Saturday, February 8th, in Ch'angping and had no trouble getting the facts as reported.

(Signed) J. L. Stilwell

Joseph W. Stilwell
 Colonel, Infantry
 Military Attache

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

NO. 24

EE
9-c/c

AMERICAN CONSULATE GENERAL,
Shanghai, China, February 24, 1936.

1193.94

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For	Davis		
	ONI, M.I.D.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SUBJECT: Sino-Japanese Relations.

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

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

copy FE
Division of
FAR EASTERN AFFAIRS
MAR 24 1936
Department of State

793.94/7811

SIR:

1/

I have the honor to enclose a copy of a self-explanatory despatch No. 20 of this date, with enclosure, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss,
American Consul General.

FILED
APR 1 1936

Enclosure:
1/- Copy of Shanghai Consulate General despatch No. 20 with enclosure.

800
MBD MB

In Quintuplicate.

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KFC

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

No. 20

February 24, 1936.

Subject: Sino-Japanese Relations.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to previous despatches from this office regarding Sino-Japanese relations, and to submit as of possible interest to the Embassy the enclosed memorandum of statements made by Mr. Jabin Hsu, Chief of the Department of General Affairs of the Ministry of Finance, in the course of an informal discussion last night.

It will be noted that Mr. Hsu speaks pessimistically of the relations between General Yen Hsi-shan and theanking Government; that he considers the four northern provinces under Japanese control for all practical purposes; that he thinks General Han Fu-chu may be able to hold out against the Japanese, and that he hopes Ambassador Arita will be more effective than Ambassador Ariyoshi in giving support to the moderate elements in

the

793.94/7811

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

-2-

the Japanese Government and Army. He says the outcome of the Doihara-Tada dispute might have been different had Ariyoshi been stronger.

Respectfully yours,

C. E. Gauss
American Consul General.

Enclosure:

1/- Memorandum of Statements
made by Mr. Jabin Hsu.

800
MBL:MB

In quintuplicate to Department
by despatch No. 24 of even date.

Copy to Embassy, Nanking.

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

Enclosure No. 1 to despatch No. 20 of C. E. Gauss,
American Consul General at Shanghai, China, dated February
24, 1935, on the subject: "Sino-Japanese Relations."

February 24, 1936.

Conversation:

Mr. Jatin Hsu, Chief of Department of
General Affairs, Ministry
of Finance,

Mr. Davis.

Subject: Sino-Japanese Relations.

Mr. Hsu spoke at some length last night about the
opinion of himself and his associates with regard to
the general political situation. He said they consider-
ed the four northern provinces lost to the Nanking
Government for all practical purposes; that Suiyuan is
isolated and at the mercy of the Japanese; that Yen
Hsi-shan has accepted Japanese advisers and will do as
they direct, and that Sung Che-yuan is under such pressure
that he has no choice but to comply with Japanese wishes.
Mr. Hsu seems more bitter toward Yen Hsi-shan than anyone
else in the northern area, saying that they have always
known he would do whatever his selfish interests might
dictate. He is less harsh in speaking of Sung Che-yuan
and apparently has confidence in Han Fu-chu, who he seems
to think will hold out against the Japanese.

Apropos of newspaper reports of the disagreement
between Doihara and Tada, he expressed the conviction
that the breach between these officers would never be
healed and that comments to the contrary are for publicity
purposes only. In his opinion Doihara has the upper hand
for the time being but the uncertainty in the situation
will hold up the Japanese for the present. He hopes Arita
will be able to give effective support to the moderates,
and says that Tada might have prevailed against Doihara
had Ariyoshi been stronger. He says also that according
to his information Japanese pressure in Fukien province
has been lessened of late.

MBD

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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 31, 1936.

~~MMH:~~
~~MMH:~~

Shanghai's despatch No. 43, February 29, 1936, reports on the arrival of Mr. Arita, the new Japanese Ambassador, and refers to his statement to the press that (1) he considers it essential to establish Sino-Japanese relations on a firm footing (2) he has instructions looking to a general readjustment of relations (3) he intends to deal with problems in private talks and (4) he will reside in Nanking.

With the despatch are enclosed Shanghai press comments which welcome Mr. Arita in the hope that Sino-Japanese relations will be improved and freed from interference by the "lesser military satellites".

JCV
JCV/REK

116-1

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

NO. 43

AMERICAN CONSULATE GENERAL,

Shanghai, China, February 29, 1936.

For Distribution Check		Yes	No
Grade	M		<input checked="" type="checkbox"/>
For	Davis	<input checked="" type="checkbox"/>	
		CHI-MID	

SUBJECT:

Sino-Japanese Relations:
Arrival of Ambassador Arita.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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

Copy in FE
 Division of
 FAR EASTERN AFFAIRS
 MAR 25 1936
 Department of State

SIR:

I have the honor to report that Mr. Hachiro Arita, newly appointed Ambassador to China, arrived in Shanghai aboard the M.V. ASAMA MARU on February 26, 1936, accompanied by his wife and Major General Rensuki Isogai, Japanese Military Attaché. His coming was viewed with mixed feelings locally; some fear that he may sympathize with the army and favor a stronger attitude toward China, while others hope that his strength and prestige will enable him to effect a genuine rapprochement without interference from the military which has been so familiar of late.

In an interview with representatives of the press he stated that he considers it essential to establish Sino-Japanese relations on a firm footing for the sake of peace and prosperity in East Asia, that he has instructions looking to the general readjustment of relations between the two countries, and that he intends to deal with problems in private talks rather than at a formal conference. He announced it as his intention

793.94/7812

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APR 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. Quisenberry NARS, Date 12-18-75

-2-

to reside in Nanking. It is understood that the Counselor of Embassy, Mr. K. Wakasugi, newly transferred from Peiping, will continue to live in Shanghai.

THE CHINA PRESS (American and Chinese registered) of February 26, 1936, attacks Ambassador Arita on the basis of statements he is reported to have made prior to sailing to the effect that North China constitutes a special area because of its proximity to "Manchukuo." The article continues that thus "with an 'open mind' Mr. Arita has advanced by analogy the same line of argument which Japanese diplomats have pursued in and out of turn for decades on end." It derives some comfort, however, from his statement that he will discuss issues personally, and expresses the hope that this will mean the discontinuance of interference of "the lesser military satellites" in the settling of Sino-Japanese questions.

THE SHANGHAI EVENING POST AND MERCURY (American)
 1/ of the same date welcomes the new Ambassador with a reference to his qualifications of experience and ability. The writer points out that although there have been great changes since he was here before, there are

"signs pointing to a swing back toward the days when militarism was not the dominating factor in Japanese policy toward China; toward a restoration of sanity in which such men as Mr. Arita might play the most vital of parts. It is not our part to instruct or to advise. We recognize the fact. But we and many others welcome every portent indicative of a desire on Japan's part to deal fairly with China... Expressions of Japanese policy will be watched with special interest at this time. We believe that the day has arrived for the formulation of new theories

of

116-3

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

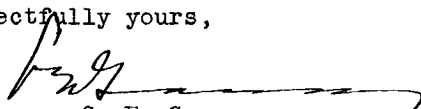
-3-

of Sino-Japanese relationship, based on principles which the world can recognize as fair to both parties. In no other theories lie salvation for either of these inevitably inter-dependent nations.

Mr. Arita is welcomed for his knowledge and capabilities. These it is hoped will be given free scope for achieving more fundamental and lasting solutions than have hitherto been forthcoming."

THE SHUN PAO (Chinese) according to a summary appearing in THE CHINA PRESS of February 28, expresses great interest in the plans the new Ambassador is said to have for the improvement of Sino-Japanese relations and expresses the belief that so long as conditions in North China remain abnormal it is difficult to see how relations can be improved or set upon a firm and friendly foundation.

Respectfully yours,


 C. E. Gauss,
 American Consul General.

Enclosure:

- 1/- Editorial from THE SHANGHAI EVENING POST AND MERCURY of February 26, 1936.

800
 MBD MB

In Quintuplicate.

Copy to Embassy, Peiping.

Copy to Embassy, Nanking.

Copy to Embassy, Tokyo.

116-3

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

Enclosure No. 1 to despatch of C. E. Gauss, American
 Consul General at Shanghai, China, dated February 29,
 1936, on the subject: "Sino-Japanese Relations:
 Arrival of Ambassador Arita."

SOURCE: THE SHANGHAI EVENING POST
 AND MERCURY (American),
 February 26, 1936.

Editorial.

Shanghai, February 26, 1936, No. 48 Vol. 59

Welcome, Mr. Arita!

OLD FRIENDS AND NEW welcome Japan's
 new Ambassador, Mr. Hachiro Arita, who
 arrives from his native land today to take
 up delicate and difficult tasks.

Their delicacy and difficulty will not daunt
 him, for he has had long experience in
 diplomatic service. He knows China, although
 for some years he has been out of direct
 touch. His spirit is sympathetic toward China's
 aspirations, we believe. He is a man of reason,
 ready to understand reason in others.

We have previously commented upon Mr.
 Arita's service in the former Japanese Legation
 at Peking, when the national capital was to
 the north. He was not then "No. 1" in his
 diplomatic establishment but he ranked as
 decidedly a "No. 1" in his contacts with his
 fellow-diplomats—and, incidentally the foreign
 press which upon his departure made a pre-
 sentation to him.

Returning as Ambassador, Mr. Arita finds
 the capital changed and the situation changed
 much more. Not the least of the changes in-
 volves his own country. Yet there are signs
 pointing to a swing back toward the days
 when militarism was not the dominating fac-
 tor in Japanese policy toward China; toward
 a restoration of sanity in which such men as
 Mr. Arita might play the most vital of parts.

It is not our part to instruct or to advise.
 We recognize the fact. But we and many
 others welcome every portent indicative of a
 desire on Japan's part to deal fairly with
 China; and if indeed the signs are hopeful
 of better times to come, we regard it as most
 fortunate that a man of the Arita stamp is
 to be Japan's chief diplomatic representative.

Mr. Arita is not weak, and it would be
 neither for Japan's benefit nor China's if he
 were. Advocating fairness on Japan's part to-
 ward China, we similarly recognize the need
 for fair treatment of Japan—although the re-
 cord would hardly disclose many instances of
 any lack of Japanese capacity for insisting
 upon the receiving it at the hands of China!
 Mr. Arita can and will be properly firm; he
 should not and we trust will not be disposed
 toward a "strong policy" in the extreme sense
 so often advocated by Japanese sword-rattlers.

Expressions of Japanese policy will be
 watched with special interest at this time.
 We believe that the day has arrived for the
 formulation of new theories of Sino-Japanese
 relationship, based on principles which the
 world can recognize as fair to both parties.
 In no other theories lie salvation for either of
 these inevitably inter-dependent nations.

Mr. Arita is welcomed for his knowledge
 and capabilities. These it is hoped will be
 given free scope for achieving more funda-
 mental and lasting solutions than have hitherto
 been forthcoming.

793.94/2812

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

we believe that the day has arrived for the formulation of new theories of Sino-Japanese relationship, based on principles which the world can recognize as fair to both parties. In no other theories lie salvation for either of these inevitably inter-dependent nations.

Mr. Arita is welcomed for his knowledge and capabilities. These it is hoped will be given free scope for achieving more fundamental and lasting solutions than have hitherto been forthcoming.

* * * * *
Since the foregoing was written, word has come of apparently sensational developments in Japan which may foreshadow changes of tremendous consequence. What this will mean either to Japan or to China it is of course impossible to forecast. A severe strain may be thrown upon Mr. Arita through such an event at the very moment of his arrival in his new post but his difficulties will be recognized and his course made easy in all possible ways, we are sure.

DECLASSIFIED: E.O. 11652, 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 31, 1936.

~~MSM:~~
~~ROM:~~
~~EHD:~~
~~WHS:~~
~~SKH:~~

Peiping's despatch No. 270, February 28, 1936, reports on the origin, status, and significance of the Eastern Hopei Anti-Communist Autonomous Government under Yin Ju-keng.

Yin Ju-keng's career is reviewed and reasons for his autonomy move are found in (1) relations with the Japanese, (2) dissatisfaction with the National Government, and (3) straightened financial circumstances.

The statement is made that Sung Che-yuan agreed with Yin to declare autonomy within three days after Yin's declaration but failed to do so because of opposition from Nanking and from his own subordinates.

Yin has extended the area of his autonomous regime beyond the original limits of the demilitarized zone, witness the inclusion of Tangku.

The security of Yin's regime is due the support of the Japanese military. That Yin has this support is made obvious by the presence in Tungchow and in many of the districts in his area of Japanese advisors and by the visits of prominent Japanese

to

117-1

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

to his "capital" (Tungchow). His security is evidenced by the disregard for Nanking's order for his arrest.

Chinese \$700,000 monthly is estimated as the income received by the "autonomous state".

The following reasons for Japanese support of the regime are cited: (1) it serves as an offset to the failure to establish an autonomous government for the five northern provinces, and as an instrument for effecting autonomy over a larger area, (2) it strengthens the Japanese military position, (3) it maintains no effective customs barrier to the entry of Japanese goods, (4) it weakens the Chinese National Government, and furnishes evidence to the Western world of the lack of unity in China.

The Embassy states that the regime may be expected to last as long as it serves as an instrument of Japanese penetration.

JZV
JCV/REK

117-2

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 270

Peiping, February 28, 1936.

Subject: Mr. Yin Ju-keng and his Eastern Hopei
Anti-Communist Autonomous Government.

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For Distribution-Check		Yes	No
Grade	X	OFFICE	<input checked="" type="checkbox"/>
For		In U.S.A.	<input checked="" type="checkbox"/>
OKI-MID			

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Division of
FAR EASTERN AFFAIRS
MAR 25 1936
Department of State

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MAR 25 PM 1 44
DEPARTMENT OF STATE

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

THE UNDER SECRETARY
APR 2 1936
DEPARTMENT OF STATE

FILED
APR 4 1936
KFC

Sir:

I have the honor to comment, as follows, on the origin, development, present status, and significance of the Eastern Hopei Anti-Communist Autonomous Government which was established November 25, 1935, by Mr. Yin Ju-keng in the demilitarized area of northern Hopei Province as one outcome of the machinations of the Japanese military to extend their control over North China.

Mr. Yin

117-1

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

- 2 -

Mr. Yin Ju-keng's career:

Although there are in Hopei Province a number of Chinese who are willing to do the bidding of Japanese expansionists, the fact that the principal Chinese official in the demilitarized zone was one of them greatly facilitated Japanese plans. It is, therefore, worthwhile to recount Mr. Yin Ju-keng's career as it was important in influencing him to turn traitor to the National Government and to China.

Mr. Yin was born at Wenchow, Chekiang Province, about 1890, was graduated from Waseda University at Tokyo, and married a Japanese of a reputedly good family in Shikoku. Acting as agent for General Kuo Sung-ling at the time of General Kuo's rebellion in 1925 against Marshal Chang Tso-lin, warlord of Manchuria, Mr. Yin took refuge, when the rebellion collapsed, in a Japanese consulate, subsequently making his way to Shanghai. When General Huang Fu became Mayor of Shanghai in 1927, Mr. Yin became a municipal councillor, subsequently being transferred to the Foreign Office of the National Government as an adviser when General Huang Fu became Minister for Foreign Affairs in 1928. From this time on, Mr. Yin was one of General Huang Fu's followers or hangers-on. As a result of this association, Mr. Yin was made an unofficial negotiator in the settlement following Japanese military action at Shanghai in the early part of 1932. According to one report, he was disappointed that he received thereafter no reward which he considered commensurate with his services. Again, as

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- 3 -

a result of his association with General Huang Fu, Mr. Yin was appointed, after the conclusion with the Japanese military of the Tangku Truce of May 31, 1933, to the post of Special Administrative Inspector for the Miyun-Chihhsien (western) area of the demilitarized zone of northern Hopei Province which had been created under the terms of the Tangku Truce. As a result of numerous disturbances in that area involving Japanese interests, Mr. Yin negotiated frequently with the Japanese authorities concerned. Following the resignation of Mr. Tao Shang-ming on July 27, 1935, from the post of Administrative Inspector of the Luanhsien-Shanhaikwan (eastern) area of the demilitarized zone, Mr. Yin became the only Inspector in the zone and the principal Chinese official there. His responsibilities in respect to Sino-Japanese negotiations increased.

Causes of Mr. Yin's defection:

It is believed that there were three primary causes for Mr. Yin's declaration of autonomy in November, 1935. (1) In addition to having been educated in Japan and having a Japanese wife, he had been in frequent association with Japanese during his two and one-half years of duty in the demilitarized area, during which time it is reasonable to suppose that Japanese officers promised him a brilliant future provided he would throw in his lot with them. (2) Mr. Yin had been disappointed in the past in appointments received from the National Government and had reason to believe that, when his post of Administrative Inspector ceased to exist as a result of rapidly changing political conditions in Hopei

Province

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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. Huelskamp NARS, Date 12-18-75

- 4 -

Province during the autumn of 1935, he would obtain under the National Government no satisfactory position. In addition to his not having received a satisfactory reward following his participation in negotiations in 1932 at Shanghai, it is also understood that General Huang Fu promised him in the latter half of 1934 the Managing Directorship of the Peiping-Mukden Railway and shortly thereafter the Mayoralty of Tientsin. Neither promise materialized. Furthermore, when the confused political conditions of the autumn of 1935 threatened the existence of his post, General Huang Fu's influence was in eclipse, so that Mr. Yin was fairly sure that his patron would be unable to obtain for him a good post under the National Government. Mr. Yin proceeded to make this a certainty by giving vent to bitter criticism of the National Government in the autumn of 1935. (3) Mr. Yin was also motivated in turning traitor by his straightened financial circumstances. Not only did he have no money but, it is understood, speculation had put him into debt more than \$100,000 (Chinese currency).

The establishment of Mr. Yin's regime:

Mr. Yin Ju-keng, supported by some other officials of lesser importance in the demilitarized zone, declared on November 25 the establishment of the Eastern Hopei Anti-Communist Autonomous Council to govern the 22 districts of that zone under a commission of nine members. (He altered the word "council" on December 25 to "government", giving himself the title of "High Administrator".)

It

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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

- 5 -

It is now fairly well established that Mr. Yin had arrived at an agreement with General Sung Che-yuan, the principal Chinese military figure in Hopei Province upon whom the Japanese military were bringing pressure to bear for the establishment of an autonomous regime, to the effect that General Sung would declare autonomy within three days of Mr. Yin's declaration of autonomy. General Sung failed to live up to this agreement, presumably for two reasons: (1) the effect of a telegraphic order of November 19 from General Chiang Kai-shek to drop negotiations with the Japanese over autonomy and (2) the opposition of important elements among the military subordinate to General Sung and opposed to Japanese aggression.

The security of Mr. Yin's regime:

Following his declaration of autonomy, Mr. Yin was safe from molestation by Chinese forces because of (1) the terms of the Tangku Truce by which no Chinese troops may enter the demilitarized zone and (2) the fact that Mr. Yin enjoyed the favor of the powerful Japanese military. Four of the districts claimed by Mr. Yin lay only partially within the demilitarized zone, but he laid claim to those parts of them lying outside the zone. In consequence of this claim, he despatched 200 members of his peace preservation corps on or about December 15 to occupy the important port of Tangku, which lies within that part of Ningho District not within the demilitarized area. No effective effort was made by other Chinese authorities

to

117-5

- 6 -

to restrain them. Further, to enhance his security, and perhaps to extend the sphere of his influence, Mr. Yin has begun to increase the number of his armed forces, apparently with Japanese assistance.

The only counter measure taken by the National Government since the establishment of the regime has been to issue an order for Mr. Yin's arrest, an order which has been ignored, as indicated by the facts that Mr. Yin has frequently visited Peiping, where he maintains a residence, and that his Japanese-piloted airplane has frequently used the Nanyuan airfield at Peiping.

Mr. Yin's financial status:

Not only has Mr. Yin been secure militarily, but also his financial situation has improved. According to information obtained from a Japanese official, Mr. Yin's income - or rather, that of his regime - is approximately \$700,000 (Chinese currency) a month, the details of which are: \$250,000 from the land tax; \$50,000 from the wine and tobacco tax; \$50,000 from the consolidated tax; \$100,000 from the Peiping-Mukden Railway; and \$250,000 from the salt tax. In addition to these revenues, he probably receives revenue from various minor organs existing in the demilitarized zone and also payments allegedly made by smugglers of Japanese-made produce entering North China through Mr. Yin's area and paying no tax to the Chinese Maritime Customs Administration. There is an unconfirmed report that Mr. Yin has entered into a tariff agreement with "Manchukuo" extremely favorable to importers - or, as the Chinese Customs Administration would describe them, smugglers.

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

It is not known what progress has been made in conversations between Mr. Yin, Japanese officials, and the Hopei-Chahar Political Council for an adjustment of the division of revenue in Hopei Province.

Japanese support of Mr. Yin and reasons therefor:

Mr. Yin would not have made his declaration of November 25 if he had not been confident that he had the approval and support of the Japanese military, although the Embassy is without definite information with regard to what rewards or assurances he may have received from the Japanese prior to his declaration. That he has their support is obvious, among the many indications being (1) the absence of any effort on the part of other Chinese to oust him, (2) the presence at Tungchow, the seat of his "government", of at least two Japanese advisers, (3) the presence of other Japanese advisers in allegedly some twelve of the twenty-two districts under his "government", and (4) the visits to his "capital" of such significant Japanese as Major General Seishiro Itagaki, Vice Chief of Staff of the Kwantung Army, Major General Kenji Doihara, Chief of the Special Military Mission at Mukden, and Mr. Ohashi, "Manchukuo" Vice Minister for Foreign Affairs.

There are in the establishment of Mr. Yin's regime a number of advantages to Japanese expansionists. (1) It was a concrete development which offset the failure of the Japanese military - primarily Major General Doihara - to effect last November, as they had apparently planned and anticipated, an autonomous regime for 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

- 8 -

five northern provinces for purposes of military strategy and economic development which need not be discussed in this despatch. (The regime established December 18 in Hopei and Chahar Provinces under General Sung Che-yuan may be regarded as insufficiently autonomous to be considered an unqualified success of the Japanese military.) By the establishment of Mr. Yin's regime, the prestige of the Japanese military was enhanced. (2) The establishment of Mr. Yin's regime, which is independent of the National Government, created an instrument useful to the Japanese military in eventually effecting the establishment of an autonomous government over a considerably greater area in China. For example, the offer to merge Mr. Yin's regime with the Hopei-Chahar Political Council has been used by the Japanese military as a bait to General Sung Che-yuan and his followers to increase the autonomy of their regime, so far without marked success. (On the other hand, subordinates of Mr. Yin claim that the Japanese military have promised him an extension of his sphere of control at the expense of the Hopei-Chahar Political Council.) The usefulness of Mr. Yin's regime as an instrument for the furtherance of the aggressive designs of the Japanese military is meanwhile being enhanced by an increase in the strength of the forces under Mr. Yin's direction. It is understood, also, that Mr. Yin is not indifferent to the activities of such renegade Chinese militarists as Liu Kuei-t'ang and Shih Yu-san, in the hope that cooperation with their bandit troops might

extend

117-8

- 9 -

extend his power - which means also the power of the Japanese. (3) The establishment of Mr. Yin's regime strengthens the Japanese military strategically for the reason that the Peiping-Mukden Railway traverses the demilitarized zone and the Peiping-Suiyuan Railway runs close to the zone, thereby rendering it easier for the Japanese military to take over control of both railways in case of necessity. In short, it may be said that the Japanese military now have an important base south of the Great Wall as a result of Mr. Yin's declaration of autonomy. That they intend to take advantage of this is indicated by the decision of the Japanese military to enlarge their North China Garrison substantially and to put it under the charge of officers of higher rank than heretofore. (4) Economically the establishment of the new regime is beneficial to Japanese interests for the reason that there is now no customs barrier of sufficient significance to bar the unrestricted entry of Japanese-produced goods. (5) As the National Government has been weakened economically, strategically, and politically by the establishment of Mr. Yin's regime - as indicated in the foregoing - so has the Japanese military been strengthened, for the reason that the National Government is a barrier to Japanese expansion in China. (6) The Japanese military probably regard the establishment of Mr. Yin's regime also with satisfaction because they regard it as evidence to the Western world supporting the Japanese theory that China is not a unified state.

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

- 10 -

The future of Mr. Yin 's regime:

The future of Mr. Yin 's regime cannot be predicted. It is safe to say, however, that the Japanese military will see that it is maintained until such time as it is no longer necessary to them as an instrument for Japanese penetration, after which time Mr. Yin and his subordinates will be eliminated with little, if any, compunction.

Respectfully yours,

For the Ambassador:



F. P. Lockhart
Counselor of Embassy

710

LES-SC

Original and four copies to Department
Copy to Embassy Tokyo
Copy to Embassy Nanking

✓

117-10

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

NO. 656

AMERICAN CONSULATE

Foochow, China, February 13, 1936.

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893.00

STRICTLY CONFIDENTIAL.

For Distribution Check		Yes	No
Grade	For		
For	G,		
For	Burke		
For	ONI MID		

SUBJECT: Alleged Plans for Establishment of
Autonomous Government in Fukien.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

SIR:

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

Division of
FAR EASTERN AFFAIRS
MAR 25 1936
Department of State

733.94/7814

I have the honor to transmit herewith, for the
1/ information of the Department, a copy of this Consulate's
despatch No. 421 of today's date, addressed to the
American Embassy, at Peiping, China, entitled "Alleged
Plans for Establishment of Autonomous Government in
Fukien." This despatch is self-explanatory.

Respectfully yours,

Gordon L. Burke

Gordon L. Burke,
American Consul.

Enclosure:

1/ To American Embassy, No. 421,
February 13, 1936.

800
GLB/HCY

In quintuplicate.

REGISTERED.

4 Received

APR 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 O. Gustafson NARS, Date 12-18-75

Enclosure No. 1 to despatch No. 656 dated February 13, 1936, from Gordon L. Burke, American Consul at Foochow, China, on the subject of "Alleged Plans for Establishment of Autonomous Government in Fukien."

No. 421

AMERICAN CONSULATE,

Foochow, China, February 13, 1936.

STRICTLY CONFIDENTIAL.

Subject: Alleged Plans for Establishment of
Autonomous Government in Fukien.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to the strictly confidential despatch No. 92, ⁷⁷²⁴ dated January 15, 1936, addressed to the Embassy by the American Consul General at Canton, entitled "Alleged Plans for Establishment of Autonomous Government in Fukien Province."

Much of the information contained in the secret document in question is not new. There has and does exist a wide-spread fear among Fukienese that the Japanese have designs on Fukien Province.

The receipt of the above-mentioned despatch was the first intimation this Consulate had received that a "crisis" was possibly approaching in Sino-Japanese

relations

793.94/78.4

-2-

relations in this Province. Usually well-informed foreign and Chinese circles also know nothing of this crisis. The fact that the alleged activities are reported to be centered in and around Amoy may or may not account for this.

Upon receipt of the foregoing despatch, I made discreet inquiries here about the alleged plans, and I learned that such a report was already known in local Government circles. However, my informant, a native of Foochow and an official close to the Provincial Government, did not seem to consider the situation one to give cause for alarm in the near future. The locality of the reported trouble was described to me as southern Fukien. The disaffected elements were described to me as bandits and bad characters, who were conniving with the Japanese (Formosans). My informant was either unable or unwilling to describe just what Japanese were concerned.

In this connection it must be kept in mind that there are many Chinese politicians and militarists who are daily seeking Japanese support to further their own (the Chinese politicians' and militarists') selfish interests. The Chinese people, therefore, are as much (or possibly more) in danger from such Chinese self-seekers as they are from the Japanese. This situation is generally unknown in America, and would hardly be understood, if it were known. Democrats and Republicans may oppose each other bitterly, but it would never occur to Republicans to seek the help

of

-5-

of Canadians in opposing Democrats, anymore than it would occur to Democrats to seek the backing of Mexicans in politically battling Republicans. Yet, that extraordinary situation does exist in China. Many Chinese militarists and politicians do seek foreign support in their strictly internal feuds.

It is noted that the report was made by "secret Government agents," presumably Central Government (Nanking) agents, and that it was made known in Canton. The secret document states that "Our Association deputed officers to carry out a careful investigation and the information obtained is authentic." It appears from this that the "secret Government agents" received their authority from an "Association."

With reference to the statement made on page 1 of the secret document in question that "ever since the suppression of the Fukien Rebellion, Japan has had a sinister desire to establish a "Hua Nan Kuo"; it may be stated that it was not generally believed locally that Japan gave any support to the Fukien Rebellion in 1933-1934.

Page 6 of this Consulate's April, 1934, political report first tells of the activities of the People's Army (民軍)--better known as the militia or volunteers--in southern Fukien, and its reported connections with Japanese and the Taiwan Government.

First mention of Hua Nan Kuo (華南國) is made on page 4 of this Consulate's June, 1934, political report.

The

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

-4-

The sums of money mentioned in the secret document are rather small for hope of early success in carrying out such a far-reaching program.

With reference to the statement on page 2 of the secret document that "in order to enlist the sympathies of the People's Army in Fukien"; the following is of interest. During a recent conversation between Captain J. L. Hall of the U.S.S. ASHEVILLE, Mr. Toyochi Nakamura, Japanese Consul General here, and myself; I stated to Mr. Nakamura that I had informed Captain Hall that Fukien was enjoying more peaceful conditions than at any time during my five-year assignment at Foochow. Mr. Nakamura agreed, but added that there were two potential sources of trouble which would have to be watched: (1) The militia (People's Army), and (2) the old 19th Route Army clique. When I replied that the 19th Route Army was too well scattered to give cause for anxiety, Mr. Nakamura remarked that the leaders of the 19th Route Army (in Canton and Hong Kong) still had money, and that where there was money, soldiers could be readily had.

According to the secret document, it appears that it is the intent of the Japanese plotters to enlist the sympathy of the People's Army, whereas the Japanese Consul General here warns that the People's Army is a potential source of trouble in Fukien.

With reference to the statement on page 4 of the secret document concerning the smuggling of arms and

ammunition

-5-

ammunition under Japanese naval escort at P'u Tien (莆田), et cetera; the writer visited P'u Tien, stopping at the home of American missionaries, on January 24, 25, and 26, 1936, and heard nothing whatsoever of the above-described activities. It would seem that these American missionaries, who have resided long in, and are thoroughly familiar with conditions around, P'u Tien, would have received some news of this important smuggling. Smuggling activities (including arms and ammunition) were mentioned to me by these missionaries, but only as a chronic condition.

It is a well-known fact that arms and ammunition have been and no doubt still are smuggled into Fukien, but not on the large scale and under the conditions envisaged in the secret document. In this connection it is interesting to note that during the time that the 19th Route Army was in control of Fukien, the NORTH CHINA DAILY NEWS (British), in its September 8, 1933 issue, carried a readable article about arms smuggling into Fukien from Formosa (see this Consulate's despatches Nos. 349 and 184, dated September 20, 1933, to the Department and Legation, respectively).

The scheme described on page 2 of the despatch mentioned in the first paragraph of this despatch, to arouse local opposition to Nanking's appointees in Fukien, smacks of the so-called "People's Government," set up in Fukien by the 19th Route Army clique in 1933-1934. At that time the people were supposed to

be

-6-

be opposed to the "pro-Japanese" Nanking Government. The "people" were not, it was rather the 19th Route Army politicians that were opposed to Nanking and Chiang Kai-shek (see this Consulate's despatches Nos. 369 and 204, dated November 24, 1933, to the Department and Legation, respectively, entitled "The People's Revolutionary Government" and "The People's Republic").

It would be far more difficult now to arouse popular opposition to the Nanking Government than even in 1933. General CH'EN Yi (陳儀), Chairman of the Fukien Provincial Government, and some of his Commissioners, enjoy, to a considerable degree, the confidence of enlightened circles here, including Chinese bankers and merchants. Chinese generally speak of General Ch'en as a sincere, hard worker. It is also interesting to note that Mr. Nakamura has on several occasions voluntarily remarked to the writer that General Ch'en is a sincere, honest man. There are, of course, local politicians who have lost their jobs through the advent to power of General CH'EN Yi and his Chekiang followers. These local office seekers are naturally critical of the present regime.

There is no evidence to justify belief that the com-bandits in northeastern Fukien, who are in league with pirates, are instigated by the Japanese Government. These outlaws are just like their brother com-bandits who are to be found in any province in China.

There

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

-7-

There are no reasonable indications, at the present writing, of Japanese aggression in this consular district. Whether, or not, the fear of Japanese aggression in Fukien is justified, time will prove. At any rate February 1, 1936, the date fixed for the "Uprising," has passed without the "Uprising" having materialized.

The foregoing comments are made with no desire of passing judgment on the authenticity of the secret document.

Respectfully yours,

Gordon L. Burke,
 American Consul.

800
 GLB/HCY

In quintuplicate to Department, sent with Despatch No. 656 of February 13, 1936.
 Copy to Embassy, Nanking.
 Copy to Consulate General, Canton.
 Copy to Consulate, Amoy.
 Copy to Consulate, Swatow.
 Copy to Commander South China Patrol.

REGISTERED.

gy

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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 P.R./106 FOR #87

FROM China (Lockhart) DATED Feb. 11, 1936
 TO NAME 1-1127 ***

REGARDING: Student conference in Nanking; Organization of Hopei-Chahar
 Political Affairs Commission. General Isogai visits Chiang
 Kai-shek.

FRG.

793.94/7815

7815

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

Student Conference in Nanking

193.94

In response to General Chiang Kai-shek's invitation issued late in December that student delegations and educational heads come to Nanking to discuss the political situation, some 120 student delegates and 180 faculty representatives of universities and schools throughout the country were gathered in Nanking on January 13 to attend the conference.

The visitors were taken on a sight-seeing tour of the city and among other things were shown the Government airfields and the military academy, probably with a view to impressing upon them the steps being taken by the Government to prepare for war. (2)

The delegates, it is understood, presented to General Chiang a list of subjects which they wished to discuss. (3) They asked under what circumstances General Chiang would

consider

(2) Telegram No. 17, January 16, 10 a.m.
(3) Telegram No. 19, January 17, 9 a.m.

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

- 8 -

consider that the "last extremity" had been reached and military resistance to Japan would be made, and inquired concerning China's military preparedness. They asked, among other things, that autonomy movements in the north be suppressed, that freedom of the press be restored, that open diplomacy be resorted to instead of secret diplomacy, and that the Hopei-Chahar Political Commission be abolished.

On January 18, in an address lasting about four hours, General Chiang pointed out to the delegates that Japan's policy was directed toward obtaining an economic outlet in China. He observed that it was only a matter of time before war with Japan would become inevitable. However, he stated, China was inferior to Japan in military preparedness and therefore it should not recklessly declare war.

He repeated to the delegates the assurance which he had given the nation in his speech before the Fifth National Congress of Kuomintang Delegates, that so long as he was in control of the Government, China would not relinquish any territory to Japan, and that when the last extremity was reached he was prepared to fight. He further assured the delegates that there were no secret clauses in the Tangku Truce, and that no such thing as the Ho-Yenatchu agreement existed.

After the closing of the conference the officers of the various educational institutions who had attended issued a manifesto. (4) The manifesto, which was apparently issued

with

(4) Telegram No. 21, January 18, 4 p.m.

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

- 5 -

with a view to satisfying the students while at the same time supporting General Chiang Kai-shek, called for full confidence in the Government, the maintenance of the nation's sovereignty and territorial integrity, the institution of an educational system suited to the needs of the nation during the present crisis, and the exercise of discipline among the students.

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

Organization of Hoped-Chahar Political Affairs

Commission

93.94
 The Provisional General Principles Governing the Organization of the Hoped-Chahar Political Affairs Commission were promulgated by a National Government mandate on January 17. (5) The purpose of the Commission as stated in the Principles is to control "all political affairs" in the two provinces of Hoped and Chahar and the municipalities of Peiping and Tientsin. The Commission is to consist of from 17 to 21 members with a chairman and a standing committee of three members, all to be chosen by the National Government. The Principles provide that the Commission is to establish three sections, a secretariat, and departments of political and financial affairs. The Commission moreover is empowered "within the scope of the laws and ordinances of the Central authorities to

draft

(5) Telegram No. 22, January 21, 4 p.m.

- 10 -

of the country, to withstand Japan indefinitely. This belief has been growing as the Chinese have been watching the slow progress being made by the well organized and equipped Italian troops against the Ethiopians. The Chinese feel that if the Ethiopians, who are much less prepared for war than China is and who have neither the resources nor the population of China, can withstand the Italian forces, certainly China should be able to hold Japan in check and at the same time gain favor in the eyes of the world by putting up a fight.

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

General Isogai Visits Chiang Kai-shek

p. 94
Prior to returning to Japan on leave Major General R. Isogai, Japanese Military Attaché, paid General Chiang Kai-shek a farewell visit. The Embassy is reliably informed that during the course of their conversation General Isogai intimated that he favored the proposal of the Chinese Government that negotiations between China and Japan be conducted through regular diplomatic channels rather than by military leaders. (1) Isogai's attitude was attributed by the Chinese to the fact that he is a member of the Japanese War Office and is therefore jealous of the important part being played by the officers of the Kwantung Army in the negotiations in North China. Subsequent press reports indicated no antagonism on the part of General Isogai to the Kwantung Army, and the Chinese inference may have been mistaken.

1211
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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 893.515/1033 FOR Tel#175, 1pm
FROM Shanghai (Gauss) DATED March 23, 1936
TO _____ NAME _____ 1-1187 ***

REGARDING: Financial situation in North China.

Issuance of new currency with Japanese backing: Interview of
Isogai, Japanese Military Attache, granted NEW YORK TIMES
correspondent, regarding-, commenting on silver reserves in
area, states that the currency of the Central Government
will be forced out.

FRG.

793.94/7816

7816

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

DOCUMENT FILE

NOTE

SEE 893.515/1034 FOR Tel#147, 8pm

FROM Tel#147, 8pm (Johnson) DATED March 24, 1936
 TO NAME 1-1127

REGARDING: Isogai's allegation that new currency will be issued in North China, with Japanese backing, unsubstantiated. Developments in North China continue, apparently, to await clarification of the situation in Tokyo. Isogai has been appointed Director of Military Affairs, Bureau of War Department and will be succeeded as Military Attache by Seichi Kita. Kita will spend March 25 and 26 in Tientsin and will then proceed to Tokyo via Mukden and Heinking.

FRG.

793.94/ 7817

7817

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

FE

FS

GRAY

Peiping via N. R.

Dated March 24, 1936

Rec'd 9:55 a. m.

NOTE
793.94

Secretary of State,
Washington.

147, March 24, 8 p. m.

One. Shanghai's 175, March 23, 1 p. m.

The Embassy has been unable to obtain any information locally which supports Isogai's allegation. Opinion of officials of several nationalities is that such a scheme might be a development of the future but is not an issue at present.

Two. According to the press, Isogai has been appointed Director of Military Affairs Bureau of War Department and will be succeeded as Military Attache by Seiichi Kita, referred to in Embassy's 89, February 25, 5 p. m.

Three. Arita will spend March 25 and 26 in Tientsin and will then proceed to Tokyo via Mukden and Hsinking.

Four. Developments in North China continue apparently to await clarification of the situation in Tokyo.

By mail to Shanghai and Tokyo

893.515/1034

HPD

JOHNSON

3214

DECLASSIFIED: E.O. 11652, 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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

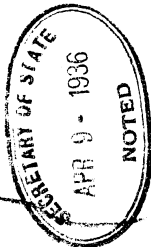
March 27, 1936.

M/

M/:

The first of the two indicated articles in the April ASIA MAGAZINE, "Suspense in North China," is interesting as giving the views of a well informed correspondent, William Henry Chamberlin, on the future importance of north China in Japanese policy. Brief portions of the article (page 224) have been marked for attention.

The second indicated article (page 249) is chiefly about the late finance minister Takahashi. I have read the article and find nothing new in it.



From
Daniel MEBANE
mar. 13, 1936
CC *Circulation Director*
CC/DLY *asia*

DEPARTMENT OF STATE

THE SECRETARY

March 21

FE

Mr. Hamilton

Unless you perceive objection, will you be good enough to have a brief letter of thanks prepared for the Secretary's signature?

EHW.

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

ASIA
 40 EAST 49TH STREET
 NEW YORK, N.Y.

Rec'd June 27, 1936
 Division of
 FAR EASTERN AFFAIRS
 MAR 23 1936
 Department of State

DEPARTMENT OF STATE
 RECEIVED
 APR 28 1936
 OFFICE OF THE SECRETARY

DEPARTMENT OF STATE
 RECEIVED
 MAR 20 1936

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

Dear Mr. Hull:

Under separate cover we are sending you an advance copy of the April ASIA MAGAZINE, in which there are several highly informative articles having immediate bearing on the events in the Far East.

"Suspense in North China," by the well known correspondent, William Henry Chamberlin, presents the clearest analysis of the situation in North China as yet available to American readers.

"Can Japan Pay the Bill?" by Guenther Stein, explains the assassination of Takahashi in terms of his financial policies, though written before the coup took place.

We trust you will find the articles of sufficient importance to justify our drawing your attention to them.

Very sincerely yours,
Daniel M. Mebane
 Circulation Director

DANIEL MEBANE

793.94

DM,MD

793.94/7817-1/2

FILED
 APR 28 1936

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

March 27, 1936.

My dear Mr. Kebane:

The Secretary has asked me to acknowledge the receipt of your letter of March 13 and of an advance copy, forwarded under separate cover, of ASIA MAGAZINE for April. Mr. Hull wishes me to thank you for your courtesy and to tell you that he looks forward to reading at the first opportunity the two articles to which you draw attention.

Sincerely yours,

W. A. WARRICK

Harry A. McBride,
 Assistant to the Secretary.

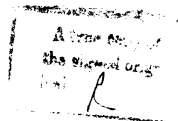
Mr. Daniel Kebane,

Circulation Director,

ASIA MAGAZINE,

40 East 49th Street,

New York, New York.



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0217

ASIA

THE ORIENT OF TODAY

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THE DIARY OF AN INDIAN VILLAGER

CHINESE CULTURE
LIN YUTANG

SUSPENSE IN NORTH CHINA
WILLIAM HENRY CHAMBERLIN

CROSS CURRENTS IN ASIAN AIMS
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HUSTLING THE EAST
VICTOR G. HEISER

CONTEMPORARY ART IN BALI
MARTIN BIRNBAUM

CAN JAPAN PAY THE BILL?
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AFGHANISTAN—VORTEX OF RACES
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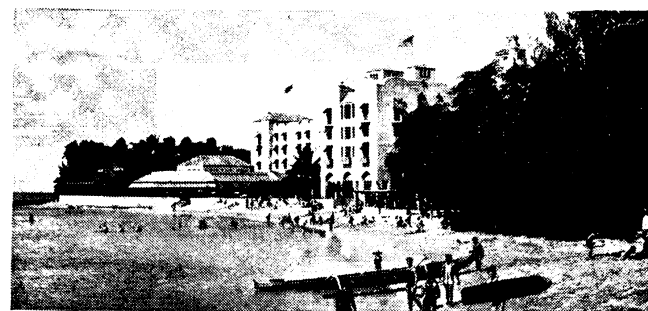
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

This Year... See the Pacific

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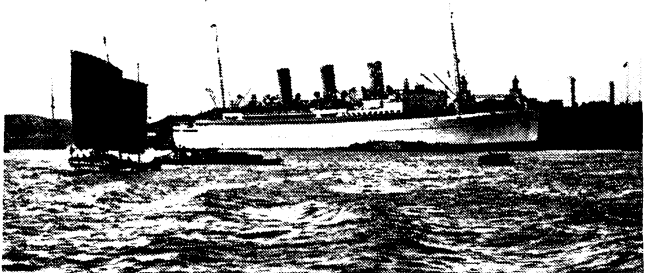
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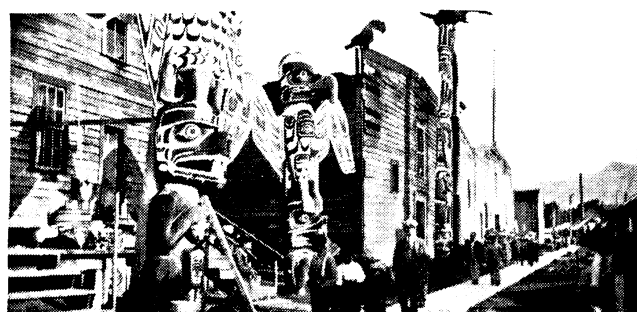
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HANS KOHN, professor of modern history at Smith College, is the author of many books, among them *A History of Nationalism in the East and Orient and Occident*.

LIN YUTANG is one of the leading literary figures in China today. His recently published book, *My Country and My People*, written in English, is being translated into several European languages. Dr. Lin is now engaged in preparing a pocket-edition Chinese dictionary.

WILLIAM HENRY CHAMBERLIN, author of *The Russian Revolution, 1917-1921* and *Russia's Iron Age*, was for twelve years correspondent at Moscow for *The Christian Science Monitor*. He is now chief Far Eastern correspondent for the *Monitor* at Tokyo.

LEONARD HANDLEY has made record of his life as a soldier and a traveler in *Time's Delinquency: An Eastern Cavalade*. Major Handley is now retired and living in England.

H. L. and MARY PUXLEY camp for three months each year in an Indian village, where Mr. Puxley, who is head of the economics department at St. John's College, Agra, studies rural economics. In a foreword (page 231) they have explained the place and station of Pandit Tula Ram, whose diary—kept at their instigation—they have edited and translated.

WILLIAM ERNEST HOCKING, Alford professor of philosophy at Harvard for the past sixteen years, is the author of many books on theological and philosophical subjects.

ALEXANDRE IACOVLEFF received his early training in St. Petersburg, where he was born, and in Italy. In 1920, after three years spent in China, Mongolia and Japan, he settled in Paris. His success as artist to the Citroën expedition to Africa in 1924 was so great as to bring about his inclusion on the second journey, through the passes of the Himalaya to Tibet, and across Asia to the Pacific.

VICTOR G. HEISER, international consultant on health matters for the Rockefeller Foundation, has for the past twenty years "doctored" countries all over the world. He has coped with plague and cholera, yellow fever and leprosy, and has organized methods of sanitation in many lands.

WALTER BOSSHARD, Swiss journalist, photographer and explorer, has been in the Far East since 1919. Mr. Bosshard is Far Eastern correspondent for the Ullstein Press at Peiping.

GUENTHER STEIN, an internationally known economist, formerly on the staff of the *Berliner Tageblatt*, is the author of *Made in Japan*. He has spent the past two years in Tokyo investigating industrial and financial conditions.

ALICE LEWISOHN CROWLEY, with her sister Irene Lewisohn, in 1915 founded the Neighborhood Playhouse, now one of the oldest experimental theater organizations in the United States. Mrs. Crowley and her sister visited the Orient in order to have contacts with survivals of dramatic rituals. Mrs. Crowley now resides part of the year in Zurich.

ANNA LOUISE STRONG, whose article in this issue is taken from her new book, *The Soviet World*, to be published in April, has lived in the U.S.S.R. for fifteen years.

MARTIN BIRNBAUM has arranged exhibitions in various museums throughout the United States and abroad. For work in connection with the International Art Exhibitions arranged in Venice he was decorated by the King of Italy.

HESTER MERWIN HANDLEY has made three trips to the Orient, totaling almost three years and covering Japan, China, Malaya, Cambodia, India and Afghanistan. In the murals, which are Mrs. Handley's work while at home in the United States, she employs eastern themes or subject matter as much as possible.

ASIA



THREE VIEWS OF A RHODINITE EASTER EGG, SHOWING "CHRIST" IN RUSSIAN LETTERS, THE RAYED RUSSIAN CROSS, "IS RISEN." COURTESY, THE AMERICAN MUSEUM OF NATURAL HISTORY

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APRIL, 1936

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BELL TELEPHONE SYSTEM



KEEP THE OLD, ADD THE NEW

We stop the presses to record briefly the military uprising in Japan on February 26. Our article by Guenther Stein was of course written before the event, and there is not time to alter its tense from present to past. As it stands it is a timely and astute explanation of the long and bitter struggle between Takahashi, the venerable Finance Minister, and those who have assassinated him at last—those militarists of whom he prophesied that if they persisted "in their unreasonable course" they would "become the object of public condemnation."

The large problem of the Asian peoples today is not whether they can or should cut loose from ancient ways—for that they must do—but only how soon and how boldly. What of the old can they keep if they try, what of the new do they want, and what is going to be driven in upon them whether they want it or not? We take this problem of new versus old as a central theme for this issue of ASIA.

Dr. Lin Yutang confesses to exhilaration in being forced to choose at every moment between tradition and change. Yet he feels that the choice is no longer free. The question, in his view, is not whether China can save the old culture, but whether the old culture can save China. And, since he believes that China is bound to be modernized, the sooner she accepts a change of philosophy the better.

Dr. Hocking does not wholly agree that China must cut herself loose from old grounds of strength and begin anew. He is convinced that all of the great eastern civilizations are headed away from Communism and toward democracy. The Orient, he believes, will become more individualistic, not less so. But it need not imitate the chaos of western economic egoism. He fears a "mongrel type of culture" which is neither of the East nor of the West. We must seek not uniformity but a "unity in variety," a world-society to which the Orient will give the more because it holds fast to its historic roots.

A new triumph for democracy, and perhaps for the world-order, is recorded in Dr. Kohn's article on recent events in Egypt. We do not often deal with Egypt in this magazine, because the continent of Asia itself is in-

initely too large for our space. But the struggle for an independent Egypt and the consent of England to reopen negotiations may have important effects in Asia, certainly in the Arab countries and perhaps in India.

Meanwhile, at the opposite extreme of the continent, in North China, there has been one of the lulls which have marked the contest between China and Japan for years. Mr. Chamberlin is certain only that the suspense will not last. The contest will go on, he says, between China's aversion to change and Japan's impulse to bring in western industrial and commercial organization.

For contrast with present-day alarms we turn to Dr. Heiser's amusing account of his earliest efforts to "hustle the East," when he went to Siam to introduce modern public health measures. He found the Siamese amiable but inclined to feel that they were being forced to do something they didn't want to do. This is not much to be wondered at; for every time Siam had come into contact with the white race she had lost something. When the East declines to be hustled, it is partly because she has so often been trampled upon.

A current example of this fear is found in the Indian village in which Tula Ram lives and writes his diary. This diary, which we begin in this issue, to run serially for five or six months, is one of the most revealing documents that ASIA has discovered in years. It is a day to day account, written on the spot throughout the past year, of exactly what goes on in one of the little communities which, multiplied by thousands, make the great enigma which is India. Tula Ram is a village leader, and his translator, Mr. Puxley, an observant English resident. Among the pictures of life which flash through this first instalment is one of the farmers resisting and ridiculing the attempts to introduce better agriculture. "The English are very cunning," said Moti Singh; "they want to find out what our land is worth, and then they will open a farm of their own and make us mere employees."

The struggle for Indian independence goes on. It is significant that Jawaharlal Nehru has been reelected president of the Indian National Congress. Veteran of many imprison-

ments for his political activities, he returns to his labors saying, "In India, as everywhere else in the world, freedom still has to face powerful forces of reaction and vested interests. We shall continue to present an anti-imperialist front."

Even the artist runs into the distrust of the foreigner, a distrust based on sad wisdom. Mrs. Handley gives a lively account of her troubles in getting permission to sketch portraits of racial types in Afghanistan. It is a tribute to her energy and her personality that she was able to get the extraordinary series which we reproduce in this and the June issue. Here, at one of the cross-roads of Asia, she found a bewildering variety of types, where faces and figures are eloquent of the wars, the invasions and the migrations of many centuries. Heirs to the ages, the Afghans have as yet neither a racial type nor an indigenous art of their own.

Bali, on the other hand, has an art which is, as Mr. Birnbaum shows, a vital part of the social structure. Foreigners have brought in new themes, new materials and new techniques. But the old traditions are in little danger where art is blended with religion and nature, where the farmer may be a sculptor too, where the very children in the streets watch the artist and themselves begin to carve.

In Soviet Russia all doors have been flung wide for the new to enter. Discussing the democratization of the arts, Miss Strong says: "Tens of millions of people from earth's most backward races have awakened in the Soviet Union from their sleep. . . . To the artist now growing up in a Soviet environment, art is the natural expression of the collective life of millions given significant form by his own special talent or genius. Such an artist feels no repression in this new environment; he feels its great creative urge."

And, if it be thought too far a cry from art to international affairs, we may, as we ponder the conflicts between old and new, ponder also the question which Pearl Buck asks at the end of her *Book-Shelf*:—what if there were a scale on which could be weighed the hard facts of history, of trade, of war, against "the thoughts, the dreams, the deepest feelings which go into the making of painting, of poetry, of philosophy"?



Bali... traveling the Island, the visitor may frequently see dramatic plays being given in front of the many temples

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CHRONICLE

(A BRIEF REVIEW OF THE SIGNIFICANT
NEWS OF THE MONTH IN THE ORIENT.)

JAN. 21—Serious riots broke out in Damascus as a result of the Jan. 18 police raid on the offices of the Nationalist bloc and the impending trial of thirty-nine members, on the charge that the party was organized as a secret society, not registered according to French laws.

JAN. 21—In a circular telegram sent throughout China the Peiping Cultural National Salvation Association composed of university professors and literary leaders opposed Japanese Foreign Minister Hirota's Jan. 21 proposal which it called "nothing but a plan aimed at reducing China to the status of a colony."

JAN. 24—An official Japanese spokesman at Nanking declared that Japan no longer considered prompt solution of Chino-Japanese issues possible but would proceed with patience.

JAN. 25—Ni Ma-O-Tes-Su-Erh, member of the Inner Mongolia Autonomy Political Council, was reported assassinated by bandits who held up the bus in which he was traveling.

JAN. 27—Anti-Japanese student agitation in Shanghai resulted in serious rioting.

JAN. 29—A Khabarovsk despatch reported that 109 rebel Manchoukuoan soldiers, headed by Lt. Ho Gin-sha, after killing 4 Japanese officers crossed into Soviet territory, in the Grodekoff region, and asked for refuge.

JAN. 29—Cairo police sprayed rioting Nationalist students with indelible ink for identification, the color to be changed daily.

JAN. 30—A serious clash occurred between a Japanese-Manchoukuoan force and troops described by Japanese despatches as Manchoukuoan mutineers within the Soviet border, and by Soviet despatches as a Soviet patrol inside the Siberian border.

JAN. 30—In a reply to an official Italian inquiry, Turkey stated that she considered the Turko-Italian 1928 treaty of friendship subordinate to the League of Nations Covenant.

JAN. 30—Aly Maher Pasha became Egyptian Prime Minister and formed a Cabinet, to function until the elections of May 2.

FEB. 1—Pandit Jawaharlal Nehru was re-elected president of the Indian National Congress, which, he announced, "will continue to struggle for Indian independence."

FEB. 1—A royal Egyptian decree named eleven delegates—six Wafdists and five representing other parties—to negotiate a treaty of alliance with the British.

FEB. 1—Great public interest was aroused in Japan by the declaration of Lt.-Col. Aizawa, on trial for the murder, Aug. 12, 1935, of Lt.-Gen. Nagata, that he was activated by the patriotic desire to support the Throne and bring about a "second restoration."

FEB. 2—Finance Minister H. H. Kung, in co-operation with leading Chinese bankers, adopted a plan to fund China's entire bonded indebtedness with a new bond issue of \$1,460,000 Shanghai money, at 6 per cent, and to float a new loan of \$340,000,000.

FEB. 4—Palestine Arabs held a general strike in sympathy with Arab nationalists in Syria.

FEB. 7—The Japanese *Nichi Nichi* published, as the view of the Japanese army, a proposal for parity of the armies on the mainland of East Asia—that is, the Japanese and Soviet forces.

FEB. 7—A Soviet "show trial"—the first for almost three years—opened dramatically in Leningrad, with thirty-nine defendants accused of organizing and operating privately owned factories and one of the witnesses, scheduled to testify against his sister, reported to have committed suicide the previous night.

FEB. 9—Work was begun on a great canal to link the Caspian Sea with the Black Sea by way of the Sea of Azov.

FEB. 10—On the twenty-third day of the Syrian disorders five more rioters were killed, bringing the total to twenty-five, and many were wounded. French officials, seeking to crush the "gray shirt Syrian Fascist movement," ordered merchants to reopen their shops and forbade newspapermen to print riot news.

FEB. 10—The Hawaiian Sugar Planters Association announced its decision to finance a program of diversified agriculture in order to insure sufficient food in case of emergency.

FEB. 11—Gold shipments worth \$9,970,406 were earmarked for China by the U. S. Treasury, presumably in payment for silver bought under the 1934 Silver Purchase Act.

FEB. 13—Sinking despatches reported eight Japanese were killed, four Japanese and seven Manchoukuoans wounded, in a successful attack on 250 Outer Mongolians alleged to be occupying Manchoukuoan territory.

FEB. 14—The Manchoukuo government announced that only 4 of the 91 disputes arising on the Soviet and Outer Mongolian borders since Feb., 1932, had been settled.

FEB. 14—The Soviet government ordered its consulate at Mukden closed.

FEB. 14—Because of war tension in Manchuria large numbers of Chinese-born women and children crowded the trains to Peiping, while all Soviet citizens were being withdrawn by the Russian Consulate General.

FEB. 17—The centenary of the birth of Ramakrishna was the occasion for many celebrations.

FEB. 17—Maj.-Gen. Kenji Doihara unofficially announced that the Japanese garrison in North China would be increased, to protect Japanese civilians expected to come to North China, and that Japanese advisers had been requested by the Hopei-Chahar council.

FEB. 20—An official announcement in *Izvestia* rejected the suggested plan for a mixed Soviet-Manchoukuoan border commission, on the ground that the Siberian frontier had been fixed by Soviet-Chinese treaty in 1924.

FEB. 22—Returns from the Japanese general election of Feb. 20 showed large liberal and labor gains and a swing away from Fascism: a victory for the Minseito party and the tri-party alliance supporting the government confirmed the Okada Cabinet in power.

FEB. 26—Premier Okada, ex-Premier Saito and General Watanabe were assassinated, Finance Minister Takahashi was mortally wounded and other Japanese Liberals were injured by Japanese militarists in an attempted coup to gain control of the government. Loyal troops were said to have the situation in control.



IT'S THE SOVIET UNION IN 1936

VACATION planning for Europe this coming season is made easy by including a land about which everyone is talking and where travel is easy and reasonable. The usual natural beauties are important . . . and so are the museums and the old places some people like to poke around in . . . but more important is the fact that it is a country being remade from the ground up.

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OPINION

(RECENT PERTINENT COMMENT, QUOTED
WITHOUT ENDORSEMENT OR CHALLENGE.)

REGARDLESS of whether Nanking has accepted Hirota's program, the Chinese people will oppose it to the death.—Circular telegram sent by the Peiping Cultural National Salvation Association.

FOLLOWING the Manchurian incident Fascism swept the country, but now it is showing signs of decay, along with the subsidence of a reactionary wave, and we can be certain that before long it will have disappeared.—From a resolution of the Japanese Social Masses party, which won 18 seats in the general election.

TO show that the French and any other bourgeois revolution, while liberating people from the chains of feudalism and absolutism, placed them in new chains—the chains of capitalism and bourgeois democracy—while the Socialist revolution in Russia has smashed every chain and liberated the people from all forms of exploitation—such must be the line throughout the textbook of modern history.—Critique signed by Stalin, Zdanov and Kirov.

THERE is evidence of a growth of support for the idea that China must eventually abandon her neutrality and must conclude an alliance with Russia against Japan.—Hallett Abend.

IN China . . . artistic activity is normal in any complete personality, not freakish as with us.—Basil Gray, in the *Journal of the Royal Central Asian Society*.

MILLIONS today recognize the principal causes of war as economic. These same millions must now learn that the foundations of world peace can be laid only through organizing co-operatives.—Dr. Toyohiko Kagawa.

NEITHER the Japanese nor the military party (these, for the moment, are almost synonymous terms) is likely to alter course until they see that their present line will not lead to final success in solving their own domestic problem, which is the key to the whole matter.—Sir Frederick Whyte.

WITHOUT a close co-operation between Jews and Arabs outside of Palestine no lasting peace will ever be achieved in Palestine itself.—A. Revusky, in *Jews in Palestine*.

THE story of the last generation has been not only the story of the westernization of the world, but also the story of the revolt of Asia and Africa against the western nations.—William L. Langer, in *Foreign Affairs*.

NEVER in the great days of empire building in the last few decades of the nineteenth century, has an empire been welded so quickly [as by Japan] and so effortlessly.—Nathaniel Peffer.

AS a Chinese I will sympathize with the fears of Filipino statesmen that without American protection the islands would immediately be the prey of outside aggression.—T. V. Soong.

FOR any government in Japan—aside from the question of morality—to become involved in responsibilities in the Philippines that would necessitate a permanent division of their own fleet would show a far lower rate of ability than the world has always given the Japanese credit for possessing.—U. S. Maj.-Gen. W. C. Rivers.

THEY [the Burmese] possess the secret of how to use leisure more than any people I have ever come across.—Lord Peel.



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

MAKERS OF HISTORY IN EGYPT



King Fuad I, on the occasion of a visit to London in 1927. The King, now said to be gravely ill, seems to have reversed his attitude and to favor a peoples' rather than a dictatorial government



Saad Zaghlul Pasha, founder of the Wafd in 1919 and its head until his death in 1927. Egyptians, without distinction of class or creed, were united in a national movement under his leadership



Mustapha Nahas Pasha, successor to Saad Zaghlul Pasha as leader of the Wafd. In 1930, while Prime Minister, he engaged in the treaty negotiations which were subsequently broken off



Hafez Afifi Pasha, former Minister of Foreign Affairs and Egyptian Minister at London. Dr. Afifi is one of the members of the official delegation to negotiate a treaty with Great Britain

DEMOCRACY WINS IN EGYPT

By HANS KOHN

DEMOCRACY and nationalism have scored a significant victory in Egypt at the beginning of 1936. This victory will undoubtedly have its repercussion in all Arabic countries and even beyond them in other oriental lands. The negotiations which are now to start between Great Britain and Egypt—or rather to be resumed at the point where they were broken off in May, 1930—may indirectly lead to Egypt's joining not only the League of Nations but also the Near and Middle Eastern entente. The events of the late months of 1935 and of the beginning of 1936 in Egypt may thus have far-reaching consequences for the countries of Western Asia.

At the present time all the Arab countries find themselves in a state of excitement. In Syria the struggle of the Arabs against the French Mandatory Administration has entered into an acute state, with the formation of a new radical party led by intellectuals in Beirut and with the recent riots in Damascus. The Syrians demand for themselves a treatment similar to that accorded the Iraqis by Great Britain. Egypt's example will encourage the Syrians to press their demands with insistence. In Palestine the government has finally proceeded to redeem its long-standing pledge of a Legislative Council. This first, although very limited and cautious, approach towards a democratization of the unmitigated colonial régime will afford the Arabs there the possibility of constructive statesmanship instead of their purely negative protestations. Two independent kingdoms of the Arab world, Saudi Arabia and Iraq, are negotiating a treaty of alliance and mutual assistance which will be an important step on the road to the formation of an Arab federation. Iraq has entered the system of treaties of friendship existing between Turkey, Iran and Afghanistan. All four states are members of the League of Nations and their close entente promises a peaceful development in the Middle East.

Of all Arabic-speaking lands Egypt is by far the most important both in population and in the wealth of its soil. It was the first of the Arabic-speaking countries to come into contact with European imperialism. Culturally it came under the influence of France, economically under that of France, Belgium, Great Britain and other European countries, politically it has been dominated by Great Britain since its occupation by British troops in 1882. For the British Empire, Egypt has been the guardian of the Suez Canal, the vital link between London and India. From the valley of the lower Nile the British pushed southward, up the Nile, into the Sudan to consummate the great imperial dream of Cecil Rhodes of an unbroken East-African empire from

Cairo to Capetown. At the same time they cherished the hope of expanding northeastward into Palestine and the Euphrates Valley, to build a Middle Eastern empire as a land bridge from the Mediterranean to the confines of India. This aspiration seemed almost realized in 1919 when, after the World War and the downfall of the Russian, Ottoman and Central European empires, the British found themselves in seemingly undisputed possession of Cairo and Jerusalem, Constantinople and Baghdad, Teheran and Baku. It was endangered and almost shattered by an unexpected element: the new nationalism of the Asiatic peoples. Great Britain had to renounce the control of Turkey and Persia, of the Caucasus and of Transcaspia. By wise concessions and a supple policy in Egypt, Palestine and Iraq, she preserved, however, the essence of control over the road to India. It was under those circumstances that she granted, on February 28, 1922, the Egyptian demand for independence, reserving in her own discretion until a later agreement the security of the communications of the British Empire, the defense of Egypt, the protection of foreign interests in Egypt and the Sudan.

This unilateral declaration of recognition of Egypt as "an independent sovereign State" came as the result of the national movement which, under the leadership of Saad Zaghlul Pasha, had united practically all the Egyptians without distinction of class or creed and had for the first time aroused the long patient and silent peasant masses, the *fellahin*, to active political consciousness. The movement which under the name of Wafd united in complete harmony the Mohammedans and native Christians (Copts) demanded the complete independence of Egypt and her freedom not only from British military occupation, but also from extraterritoriality.

The declaration of independence of 1922 had been only a step in that direction. The struggle went on. Egypt had been declared a kingdom with a fairly democratic constitution, which was elaborated in 1923, not, as the Wafd demanded, by a constituent assembly, but by a commission appointed by the King. Parliamentary elections were held and gave the Wafd an overwhelming majority. But Parliament was never allowed to function properly in Egypt. Two mighty opponents stood in its way: the British and the King of Egypt, Fuad I, who tried to run the country with the help of a court party. The seven years from 1924 to 1930 witnessed this constant struggle. Twice the constitution was practically suspended and with the help of the British a dictatorship under a *protégé* of the King introduced.

With the advent of the Labor Government to

power in Great Britain. In 1929 the constitutional life of Egypt was resumed. The leader of the Wafd, Mustapha Nahas Pasha, who had succeeded Saad Zaghlul Pasha after his death in 1927, became Prime Minister of Egypt and in the spring of 1930 went to London to negotiate a treaty with Great Britain. As drafted, this treaty, thanks to the intelligent and generous policy of Arthur Henderson, seemed to settle the reserved points to mutual satisfaction and opened the way to the complete independence of Egypt. The unilateral and limited declaration of independence was to be replaced by a bilateral treaty of friendship. This hope was not realized. Mustapha Nahas Pasha, adopting an attitude which many thought too doctrinaire and narrow, did not agree to Britain's demands in the Sudan. The negotiations were broken off. King Fuad now saw another opportunity for ending democracy in Egypt. Nahas Pasha was dismissed, Parliament dissolved. Ismail Sidky Pasha, regarded as a vigorous enemy of the Wafd and of democracy and a great favorite in European financial circles in Egypt, formed a new Ministry and promulgated in the autumn of 1930 a new constitution intended to exclude the Wafd from power and to maintain the dictatorship. There seemed an end to democracy and nationalism in Egypt.

But disunion among the three parties which upheld dictatorship in Egypt, the British, the King and the dictatorial Prime Minister, soon revealed all the inadequacies of the régime. Popular opinion was united in demanding its repeal. Finally in the autumn of 1934 Tewfik Nassim Pasha, a liberal with pro-Wafdist leanings, became Prime Minister, with the understanding that he was to prepare the way for the return of the democratic constitution. The constitution of 1930 was abolished, but the British opposed the return to democracy, which would have meant the return of the Wafd to power. Mustapha Nahas Pasha displayed wise statesmanship to an unaccustomed degree. He restored the organization and influence of the Wafd Party to its full power but he restrained his adherents from any impatient demands or manifestations. He was ready to wait.

The conflict between Italy and Ethiopia revealed the threat to Egyptian independence implied in Italy's expansionist desires and stressed at the same time the importance of Egypt for Great Britain and imperial defense. Egypt's sympathies were wholeheartedly on the side of Ethiopia, but she resented the fact that Great Britain used her territory for naval and military preparations without consulting her, and she found it strange that Great Britain protected the independence of small nations in the case of Ethiopia and declined to do it in her own case.

The five years of dictatorship had permitted Great Britain to encroach more and more upon even the limited field of independence which she had granted Egypt in 1922. The British Conservative Government had no desire to change the situation, and the foreign colonies in Egypt were afraid that with Egypt's independence a time would come when foreigners living in Egypt would have to pay taxes

in the country where they lived and made money, to share in the financial burden of developing the country and to submit to its jurisdiction. A rather tactless remark by Sir Samuel Hoare in a speech in the Guild Hall in London last November, wherein he implied that Great Britain would judge which constitution was suitable for Egypt, set the smouldering indignation of the Egyptians aflame. The students demonstrated, riots started, blood was shed. The leaders of all political parties and classes united around the Wafd. Even the former dictators and embittered adversaries of the Wafd and democracy, Ismail Sidky Pasha and Mohammed Mahmud Pasha, joined the united front. Under those circumstances Great Britain declared that she did not oppose the return of Egypt to democracy. The Constitution of 1923 was put again into power, and parliamentary elections are to be held this spring. There is no doubt that they will give an overwhelming majority to the Wafd.

The King, who had already been forced last April to dismiss from his court Zaki el Ibrashi Pasha, the power behind the Throne for the past five years, is gravely ill and apparently willing this time to side with the people. The British government has declared its readiness to resume the negotiations broken off in May, 1930, and to conclude with Egypt the treaty of friendship and alliance which will enable Egyptian democracy to set the house of independent Egypt into order. In the proposals of 1930 Great Britain had agreed to withdraw her army of occupation from Egypt, where the garrisons of Cairo and Alexandria are a permanent reminder to the Egyptians of foreign control, and to confine an army limited to eight thousand men to the Suez Canal zone. The new situation arising out of the Italian threat may modify those arrangements by allowing larger British contingents in the Suez Canal zone and on the western border, under a military alliance and for the protection of Egypt. Egypt will be able to build up her own army to cooperate with the British army in case of need. The treaty will give Egypt complete independence in all her internal affairs. The capitulations and extraterritorial rights of foreigners will disappear. Egypt will join the League of Nations. But, above all, her independence and freedom from foreign interference secured, she will be able to devote her attention and energy to the fight against the ignorance of the masses, against the low standard of living, against backward conditions in the villages.

Since 1922 pioneer work in this direction has already been accomplished. Private and governmental initiative has taken the first steps toward general education, better sanitary conditions, the training of the people to participation in modern economic life. The achievements of the Bank Misr, the first great Egyptian Bank with purely native capital, management and personnel, in promoting Egyptian industry and commerce promise well for the future. The Egyptians have learned that independence and democracy are not merely political forms of life and aims in themselves: they are instruments which make progress possible.

CAN THE OLD CULTURE SAVE US?

The First of Two Articles on Intellectual Currents in China

By LIN YUTANG

CHINA, the traditional land of peace, is today a veritable paradise for men born with a sense of the joy of battle. And, when I say battle, I do not mean the periodic civil wars, but the battle of ideas and of the gigantic spiritual forces that are shaping the destiny of the old nation. For the mind of China of today is a whirlpool of violent currents and eddies. For this reason, it is most interesting to be born a modern Chinese, striding, as it were, across two continents of thought, forced at every moment to make a choice between tradition and modern change, between a great old heritage of the past and a totally different culture of the modern scientific and industrial world, and compelled at every turn to grapple with problems of the first magnitude, involving philosophies of life and such deep, personal things as the choice of one's underwear. It is a tremendous field, indeed, for the free play of the mind and the exercise of the critical intellect. Like Chuang Tzu's mythic bird, which with each flap of the wing covers three thousand miles, the mind of the modern Chinese must be able to flash across continents of thought in the twinkling of an eye, bring together the great spirits of the past and the equally great spirits of the present across millenniums of time, and work out, with this material and great, good luck, some sort of synthesis for his practical problems of life.

This seething foment, this weltering chaos, social, political, literary and artistic, that surrounds the modern thinking Chinese is all-encompassing and affects us in a highly personal way. It does not matter so much if Margaret Sanger is to be substituted for Chuang Tzu, but it does matter a great deal that we have to make a choice between chopsticks and fork and knife. We are faced with problems of the most unexpected kinds. I am purposely giving some trivial instances to show how far-reaching such changes are. Should Chinese grammar be Europeanized? Should we throw the Classics into the cellar, say, for thirty years, and studiously devote ourselves to acquiring a mastery of the machine gun? Since clan names no longer indicate relationships, should we abolish them? Professor Chien Hsüan-t'ung of Peking University has already given up his surname and adopted a bisyllabic surname of "Niku" ("Doubter of the Ancients"). Professor Chou Tso-jen has rejected his birthplace at Shaoshing, and calls himself a true Pekingese. Even the terms of address in social intercourse are changing and have to be dis-

cussed. The late Professor Liu Pan-nung issued an order in 1930 that girl students of his college should not address each other by the English "Miss." He was forced to decree an artificial term of address, "kuniang," for the girl students, and since the term "kuniang" had close association with the girls of singsong houses he brought down a torrent of criticism upon his head. In 1929, Professor Chu Chia-hua, as Chief of the Educational Department of Chekiang Province, decreed that girls in his province should not bind their breasts, while another Chief of the Educational Department, in Kwantung, decreed that girls with bobbed hair should have their heads chopped off as Communists. A girl who traveled from Chekiang to Canton would have therefore to grow her hair long and bind her breasts again. General Chang Tsung-ch'ang, who used to receive visitors with his Russian mistresses sitting on his lap, decreed that girl students should not be admitted to the city parks. At the National Educational Conference held at Nanking in 1929, Hu Han-min, the head of the Legislative Yuan, proposed at a luncheon of the delegates and school principals that they should discuss the question whether marriage should be abolished. Chiang Mon-lin, the then Minister of Education, commented that the marriage system in his opinion would work probably for another fifty years, while Tsai Yuan-pei, former Minister of Education and Chancellor of Peking University, decided that the marriage institution could be dispensed with, and that a child's natural father could be traced or identified by a proper system of registration. Other questions are: Is Chinese medicine to be discarded, or should it be preserved? Is there any essential difference in sex appeal between the Chinese bound feet and the Parisian high-heeled shoes? Is Manchu rouge more artistic than Parisian rouge? Such are some of the personal problems that modern Chinese are constantly forced to ask themselves. Never was the mind of man called upon to exercise, amidst vexatious problems like these, a greater finesse, discernment and capacity for creative synthesis.

It is natural that questions of this sort are apt to develop a questioning mental attitude and liberalize the minds of the growing generation. At the same time, such a total upset of the standard of values is liable to cause a loss of intellectual center of gravity, an extreme superficiality and a childish confusion of ideas. The mind, overburdened by ideas and prob-

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

lems too big for ordinary human intelligence, loses its balance and occupies itself in a perpetual hunt for the yearly "new models" of thought. In general, this works toward a deprecation of the old and an affectation of ideas, customs and morals of the West. In general, the modern Chinese is a little ashamed of his own country, a little too anxious to cover up all China with a huge shroud as if it were a carcass, and allow foreigners to see nothing of China except white-collared English-speaking Chinese like himself. A man who reprints some ancient authors is howled down as "bourgeois" by the Communist schoolboys. As soon as Russia begins talking about salvaging her "literary heritage," Young China also begins talking about her "literary heritage." But Young China does not believe in her literary heritage. She would acknowledge Maxim Gorky and Semenov as part of her "heritage," but not Tu Fu or Li Po. To talk of Tu Fu and Li Po is to be "behind the times." The idea of these young Chinese is to keep on the move. Well, they have moved. They are moving so fast that they have lost not only Tu Fu and Li Po, whom they place below Carl Sandburg and Robert Frost, but they have also lost their good temper and the cheerful common sense of Old China.

If we look at it from a sufficiently detached point of view, the battle of ideas resolves itself into two problems: the problem of salvaging the old civilization, and that of searching for the new. The problems are those of the age and rejuvenation of a country. It seems to me the question of paramount importance for China is what shall we do with her grand old age, and what shall we do for her rejuvenation? All change is a process of growth, and I have confidence that this grand old tree will put forth new branches yet. All the intellectual currents and problems of modern China could be viewed from this standpoint of biologic growth, viewed as problems of conserving the life force of old age and of bringing new life to it. The arguments for conservation and for progress are the same everywhere, but there are some special aspects of this process as seen in the intellectual currents of modern China. I shall try to outline the three most significant currents. First, in this article, the movement for preserving the old culture and tradition, and, in the next article, the western influence on Chinese thought and literature, the contemporary Russian influence and the movement which I call literary Bolshevism.

As to the question of the preservation of the old culture, perhaps it is not difficult to understand that there should be a current of thought favoring the preservation of grand old China, and perhaps it would not be extremely difficult to take up its defense. But it is a question which calls for careful, scientific thinking. The older generation, who think illogically, cannot defend it properly and generally make fools of themselves. The advanced liberals are against it, because they have something else, the modern culture, to champion and to sell. As it has actually worked out, the issue has, fortunately I think, been split into two, the scientific and the cultural. The

scientific study and reevaluation of Chinese history, literature and scholarship is manifestly different from the advocacy of the old ideals and manners of life. In fact, the general position most liberals take today is the rejection of the old culture and mode of thought, while simultaneously favoring a scientific study of the old arts, literature, history and philosophy.

This scholarly movement, known as "*tseng-li kuo-ku*," has attained great vogue. It really means the application of modern scientific methods to the study of the old civilization, especially the old literature and philosophy. Modern Chinese scholars are very fortunate in this because, everywhere they turn with this new technique, they strike out virgin paths. It is in itself one of the most significant influences of western scholarship and learning. Modern methods of textual criticism and higher criticism are applied to the Classics and the early works. A modern comparative viewpoint enables us to differentiate the true history from mythology and to restate where true history begins. One of the greatest academic disputes raised in 1922 was started by Ku Chi-kang, a brilliant young scholar, who questioned the real existence of the Emperor Yü, the great founder of the Hsia Dynasty, who is supposed to have lived twenty-three hundred years before Christ. A historical perspective enables us to write Chinese literary history with a greater understanding and a juster appreciation. There are Chinese geologists and archeologists today whose work will furnish the necessary raw material for rewriting China's history. Some very important work has been done in this direction, especially in archeology (Li Chi), geology (the late V. K. Ting), literary research (Hu Shih), history (Ku Chi-kang), phonology (Lo Ch'ang-p'ei), modern dialects (Yüan R. Chao).

Very often, however, this sort of work is mere trash, and curves and statistics are becoming mere fads. There was even a professor of psychology, evidently an American product, who undertook the insane task of counting the number of times the words for "eyebrow," "hair," "cheek," "feet," "breasts" occur respectively in a given number of Chinese love poems, and deduced therefrom the astounding conclusion that the Chinese are believers in the religion of "eyebrow worship." Another academic boob took the "Book of Changes" and started counting the frequency of occurrence of the names of different animals, in order to decide which domestic animal, the horse or the cow, was more in evidence in ancient China. Such prostitution of the inductive method, which has inundated American college work, can also easily inundate Chinese colleges, because of its extreme ease and the low standard of intelligence required in such work. I think I must hold Professors Thorndike, Terman and the other American professors of psychology of the Chicken-counting School responsible for this.

But apart from the scientific study and reevaluation, which bristles with modern terms, the advocates of the old ideals of life have fought, in the main, a losing battle. It is very unfortunate because the old

scholars who take up their defense are so hopelessly ignorant, and all we need is to laugh them out of court. Only in 1930, I exposed a book which champions Mocius against Jehovah, attacks the "shallowness and superficiality of Jehovah's scholarship," and states as plain fact that the Old Testament was forged by St. Paul while the New Testament was forged by Martin Luther, concerning which forgery, he says, "modern scholarship is agreed." It is further unfortunate because the advocates of the old tradition of seclusion of women, chastity of women and compulsory abstinence of widows are exactly the corrupt and dissolute generals and officials who sleep with two concubines in their beds and are adept at seducing girls. General Ho Chien, of anti-Communist fame, took it upon himself to preserve oriental culture by banning the use of *Alice in Wonderland* in the schools of Hunan. General Ho argued: How could Alice talk with the rabbit and the mouse? And by making the animals talk the human language are we not placing the animals and human beings on the same plane, which Mencius, the humanist, was anxious to avoid? Advocates of Chinese medicine cannot sound very convincing so long as they continue to talk of the female and male mystic principles in human physiology or of the battle between the fire element and the earth element in your alimentary canal. On the whole, their mentality is no higher than that of the Boxers of 1900 who believed that their bodies could be made bullet-proof by the incantation of magic formulas. Therefore, it is a very unfair and easy game. All we need is to wither them with a Voltairian laugh, while they smart and feel exasperated, but cannot put forth a single coherent argument.

But, apart from these incidents, the opponents of the classic way of life have really a very strong case. Among these, I may mention Dr. Hu Shih, who be-

lieves in the wholesale importation of western culture, and Wu Chih-hwei, the Chinese Samuel Johnson, who holds that we should confine the Classics to the toilet for thirty years and practise shooting with machine guns. We can legitimately question whether Confucian ethics can be fitted into modern life. We can argue that the family system works for more harm than good, that it develops the family mind to the detriment of the social mind, that, while encouraging mutual help within the family, it makes a man regard everything outside his family as legitimate loot—that it is, in fact, a form of magnified selfishness. We challenge the duplicity of the old standard of morality. Confucianism, as such, is the doctrine of abject obedience, and the historical position of the Confucianist scholars was that of job-hunters who always supported the rulers against the people, in spite of Mencius. It has as little to do with modern industrial and banking problems as the Christian Apostles' Creed. China has accepted democracy, and yet our generals and dictators are innocent of democratic ideas and concepts precisely because they cling to the feudalistic notions of face, fate and favor of the old régime. China is being modernized, industrialized, whether she wills it or not. In an age of American machinery, German science, English cotton cloth, French perfumes, Russian cabarets and Japanese bombing planes, the quicker she becomes a modern people with modern ideas, the sooner will come her salvation. It is useless to say that we must stand resolutely on our ground, because any moment the Japanese airplanes may drop bombs on our heads and the Russian dancing partners may sweep us off our feet. Constant foreign invasions seem to call for an immediate and thoroughgoing change of our life and philosophy of life. The question is, therefore, not whether we can preserve our old culture but whether our old culture can preserve us in the modern world.



Cut-outs, in designs of animals, plants, insects, dragons, are made by the women of Shantung and pasted on windows or walls at the Chinese New Year, in accordance with an immemorial custom. In late years, however, their use has expanded and adaptations of more varied design are used for stationery, Christmas cards and the like. This example of the cut-outs of Temple Hill, Chefoo, illustrates the story of the sage Wang Shen, wherein the sage, testing the ingenuity of his two disciples, defied them to lure him from the cave in which he was sitting. After several abortive attempts, one said, "If I could get you out, I could get you back." The ruse worked.

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SUSPENSE IN NORTH CHINA

By WILLIAM HENRY CHAMBERLIN

For months North China has been an arena of struggle between Tokyo and Nanking—a struggle carried on with typically oriental methods, which must have proved highly bewildering to occidental observers. Nothing has ever been so sure, so hard-and-fast, as it seemed. There have been days when the five provinces that come under the name North China (Hopei, Chahar, Shantung, Shansi and Suiyuan) were separated from Nanking in the morning, restored to their allegiance in the afternoon and divided by evening.

There have been demonstrations and counter-demonstrations, feints and counterfeints. Japanese airplanes circling over Peiping, Japanese soldiers regulating freight traffic on Chinese railroads, prodded General Sung Cheh-yuan, the war lord of Hopei and Chahar, a little farther in the direction of "autonomy." Student demonstrations and clashes with the police exerted a retarding influence. Sino-Japanese negotiations through more or less authoritative representatives were proceeding simultaneously in several places. Innumerable programs, points and formulas, usually quite eastern in their vagueness, were published from time to time and only deepened the confusion. Occasionally there was a delightfully humorous interlude, as when a Japanese military spokesman in Tientsin compared the provinces of North China with the American colonies and suggested that the sorely harassed Sung Cheh-yuan bore strong traits of similarity to George Washington.

What has made and still makes the outcome of the North China situation extremely difficult to gauge is that the final decision rests in the hands of a few Chinese military governors who are conventionally known as "war lords." Few of them have made any notable contribution to military history; but most of them possess the knife-edged shrewdness of the merchant or the diplomat. They are subtle, chameleon-like and completely unhampered by any fixed principles. Not one of them, left to himself, would, in all probability, be inclined to break away from Nanking. But it is equally doubtful whether either Sung Cheh-yuan, who has been most involved in the complex network of Japanese and Nanking thrust and counterthrust, or Yen Hsi-shan, the "model governor" of Shansi and Suiyuan, or Han Fu-chu, ruler of Shantung, would hold out if squarely confronted with the alternative of complying with the demands of the Japanese military leaders or losing the prestige and emoluments of office. As a matter of fact what the Chinese hates above everything else is being obliged to choose definitely and irrevocably between

two clear-cut alternatives. His instinct is always to seek some middle way of compromise, and this psychological trait explains the enormous amount of shifting and backing in North China during the past months.

The determination of the political destinies of the northern Chinese provinces really rests in the hands of a very small number of individuals. During a recent trip to that part of China I completely failed to discover a trace of the "broad sweeping popular autonomy movement" about which I read so much in the Japanese press on my return to Tokyo. The prevalent mood among the Chinese masses, so far as I could discover, was one of apathy. Only a few incurably optimistic Japanese generals could envisage them as panting with desire to write a Declaration of Independence and cast off the yoke of Nanking. Neither did they seem inclined actively to resist autonomy, if it should be thrust upon them. The setting up of an obviously pro-Japanese régime in the demilitarized zone—the area of some five thousand square miles, inhabited by some five million people, which lies between the Great Wall and a line running from Yenching to Lutai—provoked no large-scale disorder or fighting. The small Chinese educated class, so far as I could judge, was vigorously and almost unanimously opposed to an autonomy that seemed to bear the label "Made in Japan." But students, professors and other intellectuals did not constitute a military force that might resist a possible Japanese invasion from beyond the Great Wall.

The issue in North China would have been very much simplified if the Japanese had been in a mood to repeat the "Mukden Incident" of 1931. But this was not the case. Neither the certain heavy additional expenditures nor the possible foreign diplomatic complications which would have been the sequel to a large-scale occupation of North China seemed desirable to the Tokyo government. So the main driving force behind the movement for North China autonomy, General Kenji Doihara, chief of the special service of the Kwantung army, was limited in the amount of pressure he could bring to bear on the slippery and elusive Chinese war lords. Saber-rattling gestures were brought into play; obnoxious Chinese were arrested in a few cases by Japanese *gendarmes*; there were ominous shifts of Japanese troops on the other side of the Great Wall; Japanese airplanes on one occasion circled over Peiping. But the Chinese, who are among the world's best and most inveterate gamblers, are not easily bluffed. They sensed the lack of ultimate power behind Doihara and yielded very much less than they would have if an out-and-out Japanese military occupation had been in prospect.

During my stay in Peiping I had an opportunity to interview Sung Cheh-yuan. He is a large, strongly built man; his shaved bullet-shaped head and heavy features are suggestive of the fact that he has risen from the ranks, after a schooling in the armies of Feng Yu-hsiang. Only his hands, soft, white and well cared for, convey an impression of finesse. After the usual exchange of oriental amenities through an interpreter I endeavored to obtain from the General an expression of opinion on two points: his relation with the Nanking government and his relation with the Japanese. As might have been expected, his replies were soothingly noncommittal. He regarded himself as loyal to the Nanking government and as a military subordinate to Marshal Chiang Kai-shek. At the same time he desired to preserve "harmonious" relations with Japan. Indeed, he added, the guiding principles of his life were justice, truth, sincerity and benevolence.

All this cast little light on the practical details of the protracted game of three-handed diplomatic poker in which Sung has been engaged along with Nanking and the Japanese army. Yet there is no reason to question the reality of his typically Chinese desire to keep a line of contact with both sides, to remain "loyal" to Nanking and "harmonious" with Japan at the same time. In December, when he was being hard pressed from two sides, by Chiang Kai-shek's trusted lieutenant, Ho Ying-chin, who had come north in the interest of Nanking, and by the Japanese military leaders, Sung found a characteristically Chinese escape from the dilemma by suddenly disappearing from sight for a few days until the pressure had somewhat relaxed.

The high-water mark in the latest separatist drive in North China was reached shortly after the middle of November, when most observers, both in Japan and in China, were predicting the speedy emergence of a régime that would be quite independent of Nanking in the five provinces north of the Yellow River. Then a cog slipped somewhere; the sensitive Chinese realized that the indefatigable Doihara did not have a Japanese army at his back; and a conference of the Chinese military leaders which was supposed to meet in Peiping and proclaim an autonomous régime melted away. General Shang Chen, military commander of Hopei, dived into the nearest mission hospital and declined to receive visitors. General Han Fu-chu, ruler of Shantung, suddenly discovered pressing administrative responsibilities that made it impossible for him to come to Peiping. Doihara was left, fuming and futile, waiting for the Chinese who never appeared.

Neither side has delivered a knockout blow in the

shadow-boxing for the possession of North China. It is characteristic of the atmosphere of misty uncertainty which enveloped the whole affair in its concluding stages that a friend in Shanghai wrote me Japan had been foiled, while an equally well-informed friend in Peiping expressed his belief that the Japanese had obtained pretty much what they wanted. The most certain thing about the North China situation is that it has not yet reached a point of permanent stability.

Two sets of considerations, military and economic, impel Japan to adopt a forward policy in North China. At the same time financial motives exert a retarding influence and make the course of Japanese policy even more sinuous and irregular than it would otherwise be.

An active army, like nature, abhors a vacuum. Respecting a strongly defended frontier, it sees in a weak frontier an invitation to a designing enemy, which it should, if possible, anticipate. No one can talk long with a Japanese military leader in Manchoukuo or North China without realizing that, from his point of view, Russia is Public Enemy Number One. The Soviet Union is the only state, besides Japan, which maintains a powerful army in East Asia. This in itself would provide ground for friction and suspicion. But Russia is also the source of what is to the Japanese a highly dangerous idea which, under certain circumstances, might work more havoc than poison gas. There can be little doubt that the Soviet Union bulks large in the North China calculations of Japanese army experts.

The Japanese army seems to be pursuing simultaneously a larger and a smaller objective in North China. The larger objective is the creation in the whole region of a governmental system that will be virtually independent of Nanking and correspondingly dependent on Japan. The smaller objective is an increase of Japanese power and influence in spacious, scantily populated Inner Mongolia, which is divided into three provinces, Chahar, Suiyuan and Ningsia.

Apart from iron deposits in Chahar, Inner Mongolia is not a rich region; its arid stretches are best suited to the pastoral economy of its nomadic Mongolian inhabitants. But strategically Inner Mongolia is well worth the attention which General Doihara and other Japanese military leaders have been devoting to it. The establishment over that region of an administration that is reliable, from the Japanese point of view, would be a wall against the penetration of Soviet influence, whether this takes the form of despatching Communist agitators into China or of supplying arms and munitions to the Chinese Red armies. Inner Mongolia has become still more important because the main forces of these Red armies, driven out of their original stronghold in southcentral China, have made a long trek, first in a western, later in a northwestern direction. So far as anything is accurately known about these elusive guerrillas, they are now in occupation of considerable stretches of territory in the northern parts of Kansu and Shensi provinces. Only Ningsia is between them and

Soviet-controlled Outer Mongolia; and Japanese intelligence officers are convinced that arms are reaching the Chinese Reds from Russia.

The Japanese have not been slow to exploit the antagonism which has always existed between the wandering Mongols, who require large stretches of untilled land to support their herds and flocks, and the Chinese settlers, whose desire is to put as much land as possible under cultivation. The Mongolian Autonomous Political Council, under the leadership of the progressive Mongolian Prince Teh, has apparently moved farther in the direction of completely ignoring Chinese local authority; and the new régime which has been set up in six counties of Eastern Chahar under the direction of General Li Shou-shin, head of the so-called Mongolian Peace Preservation Corps, is also likely to serve as a nucleus for an Inner Mongolian autonomy that will be closely linked up with Japan.

Sovietized Outer Mongolia is a thorn in the side of the Japanese military leaders, who see in it an outpost of oriental Bolshevism and a source of revolutionary infection for the Mongols of Inner Mongolia and Manchoukuo. Relations between the Japanese and Soviet dependencies, Manchoukuo and Outer Mongolia, became perceptibly strained after two conferences at the Manchoukuo border town of Manchouli, last summer and autumn, broke down following the refusal of the Outer Mongolians to exchange diplomatic missions with Manchoukuo. The Japanese Foreign Office Spokesman remarked that Manchoukuo was knocking at the door of Outer Mongolia, "as Perry knocked at the door of Japan." Skirmishes between frontier outposts, involving loss of life on both sides and followed by recriminations, in which each side accused the other of aggression, occurred along the vague boundary line between Manchoukuo and Outer Mongolia near Lake Boir in December. If Inner Mongolia can be brought definitely within the orbit of Japanese influence, Outer Mongolia will be enveloped to the south and to the west and the dream of a Pan-Mongolian state, under Japanese hegemony, will be brought closer to realization.

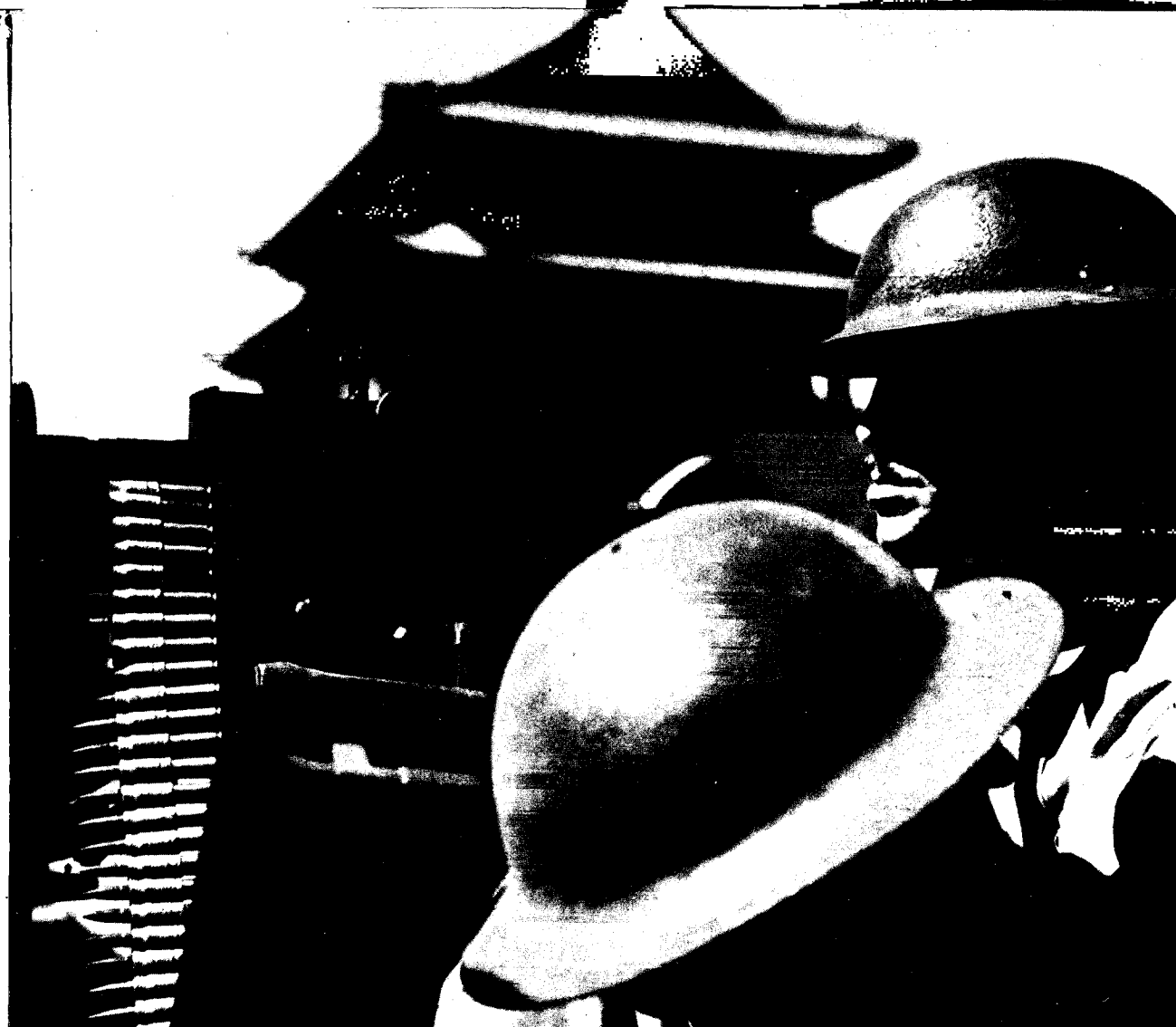
Japanese business men, as well as Japanese soldiers, are interested in the possibilities of North China. Ever since the strong action of the Japanese army last May and June foreshadowed greater Japanese political domination of this region, Tokyo has been buzzing with rumors of large-scale projects of economic development. Cotton is grown successfully in North China, especially in Hopei, where the output increased from 801,260 piculs in 1929 to 2,836,127 piculs in 1934; and a favorite dream of Japan's economic nationalists is to promote the cultivation of cotton in North China until Japan's dependence on the United States and India for this very important commodity is appreciably reduced. Chahar is believed to contain some of China's most valuable iron deposits, although little development work has been undertaken, and North China possesses valuable coal reserves, mostly in mountainous

Shansi. There has been much talk of new railroads: it is expected that the South Manchuria Railway, spearhead of Japanese economic penetration in Manchoukuo, will play a large part in any future railroad construction in North China.

Investigation on the spot reveals that no project for the economic development of North China has as yet advanced beyond the stage of discussion and planning. The cotton that is grown in North China is coarse in fiber and short in staple; it would have to be greatly improved before it could serve as a substitute for American cotton. Japanese purchases of cotton in China reached their highest figure of recent years in the second half of 1933, when they amounted to about 17,500,000 yen, as against about 194,000,000 yen in the United States and 48,500,000 yen in India. In the first half of 1935, the last period for which figures are available, Japan bought only 2,881,343 yen worth of cotton in China, while its imports from the United States amounted to 217,199,479 yen and its purchases in India to 169,609,351 yen. Much the largest part of China's cotton output is required for domestic use, and in recent years China has itself been a heavy importer of cotton.

Japan is so heavily committed to large development projects in Manchoukuo that little capital would seem to be available for enterprises in North China which would require a large initial outlay and a period of time before any profits could be expected. Not the least of the reasons why Japanese policy in North China has been somewhat wavering and uncertain is that no large capital resources are available for economic development and the country shrinks from the further increase in military appropriations which would most probably be the result of a large-scale occupation of the Peiping-Tientsin metropolitan area and its hinterland.

Opinions differ as to what the future holds for North China, with its incomparable historic capital, its dry sun-baked plains, its grimly impoverished peasants and its as yet little-tapped stores of mineral wealth. A shrewd Chinese observer suggested that, however strongly the Japanese military leaders might talk on occasion, Japan could not afford the expense of a second Manchoukuo; that North China most probably would become a second pre-1931 Manchuria, with predominant Japanese political and economic influence, but without Japanese military occupation. A shrewd Japanese observer ventured the prediction, for which there is no official confirmation, that the time would come when the Manchoukuo Emperor Kang Teh would mount the Dragon Throne in Peiping. What seems certain is that there will be no cessation of the struggle between Japanese military power and Chinese capacity for bending without breaking, between Japan's impulse to bring a well assimilated western technique of industrial and commercial organization to the Asiatic mainland and China's aversion to changing under foreign direction. North China will remain the central arena of this struggle, with more than one foreign power a deeply interested spectator, if not an active participant.



United States Marines engaged in artillery practice under the wall of the Legation Compound in Peiping

JULIEN BRYAN



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LED BY THEIR PRIEST, FIREWALKERS OF MYSORE PASS THROUGH THE HOT ASHES



THE ECSTASY MOUNTS WITH THE CRESCENDO OF THE DRUMS

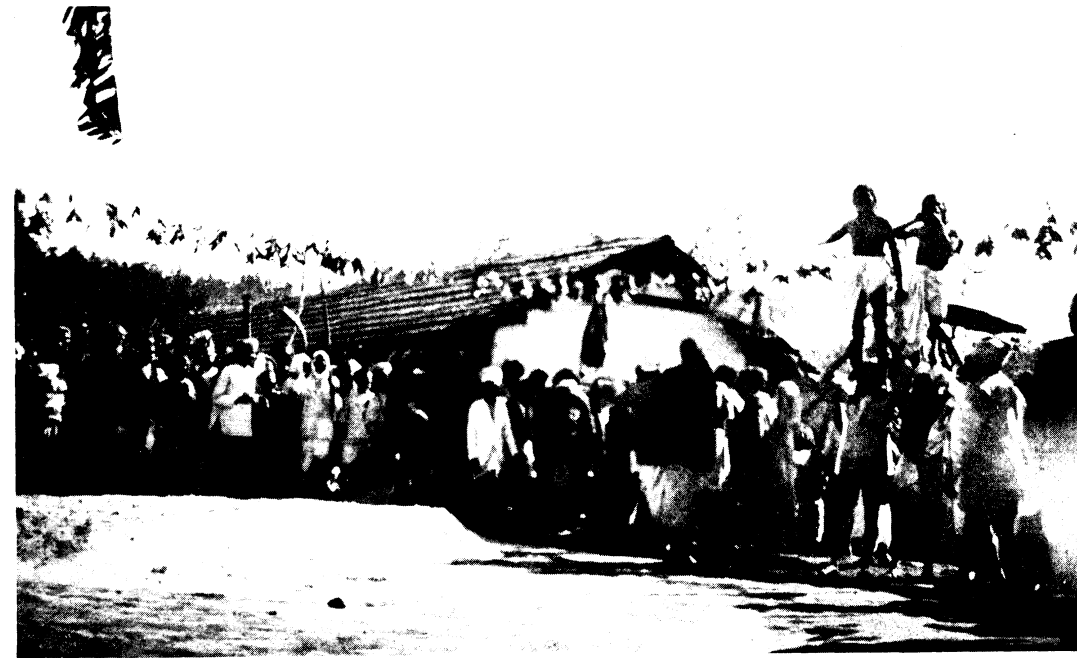
FIREWALKING

After the demonstration of firewalking recently held in London before a group of physicians and those interested in psychical research, by Kuda Bux, a young Kashmiri, some spectators insisted it was trickery; others, that it was a combination of faith, courage and technique.

Firewalking, once common among primitive races, still survives in the Pacific Islands and in some of the backward sections in India and Japan. When I witnessed one of the most interesting demonstrations of this strange phenomenon, which takes place annually during February in Mysore, South India, there was no doubt in my mind that firewalkers temporarily possess that great faith which "will move mountains."

At the Mysore rite the firewood was piled at the edge of a large open space. The evening before the ceremony the *guru*, the officiating priest, walked round the stack of wood, performing a *pauja*. The next morning, the stack of wood, reduced to ashes, was thrown into the pit prepared for the ceremony. The firewalk is usually twelve feet long, three feet wide and three deep.

Those who were to participate in the ceremony spent the night in a state of religious exaltation. When they arrived at the pit, around which several thousands had gathered, they attended one last *pauja* and, as they executed a final dance



PHOTOGRAPHS BY P. PLUNKET

ZEALOUS PERFORMERS, ON THEIR FRIENDS' SHOULDERS, PRACTISE SELF-MUTILATION

IN MYSORE

almost within singeing distance of the pit, many cast sidelong glances of dismay at the hot embers.

The *guru* blew upon the sacred conch and the ashes were raked with an eight-foot pole and fanned to a white heat until the fire burst into flames. At this moment the sacred bulls were led round the fire, the drums began to throb and the tension of the crowds became acute. To the roar of the drums the *guru* then stepped into the hot ashes. He was followed by those who had decided to perform this act of devotion or penance.

Most of the firewalkers collapsed hysterically and had to be supported by their friends—but their feet showed no evidence of burn, not even minor blisters, nor were the ends of their trailing garments scorched. A few, whose frenzied ecstasy had not been quenched by the ordeal of fire, practised self-mutilation, sticking pins and wires through their cheeks and arms, as they were carried about on the shoulders of their friends. I was told that no ointment or medicine is applied to protect the soles of the feet, but that any one who walks through the fire in a spirit of bravado will suffer terrible burns. It is beyond my modest power to explain this phenomenon, about which doctors disagree, but in my opinion it is a striking example of the domination of mind over matter.

LEONARD HANDLEY



THE "GURU" SUMMONS THE FIREWALKERS WITH HIS CONCH

APRIL, 1936

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A wedding feast, even in preparation, is an important event in an Indian village. Custom-hallowed, it puts the poor deeply in debt

Cottage industries still survive despite industrialization. This woman of Cawnpore rewinds cotton from hanks onto spools for weaving

PHOTOGRAPHS BY C. W. STOKES



THE DIARY OF AN INDIAN VILLAGER

By TULA RAM

Edited and Translated by H. L. and Mary Puxley

Translators' Note.—Pandit Tula Ram is a thorough villager inasmuch as he was born and bred in Barhan village, and has lived there most of his life. At the same time, it would be incorrect for various reasons to call him an ordinary villager. He is literate in Hindi, though not in English, of which he knows only a few words, and his intelligence, enthusiasm and initiative are far above those of his fellows. As hereditary priest of at least a part of his village he is one of the accepted "village leaders," and his energetic work on behalf of the Congress party has done much to increase the respect in which he is held by many of his humbler neighbors. It is for this reason that his diary so frequently records the visits of others to ask his advice or help. It should be borne in mind, however, that he is not the only unofficial counsellor in the village, but one of a number of recognized leaders such as exist in every Indian village.

In translating the diary, efforts have been made to keep as closely as possible to the original language used, but in many cases compromise has been necessary either in the interests of grammatical construction or to make the meaning intelligible. In particular, difficulty has arisen in the translation of conversations. There is no such thing as indirect speech in the Hindustani language, so that all conversations recorded were in direct speech in the original. This is unusual in a Westerner's diary, and such conversations have been rendered into indirect speech wherever it seemed practicable. Long conversations, however, have inevitably been left in the direct form.

The glimpse afforded by this diary gives an accurate impression of the life lived in thousands of villages in the central part of the Gangetic Plain. At the same time, there are more "Indias" in India than there are "Americas" in the United States, and this diary cannot apply to all of them.

Feb. 18, 1935.

Got up and washed. Went to my dispensary. There I found three women, two Nains [barber caste] and one Vaish [tradesman caste]. All three were ill. One of them, who was eighteen years of age, told me that her baby had died eight days ago, and that she had been ill ever since it was born. I immediately asked her whether she had received proper attention at the birth of the child, and found that, because of her mother-in-law's dislike for her, she had been left unattended and without proper food.

"Why does your mother-in-law dislike you?" I asked.

"My mother-in-law is not my husband's mother," she replied. "My father-in-law has married again, and his new wife doesn't care for me."

"Doesn't your husband love you?"

"Well, he is afraid of my mother-in-law."

"Why so?"

"He is unemployed, and my father-in-law is not at home; so my mother-in-law rules and my husband is oppressed."

"Panditji," the girl's mother interrupted, "it is for this very reason that I have brought my daughter back to my home. I was afraid her mother-in-law might kill her."

"How long are you going to keep her?" I asked.

"Until her father-in-law comes home. Then I'll send her back, but I'll give him a good talking-to first."

I agreed to treat the girl, and said that she would have to take medicine for a month. The woman protested that she had no money to pay for the medicine, because, although both her sons were earning good pay, they refused to live with her or contribute to her support. "I can manage to fill my stomach only by helping the caste women to do their hair," she said.

"Why do you live apart from your two sons?" I asked.

"They have wives who quarrel with me," she replied, and the third woman, who had been sitting silently listening, broke in: "Panditji, that is no fault of the wives. The earth is hard and the pick is blunt [that is, the fault is on both sides]."

The girl begged me again to treat her, and said that she would get the price of the medicine somehow. I told her that if she was poor and had no money I would give her treatment free, but they insisted that they would get the money from somewhere; they did not want to take medicine free from me, as I was their special priest.

The women then went off, and I turned to talk to a diviner, a devotee of the god Shiv [or Siva], who had just come up. He was wearing a belt of brass bells, as is the custom of his kind. He began to tell my fortune, and said that, although I had had a bad time up till now, I should now live in peace, and my last days would be spent in comfort. Then he boasted that he was so clever he could give me the answer to any question I thought of. To test him I thought of something. He scribbled some numbers on a piece of paper and asked me to put my finger on any one of them. I pointed to number two, and he immediately said, "Your enterprise will not succeed." I told him he was talking nonsense, and paid no more attention to him.

Just then Hublal, Bania [shopkeeper caste], whose shop is near mine, picked up a shoe and began to beat his wife, and to swear at her. The woman retorted by swearing too. Thereupon a large crowd of men and women collected; for today was the local market day. Hublal, taking the name of the gods, began to nod his head [invoking a curse] and rant against the Raja's men who had broken down the platform outside his shop a few days before in order to clear the road.

After prescribing for three other men, I went home and found my wife and small child lying on a *charpai* [rope bed used by all villagers] with fever. She told me that the child had been running about all day in the sun and the wind with nothing on, and that she hadn't eaten anything since morning and had toothache. I told her that neither of them must go out in the sun for a while. I gave them some medicine, and went off to see Mr. Dwivedi in his camp. We talked about improvements in manure. In the middle of our talk the sound of singing fell on my ears. Genda Lal, my son, who was sitting near Dwivedi, told me that it came from the house of Banarsi Das who, in his happiness, has been distributing alms. Today is his baby's *mulshanti*. "Mul" is the name of a sign of the zodiac. If any child is born under this sign, a ceremony of propitiation must be performed twenty-seven days after its birth, and this ceremony is called "mulshanti." Water from twenty-seven different wells is brought; also twenty-seven kinds of vegetables, twenty-seven kinds of grain, twenty-seven kinds of minerals. Then a service of worship is held, and the father divides among the astrologers a weight of grain and minerals equal to the weight of the child, and feeds twenty-seven Brahmins and one astrologer sitting separately.

On the way home from Dwivedi's I went to try and see the dance, but there was no room for me. Lala Ram told me that Bhika the washerman was dancing and the village *mandali* was singing.

Coming home, I tied up the cow, and, after asking how my wife was, went to bed.

Feb. 19.

Got up and washed. Went to my fields to see how the new seeds were getting on, and then back to my shop. While I was there, the wife of Mukanda the shepherd came by in a tantrum. In front walked Mukanda with a tin of milk on his head; the woman was carrying two children. As she walked she kept crying, "I won't let these children go to Lachu's house." Now, Lachu is the first wife of Mukanda, who left her two years ago. She now works in the village girls' school, calling for the girls and bringing them to school each day; she has not married again, but she calls Mukanda to go and see her periodically. Just as Mukanda's wife reached her own house, Lachu herself arrived at the milkman's house, which is next door. Mukanda's wife promptly fell upon her, and they began beating each other with their shoes. They went on fighting for about an hour until Pandit Kyali Ram frightened them and stopped them.

About five o'clock in the evening, Rewati Ram,

Brahman, who is a money-lender, began fighting with one of his clients, Munli, a Chamar [that is, leather-worker and therefore an Outcaste]. A crowd collected and some one said to Rewati: "Why are you beating him? Which are you going to take from him, your money or his life?" At that moment Rewati Ram caught sight of me, and cried out: "Look here, he's insulted me; I'm making up my account with him. This very moment his daughter-in-law came here and insulted me." "Let us settle the business," I replied. "What is the point of beating him? Now don't think about the insult any more, and stop fighting." Munli Chamar with his sons went to the *zillehdar*. The *zillehdar* is the landlord's bailiff and lives in the village fort; he also settles the disputes of the neighborhood and every one accepts his decisions; his judgments are usually good, as he always consults the men of the village before making them.

In the evening I went to Dwivedi's camp. Mr. Dwivedi is a professor at a college in Agra. At present he is out here trying to improve agricultural methods and the poor economic condition of the villagers. With him and some other farmers I went to see my grass. This is called Napier grass, and Mr. Puxley, who is also a professor in the same college, ordered it for me and got me to sow it as an experiment. It has already given out little shoots; it is beautiful to look at. Mr. Puxley told me that its yield is about six hundred *maunds* [a maund is eighty pounds] per acre, and animals like it very much.

While we were looking at the grass, Moti Singh, Thakur [Thakurs are the second big caste after Brahmins; in Barhan, most cultivators are Thakurs or Brahmins], came up to me and said jokingly: "Have you ordered this for your own food? It's growing fine. Cut some up and give it to your buffalo now; perhaps then she will give an ounce or so of milk." I answered: "Brother, it has only just been sown. It will grow in time and there will certainly be fodder." Moti Singh was obstinate. He said: "You have made your field useless. Can such foreign things grow in our district? You take my advice and sow something else here." "Brother," I answered, "have you never heard that potatoes and sugarcane Nos. 213 and 244 were foreign once, but now are doing well here? This too in future will flourish. We must keep on hoping."

Thus talking, we came to the camp. Every one sat down and began to smoke. I was not smoking; so I sat slightly apart from the rest. "See, Tula Ram," said Moti Singh, "these English want to do away with our country-made goods and want foreign goods to prosper."

"Well," said Ganeshi Lal, my younger brother, "we have still got our intelligence, haven't we? If we do our work intelligently, who is there that can deceive us?"

But Moti went on: "The English are very cunning, see? This is what they want. They want to find out what our land is worth, and then they will open a farm of their own and make us mere employees. Nowadays some bread comes our way, but if that happens we shall not get a crumb."

I told him that these college people at any rate didn't want to open a farm, but only wanted to see progress in agriculture and the peasants enriched, and that is why they are trying to show us new methods.

"What sort of improvements can these professors teach us farmers?" said Moti Singh impatiently. "I have farmed for twenty years, and my ancestors were farmers before me. I myself can teach agriculture to Dwivedi and the Sahib [Mr. Puxley]."

At this every one began to laugh, and Ganeshi Lal told him that if that were so he would like to take lessons from him.

Moti Singh said: "Brother, you can talk well. You teach in a school; you draw government pay. If you cultivate as I do, then you will see, and if I earned as much as you then I too could talk well. I am poor; so all my intelligence has died."

"Moti Singh, you are right," broke in Mr. Dwivedi. "Opportunities come mostly to the wealthy."

"No," said Ganeshi Lal, "it is not a question of wealth. Moti Singh doesn't trust any one and has no stamina. Strong-minded men find all work possible."

"If people can get good food," replied Moti, "then they will all be strong, but if there is no money in the house no one respects you."

"See, brother," said Dwivedi, "in our village there was a doctor who quarreled with the *patwari* [the government-appointed village accountant, very much feared for his power]. The *patwari* sued him falsely, but the doctor was not afraid and counter-sued the *patwari*. There is an example of strong-mindedness for you."

"And in Barhan you know Het Ram, the carder," added Ganeshi Lal. "He lives alone, but he is strong, and is afraid of no one."

Moti Singh simply said "Yes" to everything and got up and went off.

Just then we heard the sound of singing and dancing coming across the fields from the direction of the village. Today too there was some sort of show on in Banarsi Das' house. I went to see what was going on. Bhika the washerman, dressed like a woman, was dancing and beating a drum. As he danced, the on-lookers were making sacrificial gifts of money to him. After standing there a short time, I went away, as I didn't like the dance.

I came home and had dinner. My wife and small child were still both ill. My wife asked me to make some arrangement for milk for the child, as he would get very weak if he didn't have any, but I replied that I had no money. "You don't look after your children," she burst out. "You are always busy with other people's affairs. I too have no money. I was thinking as I lay on my bed how I might arrange for milk. Now the land rent is also due and the harvest failed last rains. Last night I couldn't sleep for worrying about it."

Feb. 20.

Went out in the morning to see Hublal about a cow to provide milk for my child. Found him and sixteen other men chopping up cattle fodder at the

hut which they had built themselves out in the field. Talked awhile, but couldn't come to any agreement on the price of the cow.

I asked Hublal how he made his manure, which was lying scattered around in front of me. "That is not a good way," I said. "During the rains the water will wash all the good out of it, and the manure will be just dust; and if the juice gets into the pond and the animals drink it they will get sick." I gave him one of the pamphlets on manure which Puxley Sahib had had printed for me, and told him to dig a pit and put his manure in that, covering it over after he had dampened it. I also advised him to try sowing vegetables next year as well as grain.

I came back to the village and opened my shop. At noon, I and all my household went off to see our relation, Adh Ram, in Seput village, who had invited us to the *terawin* of his father. The *terawin* is a ceremony performed thirteen days after the burning of the body of a man who has just died; food is distributed to the local Brahmins and other neighbors. There we were given *kir* [rice cooked with milk and sugar] and *malpua* [soft porridge cakes cooked in clarified butter].

Feb. 21.

A thirsty traveler came to my shop today and asked for water. I have no arrangement for drinking water; so I went out and got hold of Pandit Kyali Ram, who is the head man of the bazar, and asked him to engage a water-carrier to supply water to passers-by. He agreed enthusiastically, and sent for a man at once, so that drinking water will now be available free in the bazar for any one who happens to want it.

In the evening Ganga Singh and I were sitting in my dispensary when the Senik newspaper came. There was an account of the civil war in China in today's edition. I read about it aloud to a group of listeners who had collected to hear the news, and they were all much saddened by it.

Feb. 22.

Got up and washed. Went to the camp of the Raja Sahib's manager [the "Raja Sahib" is the sole landlord of Barhan village], who has just arrived in the village in the course of a tour of the estate. Today is the ninth day of his tour. He is appointed to settle disputes which arise between the tenants and the landlord. Because of the fall in the price of grain, the rents are a great load on the shoulders of the cultivators, and the farmers, gathered in great numbers, were asking for rents to be collected on the instalment system. The Manager Sahib promised to put the request before the Raja's Council. Some men of Barhan presented him with a petition showing that, whereas, according to the village by-laws, no shopkeeper might sublet his shop, several people in Barhan had done so, and the landlord ought to stop it at once. The manager roared with laughter and said: "Don't make a habit of bringing me such petitions as this. I don't mind people making money. I

wish the public to be well-off; I don't wish them ill." The men who brought the petition, who are the kind of men who can't bear to see other men get ahead, became very gloomy and disappointed.

Our present Raja has been our landlord for twenty years, and has looked after his tenants well, caring for orphans, establishing schools and dispensaries and awarding scholarships. He himself really does care for his people, but his underlings take a lot of bribes.

Feb. 23.

Went into Agra to see a friend of mine who is the manager of a hotel and keeps a general store. He had taken two English tourists off to show them his village. I gave an order for a certain sort of oil to be prepared which is good for headaches, bad memory and so on. Then I went off to Dwivediji's house, where I met a man called Hari Shankar Sharma. He talked a lot about village improvement, and said that some educated men ought to go and mix wholeheartedly with the farmers and work there in the villages, doing the same work as the farmers but bringing in as many improvements as possible; that great and small, city men and villagers, rich and poor, landlords and farmers, bankers and paupers, educated and ignorant, ought to forget all their distinctions and in unity think of one another's good. Then and then only could the Indian village progress.

Feb. 26.

Got up and went to have a look at my fields. When I got back to my dispensary, Pandit Jainti Prasad came to see me. He used to live in Barhan, and in 1921 I and he together used to work for Congress. After this he tried to start a factory for making homespun stockings with Indian machines, but it wasn't a success. Then he went to Allahabad, where he worked on the railway. When, in March, 1930, Gandhiji defied the salt tax, the pandit was his fifty-ninth man. Since then he and his family have never entered their home, and his vow is that they never will enter it until India has won Home Rule. He has given up all his property and it has gone to rack and ruin. When he comes to Barhan, he stays with his friends. He told me that we ought to open a branch of Gandhi's Village Industries Association in the village, and that he would stay there and work with it. I told him certainly to open it and to get any land necessary from the Raja Sahib. I also told him that there would be a fête on March 1 in honor of the Raja's recovery from a long illness, and that would be his opportunity to apply for land for the project.

Tomorrow, the 27th, will be the wedding of the daughter of Sobran Singh, Thakur, the *mukhiya* [village headman, supposed to be popularly elected]. He never lacks for food, drink or money, to be sure. He has arranged for the wedding guests, that is, the bridegroom's *entourage*, to stay in the primary school, and a great many people are at work getting the place ready.

Feb. 27.

Today there was great rejoicing in the bazar.

Firstly, everything was being decorated in preparation for the wedding, and music was playing. Secondly, a lot of men were setting out from the village for the Ganges carrying bamboo slings to bring back holy Ganges water for the ceremonies of Shiv Ratri [festival in honor of the god Siva]. Thirdly, the *thanedar* [head police constable] of the district had just been transferred, and many people were glad to see the last of him. Fourthly, three great Pathans from Afghanistan with staves in their hands were wandering about the bazar with their long shirts and baggy trousers; behind them walked a crowd of village boys clapping their hands at the sight of these strange men from a far country. Today there was also a holiday in the school in honor of the wedding, as the bride is the headmaster's cousin. The junior masters and senior boys were all busy with preparations for the arrival of the wedding guests; the smaller boys were trying to drive the Pathans out of the village.

Shiv Ratri will take place in four days' time. Hindus keep fast for joy at this festival, and pour Ganges water and flowers and leaves on Mahadeo, the great Lord Shiv. Lord Ganges flows about eighty miles from here. Men and women go there on foot with little bottles which they fill with Ganges water; then they wrap them in paper and bring them back to the village in slings hung with strings of bells and decorated with flowers and colored cloth. Two men attend each sling. Coming home from my dispensary, I found my younger brother, Bhanki Lal, getting a sling ready to go to the Ganges. He asked my permission to go and went off.

Today was the date appointed for the hearing of the lawsuit between Suraj Pal Singh and Munshi Lal. On Jan. 26 they had come to blows over some canal water. They have neighboring fields watered by the canal, and Suraj Pal claimed that Munshi Lal had taken the canal water during hours when it should have been flowing onto his [Suraj Pal's] fields. The quarrel was complicated by the fact that Munshi Lal had not actually used the water himself but had passed it on to the fields of a family which was already at loggerheads with Suraj Pal on account of a theft which had occurred two months earlier. Suraj Pal's uncle came to my shop today when Paki Ram, the mukhiya of his village, was sitting there with me, and asked him to settle the quarrel in a village *panchayat* [elected village council], as he couldn't afford to take it to court. Shyam Lal, who was sitting near by, told us that a number of Munshi Lal's friends had collected money for the lawsuit and were pursuing it simply to make trouble for Suraj Pal and his family. Paki Ram and I promised to help him.

In our village there are three parties. One works for the police, giving them chances of staging lawsuits, and thus earning money for themselves. The second merely amuses itself watching the squabbles of others whom it has set at loggerheads. The third tries to step in and settle the disputes.

The second instalment of Pandit Tula Ram's diary of events in his Indian village will appear in May.

ASIA

CROSS-CURRENTS IN ASIAN AIMS

By WILLIAM ERNEST HOCKING

WHEN there is a point of undeniable superiority somewhere in the world outside of us, the prudent realism in our natures has a contest on hand with our pride. Realism is drawn, perhaps subconsciously, to imitate what it cannot help admiring; pride is drawn defensively to admire and maintain what one has. The Orient has gone through this phase of struggle, and on the whole now moves with an undivided will toward the scientific-mechanical conceptions of cultural strength. It has been putting behind it, only too fast and too completely, its ancient centers of prestige.

But meantime there has developed a rift in what it is moving toward. If we of the West feel a clash between the individualism we inherit and the collectivism that are crying their wares in our ears, the Far East feels still more intensely the conflict of claims between an individualism it has never had and a collectivism near at hand. It is a strife between opposing theories, to be sure; but not between mere theories. For now—and this has never before been the case—both theories are concretely represented by large-scale social experiments. Individualism is likely to be tarred as "western"; Communism as "Russian" or "northern." But, in any case, the near presence of the Soviet order brings into all the social thinking of the Orient a cross-current of feeling, which means a competition between opposing centers of prestige.

Since it has been in China that the system usually called "Communism" gained its most tangible foothold in Asia outside its original home, it will be well to note what the actual character of that system in its Chinese version has been.

It has obviously not been a Communism of the industrial world. The Chinese proletariat is chiefly a rural proletariat, not a proletariat of artisan classes. Of the roughly three hundred and fifty million Chinese peasants, it is possible that as many as fifty millions were at one time or other under a régime purported to be communistic. But we recall that the rural districts of Russia have been the last to absorb the spirit of the Soviet socialism: so far as the farmers of Russia were won to the Revolution in its early days it was by the vision of substituting themselves for the landlords as private holders of land. The Chinese farmers are not psychologically different in this respect; and no honest-to-goodness Communism of the land could have had the slightest chance of winning their interest under the turbulent conditions in which the movement gained its precarious hold on portions of China. Had it continued as an experi-

ment under governmental favor, as during its introductory years, 1924-1927, a genuine Communism might have appeared in spots. But, as an anti-government plan, it has had to dig in by catering to the peasant interest, not to the students' definition.

Now the facts are, so far as there are any discernible facts in this murky history, that the Communist régime has in some places had a lively support from the population; and it was solely because of this that it was able in many places, as in the hill country between Central and Southern China, to hold its ground until 1935 at a considerable disadvantage in equipment and organization against government troops. There are other regions in which the reverse is the case, and the communistic overturn is remembered—as in the Canton area—as a brief nightmare of dispossession by relative incompetents, and hence of ruin. These facts, however, cannot cancel the other facts which alone concern us—that here and there "Communism" became a government, and won not only the people, but occasionally the very troops that were sent against it.

When one asks the reasons for this popular support, one finds that the Communist régime, apart from its peculiar political form, has meant these things: First, a redistribution of ownership, an expropriation of large landholders in favor of the actual cultivators. Secondly, a considerable cancellation of debts, and, with it, abrogation of extortionate rates of interest. Thirdly, a revised system of taxation, and the confiscation for public use by the Communist governments of religious property, that is to say, of large areas which belonged to monasteries and temples and some buildings and lands which belonged to the ancestral halls. Fourthly, a group of measures aiming positively at the general welfare: regulation of working hours and of prices, attempts at mass education, and—an important matter—effective prohibition of poppy culture.

Considering these various policies one by one, and asking what the mentality is to which they appeal, the answer is evident: they appeal to the sense of justice in terms of private ownership; they are not in any theoretical sense communistic at all. What is the revision of taxation except an appeal to the pocket of the person who pays the taxes? What is the annihilation of debt except an appeal to the proprietary sense of the debtor, who is the beneficiary in terms of his private property? What is the redistribution of ownership except an extension of the ownership interest in property? Clearly Chinese Communism is not Communism; the appeal of the

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Communist régime is simply the appeal of radical reform, chiefly agrarian, in ownership, taxation and the general appointments of labor.

Against such an appeal, the argument of the Nanking government cannot be, and is not, purely military. It has to be an attempt to meet these interests by corresponding policies, so far as it considers them legitimate, and by providing some benefits which the Soviet system has, at least so far, been unable to secure. The mass education undertaken in the Communist areas is carried out much more effectively by the Nanking government and agencies operating under that government. It is only a central government which can plan, and by degrees build up for all China, a system of roads—unquestionably the great need of the country for every type of advancement. The Nanking government, while gaining some of its military revenues from opium taxes, has made a remarkable step toward general economic health; it succeeded for a moment in balancing its budget, by abolishing the *tael* and by seeing that taxes reached the public treasury instead of stopping on the way in private pockets. If it is less successful at the present moment, that is due more to the vagaries of American silver policy than to defect in its own financial sense. The main interest of the agrarian revolution, that of redistributed ownership, the Nanking government cannot meet in full measure; for it cannot dissipate the wealth upon which much of its maintenance depends. It cannot bribe its way to popular support by committing suicide. It can, however, lighten the burdens of debt and interest, and move by gradual measures to an enlarged ownership of land. I think it is fair to say that this government has grasped the problem of China at the points which are most critical, namely, national unity and solvency, an improved living for the masses, road-building, education. Having had the choice between investing in those things or investing in armaments, it chose, in part because of its former confidence in the West and in the League, to invest in these positive goods. Its present helplessness in warfare is largely due to this choice; and, apart from the fact that we instinctively approve that choice, we are also inescapably involved in responsibility for it, and for China's consequent military weakness.

It is evident, then, that Chiang Kai-shek's campaigns against Chinese Reds have very little to do with the problem of theoretical Communism. They are an effort toward political unification, on a basis of reform as distinct from economic revolution; and at the same time an effort to delay a military contest with Japan which he rightly or wrongly feels would be ruinous, and toward which Russian sympathizers are disposed to hurry the nation. But it is likewise clear that the whole social program of Nanking is distantly governed by the necessity of approaching those benefits which Soviet propaganda promises, and which in millions of Chinese minds have become the social ideal.

It is not difficult to see why Communism should

be attractive to that half of the human race already accustomed through hundreds of generations to the great-family system, with its intimate sharing of burdens and benefits. Between the ancient habits of Asia and the practices of Soviet Russia the distance is relatively small. Nevertheless I record my conviction that the great eastern civilizations are headed away from Communism; and that, whatever the outcome of the present cross-currents of influence, the emerging social forms will be more individualistic than the present forms, not less so. I am not identifying individualism with unrestricted egoism nor with governmental *laissez faire*: I mean by it a type of society which promotes individual responsibility, individual control of property, marriage, career, and which, to achieve these, promotes individual development.

To justify this judgment, let me mention in the first place that it is precisely its ancient family and clan communism from which the Orient is now reacting. Instead of favoring a general communistic order, the fact that the large family or clan of the Orient is communal in its spirit and procedures is a formidable obstacle to that aim. For it is just the old family system which all contemporary changes of prestige are tending to break down.

What is being discarded may be illustrated by the *Dhoti-Lota* Case, a famous case of perhaps a generation ago in the history of India. A young Indian went to Brazil and made his fortune there. When he came back his relatives received him with open arms; for by all tradition his wealth would now be shared with them. The young man's views were different: he felt that something had changed in the world; he was not disposed to divide up his fortune. The case came to court; and in the eyes of the court the matter turned on this question: Who furnished the young man with the clothes he wore when he went out to Brazil—his dhoti and his lota, or loin cloth? And, inasmuch as it appeared that this minimal capital had been provided by his family, it was decided that the proceeds of his work in Brazil should be merged with the family property. That case would not be reproduced in India today; and the reaction against that principle is permeating the East. The era on which the Orient is entering is one which requires of each person a greater amount of responsibility for the disposal of what comes into his hands, and hence a greater measure of control.

But, further, there is a direct relation between nationalism and democracy; and a direct relation between democracy and individualism. The line of connection seems to me to be this: Democracy inevitably concentrates on the individual, making him responsible for his thoughts, his votes and his actions. Democracy therefore concerns itself with the education, standard of living and function in society of the person who has to do the voting, judging and thinking. It must be his experience and his judgments which in the long run constitute the strength of the State. Throughout the Orient where nationalism is making its way, there the education of the people is accepted as an integral part of the

program—nowhere else, I think, with such far-sighted planning, with such a clear conception of the nature of education, as in China.

The Chinese experiments in education today, the work of C. H. Chwang, formerly of the Sun Yat-sen University in Canton, and now of Shanghai, of W. T. Tao in the neighborhood of Nanking, of the Huang brothers in rural reconstruction in Shantung, of Chang Peng-chun and Chang Po-ling in Tientsin, and especially of J. Y. C. Yen in Ting Hsien—all these more northerly enterprises now seriously disturbed by the Japanese menace—constitute an intelligently directed body of mass education to which Westerners should give their attention. Among the qualities which favor its spread is the fact that it is almost costless. It reaches the ideal of education for persons without means, and it concerns itself not alone with literacy but even more with individual character.

In Japan one finds a remarkable system of education, perhaps the most completely organized system of education in the world. The percentage of literacy is very high; Japan may be the most literate of all nations. But, as one observes these schools in operation, the conviction is deepened that, if China can carry on, in twenty-five years Chinese education will be producing a more intelligent type of citizen than will Japanese education. For Japan is regimenting her schools to such an extent and indulging so deeply in indoctrination—which is the polite name for propaganda in school—that the children are not growing up with the birthright of clear-headed original thinking necessary for democracy. That is one of the imponderables which is heavy with the future. When we see what China is doing for its peasants and workers, we perceive very concretely the connection between nationalism, democracy and individualism. A Chinese observer said to me, "There may be still another attempt to restore the monarchy; but any such attempt is doomed in advance to failure because China now, in a silent but wholly resolute way, is set toward democracy."

In judging the China of today, we are sure to go astray if we neglect the invisible traits of the Chinese mind. Such a trait is seen in the fact—another of the imponderables—that China is disposed to build from the bottom instead of from the top. We can divide human and racial temperaments into two groups with reference to modes of knowledge and operation. There are those who act empirically, building up from details, and there are those who act in what the philosopher would call an *a priori* manner, beginning with unity and descending to the parts. A centralized government is one which begins with the unity and proceeds to diversity; a decentralized government may well submit to a great deal of superficial disorder while, beginning with local unities, it builds working-arrangements more and more comprehensive until eventually it substantializes the unity of the whole. The latter type of unity is more enduring and real, because it is not a shell but an organism. There is such a thing as hopeless and meaningless disorder for which no plea can be made;

but there is also a propitious disorder in which a genuine unity of spirit strives to give itself form. Not all of the disorder in China is of the latter sort, but this principle accounts for much of it, and for the courageous patience and persistence with which the Chinese nation, aware of the lack of organized unity, moves toward its new modes of political expression. Such political unification is necessarily slow, and calls for a corresponding patience from outside. "If they will only give us time—ten years only," one member of the banking group said to me. More than this, it ought to be possible, in a world with a League in it, that China should be aided, without being forced, to stabilize that minimum of unity without which no government exists. But in any case the mental and cultural unity of China is already a substantial reality. China has achieved a general will to be a nation; and with this will, and its cultural inheritance, it already is a nation.

(In our judgments with regard to this imponderable, we may note by the way that the Chinese have little capacity for propaganda and no great interest in it, while the Japanese are a self-conscious people, highly aware of the processes of diplomacy and making the utmost of propaganda. I do not know which, in the long run, is the shrewdest policy, because when we become aware of this ineptitude in propaganda we begin to do precisely what the Chinese would like to have us do—we inquire for ourselves, and we proportionately distrust what comes to us from Japanese sources. An English friend suggests that this is precisely what the Chinese are relying on and that this is but one instance of their superior subtlety!)

By way of increasing the conscious depth of cultural unity in the nation, and emphasizing its continuity with its great past, there are vigorous movements in China toward reinterpreting the ideals of Confucian morality. I had the pleasure of traveling one day with an old Chinese gentleman who told me he was going to Peiping to join a society established for the sake of destroying the influence of filial piety in China! This man was over seventy and was a natural beneficiary of filial piety; but he had come to the belief that China needs a new type of attitude on the part of youth. He said, "We must give our attention to science and not to filial piety, which has dried up the roots of Chinese intelligence." To other minds, the problem is not one of uprooting filial piety, but of transforming it. As interpreted by President Lin of the University of Amoy, filial piety is an integral part of Confucianism, and Confucianism an integral part of Chinese culture; but filial piety has to be understood as follows: "It is the duty of the son to respect his parents so far as they are respectable; and, if they are not respectable, it is the duty of the son to make them so." Filial piety in that sense seems to be robbed of its ancient hostility toward a forward movement, and toward a reasonable individualism!

But, fundamentally, the necessity which will lead the Orient toward greater individualism is simply

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that principle which Arnold Toynbee expressed many years ago in his *History of the Industrial Revolution*: Men must separate in order to unite. When Thomas Carlyle tried to protect the interests of the English working man by referring him back to the personal and group dependencies of earlier and feudal England, the working man was deaf to his advice. The problem could not be solved by more natural belonging, but by first finishing the task of becoming independent. Men must become individuals, in order that from the position of a mature freedom they may form bonds which are moral and rational bonds rather than bonds of birth, status, nature. The Orient has to substitute for an inflexible family-status a type of relationship in which the unit is the individual, who thinks his way freely into the groups to which he is to belong. Cooperation for economic and for noneconomic ends may create, not communisms, but communities of free men. The Orient has no need to reproduce the chaos of western economic egoism; it has an opportunity to control its individualism in the public interest, superposing an intelligent collective purpose upon its individual base. It remains true that men must unravel themselves as individuals from their group-background in order to build conscious, rational, significant unities; and oriental society is now providing that possibility.

That is the strength of China. But there is a danger, to which I have already adverted, and it is the danger of the entire Orient. It is that, in listening to these new voices and in experiencing these migrations of prestige, it will cut itself loose from its old ground which is the source of its unique strength. There are many in China today who are saying that the old China has nothing for today—that the nation must begin anew. This is the natural voice of reaction against ancient fetters. But it is an incomplete truth which we of the West, who are not involved in the reaction, are in a position to correct. It thus lies in a peculiar sense upon our shoulders to aid the Orient in holding to the qualities of the old culture which deserve to be preserved. In the nature of the case, it is not the vigorous makers of the new China who most appreciate what the old China has to give to the new; and the same for India and Japan. The danger which threatens eastern culture is nothing less than a new kind of Levantinism, a mongrel type of culture which is not their own and not ours.

Unfortunately most of our agencies for cultural exchange with the Orient have taken an opposite view. They have made it their mission to invite the East to reconstruct itself after our image, and have been relatively blind to its cultural riches except for the curious interest of the traveler in what is strange and, under such names as "occult" and "exotic," commonly perverse. Our educational institutions in the Orient have done valiant service in providing conceptions and personnel that could serve as agencies of mutual interpretation, as ferment of change, as promises of an impending cultural unity. But they have bred too many hybrids, too many polyglots, too many universalists without a home.

Fortunately, on the other hand, they are now beginning to realize how much they have to learn, as well as to teach. And the best among these institutions are setting themselves vigorously to the new task, in which the mind of the West has, as we said, an advantage of position—that of strengthening rather than of weakening the attachment of the new Orient to its profound historical rootage.

A new ideal is in order. The destiny of mankind is not a uniformity of culture, but a unity in variety. There is already an incipient world-culture, an undertone of agreement based on the discovery of universally valid norms of thought, morality, feeling, which alone make an international order possible. But with this there is a growing appreciation of nuances of feeling, historic continuities of idea, which make of the world-society itself a family of nations, not all alike, but individual.

In our political contacts we have the same lesson to learn. The era of sapping the Orient for the major glory of the West—that era has gone, or is going, through the awakening virility of the East. The era of strengthening the East for the major glory of mankind is not yet at hand, but begins to dawn. The League of Nations strives for the universal norm—when it acts in its true character—but it has not learned, and cannot fully interpret, the individuality of states.

Japan is suffering, we say, from imitative political iniquity. But the trouble is twofold. In the first place, Japan is, as we noted, not convinced of our sincerity in trying for a cooperative internationalism. In the second place, she is dealing with an unsolved problem. On the legal side, Japan has no case: the report of the Lytton Commission made this clear, and exhibited the League at its highest point of service to the world, that of presenting an unbiased report of situations and rights. But there is a problem which the League has not touched, the problem of status, and which no agency has dealt with by way of reflective thought. The *status quo* has seldom been altered in the world except by resort to force or to fraud. If we do not approve, and cannot approve, the method by which Japan has abruptly restated her position in the world, we must grapple honestly with the problem involved, which is one of the individuality of national cultures. There must be a solution, as among persons, in which the individuality of Japan is not on the one hand coerced—nor on the other hand gained at the cost of Chinese individuality; but in which the development of each promotes that of the other. This requirement is clearly a moral, not a legal, requirement. It demands the introduction into world affairs of a new imponderable, a willingness on behalf of a stable world-order to accept tangible sacrifice. The initiative here again must come from the West. When we show that we are willing to sacrifice commercial and political advantage for the sake of the growing individualities of the Orient—India, China, Indo-China—then Japan, having in hand an argument for our sincerity, may be moved to enter (or reënter) the new world-order thus begun.



PHOTOGRAPHS COURTESY OF KNOEDLER GALLERIES

THE FACE OF ASIA shows its every mood in the realistic, vital portrayals of Alexandre Iacovleff, of which only a selection can be shown on these two pages. On this page we have: (A) Sir Mohamed Nazim Khan, Mir of Hunza; (B) Nirgidma of Torghut, a Mongolian Princess; (C) Tien Po, a guide in Sinkiang; (D) a wealthy Afghan from Ghirishk; (E) a Turkoman, chief of a caravan escort; and, above, a lama visiting a Mongolian tent



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HUSTLING THE EAST

By VICTOR G. HEISER

OF the many lands where the Rockefeller Foundation has helped to make modern scientific methods of attacking public health problems available, perhaps Siam furnishes the best contrast between the leisurely East and the energetic West. Beyond a doubt the Siamese are among the world's pleasantest peoples, adept in the art of living, socially gracious, many of the upper classes conversant with art, literature, politics and the humanities. But they are the product of a civilization that does not want to hurry, and, even when they try to make progress in the western sense, they are pulled back by the accumulated habits of centuries.

I vividly recall the hot June afternoon in 1916 when I set out to call upon His Majesty Mahavajiravudh (Rama VI), then one of the few remaining absolute monarchs in the world. Though the thermometer was at ninety-five I had necessarily attired myself in heavy broadcloth morning coat and top hat in honor of the occasion. One of the fifty royal automobiles had been sent for me, and I was driven along roads built expressly for the use of those automobiles, bordering the Menam and the tree-shaded *klongs*, or canals, that had long served Bangkok as streets. We drove past beautiful public buildings, past numerous *wats* roofed in peacock-hued tiles and decorated with slim, sharp-pointed *prachidees*, and past the brick palaces of the multitudinous brothers, uncles, cousins and nephews of the King. Finally, we passed through a gate in the great crenelated wall that enclosed the King's compounds, and soon entered the inner enclosure, where Chulalongkorn the Great, the King's father, had added the Chakkri Palace to numerous picturesque buildings of an earlier date.

After being introduced in one of the reception rooms to a number of military officers, I was conducted ceremoniously to an unpretentious one-room bungalow where I found His Majesty, dressed as a Colonel of a British Regiment. The room was almost filled with admirals, generals, ministers and other officials, all in gorgeous uniforms.

King Mahavajiravudh, who as an Oxford graduate spoke excellent English, graciously motioned me to a chair and seated himself on a wicker settee. After the usual inanities about the weather, he suddenly asked, "What do you think of our medical school?"

"I'm not prepared to talk about it, Your Majesty."

"I want your frank opinion."

"Your Majesty, I hope you'll excuse me."

"But I want to know." And, apparently believing I was embarrassed at the presence of the dignitaries, he turned to them and said, "You're dismissed."

Expressions of astonishment spread over their

faces. Reluctantly, with sabers clanking, they filed out, and the door closed behind them.

"Now we're alone, tell me about my medical school," the King persisted.

"Does Your Majesty really want to know?"

"Yes, I do."

"Then I'll tell Your Majesty. I have visited medical schools all over the world."

"Yes, yes."

"I regret to say that Your Majesty's Royal Medical School is the poorest I have ever seen."

As if he were on springs the King leaped up and ejaculated, "This cannot be!" He paced up and down angrily. "This is simply outrageous! This cannot be! Nobody ever told me that."

After a time His Majesty regained his composure, and we had a long and satisfactory talk about the medical situation in Siam. I informed him that the Rockefeller Foundation would be glad to supply the nucleus of a foreign staff and provide fellowships so that the Siamese would eventually be able to take over the instruction. Since the King was not himself in a position to suggest this plan to his foreign advisers, it was arranged that the suggestion should come from one of his family, who would first visit the medical school in the Philippines incognito.

This appeared to terminate the interview. The King rose and I also. "Wait a moment," he said, and called a servant to whom he spoke in Siamese, and who shortly returned with a small plush box in his hand. The King tendered it to me with the words, "I give you this in confirmation of my promise to support the work of the Rockefeller Foundation in Siam."

I bowed myself out. On my return to the hotel, I opened the case and found I had been decorated with the Fourth Class of the Order of the White Elephant, Busanabaran.

King Mahavajiravudh had many genuine leanings toward western science. Indeed he himself had composed a primer on hygiene and education, good in every way except that it recommended a local quack's medicine for stomach trouble. He was supposed to have a deep sentimental interest in insanity, and was also said to have paid out of the privy purse the expenses of one year's vaccination campaign.

But the King's medical enthusiasms had been badly directed. The Medical School fully deserved the reputation I had ascribed to it in my interview with him. The entrance requirements were those of the eighth grade. Almost any male was admitted who could read and write and was of average intelligence. No laboratory facilities were provided, and not one microscope was available for student use; in fact,



ALEXANDRE IACOVLEFF presents in vivid characterization: (F) wealthy Mongolians paying a visit to a Mongolian chief; (G) Mirza Loft Ali, of Teheran, expert in early Persian poetry; (H) Baba Daria, chief boatsman of the Arjandab River (right) with two other Afghan tribesmen; (I) Gumbo, Mongolian guide; (J) Afghan warrior dance at Mukhur; and, above, detail of a painting of a butcher shop and popular restaurant in Peiping



there were only a half dozen serviceable microscopes in all Siam.

In addition to the customary medical curriculum a course in Siamese therapeutics taught the application of local herbs, barks, flowers and ground sharks' teeth. The old Chinese materia medica was also included, and drugs were prescribed for dosage without any scientific testing of their medicinal value. The study of physics had to be attempted because the subject had not been taught in premedical school. Sometimes the study of anatomy was omitted entirely, because no teacher was available or because students objected to the odor of the dissecting room.

Textbooks in Siamese could not be kept up-to-date because the language lacked means for expressing recent medical terminology, and consequently neither teacher nor student was able to avail himself of scientific discoveries as they occurred. The only solution appeared to be that classes should be conducted in English, but this, I was assured, was impracticable unless the Siamese could be persuaded of the inadequacy of their own language.

Moreover, the attitude of the students would have to be changed. As one of the professors told me, "Siamese will learn accurately from a book all the steps of an operation, but they have no desire to perform it." The students also objected to having examinations held, and the authorities, in the desire to have everything as pleasant as possible, would often omit these annoyances; a favored pupil was sometimes allowed to complete the four-year course in eighteen months. The majority of the students seemed to do little but sit in the shade and smoke pink lotus-leaf cigars. Only thirty students were graduated per year, which meant that one new doctor was turned out annually to tend each 266,666 Siamese. Moreover, the few students educated abroad, on their return, found their profession so unprofitable and held in such low public regard that they usually went into the army.

In the midst of this inefficiency and lack of proper facilities sat Prince Rangsit, who was credited with being one of the genuinely public-spirited men of Siam. Although not himself a doctor of medicine, he had been educated in Germany in pedagogy, and was struggling valiantly to improve the condition of the school. But he had been able to accomplish little beyond repairing some of the more decrepit old buildings and fitting up additional lecture rooms.

I soon left for the Philippines and shortly after my arrival came Prince Rangsit, using the name of Krom Mom Jainad. During his stay of almost a month Governor-General Harrison arranged for him to see everything that might be of value or interest to him, and I conducted him personally from hospital to school to Bureau of Science, and even to the Fire Department, so that he might see how the United States ran her affairs in the Orient. In the course of our conversations, Prince Rangsit became more and more confidential, and gave me details of the difficult situation in which the Siamese King found himself, compelled as he was to cater to the desires and opin-

ions of the royal Princes, who were numerous as well as influential, and to the demands of foreign advisers as well. The King had a good heart and did not desire to believe anything unpleasant about anybody; consequently he was frequently deceived.

The beginnings of our long labors in Siam were thus complicated by both internal and foreign politics. To win the confidence of the Siamese generally was a difficult task; for they were suspicious of almost every proposition put before them and many officials were frank enough to state that they could not understand how such help as the Rockefeller Foundation offered could be entirely disinterested. Almost every time Siam had come in contact with the white race it had lost something. Both French and British, on trumped-up excuses, had appropriated choice sections of its territory. More bitter to endure were the extraterritorial rights which exempted foreigners from Siamese laws, and the presence of the afore-mentioned advisers "employed" by the Siamese government chiefly on the insistence of Great Britain, France and Germany. With advisers of many nationalities often giving conflicting counsel, the Siamese were pulled first in one direction and then in another, all efforts lacking coordination. They had developed into a set of apologists, and were constantly confronted with the necessity of giving the least offense to those whose advice they did not accept. In other ways, too, their liberty was restricted. They were allowed to charge only a three per cent customs duty and, since this did not provide sufficient income, were compelled to adopt an onerous system of taxation such, for example, as taxing each fruit tree. Most important from our point of view, before any sanitary provision could be put into effect the consent of the foreign powers had to be secured.

A health organization in the modern sense was nonexistent in Siam at that time. The few health activities carried on were in the hands of foreigners. The American Minister was asked to assist in obtaining two Americans for the so-called Bangkok City Health Service. He submitted two names, but, as soon as this news was spread abroad, the British protested and demanded that these appointees should hold office only until the end of the war when British successors must be assured. The Siamese government resisted feebly but finally had to agree.

To obtain French approval for the eventual abolition of extraterritoriality, the Siamese had agreed, among other things, to keep a Frenchman, practically in perpetuity, at the head of the Pasteur Institute, built and subsidized at Siamese expense. When I first went to Siam, the war was going badly for the Allies, and France had her back against the wall. The French incumbent had gone to the front, leaving control to Siamese. Mismanagement was evident, the place was dirty, rabbits were dying in their cages. Out of the dozens of biologicals usually manufactured in such an institution, only rabies and smallpox vaccine were being made. At Prince Rangsit's request I suggested a new head for the Institute. But the French no sooner heard that the Siamese had chosen

an American than the Frenchman was released from service to resume his position. Two days later the American, Dr. Ira Ayer, appeared. The bewildered Siamese had to do something about this *contretemps* and hastily created for him the post of Sanitary Adviser to the Minister of the Interior at a higher salary.

As I saw the program of the Rockefeller Foundation in Siam, the first step was to start a hookworm campaign, second, to stimulate the government to set up higher medical standards, and, third, to create scholarships for medical students. It was obvious that in Bangkok politics would hamper us—and to such an extent that I soon discarded the idea of beginning work in the capital. The proper procedure seemed to be to make a rapid survey and to initiate operations in a rural area which was heavily infected, and quickly prove the value of demonstrations.

The preliminary survey indicated as a strategic point of attack the ancient northern city of Chiangmai near the Burmese border, once capital of the Lao kingdom, which is now a provincial unit of Siam. With Dr. Wilbur A. Sawyer, now Director of the International Health Division of the Rockefeller Foundation, I made the three-day journey to Chiangmai, on a visit of inspection. We had already established Dr. M. E. Barnes, an excellent choice, at Chiangmai. His early upbringing had made him at home with the oriental mind. Born in India, he knew Hindustani, and had a sound linguistic basis on which to build. He learned not only the Lao tongue but also the Siamese, not an easy task because the differentiations between the two are so subtle.

The people of Chiangmai and the outlying villages were always affable and pleasant, ever ready with the making of fine promises, but taking an eternity to carry them out. Dr. Barnes would ask villagers to come to a certain place at a certain time; they would not be there. He would request local officials to make announcements; they would not be made. To cope with this amiable lethargy, Dr. Barnes devised an extraordinarily effective system of using the Buddhist priests, who liked to be considered progressive and were easily convinced that, when the Rockefeller Foundation cured their people, they would be the ones to reap the rewards of gratitude.

I was fortunate enough to be able to attend the opening meeting of Dr. Barnes' hookworm campaign in the Wat of Amphur Sansai near Chiangmai. It was filled to the walls with men, and even a few women had timidly crept inside the temple door. From the dusky recesses before them a great gilded Buddha, smiling and complacent, gazed out at the sea of dark faces. The dimly lighted temple, the great image, the tall pillars, the chief priest draped in yellow, the reverent audience in their *panungs*, presented a picture impressively oriental. Seated on their heels on the floor, these men and these women waited patiently to receive the message for which they had been summoned. The only foreign, intrusive notes were struck by the hookworm chart which hung on the front of the altar, and by the models of latrines

displayed on teak tables inlaid with mother-of-pearl.

In sing-song Lao, Dr. Barnes described the busy little hookworm in their midst; there were signs and sounds of approval. Then Major Boriracksh, medical officer of the Siamese army, added what was obviously enthusiastic corroboration. Although I could not understand a word, I enjoyed watching the people, who seemed like children listening to a story hour.

Dr. Barnes scored a signal success in Chiangmai and grew to be admired and trusted by the inhabitants as few foreigners had ever been. Because of his achievements there we were able to storm the citadel of Bangkok, and take up the vital questions of a first class medical school and an efficient health service.

In Bangkok we had more or less the same problems which had confronted the Rockefeller Foundation in the Philippines, but nothing like the authority to carry through reforms. The Siamese were so receptive to ideas, and so many people were offering advice gratis, that the result was often a jumble. They had, for instance, violated all the principles we held dear in the establishment of a medical center by building the main school across the river, and the pathological laboratory on the city side; and there was nothing to do but make the best of it.

Insanity was prevalent, much of it due to over-indulgence in the dangerous drug *bang*, or hashish, which the government was loath to put a stop to because the foreign advisers made no objection to this source of revenue. The Siamese had abandoned the practice of chaining their insane to posts, and had built an asylum across the Menam from the city proper. Beriberi had kept down the number of patients until the health department, under my instigation, fed them unpolished rice; thereafter so few died that overcrowding became serious and only the city insane could be accommodated.

The public market, which belonged to the privy purse, was highly insanitary. It was completely closed in by a set of crowded and dirty shacks in which lived the people who prepared food and ices for the vendors. In a filthy well were kept the fish destined for public consumption. After trying for years to have this market renovated, the Health Department finally took a series of photographs and sent them to the King. He was shocked and at once ordered repairs made. But then the government officials also went to the King, and said, since it was understood the market building was to be torn down soon, repairs were useless. This same excuse served to hold up improvements for years.

The serious health problems of Bangkok did not obtrude upon the public notice, but the Siamese were extremely sensitive about their mosquitoes, which were criticized by every foreigner. Although not malaria carriers, they were the worst pest I had ever encountered anywhere in the world. I was often asked what to do about mosquitoes, and advised a survey to determine the cost of control. But the Siamese never seriously undertook the task of eradication.

To Dr. A. C. Ellis belongs the major credit for building up the Medical School in Siam. He had been

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selected by the Foundation as Director and later employed by the Siamese themselves. He was able to see the hands of progress move around the clock, although they were turning so slowly no one else could detect their motion. It is due to his sacrificial efforts that the Medical School, with a completely Siamese faculty, has become a modern institution.

The great problem in medical education in these later years was whether to have a large number of poor doctors or a small number of very good ones in Siam. The poor ones could undoubtedly give relief to many people, and the few good ones could only reach a limited number. I had been concerned with this question here and elsewhere for thirty years and found it exceedingly difficult to decide which was the better course. But I knew that dealing with environmental sanitation such as water and sewage would produce much greater results in the form of a reduced death rate and morbidity than all the junior doctors could ever accomplish. The Siamese ultimately saw the matter from the Foundation point of view.

Our joint labors brought me into contact with a number of progressive Siamese, of whose problems I had a growing understanding as I watched them struggle against winds and currents that often carried them far from their goal. Only slowly and with extreme difficulty was the work advanced.

Prince Dhamrong, the leading elder statesman of the royal family at the time when we first began work in Siam, seemed to represent the highest point Siamese civilization had attained under the old régime. He was charming and gracious in his manner, philosophic in his comments; it was always a pleasure to converse with him. Had there been many others like him our road would have been far smoother.

A much more modern type was Prince Songkla, whose twelve-year-old son Ananda became King of Siam upon the abdication of Prajadhipok a year ago. Prince Songkla might have been King himself upon the death of Rama VI in 1925, since he was the only available son of Chulalongkorn's first Queen. But practicing medicine appealed to him more than a throne. He had received an M.D. from Harvard Medical School and had gone to the Missionary Hospital at Chiangmai to serve his internship. Because of his talents and influence, he was, above all others, most useful to us in removing friction and adjusting differences. His early death was a great loss to Siam.

On Prince Songkla's refusal to be King, his half-brother Prajadhipok was chosen. The power behind the throne during his reign was Prince Nagor Svarga, head of the Supreme Council of Five and an able administrator. He was a great friend of Dr. Barnes who, believing he was the man best fitted for the position and hoping to see the Health Department prosper under his direction, persuaded him to become Minister of the Interior. After the Siamese revolution, I met Prince Nagor Svarga, now called Paribatra, exiled in Bandoeng, Java. It seemed odd to see this Prince, who at Bangkok lived in such regal splendor, now occupying a simple bungalow. I called

to mind how he had outdone himself in providing welcome and entertainment for the delegates to the 1930 meeting of the Far Eastern Association of Tropical Medicine, held in Bangkok. Such are the vicissitudes of politics in present-day Siam.

The official with whom I had most to do was Prince Sakol, one of the King's first cousins and a graduate of Oxford. In 1915 he had been considering going into the Treasury Department, but I had persuaded him to cast his lot in the public health field by showing him the far greater opportunities there. He rose steadily and in 1926 succeeded Jainad, the former Rangsit, as Director of Health.

With conditions as I have described them, the work of the Rockefeller Foundation was by no means all smooth sailing. From time to time points of difference would arise. Even Prince Sakol, honest as he was, would exaggerate the alleged shortcomings of the Foundation in fulfilling its part of the contract, and minimize those of the Siamese. His burden of complaint was that the agreement called for two foreign doctors, and he submitted records showing that, owing to vacations, lapses of a few months had occurred during the last two years of the five-year contract. But he ignored the fact that the Siamese had transferred men out of our units or failed to furnish them altogether. Each year, as their proportionate share of the budget increased, the Siamese seemed to believe that we were taking something out of their pockets. We knew, of course, that this sentiment was a defensive reaction because of their own realized, yet unacknowledged, shortcomings in complying with their agreement with us.

As far back as 1926 it had seemed advisable for the International Health Division to withdraw from Siam, for a time at least, until the government, of its own initiative, should present a sound plan for continued cooperation. The attitude was all too prevalent that we were forcing the Siamese to do something they were not convinced they wanted to do, and that we offered them fellowships, which they keenly desired, only in order to bribe them into doing something the value of which they considered debatable. They apparently failed to understand that we were there to help them in their struggle for something better. On the other hand, they were so innocently amiable that we had a feeling we ought to help them, and any failure on their part must be due to their not having understood.

In 1929 the Foundation finally withdrew completely from Siam except for a single adviser. Dr. Louis Shapiro, who had done brilliant work in Panama, volunteered for this difficult task. He had refused our offer of retirement, although he knew his term of life would be shortened by any strenuous labor, saying he would rather die in harness. Dr. Shapiro became a tremendous favorite with the Siamese. When he died we did not replace him. Siam is now in the throes of political change, but the future must reveal to what extent the medical progress slowly achieved since 1916 will be permanently utilized for the health of the Siamese people.



ADEN

Aden, outpost of the British Empire and under administration of distant Bombay, is strategically located near the south end of the Red Sea. A modern windmill, with its salt beds, and sleepy sun-baked streets make peaceful contrast with rugged, fortified hills



PHOTOGRAPHS BY SCHUFTAN, U. S. PICTURES

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The cave dwellings of Shansi, though primitive, show structural method. The barrel-vault used in Chinese architecture is said to have originated in these arches and dome-shaped galleries



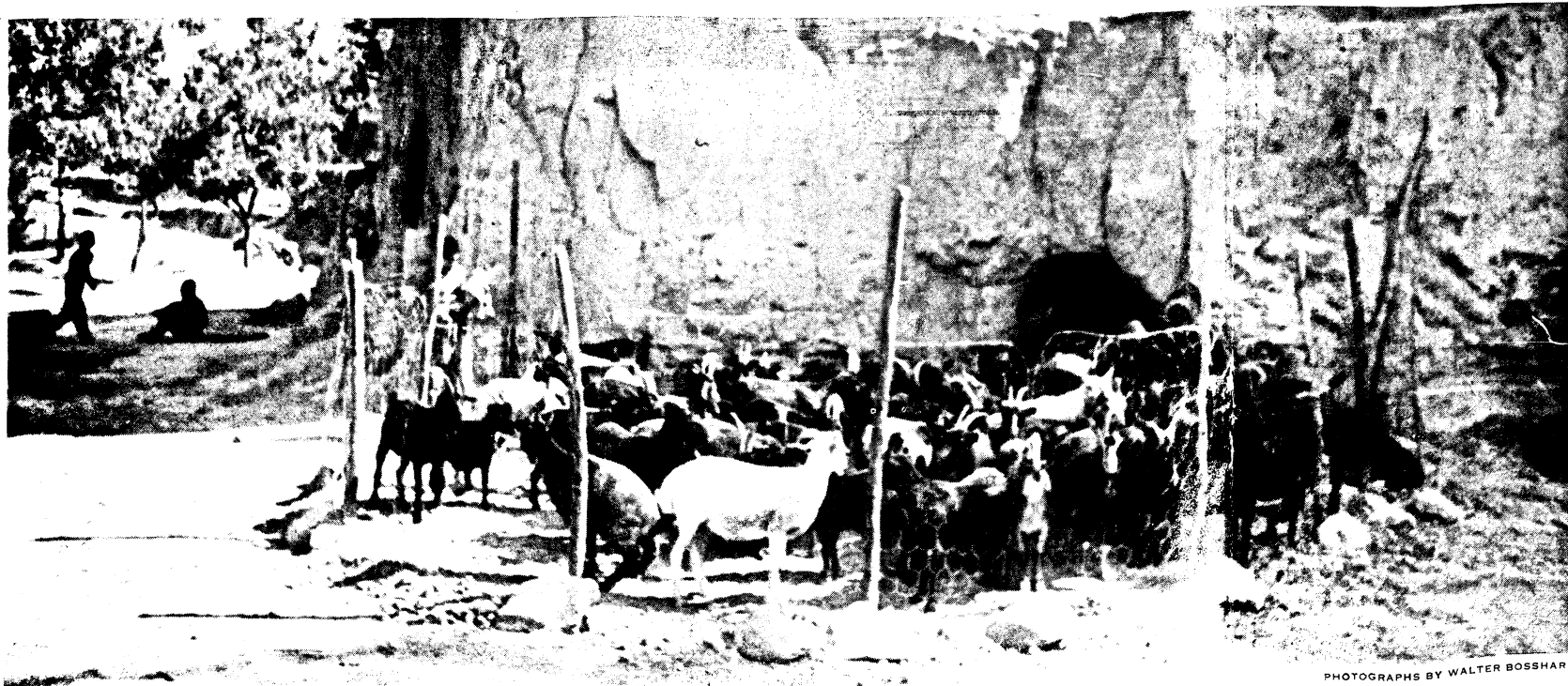
The entrance to a cave home is screened with stones and thorns when no one is within. Doors and other such fittings—except paper windows, a luxury only for the wealthy—are nonexistent



A kitchen, dug deep in the loess cliff, has an earthen stove but no other furnishings, unless perhaps a table. The smoke, having no outlet, colors the walls with a brilliant black patina



The "k'ang," a platform or shelf of earth, had its origin in the loess caves. Among the cave-dwellers it still serves as a gathering place when work is done, and as a bed for the family



PHOTOGRAPHS BY WALTER BOSSHARD

The size of the openings is often misleading. Behind small doors large caves can accommodate herds of goats and sheep

SHANSI CAVE DWELLERS

More than a million people in Shansi Province still live in caves, which they hollow out of the loess cliffs. Loess permits easy carving and supports itself when the caves are properly domed and arched. In this ancient cradle of Chinese civilization—mountainous, remote, arid most of the year—men have for thousands of years found it easier to dig a home than to build one. Sometimes a field of grain is directly above the home of the man who tills it. The peasants who wrest their scant existence from the potentially fertile loess, vitiated as it is by drought and erosion, know little except poverty. Most of them spend their days in primitive farming, producing wheat, millet, rice and maize. Women share in the labor, tending vineyards and persimmon, date and pear orchards. Felt rug-making and the crudest of iron smelting are common home industries. The people are known for their shrewdness and enterprise, and from Shansi have come some of China's greatest bankers and financiers.—WALTER BOSSHARD

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



Shansi cave dwellings contain but little that is not hewn from the earth. A large paper window, a table, the Chinese pictures hanging above the "k'ang," mark this home as one exceptionally well-to-do

The dwellings—each has but one window and one door—are connected with the storerooms and mangers by inner passageways. The caves are warmer in winter and cooler in summer than houses



CAN JAPAN PAY THE BILL?

By GUENTHER STEIN

KOREKIYO Takahashi, Japan's octogenarian Finance Minister, today personifies the fiscal conscience of Japan. In the fierce struggle which is being waged for the "harmonization of armament and financial security," the Grand Old Man of Finance is undoubtedly the central figure—less because he just happens to be Minister of Finance than for a number of highly personal reasons.

First of all, Mr. Takahashi is the only really authoritative civilian left in the foreground of Japan's political scene, in which Cabinet Ministers as well as party and business leaders are likely to be dwarfed by the increasingly powerful chorus of their army and navy partners. Yet, unchallengeable though the fighting services are in their compact mass, they lack outstanding and undisputed leaders. Thus the personality of the lonely civilian statesman is thrown still more into relief.

Furthermore, Mr. Takahashi is the faithful ally and public exponent of the only other authoritative civilian, Prince Saionji, who, despite his eighty-five years, exercises so dominating an influence from behind the scenes. The backing of this only surviving "Elder Statesman," with his silent mysterious way of influencing every crucial decision from his secluded country villa, means the backing of the Imperial Court and of Big Business for Mr. Takahashi. Apart from the present disunity among army leaders, the cooperation between these two octogenarians seems to be the only influence restraining the military group in its progress towards unrestricted power and, possibly, a reckless inflationary policy.

Mr. Takahashi's great personal authority was founded long ago, in 1904-1905, when, by his daring and successful borrowing activities in London and New York, he helped Japan to win the war against Russia and her present place in the world just as much perhaps as did the heroes of the army and navy. The prestige so gloriously won, was tested and confirmed when he became, on six occasions previous to his present tenure of office, Minister of Finance, on five further occasions the holder of other portfolios, and once Prime Minister. Though he was formerly an enthusiastic protagonist of modern party government and the forceful leader of the Seiyukai, his personal author-

ity survived the early degeneration and general disrepute of the political parties. Always identified with Big Business, he lived to see, with a gain rather than a loss of personal prestige, even this powerful group being driven into the background of mere intrigue against, and occasional profitable compromise with, the military element, which, once more, grew dominant in domestic as well as foreign politics.

Highly competent in finance, Mr. Takahashi is widely known and well trusted abroad. A diligent scholar of world economics and politics, he makes it his custom even in his very old age to read up on all important Japanese questions in the morning and on foreign topics in the afternoon. Hardly ever does he miss any important book or article. But Mr. Takahashi also has the great advantage of being a born psychologist. He knows his people, how to deal with them and how to impress them. He is regarded as "patriotic" enough, according to military standards (which means sufficiently fond of the principle of Japanese expansion abroad), to be beyond any real suspicion on the part of the military leaders, though not entirely *persona grata* perhaps with their radical and uninformed followers. Yet so careful, clever and resourceful is he, and so much the traditional guardian of Big Business, that he always enjoys the full support of this still important group. And he is speculative and inflationist enough in his fundamental views (a real "New Dealer" who acted on such lines long before the theory was developed in America) to please a large section of a people in whose mental make-up speculation and easy spending form such an outstanding trait. Mr. Takahashi is a genius in the typically Japanese virtues of compromise and face-saving. He resembles George Bernard Shaw in his aggressive yet fascinating humor, which is so rare in Japanese public life and which, more than anything else, has won for him and his policy the support of many of Japan's semicontrolled newspapers.

The fact that Mr. Takahashi, in spite of his eighty-one years, is still as active, cheerful and sardonic as ever and that he still takes full responsibility for Japan's financial policy, dangerous though he himself regards its present course, is perhaps the greatest asset in a gradually deteriorating situation. For, if anybody is able to

While this page was on press the news came of the assassination by Japanese militarists of Korekiyo Takahashi, the Finance Minister who is the subject of this article. Mr. Stein's analysis goes far to explain the recent events in Japan which lend tragic emphasis to Takahashi's prophetic utterance: "If the military persist in their unreasonable course, they will become the object of public condemnation."

check the reckless demands of the fighting services and to prevent them from taking government and finance entirely into their own hands, it is this smiling, dignified and courageous veteran, with his firm grip of facts and men. In a country which is as open as Japan to emotional influence, the mere presence of this wizard-like financial genius in the Ministry makes things look better, makes them work somewhat smoother than they otherwise might do. His frequent retreats before the military onslaughts—executed in order to prevent what might be worse—are still received by the public as smilingly as he himself pretends to suffer them.

There was a time in 1934 when Mr. Takahashi thought he might retire, partly because he felt tired and disappointed and longed for more time to indulge his passion for gardening and partly, in line with good old Japanese tradition, because he wanted to make the country get used to his loss while he was still alive and able to direct his successor from behind the scene. Perhaps he may also have thought it advisable to let somebody else try the risky experiment of reversing the inflationary policy toward some measure of orthodoxy, which he felt was becoming necessary. If the experiment should fail, it would not entail a loss of prestige for himself. He resigned, having chosen his young Vice-Minister, Mr. Fujii, just in time for the latter to deal with the crucial budget of 1935-1936. Fujii, a sound, experienced bureaucrat, in his fierce struggle with the military, who objected to his cuts in their armament estimates, and with the capitalists, who resented higher taxation, literally worked and fought himself to death. Takahashi had a glorious return just before Fujii died. And—eloquent proof of the cash value of his trusted personality—not only was the slump in state loans halted as the banks began once more to buy large blocks of new deficit bonds, but on a single day the stock exchange value of all Japanese securities soared by 500,000,000 yen, or 8 per cent of their former valuation.

The military men are Mr. Takahashi's main adversaries. He first gave in to them after the "Manchurian Incident," probably believing in General Araki's assurance that the huge military expenditure would be just a matter of one or two years and would speedily result in material gains. Mr. Takahashi embarked upon a policy of big loan issues to finance the military demands and to revive languishing industry. Since that time, he has found himself in the unyielding hands of the military group.

The scholarly old man in ceremonial kimono may still, with the knowing smile of an old hand at propaganda, dismiss the elaborate strategic maps and secret dossiers about the Bolshevik danger which stout and glaringly energetic army officers seem never to weary of unfolding in front of him. He may deal in the same way with the suaver naval officers who carry to his office or to his summer villa similar proof regarding American and British dangers. And, to both, he may again and again make it quite clear that for some time to come any further expansion by Japan will certainly overstrain her financial and economic strength;

that the disappointment called "Manchoukuo" cannot be compensated for by pushing on still further; that new acquisitions would destroy rather than enlarge the power of Japan in the world, and increase rather than remove the danger of domestic unrest. They will not understand him, relying, as they do, on their newly acquired knowledge of economics, and on their own ideas about the necessary transformation of Japan into a "state socialist" country where no weak-kneed capitalists will be allowed to argue against a heroic straining of the country's resources.

But, as soon as it comes to the question of what may become of Japanese industry without further great and growing armament expenditures, Mr. Takahashi must feel inclined to yield again. He cannot deny that he himself has used armaments as the basis for the struggle to avert an economic crisis and that, under the prevailing circumstances, that basis cannot be lightly changed. This is especially the case as Mr. Takahashi appears to regard Japanese agriculture as being beyond real help, believing rather in the necessity of a one-sided industrialization on the English pattern.

If, finally, mention should be made of dangerous tendencies in ultrapatriotic and anticapitalistic sections of army, navy and certain civilian associations in a time of much-advertised "national emergency" which might lead to dangerous consequences unless the most ambitious armament demands be satisfied, then Mr. Takahashi will be up against another sound argument. Not because he is Number Two (after Prince Saionji) on the black list of certain ultrapatriots, but because he recognizes the danger of grave unrest in a highly strained and "patriotically" excited country, the control of which is beyond the power of the civilian element.

Up till now the military men have had to fight for every single budget. However, their continuous success has made them bolder, and they have now presented Mr. Takahashi with a five-year-plan for further rearmament which entails five consecutive budgets of at least 600,000,000 yen annually for the army alone—almost three times the "pre-Incident" amount. Mechanization of the army, reconstruction of the backward air fleet and military development of Manchoukuo are the main items in that plan. The navy, too, has left no doubt that roughly 700,000,000 yen a year will be the minimum needed for anything like preparation for a future naval race. Both indicate that this is "merely preparation for further plans." This time, after another fierce struggle in November, 1935, both services had to be satisfied with somewhat less: 508,000,000 yen in the case of the army; and 551,000,000 yen in that of the navy; between the two "only" 38,000,000 yen more than in the former budget. But their demands will stand for next year's budget fight.

Turning to the problem of an increase in ordinary revenue, to which the military like to deflect his attention, Mr. Takahashi finds his old friends, the bankers and industrialists, as stubborn as he found the army and navy officers in discussing a halting of

expenditure. These gentlemen in western suits, with semiwestern manners and with very definite ideas about the predominance of economic necessities over any others, come to him with graphs and tables of statistics, with balance sheets and profit and loss accounts. They are out to prove that higher taxation will nip in the bud whatever promise of prosperity there may be in the long-suffering country. Furthermore, they argue, it would immediately raise prices and wages and kill the export trade besides making for real inflation at home and for a further dangerous depreciation of the yen abroad.

The business men may even seek to disillusion Mr. Takahashi as to the much talked of "natural increase" in state revenue in recent times, which is not really a symptom of real prosperity at all. With some resentment they will tell him that most of this so-called natural increase has originated from the reckless policy of tax enforcement which Mr. Takahashi has recently ordered his sometimes easy-going tax collectors to adopt, but which could hardly be expected to squeeze out any more money in the future. Very likely they are right in most of their arguments. Mr. Takahashi has already given in to them, having promised, to the satisfaction of the Stock Exchange, that for the time being there will be no increase in taxation. He may well feel, moreover, that, whatever possibilities of effective increase in taxation there may be should be regarded as practically the only national reserve for the emergency of war which has still been left untouched. This reserve is very small. Direct taxes, which are the only taxes mainly affecting the well-to-do, and an increase of which might not make itself felt in rising prices, cover hardly 20 per cent of present state expenditure. Indirect taxes and customs duties together amount to just a little more. Thus, the tax-paying capacity of the country is amazingly disproportionate to the expenditure to which the Japanese State has become habituated in recent times, yet the people as a whole are heavily taxed. According to the latest figures available, the total yearly tax payments, state and local taxes combined, average 22 yen per head of the population (against 9 yen in 1913-1914) on a national income of about 163 yen per head.

The State's income from monopolies and state enterprises, finally, which about equals that of direct taxation, cannot be raised without upsetting the whole edifice of Japanese prices. Therefore, the creation of more and more new debt—which at present covers about 30 per cent of the total expenditure—must be carried on.

Thus, Mr. Takahashi will have to rely on his last resort, the further issue of "red figure bonds," in the years to come. Here it is from his own officials of the Ministry of Finance that he meets with the greatest resistance. These scrupulous, conservative and in some cases scholarly men, who still aim at some measure of financial orthodoxy, have no ax of their own to grind. They see and frankly warn their chief of the approaching danger of inflation. The figures support their argument. The total national

debt amounted to 2,500,000,000 yen in 1913-1914, to 6,400,000,000 yen in 1931-1932, and by the end of the financial year 1935-1936 it will have risen to roughly 10,400,000,000 yen. If the increasing burden of Japan's foreign debt on account of the depreciation of the yen is taken into account, the total indebtedness of the State on March 31, 1936, may amount to as much as 11,200,000,000 yen. To this figure has to be added the sum of more than 3,300,000,000 yen owed by provincial and local government authorities. Thus the proper state debt now represents roughly one full year's national income.

But, to their great despair, the bureaucrats of the Finance Ministry find that in sounding their anxious warnings they stand very much alone. Everybody else seems to be bent on some measure of inflation. The military want it because they only care to get what they think they need. Most of the industrialists favor the step because they are afraid of a sudden end of the armament as well as the export boom—and that at a time when production capacity is still on the increase and when overproduction is threatening to become acute even while "beneficial inflation" is being kept up at the present rate. The bankers would welcome inflation because the 4 per cent "red ink bonds" are almost the only available investment on which to make profits with some safety. And, finally, support comes from the public at large because of the further stimulation of industry, trade and agriculture which is expected to result from liberal spending by the State, though most people would prefer to see the money being spent directly for other than armament purposes. And even Mr. Takahashi is being regarded by advocates of sound finance as too much inclined to yield to the temptations of "liberal spending."

With all these protagonists of "beneficial inflation" by means of more issues of deficit bonds, there is a growing tendency to wonder where lies the danger limit beyond which it might develop into "malignant inflation." So far, there has been no increase in the circulation of bank notes. The new deficit bonds, recently issued at a yearly rate of 700,000,000 to 800,000,000 yen, have been absorbed by banks and savings institutions through what ill-informed optimists point to as "national savings."

In point of fact, however, the actual national savings, if on balance there have been any at all, were very small indeed. The funds which are mistakenly regarded as savings originate from different sources. Partly they represent idle money put into the trust of banks and savings banks by small, medium and even big business men who are suffering from the depression and cannot employ their funds for the time being. These investors may recall their money at any moment should it be needed to finance a revival of business or to cover the losses caused by intensified depression and make both ends meet. Partly, it is the interest on state bonds disbursed out of the unbalanced budget—a total of almost 400,000,000 yen a year at present—which goes to the bond-holding banks and is being passed on by

them to the depositors, who have to be paid the very high average rate of almost 3 per cent, which is being added to their accounts. This is money created by inflation, used to make possible further inflation.

All these savings of a doubtful character, however, do not account for much more than half of the new deficit bonds taken up by the country's credit institutions. The rest of the money demanded by the State has had to be procured by them through reductions of ordinary business investments and advances to customers. Two tendencies were helpful in this process. First, the boom in armament and export trades has made it possible for some bank customers to do some more self-financing, or even to pay back old debts to the banks. In the second place, the continuous depression in most of the other branches of business has made other customers or would-be borrowers ineligible for credit, or else has made the banks withdraw assistance in order to indulge in the safer business of hoarding 4 per cent state loans.

In this way the banks and savings institutions have almost become holding companies for state and other public loans. From the end of 1924 to the middle of 1935, the percentage of deposits invested in such loans has increased in the case of ordinary banks from a rate of 13.9 per cent to one of almost 25 per cent, and in the case of savings institutions from about 30 per cent to 52 per cent, the average for all organizations being nearly 30 per cent. The investments in, and advances to, ordinary business have decreased accordingly.

The secret of Mr. Takahashi's success, based as it is on a mixture of resourceful policy and that element of accidental fortune which has always played such an important part in maneuvering Japanese state finance through dangerous straits, is thus revealed as a process of inflating the State's debts mainly by attracting the idle funds which are being set free by the depression prevailing in large sections of the country's industry and trade. In this way the armament inflation has been checked in its "malignant" effect by the counteracting influence of a natural deflation in other sections of industry.

Since deflation cannot go on much longer in these unfortunate sections of industry, inflation, if carried on, as apparently it must be, may sooner or later dominate and thus begin to produce its malignant effects. It is mainly the foreign exchange situation which makes Mr. Takahashi so afraid of them. And rightly so. For it is at least as precarious as the internal situation.

In foreign exchange, as with internal finance, reserves have been spent and assets mortgaged to such a degree in time of peace that very little seems to be left for use in the war for which the country is preparing itself. Borrowing at home will always be possible in such an emergency. But instead of starting with the employment of accumulated savings, the government would have to begin with the printing of new bank notes right away, with a degree of inflation that might menace the structure of the State at the latest when the war was over, even if

it ended in military victory. Borrowing abroad would prove much more difficult for very many reasons, if indeed it proved possible at all now. Political and commercial antagonism on the part of the big lending powers, the experience that war debts are either not being paid at all or else being paid by means of competitive export goods, the receipt of which does more harm than good to the creditor country, and the great risk involved in the first major war to be experienced by Japan in modern times—all these considerations would make the problem most difficult.

Mr. Takahashi knows this problem well enough. He dealt with it under incomparably better auspices in 1904-1905. He knows as well that in spite of his signal success at that time in London and New York, and in spite of all the great financial sacrifices at home during the Russo-Japanese War, it still was Japan's restricted financial strength which made it impossible to fight to the bitter end, and to take Vladivostok as well as the whole of Manchuria. And he remembers most vividly how the Peace of Portsmouth represented a defeat compared with what the Japanese arms had appeared to win, because, as the Russian delegate Count Witte put it, "after all gold once more proved to be heavier than iron."

Mr. Takahashi recently said that the major war which Japan may have to face could not last longer than six months. For such a war, although he did not say so, Japan might be comparatively independent of foreign finance. But what if this prediction proved as wrong as a similar one did in 1914? The Grand Old Man of Finance is optimistic enough and psychologist enough not to profess any relief in the likelihood of war at all. Recently, on the other hand, he broke all rules of Japanese foreign policy by receiving, and in the Ministry of Finance, the Soviet Ambassador for a very serious talk on that bugbear of Japanese diplomacy, a nonaggression pact between the two countries.

As a realist Mr. Takahashi is much more afraid of further "semipeaceful" military adventures on the Asiatic continent. On this subject he has uttered frequent warnings to the country and he has made abundantly clear his resolve to deny financial support to any such project. The Finance Minister is well aware that Japan could not foot the bills which a campaign of this kind would entail. Doubtless it must occur to him to speculate also as to how long Japan can go on financing her growing army and navy on borrowed money while at the same time she neglects her rural population and lower middle classes. And he must have grown decidedly pessimistic in recent months. For in the most courageous speech that he has delivered in his long career—before the Cabinet Council, on November 26, 1935—he was reported to have said that "Japan is secure from challenges to war from any quarter"; that "the organs of public opinion do not dare to say what they really think of the military, and the leaders of financial circles are in a similar plight"; and that "if the military persist in their unreasonable course, they will become the object of public condemnation."



THE LEVANT FAIR

PHOTOGRAPHS BY KLUGER, U. S. PICTURES

Tel Aviv is in a bustle of preparation for the great Levant Fair to be held there during the month of May. "The Flying Camel," symbol of the Fair, rises at the entrance

JERUSALEM AT EASTER

By ALICE LEWISOHN CROWLEY

THE JAFFA GATE

Jerusalem, what is the mysterious power you hold that draws us to you? Your beauty lurks in untamed sources, in ways left unorganized, in strange disharmonies, in disordered drifting into inertia—all that which, if left untutored in the West, would savor of barbarism. Which self of all the many we inherit is this dormant one evoked by the call of an ancestral ghost? Shall I find it in the shadows hovering about the Jaffa Gate, that all-inclusive mart of travel, with its drama, its pictures, its contrasts? Its contrasts with what? The other self within, accustomed to another beat and goal, whose voice echoes through all this distance: "Watch your step or you will fall into chaos." And instantly the image of the magical green line of the New York subway travel appears, coiling like a dragon whose steaming breath claims a multitude of victims. They march in ordered procession, pass unknown each to each but chained together, grimly, inevitably bound; while the mechanical monster shrieks on in blatant ghostliness. "Watch your step! All aboard!" Everywhere, nowhere! Where, where, where?

The fantasy fades. Once again we are at the Jaffa Gate following its line (invisible at first), its voice too, potent in silence, marking the traveler's way. Shepherds pause to exchange news of the road while their flocks stray, bleating in chorus. Pilgrims come and go; priests of Rome; Greek fathers harking back to Byzantium with patriarchal beard and sweeping ivory gown; mantled Africans from Abyssinia; Moroccan Jews mantled Afric-wise; and bearded brothers of Eastern Europe with ghetto marks still stamped upon them, seemingly wandering along some path to Zion. British officers pass through, sportively carrying the keys of office; caravans of Arab merchants carefully guiding their camels, undistracted in their ageless calm; women of

Bethlehem in gowns of black festally brodered, their figures and headdress familiar to us from crusader days; other women of Ramallah in unbleached linen patterned with scarlet stitches; donkey boys goading on their animated carriers

of Jaffa fruits—never did oranges present more joyous sight, banked in towering mounds, warm, luscious. On and on—one knows the tale; lords of the desert in majestic *aba*; others from neighboring Syria distinguished by the loose trousers and vest and less archaic posture. And more and more they come! No collective mass of unidentified humanity this, jostling onward toward an imagined goal! This appears more like a prism's reflections, variant colors of one whole, singly and singularly human.

For here the man wears his selfhood carelessly; it flows from him with rhythmic grace. He is that which he is, a growth, and he accepts it as he accepts the desert sands, the barren hills, the parched soil, the waving grass and the wind that carries seed and moisture. Somehow he knows, in spite of all his ignorance of learning, that life spreads out about him, terrible yet rich in abundance; and realizes through his body both the scorching and the infusing power of light; the moist chill yet the welcoming call of shade; the sense of the pressure of earth, its creative and destructive power. Without question or challenge his life is fused with his children and his children's children. The seed of his identity lies, for him, within the tribe.

Sitting at the Jaffa Gate, one feels life is accepted with its yea and nay, its light and shadow, its rising and setting. Jerusalem held the cradle that rocked our senses into being, then opened to us a new dawn with its urge to do and dare, its myth of Life and sacrifice for Light.

While we were thus communing, through the Gate strolled Arab shepherds with crook in hand; pilgrims thirsting for a sacred life; Jews with kaftan and forelock, mute in their isolation; Brothers of the churches of Rome and Byzantium; fiery Mohammedans; Challuzim—the pioneers of Palestinian Jewry; all like notes of one symphony with its variations, held together by the theme of Easter. From the moment its chimes rang in varying dissonances we were swung into the arena of Religious Ritual. We breathed, feasted upon, an orgy of holy fervor.

HOLY SEPULCHER

Following Selim, the faithful Arab dragoman, son of the holy Greek Church, we were swept with the zealous worshipers into the body of the Holy Sepulcher. A seething mass, magnified as one, straining after a miracle! Up we clambered higher and higher to reach the gallery. There was a whirlwind of life below, above and around us. Finally the movement of

The Maundy Thursday procession of the Latins, who have first attended High Mass and encircled the Chapel of the Holy Sepulcher, approaches the doorway, where the ceremony of the "washing of feet" takes place. Pilgrims of all nations celebrate the Festival of Easter at the Church of the Holy Sepulcher

PHOTOGRAPH BY IRENE LEWISOHN

the wedged mob ceased. A pause, full of suspense! Then the aged Patriarch, in vestments, with flowing snowy beard, entered. Although supported on either side by stalwart dignitaries of the church, he too was swept along by the crowd toward the centered sepulcher. No one had eyes or ears for priests or choir swinging censers or for other signs of the Mass. In those orgiastic moments even its brilliance was submerged. The Patriarch descended into the "Tomb," where the inexhaustible flame is buried. From this flame he lighted the torch through which the miracle of Spring blazes into being. Outriders from each See of the embracing church, each holding a torch, were the first to receive the light of the rekindled flame. Instantly, his torch alight, each outrider pushed his way through the mob which brandished its yet unlighted tapers. The entrance once gained, these riders mounted waiting horses and galloped off to the distant Sees with the tidings of Resurrection. Whether the light was literally carried by horse to Russia or Greece I do not know, but the Greek Church the world over is yearly renewed from that buried flame.

Meanwhile the Holy Sepulcher rocked with the mob straining and struggling for a spark from the torch. Like a cloudburst of fire, the lighted tapers, swung high and low, deluged the church with flaming tongues. Then scimitars and swords flashed from the hands of worshipers who, climbing on the shoulders of others, began to dance on this human bridge. Madly swinging sword and torch, they shouted in chorus that drowned the refrain of the Mass, "Death to the Jews!" All about us the lighted tapers flashed, a sea of light adored by the congregation, who swayed with the tapers in ecstasy, pressed them as nurslings to head and breast, played them as melody upon fingers, hair and face, sucked the flame into vital organs. Thus to these children of the Greek Church the miracle of fire, light, life, was proclaimed.

FEAST OF THE PASSOVER

The modest dwelling of the Bokhara Rabbi was tucked away in some remote corner of Jerusalem. We had hoped to find the family in their Bokhara dress, but, since the Passover commemorates the shedding of the old and invocation of the new, the pious for this occasion had exchanged their colorful traditional dress for stiff quasi-modern substitutes. Fortunately the traditional courtesy was not doffed with the clothes, and we were invited as the prescribed strangers to partake of the ritual meal.

The long table with its symbols of the feast was placed to allow for our reclining, women on one side facing the men. The branched candlesticks were solemnly lighted with accompanying chant.

The Rabbi, who had just returned from the service at the synagogue, was now summoned, and what had borne the appearance of a *genre* scene assumed a new dimension; for he who entered appeared to be brother to Abraham. His splendid dignity, the tall, aged yet slender figure in its robe of gold and crimson

stripe, the noble head set in a brilliant cap towering upward, the patriarchal beard, but, above all, the features and expression, belonged to another time. As he sat cross-legged before us, chanting the ancient ritual, he appeared to flow with it into the past, not merely to partake of the ceremony but to reach through it into communion with the Brotherhood of Israel, to draw to himself its heritage of grandeur and suffering. Aloof, remote, unmindful of the homely setting, undisturbed by a crying infant or the presence of the family, he sat among his children and his children's children, of them yet not of them, as Israel itself, a symbol.

The memory of that meal remains as a tapestry whose threads, frayed and worn, are mellowed in twilight. The story of the flight from Egypt and sacrifice of the paschal lamb is the design, then follow its symbolic tokens—the unleavened bread made holy, the bitter herbs of suffering, the egg that holds the seed of renewal fired in faith, the cup of wine accompanying each memorial chant.

PROCESSION TO THE TOMB OF MOSES

Nebbi Mussah, or Procession to the Tomb of Moses, was the Mohammedan offering to the shrine of Easter. Nothing that we had heard, seen or imagined, not even the ceremony of the Holy Fire, had prepared us for an emotional feast so overwhelming. All night the devotees of Allah marched. Towns distant, villages at hand, poured out their men, their women and their children in a never-ending stream, till from dawn to sunset they entered Jerusalem at every portal. Holiday attire blazed like the plumage of mating birds. At first the procession moved joyously, freely, yet in ordered waves, toward its goal, the tomb itself—miles beyond the gates of Jerusalem. But gradually what had at first the semblance of a march is now translated into an orgy of wild movement, the rhythm mounting as if inspired by the presence of the Prophet himself. Whirling figures dance along, *kufieh* and *aba* streaming like colored wings to lend them speed. Scimitars flash, swords are brandished, and the Faithful leap upon one another, dancing over the heads of that human column, those of the traditional past and those infected with the new order—stamped with a venerated pattern of political radicalism—until all with one accord sweep like a whirlwind in the name of Allah. Was it thus that the Children of Israel once strove and fought and anguished for Javeh?

High in the bleakness of arid hills it stands, that isolated shrine held sacred to Moses, revered by the Mohammedan as prophet. But on this day of rejoicing in Allah, encampments thousands strong are massed about the tomb, and the worshipers, dancing off the still outpouring ecstasy, come and go in careless tides like the sands blown hillward for a moment, to be scattered once again. Are these children of Allah the echoes of those earlier rebellious children of Javeh, wandering through the desert; and this virile ecstasy, is it a shadow of the prophet's gesture

stamped with eternal contrasts—the golden calf, the broken tables of the law, Moses majestic in silence as in wrath?

OTHER CEREMONIES

Still the bells chimed Easter tidings. Nor could we with the most willing hearts follow their call through all the byways in which they resounded or even hear all the varied notes they played. Another impression of dramatic fervor surrounded the Abyssinian ritual celebrated in the courtyard of the church. A service combining regal simplicity—in the esthetic beauty of the embroidered vestments, dress and kingly bearing of these African bishops and priests, in their magnificent vessels and miters of silver and brass, carried in procession—and the sudden tribal mood that followed when the procession ceased and participants seated themselves on the ground, African fashion, chanting their service to the accompaniment of the syncopated rhythmic beat of drums. This curious *mélange* of African Byzantine in some mysterious way linked the days of ancient Sheba with our own.

Rome's church, with its regal splendor, burst into sumptuous Mass. Brilliant, controlled in setting and devotion, the antiphonal measures of the choir have voiced through centuries the harmonic chord. Does that chant of the old Church Fathers not imply the urge to synthesize and bring into accord under the spell of the great Mother, their Church, the polarity of heaven and earth? Processions of the Stations of the Cross were unending; monks and nuns of vari-

ous orders, cowed and shrouded, with penitent pilgrims following—all trod with humility the steps of the Christ. Services of the orders dedicated to perpetual prayer for the redemption of the world were held by veiled virgins, Brides of Christ, who raised their voices unceasingly in misted chant, like pale ghosts hemming the frayed edges of the Middle Ages.

Protestant services, simple and severe, are in the Easter cycle too. Their rituals, suppressing among their communicants any manifestation of passionate ecstasy, institute a new way of greeting the eastern sun. The Reformation recognized as its values the brotherhood of man and his directed urge toward Reason. In the dominant note of the Protestant service we could hear the voice of the Great Father speaking.

JEWISH PIONEERS

Along the slopes and in the valleys, from wasted soil arid for centuries, a new shoot thrusts itself for blooming. Armies of young diggers are turning the earth, draining it, battling with pests, contending together in the ravages of heat and cold, hunger and thirst, to make this ancient land blossom and give forth again. Here, through ritual of labor in the service of an ideal—an established home under a new law and order—these valiant pioneers, assembling from all quarters of the globe like scattered members of the lost tribes, are rekindling ancient fires, with a dream as vivid yet remote as the vision of Moses—Israel at last released of its bondage and its wanderings.

Although the chimes have somehow mellowed their pealing, the fragrance of spring plays on in the multicolored fields where the rapture of new life showers itself in clustered scarlet, gold, blue; and over purpling slopes and through verdant valleys, the call of the shepherd answered by a startled infant bleat echoes the same refrain.

Is this why we are held spell-bound and silent, even though to the eye Fear and Hate and Lustful Prejudice play on, stalking grotesquely in religious dress, vain Avarice courting Spirit, officious Power masking Justice? Or are these but the Mimmers' Play in the body of the Ritual Drama—the shadow-play of renewing light?



A Chinese cut-out of the Three Wise Men of the East, from Temple Hill, Chefoo. To make a cut-out a master pattern is placed on thin paper laid on a board, sprinkled with water and pressed. After being held over a smoking lamp, the pattern is peeled off, leaving a white stencil which is sewn to colored papers and cut

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

STALIN'S HEROIC ARTISTS

"Heroic people call into being heroic artists."
 "Writers are engineers of human souls."—Stalin

If science is the instrument of man's collective dominance over nature, art is the means of his self-expression. Tens of millions of people from earth's most backward races have awakened in the Soviet Union from their sleep. They are seeking self-expression. They themselves write, sing and paint; they push up from their ranks novelists, poets and dramatists; they criticize them and make serious demands upon them. Soviet art is not private property, it is the wealth of the nation, and the nation is jealous and proud of its wealth.

When the first All-Union Congress of Soviet Writers met in Moscow in August, 1934, thousands of letters poured in from all corners of the Union, congratulating, greeting, giving practical suggestions and advice. Workers, collective farmers, students, Young Pioneers, scientists, engineers and artists thus expressed their interest in the Congress. Throughout the country, millions of people concentrated their attention on questions of esthetics, the function of poetry, the form of literature best suiting the present age, as they were reported in detail in the press. Literary work in the land of the Soviets is becoming the affair of all the toilers.

Soviet Russia in its first fifteen years published five billion books, as contrasted with two billion in the last thirty years of czarism. The number keeps growing. At the end of the first Five-Year Plan, book production in the U.S.S.R. was greater than that of England, Germany and France together. Especially amazing is the growth of literature among the national minorities whose self-expression was suppressed under czarism. Every year since 1929 has seen the publication of more books in the Ukrainian language than were published in the whole one hundred and eighteen years before the Revolution. One publishing house alone, the Moscow International Book House, publishes books in eighty-five languages, some of which had formerly no alphabet—novels, textbooks, fairy tales, technical works, translations of classics, short stories and dictionaries.

The Soviet world feels itself the heir of the ages. Anniversaries of poets, scientists and artists of all countries are widely celebrated. The ancient Persian poet Firdausi, the English Shakespeare, the German Goethe, the famous French writers, and authors of the lesser nations of Europe are honored by mass meetings and columns in the press. The best works of Flaubert, Merimée, Maupassant, Victor Hugo, Mark Twain and Jack London appear by the hundreds of thousands of copies and disappear almost as quickly. Russian classics are equally or more popu-

lar. Lermontov, Nekrassov, Korolenko, Gogol, Turgenev, Chekhov appear in editions of seventy to a hundred thousand. The favorite poet Pushkin has been issued for several years in repeated editions of two hundred thousand copies. Tolstoy is the most popular of all; eleven and a half million copies of his works have been sold since the Revolution.

The Soviet reader demands not only the art of the past but the art of today. The most popular novels are Sholokhov's "Quiet Don" and "Soil Upturned," which paint on a wide canvas the personalities, difficulties, struggles and victories of the present. Not literature only but all forms of artistic expression create a wide interest. Theaters are constantly crowded; art museums are packed with visitors; popular exhibitions sometimes have lines before the museum entrances waiting until there is room to go in. Nor are the factory workers and collective farmers at all backward in expressing their opinion on the products of brush and pen. Are they not all also writers, artists, musicians and actors, if and when the mood seizes them?

More than one hundred thousand "circles for self-expression" have grown up in the past two years in the U.S.S.R. The drama circles alone have a million two hundred thousand members, while the total number in the singing, music, dancing and graphic art circles exceeds five millions. The first and most direct self-expression of large numbers takes the form of participation in the press. They write their opinions about corrupt officials or inefficient farm management for the hand-lettered sheet posted on a factory wall or a village tree-trunk; more important communications they send, often with several signatures, to the great metropolitan *Pravda* or *Izvestia* with their million and a half subscribers. Two million letters a year pour into the office of the "Peasant Gazette" in Moscow, reflecting the life and problem of the farm; only part of them can be published but all of them are answered, filed and carefully studied as material for novels, for history and for the law-making of the state.

In a northern township, fifty miles from the railroad, where before the Revolution only six people subscribed to any newspaper at all, I visited a congress of some two hundred rural press correspondents preparing for a sowing campaign. These were only part of the energetic writers of this township. Its collective farms had four hundred and seventy field brigades, every one of which during the sowing campaign posted up a wall newspaper. One picturesque seventeen-year-old boy, in a vivid shirt of old rose saten under a black jacket, proudly reported the overthrow of the corrupt management of his collective farm by his articles and editorials. "We got out

nine numbers," he explained to the meeting, "then we stopped for want of paper. But we had already aroused the farmers and the general meeting removed the president and two members of the management."

The number of the collective farm wall-newspapers throughout the country is estimated by the "Peasants Gazette" as half a million, with at least ten village correspondents for each. There are more than three thousand factory newspapers; these range from weeklies of a few hundred copies to dailies with a circulation of twenty thousand and more in the larger plants. These newspapers are both an organizing center for factory and farm life and a training school for young writers. With such a writing and reading public, it is not surprising that there are more than eleven thousand printed newspapers in the Soviet Union with a circulation of more than thirty-six million copies—thirteen times as great as before the Revolution.

An ever-growing stream of writers enters literature through the gateway of the factory and farm newspaper, which make modest but insistent demands on the humblest worker able to use a pen. Literary groups arise in centers like the Urals and the Donetz basin, or around some tractor station which serves the near-by villages. Many of the Donbas group of writers embarked on their literary careers when through with their day's work of furnishing coal. Their magazine "Literary Donbas" has produced a noteworthy crop of stories and poems.

The literary society of collective farmers at the machine tractor station in Voronovo village had as members two stablemen, a blacksmith, a reaper, a tractor driver, a bookkeeper, a warehouseman, four day-nursery attendants, three teachers, two presidents of collective farms, one village president, three editors of field newspapers and sixteen farm women. In one year the members published through their own printshop two books of verses, the play "Miscalculated," and a book of character sketches, "Bolsheviks of the Politodels." They planned for the next year a play "According to Merit," a novel "Quiet Subversion," "The Diary of a Tractor Driver," and "The History of a Machine Tractor Station."

It is difficult to conceive of the wide extent of amateur art activities of all kinds in both city and country. Thousands of short-line popular stanzas known as *chastushki* appear in the most distant parts of the Soviet Union, celebrating the freedom of woman, the heroism of tractor drivers, the growing prosperity of collective life. They vary in merit from sheer doggerel giving rhymed technical guidance for reapers and cattle herders to verse of real beauty. The Donetz coal region alone reports more than eight hundred brass bands, three hundred orchestras, two hundred and fifty choruses, thousands of dramatic circles and even forty-two ballet schools. Some of the Soviet dancers who attracted attention at a recent London dance festival came from these "self-expression groups." Amateur circles in drawing and painting also exist all over the country, and give local exhibitions which often unearth talent. There

By ANNA LOUISE STRONG

are a hundred rural theaters of professional standing.

One among many movements which swept the farms this past summer was a campaign to discover musical talent among children. Hundreds of local musical festivals were held, to many of which professors from the Moscow Conservatory came by airplane to act as judges. As a result, seven hundred and fifteen of the most talented children are being sent to special musical schools; the twenty-five best ones were brought to a specially created branch in the Moscow Conservatory of Music.

Not only in music but in poetry, drama and dancing, nation-wide "olympiads" were held during the past year. Besides the olympiads, many "culture expeditions" of both scholars and composers penetrate the wilderness where live Khirgiz, Buryat-Mongols, Tadzhiks, Uzbeks, to seek and preserve the music and poems which shed light on early culture. A newly organized symphony orchestra recently made its first tour, playing old Cossack melodies in modern style, across what not so long ago was the steppe of half-savage nomads. Collective farms sent delegations hundreds of miles to insist that the orchestra visit them.

Out of this artistic ferment in the lives of millions, arises the vigor of Soviet professional art, which feels itself called upon to find adequate expression for the awakening genius of the people. Soviet writers today, if they would be popular, must not confine themselves to delving in the depths of a single human soul; they must depict the vast variety of changing social relations. They spend much time in deepening their contacts with intimate details of factory or of farm; Sholokhov, for instance, makes his permanent residence in the village whose changing life is the subject of a whole series of novels.

Nor is the artist's human material passive; the human material talks back. The Vakhtangov Theater invites the audience to discuss plays between the scenes and at the end with the actors; witty and fruitful discussions occur. Meetings between writers and readers have become a popular feature of factory life. Authors like Sholokhov and Tretyakov have long adopted the custom of reading semfinished manuscripts to audiences of workers and farmers.

Soviet readers demand simplicity and vividness of writing; they are not interested in complex analysis of burdened souls; their whole life faces outward. Their interest is in people who do things, who change the relations of society. In the first decade after the Revolution, a typical theme in literature and drama was the hero who died in the moment of victory while the collective achievement marched on. Today the hero no longer dies; he struggles, achieves, learns, and is himself made over, not by introspection but

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by the clash of action. He is the optimist-builder type creating a glorious and happy future. What the people demand of writers, they demand also of the graphic arts; an art that is inspired by and in turn inspires the great moods of the day, the mastery of the machine, the collective conquest of nature, the creation of a new man in a new world.

If the responsive demand of a great new public is a constant stimulus to the Soviet artist, a second stimulus is found in coöperation with members of his craft. Writers, actors, painters—all have their organizations. They maintain clubhouses for social contacts, discussions and exhibitions; they have country retreats to which members withdraw for rest and creative work. They assist beginners with loans and subsidies; they foster high standards; they assist members in the sale of their work.

Four thousand artists belong to a coöperative which not only handles exhibitions all over the country but also owns numerous factories producing artists' supplies, workshops for stone-cutting, metal-casting and frame-making, and studios for lithography and engraving. This coöperative has a yearly turnover of forty-two million *rubles*. It accepts on behalf of its members orders from city soviets, large industries and workers' clubs which wish decorations and paintings; some of these orders run over the million-ruble mark. Instead of being an isolated craftsman, the Soviet artist is part of a rich and influential organization which connects him with the government planning departments and the organized life of the country.

From this close association of artists with their fellow craftsmen and with their public has arisen a method of collective production which is becoming increasingly popular; it extends to the collective writing of books by a score of writers and even by whole factories. Thirty professional writers combined to produce *Delomor*, the famous tale of the building of the Baltic-White Sea Canal. "The Events of the High Mountain," which told the history of an iron mine in the Urals, was written by more than a hundred miners as they created and improved their mine. The book is a great political and artistic document, energetic, fresh and vital.

Great art movements in the past have followed periods of economic expansion which gave stimulus to new creative life. Throughout the world today artists, authors, musicians, dramatists more and more recognize the Soviet Union as the Mecca for artists of all kinds. Theater festivals draw hundreds of pilgrims annually from all parts of the world. Nowhere on earth, says a visiting producer, is there any other country which is experiencing such a tremendous upward movement in culture and art. An American musical critic remarked that the "security and inspiring environment of Soviet musical composers make them the envy of their colleagues everywhere." Western countries allow artists to shift for themselves; Fascist lands suppress art until it virtually ceases to exist. In the Soviet Union where art is accessible to all the people, art is free to develop.

"We are already in the great epoch; artistic values of permanent worth are already appearing but not yet the great masterpieces which shall express the epoch," said a Soviet writer to me. The Moscow subway is one of the first significant expressions of this epoch in architecture. The Lenin library in Moscow and the House of State Industry in Kharkov, and some of the new factories, children's centers and sanatoriums, also foreshadow the new architecture. In literature Ostrovski's "How Steel Is Welded," Sholokhov's "Quiet Don," in drama, in motion pictures, "Potemkin," "Chapayev," "The Youth of Maxim," are among the many lasting contributions which the Soviets have already made to art.

Are Soviet artists "in uniform"? Does censorship sap the vitality of Soviet art? No artists live in a vacuum; they live in a world and feel its pressure in various ways. When a social environment changes swiftly by revolution, artists whose souls were formed by the old world feel the new world as a thwarting of their accustomed impulses, whether its pressure is exerted through censors or the demands of readers. To the author in the U.S.S.R., the censor is not unlike the publisher's reader in America, a person who attempts to forecast the judgment of a future public. He is a highly educated official of the Commissariat of Education with the title of "political editor," whose function is to give advice on the demands of the educational field, and the political significance of the work. He is no final autocrat; the author may appeal to other or higher editors. The anticipated judgment of the Soviet public is the real criterion. Important plays are increasingly censored at previews by selected audiences of leading critics and persons familiar with the themes discussed. Children's plays are thus judged in advance by both educators and children; plays dealing with science, by representative scientists. If art survived the censoring by the whims of princelings in the feudal ages, and by the profit-motives of American publishers, why should it not survive the decisions of educational authorities and experienced critics who estimate its importance for a socialist society?

To the artist now growing up in a Soviet environment, art is the natural expression of the collective life of millions given significant form by his own special talent or genius. Such an artist feels no repression in this new environment; he feels its great creative urge. Millions of rural journalists, thousands of dramatic clubs, tens of thousands of farm and factory orchestras furnish an alert and appreciative public. The leisure made possible by the social ownership of great modern machines is already widely used in the Soviet Union for pursuits of science and art. The barriers thus begin to wear thin between manual and mental labor; the same person does both. Genius, wherever it arises, finds ready access to widening expression. From such a soil watered by the artistic strivings of millions, great art must grow. More than great art—a people to whom art becomes man's natural self-expression, which no longer flames and dies.

CONTEMPORARY ART IN BALI

By MARTIN BIRNBAUM

In Bali you never ask the name of the creator of a work of art. You examine a carving or a drawing as you would a woven scarf, to decide whether or not it is well made and esthetically satisfying. The vocabulary of the Balinese language contains no equivalent for the words "art" and "artist." No one seems to care if Gnomon Gde or Ide Goesti or Ide Bagoes made it. Almost everybody is an artist in Bali, where life is still a communal artistic festival, and boys who can carve life-sized temple guardians from the living rock without a drawing to guide them are not honored as they would be in Europe, any more than those maidens who make particularly good votive offerings to the rice goddess from palm leaves, or those who can arrange orchids, mangosteens and sweet-smelling frangipani blossoms in wonderful pyramids before the altars of the divine destroyer Siva.

Here art is simply and harmoniously blended with religion and nature. The man you see working with his buffalo, knee-deep in the mud of a rice *sawah*, may be a sculptor and a good draughtsman, a weaver of beautiful stuffs, a remarkable dancer, a good musician, a carver of masks or a fine penman. The European resident artists, like Walter Spies and Bonnet, who foster native art and are helping to build up the collections in the charming museum at Den Pasar, very wisely refrain from encouraging the talented Balinese to sign their works, fearing that commercialism will creep in if personal skill is exploited. Already in the shops at Kloengkoeng, Den Pasar and Boeleng, the large centers frequented by tourists, you will see shelves weighted down with dull repetitions of carved groups which have found favor with such visitors. Fortunately, the inland villages still keep alive the best ancient traditions in all the arts.

The climate has of course more to do with this than the inaccessibility of the artists. Moisture rots the old silks and the paintings on cotton. It oozes through the porous stone carvings in the exposed temple enclosures, and promotes the swift growth of minute and beautiful but destructive plant life. This probably accounts even more for the disappearance of sculpture than such devastating volcanic eruptions as that of Mount Batoer in 1917 when two thousand temples were wiped out in a tragic upheaval. The Balinese are continually forced to rebuild and carve anew, but they seem as willing to wage this endless war as they are to invent fresh designs for the fragile ornamental palm-leaf banners (*lamaks*), or to create original masks and fantastic costumes for their religious dances and *wayangs*, or

plays. Old objects—like the magnificent bronze gong which is said to have fallen from the moon and is now preserved in the venerated temple at Pedjeng—are feared, worshiped and jealously guarded because they are sacred, but they are not admired by reason of their antiquity or their importance as works of art. Age does not seem to lend value to anything, but the old works—like the painted ceiling of the Court of Justice at Kloengkoeng or an ancient relief on a temple screen showing Vishnu riding on Garuda—may serve as a source of inspiration for countless contemporary artists.

In a brief article like this no attempt will be made to touch upon all the arts cultivated in Bali—surely the most actively artistic group of village communities in the world. Special studies of the *gamelan* music, the cremation festivals, dances and *wayangs*, the architecture, metal work and weaving, are being made by men like Walter Spies, Colin McPhee and Dutch savants. We are here concerned chiefly with the drawings and sculpture of the Balinese. These arts, derived like their Hinduistic religion from India *via* Java, have long since acquired characteristics of their own. Just as the present rituals are developments from prehistoric rites, so the temples built today, though unquestionably Balinese in flavor, resemble those shown on ancient Javanese reliefs, dating from the Hinduistic period when both islands were ruled by one king.

Since the soft stone decorations cannot resist percolating waters and the wear and tear of age, the villagers erect even more elaborate structures when nature threatens to efface old buildings. Some of the most imposing temples are of recent date. Everywhere you will come upon men and boys carving decorative stone figures to embellish the sacred grounds, balustrades of *nagas* or elephants, richly ornamented "split" entrance gates, low reliefs on wood to serve as doorways for shrines and spouts to convey water to the holy bathing pools. The volcanic tufa is so soft that only simple tools are needed. Formerly they carved many statues of deified kings and royal personages who were regarded as incarnations of the gods. Now the work is more purely decorative, and imaginary animal forms like harpies and the sphinx are created. Occasionally, as in the sacred grove at Sangeh, one comes upon an avenue of realistic stone statues of crouching men and boys, holding jars and laughing—each squatting figure like the portrait of a genial Balinese. While the men hew stones, the artistic womenfolk are making the votive offerings and *lamaks* without which no altar is complete. Walter Spies has already made careful

copies of hundreds of these delightful banners made of light yellow areca palm leaves on which designs of dark green leaves are interwoven.

When the more serious work of the day is done, the artists amuse themselves by making small *objets d'art*, images or *kris* handles, and in these more intimate creations they often become realists. The Balinese, unlike their more austere and refined Javanese neighbors, frequently display a rude humor when they indulge in nonreligious playfulness. One artist, who is responsible for excellent spirited drawings without backgrounds, like the "Boys Carrying a Pig to Market," makes a specialty of subjects which are as free as Beardsley's *Lysistrata* illustrations. The sculptors, also, like Gothic carvers on French cathedrals, often hide a humorous suggestive detail in the maze of decoration covering the temples. I have seen a waterspout reminding me of the famous Manikin Fountain in Brussels, and the reliefs on the walls of the Poera Dalem, or "Temple of the Dead," at Sangsit—vividly portraying the punishments inflicted by the gods on lecherous mortals—compare favorably with the surprising decorations on one of the Hindu temples on the ghats of Benares. In Bali, all this is an outlet for a kind of Elizabethan humor frequently displayed in Balinese dramas as well. At a festival performance arranged by a native prince, I have seen crowds of men, women and children wildly hysterical over the sensual antics of village clowns. Fortunately, eroticism is not always present in their arts. The little carved wooden group of the fish god, wearing a priest's miter and surrounded by his finny pets, would arouse the envy of a Lachaise. The artist's respect for the nature of his medium, the careful study of grain, marking and general texture, the originality and rhythm of the composition, are characteristics found in European work only of the highest standard.

Stories from the *Ramayana* and *Mahabharata* with variations of existing temple motifs are the material which usually engage the talents of these men, but the "Praying Native," vigorously carved from the gnarled root of a tree, and the more exquisite "Arjuna Preventing the Suicide of the Princess," show the range of their subject-matter. Sweet-smelling sandalwood, ivory and ebony—highly prized for kris handles—are sought for by the artists, but when these are not available they utilize coconut shells or other cheap material at hand. In one village I found a dozen boys carving low reliefs on old buffalo bones which they found in the fields. The action of the figures—Legong dancers with floating scarfs, seated divinities, the climbing monkey god Hanuman—was always cleverly determined by the contour of the raw material. There was an older man in the same locality who carved deer heads with scientific accuracy, painting his handiwork with natural colors, and inserting real horns. Like our hunting trophies, they were to be used as over-door decorations. While he worked, a child of four sat huddled on his lap, and an older boy stood watching him. Tiny ambitious children are always present when their elders play

or dance or carve, so that the danger of a tradition dying is slight.

With the advent of the foreigner, new influences are modifying the arts. The painters of calendars and large ornamental pictures on linen still follow the style of the artist who decorated the ceiling of the Court of Justice at Kloengkoeng, the older artists drawing the outlines which are filled in with color by youthful assistants. It is difficult to trace exactly the European influences on the artists who make the beautiful pen drawings, often touched with color or gold. Foreign pens, brushes, ink and paper, and the fortuitous circulation of reproductions of European originals in even the remotest districts must account for certain resemblances. The lacelike technique of the drawing "The Death of the Prince," and of many like it, has features in common with Beardsley's *Rape of the Lock* illustrations. The rules of perspective are ignored, dodged, or not understood. The convention employed to represent water is the same as that used by other Balinese artists. They are all good calligraphers, and, when an effective symbol for a plant form or for a rippling stream is discovered, it becomes common property. The highly sensitive Chinese painters did the same thing, quality depending in a measure on the sureness and steadiness of the trained hand that draws the circles on the surface of a pool disturbed by an inquisitive fish.

The boy who can create a delicately written manuscript of a sacred epic, takes himself rather more seriously than the others. When he begins a work he first offers sacrifices to the deities he proposes to honor. He devotes most of his time to his dignified labors and engraves the tiny illustrations for the divine legends on *lontar* palm leaves in a style worthy of a skillful ancient Persian scribe. The work of a painter like Spies, a sympathetic foreigner living in their midst, undoubtedly inspires his Balinese friends and admirers. It is difficult to believe that the native creators of these happy jungles—with ascetics, fantastic elephants, sacred monkeys, poisonous blossoms and spotted leopards—have not seen reproductions of an imagined scene by Rousseau *le douanier*. Happily many of the artists devote themselves entirely to existing motifs. They make pictures of boys guiding ducks along the lanes, fishermen catching eels, excited crowds at a cockfight, the mad frenzy of the kris dancers, teachers with their diminutive dancing pupils, venders of pottery in the busy markets, the gamelan players and all the infinite artistic activity of this island paradise. Even modern European inventions are not neglected. Old wall panels, showing episodes from the *Ramayana*, are often replaced by carved airplanes and motor cars framed in gay Balinese arabesques.

The most interesting thing, perhaps, about all this art, is that it is a vital part of the social structure, and in a measure shows along what lines the art of India might have developed, had it remained charged only with the ancient Hindu religion, free from Islamic and other cultural influences. How long Balinese art will flourish so amazingly no one knows.



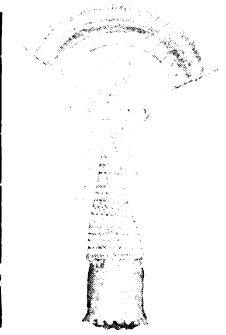
COLLECTION OF MARTIN BIRNBAUM

"The Goose Boy" is an example of the tendency of many Balinese artists to devote themselves to everyday motifs

A new tufa figure is placed at the left of the temple doorway within which the old, worn-out figure temporarily sits

Votive offerings to the rice goddess, such as the doll-like figure below, are made of palm leaves by Balinese maidens

There is little danger of an art tradition dying when ambitious small children avidly watch their gifted elders



A part of the decoration on the ceiling of the Court of Justice at Kloengkoeng depicts the punishment meted out to sinners



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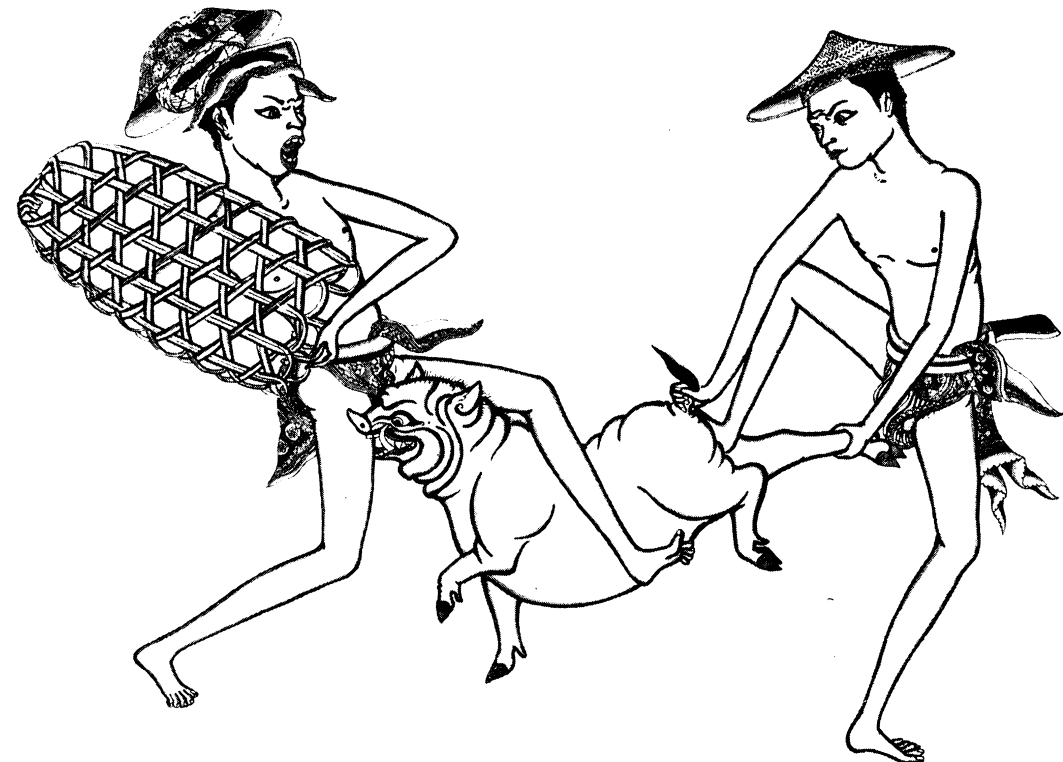
COLLECTION OF MARTIN BIRNBAUM

Jungle scenes, as in this contemporary Balinese painting, make it difficult to believe that their creators are not acquainted with the work of Rousseau "le douanier"



COLLECTION OF LANGDON WARNER

The "Praying Native," vigorously carved from the root of a tree, as opposed to existing temple motifs and legendary figures, shows the range of subject-matter



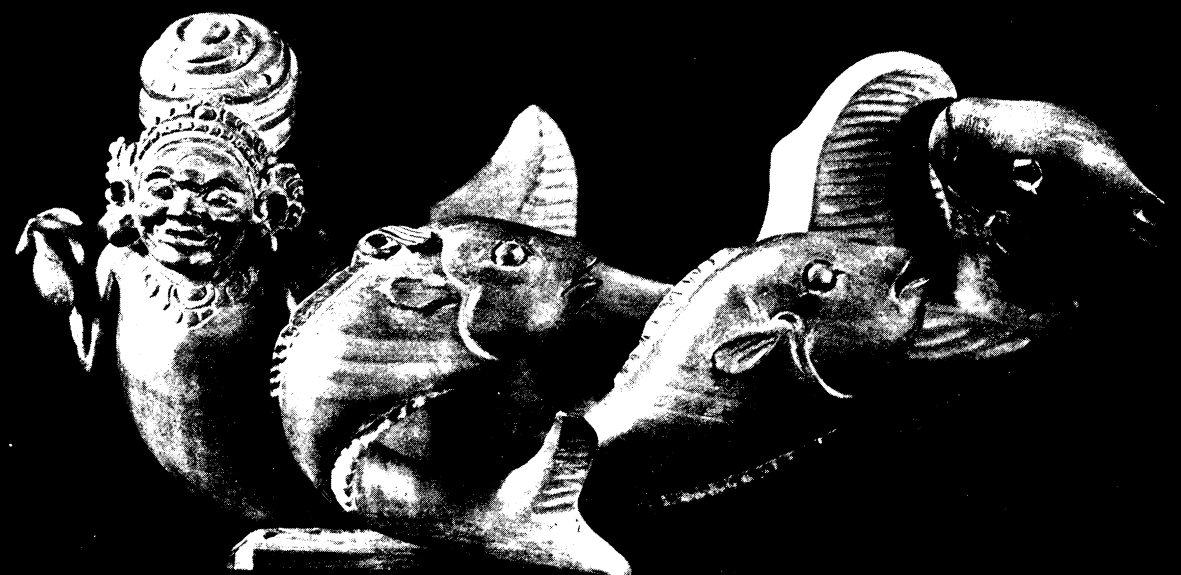
COLLECTION OF MARTIN BIRNBAUM

The elongated figure on the opposite page, the work of a Balinese child, is carved of buffalo bone. Any possible material is used

"Carrying a Pig to Market" is the work of an artist whose spirited drawings without backgrounds often playfully display a rude humor

A little group carved from wood represents the fish god, wearing a priest's miter and accompanied by three familiars of the deep

COLLECTION OF MARTIN BIRNBAUM



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AFGHANISTAN—RACIAL VORTEX

An Artist's Adventures Illustrated by Her Drawings

By HESTER MERWIN HANDLEY

A HEAD-HUNTING expedition among Afghanistan's tribesmen, with the innocuous weapons of crayon and drawing-board, did not appear to be an approved adventure. In early May of 1934 I had come to this country, discrediting the many warnings of danger and failure in my undertaking. It is so easy in one's imagination to override barriers.

At the very dawn of my first day in Kabul came a fresh deluge of discouragement from an Englishwoman who was concluding her two months' visit there. Her career as an explorer gave added weight to her opinion: "It is most unfortunate you haven't a man with you—a husband or brother. A woman traveling alone in this country can do nothing—certainly not what *you* are trying to do. Here you are dealing not with friendly peasants but with hot-tempered tribesmen whose suspicions are roused by the slightest misunderstandings. They are steeped in superstition and ruled by their fanatical *mullahs* and the Koran. It seems inconceivable that you could draw portraits of people whose religion sternly prohibits the making of a human likeness in any form."

I remembered a *sura* of the Koran: "Oh true believers, surely wine, lots and images . . . are an abomination and the work of Satan." Another quotation from Mohammed: "God sent me against three kinds of men: the proud, the polytheist and the painter."

"Furthermore"—crisp British accents sharpened the decisiveness of her words—"you realize, of course, you can do nothing without the Prime Minister's sanction. He has become the virtual ruler of Afghanistan since the assassination of King Nadir Shah, whose youthful son is but a figurehead on the Throne. You will probably never see the Prime Minister. His audiences are granted only to those with diplomatic missions. The government distrusts a stranger with a motive and especially one whose activities would cause the disturbance and confusion your sketching in the streets would. . . . No, I assure you you would not be the first foreigner asked to leave the country!"

Again I recalled the puzzled look of Bombay's Afghan Consul-General when I had explained the purpose of my trip—the long delays in securing my visa. Evidently Kabul's Foreign Office had scratched its head over my passport application. "Tourist" would have been a less perplexing travel-tag than that of "artist" had been.

At last the day had come when at India's frontier post I climbed high alongside the driver of a gasoline

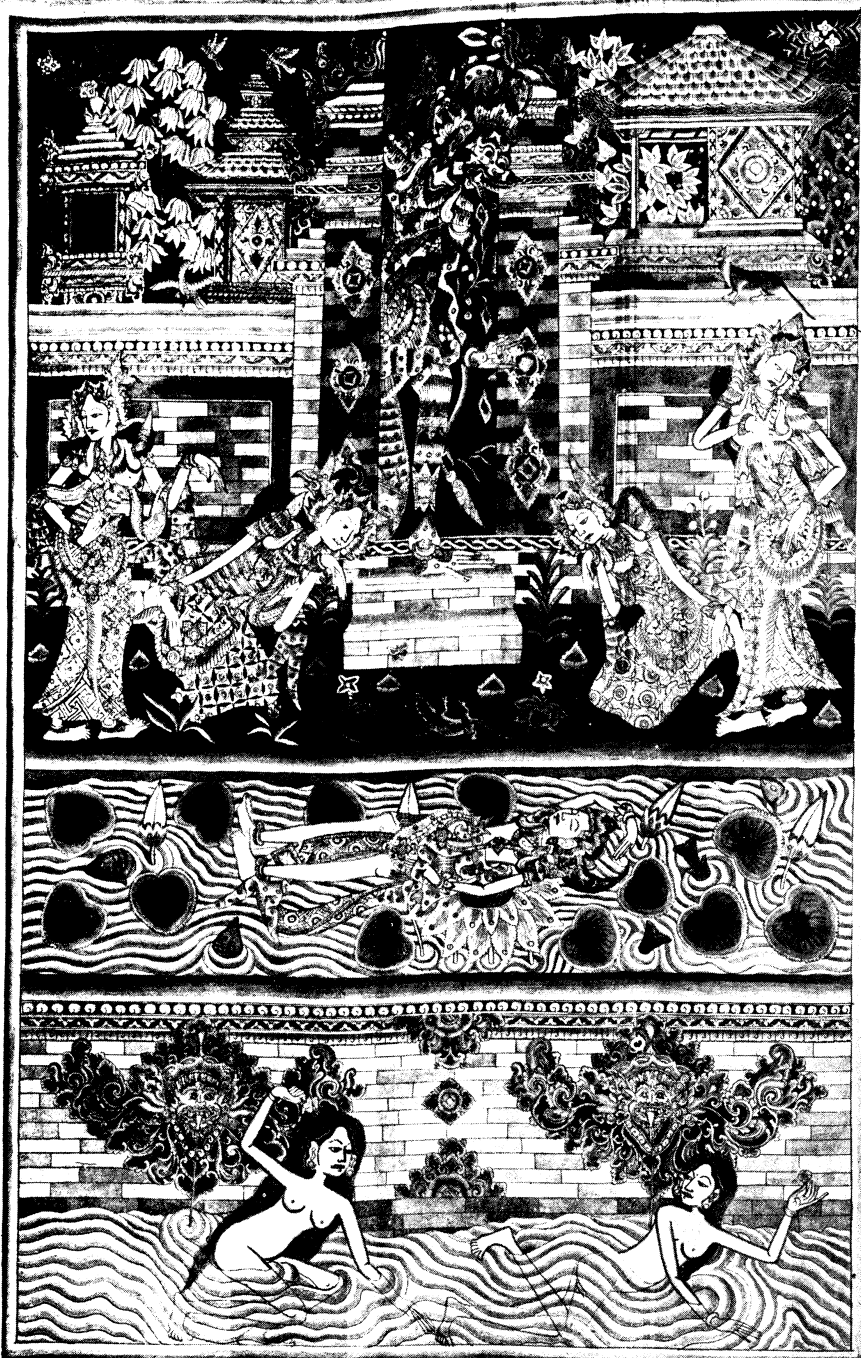
truck, headed through the Khyber Pass for Kabul. After a memorable journey the great gate of Afghanistan's capital had swallowed us into its teeming life. In the forlorn entrance of Kabul's hotel, finger-talk with an assortment of affable porters had procured me a room. I slept, miserably cold, and awoke with hail lashing furiously against my windows. Its dismal chant seemed to foreshadow this Englishwoman's warning words. I had reached my goal—but geographically, only.

Alert distrust of the foreigner—the potential aggressor—is the inevitable result of Afghanistan's centuries of insecurity. That this attitude still permeates her people's minds, even in trivial matters, I was soon to discover. The business of getting the necessary government approval of my work proved a tedious task. It was an obstacle race with the obstacles bewilderingly obscure. Two, three weeks were passed futilely in rounds of official calls and the writing of petitions to the Prime Minister which might never reach his attention. I finally found the *Chef de Protocol*, Abdul Samad Khan, to be the link between His Highness's sanctum sanctorum and the world at large.

My visits to this office multiplied, each time without the promised decision. With seeming indifference to my real object, Abdul Samad persistently offered me photographs of Afghan types, insisting they could not be bettered as documents. Always his expressionless dark eyes boded little sympathy. Once he gave explosive utterance to an attitude prevalent among officials: "Other countries hear false things about us. Their people come to ridicule and say we are uncivilized. They take pictures of only the ragged and poor." How could I assure him that I alone was not seeking picturesque poverty! My final summons to his office seemed a matter of life or death. His face, inscrutable to the last, gave no sign of my fate. Then . . . "His Highness says you may draw pictures of our people . . ." and it was with difficulty that I withheld evidences of hysteria!

During these weeks of forced idleness I had set out to acquire a rudimentary vocabulary of the generally spoken Persian idiom, *Farsi*. Which was to transmit to paper phonetically the guttural explosives of a language that had no foreign dictionary.

My search for heads in the bazars must be made with the inept assistance of one of the ordinary hotel servants, who spoke no word of English and had little idea of my quest. Such a one must be the



COLLECTION OF MARTIN BIRNBAUM

The lacelike technique of the ink drawing "The Death of the Prince," and of many like it, has features in common with Beardsley's "Rape of the Lock" illustrations. The rules of perspective are ignored, dodged, or not understood

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



These Men in Hand-drawn sketches in these drawings the amazing pageant of races and tribes which makes up the population of Afghanistan. Above, A Waziri of the War Minister's armed guards

spokesman to whatever stranger tribesman I chose; for the direct overture of a woman would cause only alarm and embarrassment. At best my proposal was mystifying since there was no Farsi term that would exactly describe this unknown operation. "That man, ask him his village and tribe," I would say, pointing out a towering fellow who had walked perhaps a hundred miles to spend a single day in Kabul. My more ingenious servant would preface his petition with a preamble of Afghan chit-chat. With puzzled gaze the tribesman would listen to the startling request of the *ghanum faranghi*—foreign woman.

Reactions varied. On the whole they happily contradicted my unfavorable forebodings. Occasionally a man was quick to panic and, gathering about him his robe and staring companions, would make off down the street with as much display of agitation as is possible to the dignified stride of an Afghan. Money in itself proved small inducement, and payment at the end of a pose was more often than not proudly rejected.

My hotel room served as a studio. To persuade my recruit to cross the threshold of so awesome an edifice as Afghanistan's only hotel was often an achievement. Upstairs he would slip off his sandal *chaplis* before entering my room, and seat himself on the edge of a chair with the shyness of a child. The animal grace and swing of his posture was beyond bettering. He sat motionless, as one in a dream. His eyes had the far-away look of one accustomed to distant horizons. Only an occasional side-long inspection of my person marked momentary withdrawal of his gaze from space. The pause to take a cigarette from me gave opportunity for his prodigious stretching of muscles and cavernous sighs. Perspiration intermittently poured from his forehead, from the inner tension caused by strangeness of experience. The pier glass in my room was doubtless the first ever seen by many a tribesman. His full length reflection was always engrossing. An exhaustive comparison of his mirrored likeness would precede his baritone: "*Chub hast!*"—"It is good!"

A full half-hour's persuasion, one day, prodded a bearded Mangal from his bundles and trappings in a dark alley of the bazars, to return reluctantly to the hotel with me. There he parted hesitantly with his four stout comrades, and followed me to my room with the look of a lamb led to slaughter. With his pals shouting jibing condolences from outside, where they were assembled on a hitching post close by, I had to work fast lest his stoicism would not endure. My finished sketch, exhibited by request through the window, shifted his friends' jeers to demands that I draw portraits of the whole lot of them. Hopefully I won the firm promise of two of the men to return the following day. I never saw them again. A gypsy heart has little to do with appointment pads!

If I were asked to name the distinguishing characteristics of Afghanistan's inhabitants from those of her neighbors, Persia and India, I should say: virility, cleanliness, infrequent signs of disease and the absence of beggars—at least of the tourist-

exploitation form of alms-seeker. The people generally have a wholesome look, as of being well washed by the elements, and the prevailing white of their voluminous dress is usually clean.

Rugged heights foster a rugged high-spirited people—bred as these were by the endless invaders from Asia's steppes and mountains. Amazing that the descendants of those shifting, warring hordes should now belong to one kingdom! The slow process of miscegenation, hardly begun, presents within the boundaries of a single nation strikingly varied racial types—faces ranging from the fantastic to the beautiful, firing the artist's lust to record them.

When I entered Afghanistan the village people had impressed me as being almost uniform in type and dress. The swarthy, bearded giants erect in their folds of tunic were like columns beneath snowy capitals of massively looped turbans. Their gaze from heavily fringed eyes was unwavering and grave. By contrast Kabul's bazars were thronged with a bewildering array of people in varied costume—shifting ingredients of the Asiatic world—each man a proud adherent to the customs and dress of his particular blood-line.

The bewildering variety of types presents a problem indeed to the newcomer seeking to learn something of their racial and tribal distinctions. It was not easy to learn to identify even the five major racial divisions of Afghanistan's inhabitants: those indigenous through centuries as opposed to the many others of erratic and more recent immigration from neighboring countries.

I could most quickly recognize the broad-faced, high-cheek-boned Hazarah with his almond eyes and light ruddy skin—the legacy of Genghis Khan's Mongol hordes—whose vast numbers populate Afghanistan's rugged backbone of the Hindu Kush and its southwest extending spurs. Then there was the yellow, more oval face of the Uzbek, who likewise has Mongol blood, though he is of Turkic-Iranic stock. He may take origin from the Kirghiz Great Horde of Trans-Caspian steppes.

The wide-spread Tadjiks, descendants of an ancient Iranian civilization, were harder to identify. For they have developed great variation through centuries of interbreeding with Turkic and Turko-Mongolic peoples. They range from a dark-skinned, prominent-cheek-boned type to that resembling their purer ancestry: fairer and long-headed with clear-cut features and light gray eyes.

A fourth important racial division is the more rarely seen Kafir, now called Nouristani. He seemed the incarnation of a heroic warrior-figure hewn from granite. The blood of Alexander's Macedonians may credibly take form in his straight brows and nose, firm mouth and chin, gray-brown eyes and nobly proportioned head. Within his fortress mountains close to the Pamirs he has preserved relics of Greek pagan culture for over two thousand uninterrupted years, unique among the peoples of Afghanistan in his utilization of chairs and tables.

Of the true Afghans, who comprise less than a

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Uzbeks (a political rather than an ethnical classification) are of chiefly Turkic origin with an admixture of Mongol and Iranian



The typical Hazarah has a broad face, high cheek bones, almond eyes and ruddy skin—legacies from Genghis Khan's Mongol hordes



This Tadjik of Bamiyan is of the purer type—long head, clear-cut features, gray eyes—most resembling his ancient Aryan ancestors



This Kabuli, an incipient composite type evolved from the community of Kabul as opposed to purer types, is primarily Hazarah



The powerful tribes of warlike Ghilzai, found from Kandahar to Ghuzni, are often loosely grouped with their Afghan neighbors



Reluctantly, after a half hour's persuasion, a Mangal nomad of the Karan division of Afghans from the southeast border, posed



More rarely seen in Afghanistan is the Kafir, or Nouristani. His features and coloring recall to mind the Macedonians of Alexander



H. H. Mohammed Ahmad Shah, Minister of Court and father-in-law of the King, is of the Durrani, or Royal, branch of Afghans

third of the country's population, the branch of Duranis (or Abdalis) is politically most important by right of royal ascendancy held since the middle eighteenth century. I would not attempt to enumerate the other Afghan tribes and their subdivisions of clans, which inhabit the southeast quadrant of Afghanistan. They include the five warring Independent Tribes of the Khyber and frontier: Waziris, Mahsuds, Afridis, Shinwaris and Mohmands, whose somewhat arbitrary political entrenchment does not impair their tribal solidarity. The puissant tribes of warlike Ghilzai, stretching from Kandahar to Ghuzni, are often loosely categorized with their Afghan neighbors, but they are more likely derived from the Turkish Khalaj—a line called Ghuznivides—of early ascendancy at Ghuzni.

There is a grim and remote quality in the nobly wrought visage of the Afghan. He has invincible strength of physique. His sun-bronzed color seemed to me to be rarely as dark as that of the North American Indians, and I saw many as fair of hair and skin as an Anglo-Saxon.

My own haphazard foraging in the bazars would have yielded me a harvest of heads inevitably exotic and picturesque, but to attempt forming a collection as representative and ethnically true as possible necessitated the direction of discerning persons, born and bred in the country. Not the least of my gratitude is to Professor Garrigue of the History Department in Kabul's French College. He sent me my first and most reliable instructor, Sirdar Najib Ullah Khan, an able scholar who is well qualified to write a history primarily devoted to Afghanistan.

Najib Ullah, great-grandson of the renowned Amir Abdur Rahman, spoke fluent French, no English. He called upon me with unfailing regularity to dissertate upon Afghanistan's racial lore and fact. Part of his research lay in investigating the still somewhat inaccessible documents of sacred archives, whose translations would doubtless reveal much that is unknown of his people. Many of the models whom Najib Ullah brought me were guards from the ministries. They in turn brought other desired types. They seldom came on the promised day but arrived at the least expected times, usually with a troop of comrades ready to pose all at once.

I was assured that I should not be able to draw an Afghan lady. A woman's portrait would be synonymous with disgraceful exposure. This attitude was later shown me by the withdrawal of an invitation previously issued to visit a seraglio, upon discovery of my being an artist. I was astonished to learn from a foreign-educated young Afghan friend of Najib Ullah that he had recently brought back a German bride. She was, of course, virtually a prisoner in his household. There were three other cases of imported wives in Kabul at that time. It is one thing that a country's prohibitions hold its women away out of stride with its men, but quite another that a modern *Fräulein* should have to barter rucksack and shorts for a *chad'ri*!

My visit to Kabul's Art School revealed the re-

markable aptitude of its students for what may be considered a wholly new education. This institution was of but six years' growth, its departments mostly headed by foreign instructors. It is not surprising that art forms have remained rudimentary among a people whose energies have been absorbed largely in strife. Ancient and medieval centers of culture in this land have long been dead. In Afghanistan's campaign for progress, the rebirth of an indigenous art will be the last stride in her cultural advance. For with a national consciousness barely taking root in none too fertile soil, there is much to precede growth in art. However, the planting of even imported seedlings seemed to me noteworthy.

Opportunity knocks unexpectedly. Finding my self face to face with Mohammed Asham Khan, the Prime Minister, implied more than his friendly approval and promises of assistance to my work. All of Kabul's Afghan nobles and foreign diplomats were assembled at the garden party of the British Legation, where I was presented to Asham Khan. This was the man—small, spare, with trim, pointed beard—whose shoulders bore the chief weight of a nation. His large eyes with half-lowered lids gave me the fleeting impression of catlike somnolence. Beneath his cultivated suavity there seemed almost eagerness to interpret his country to the newcomer. What unlimited and hazardous responsibilities must be attached to the position of this astute person, guardedly watching a land whose geography makes it of such strategic importance to neighboring non-Asiatic powers. Behind him lay foreign propaganda, revolution, bandit-monarchy and the recent assassination of a wise and revered King; ahead, the struggle for national cohesion, economic progress and—not least—political immunity from aggressors.

Among other introductions of consequence to me at this function was that to the Minister of Court, father-in-law to Afghanistan's young monarch. His ready affirmative to my first proposal to draw a portrait-subject from the royal ranks was indeed heartening—as was the seeming contradiction to oriental procrastination in his appointing the following day for my first visit to his establishment.

Upon this, as all formal occasions, all of the Afghans made simultaneous departure. It was as if an electric switch had suddenly set in motion a sea of arms—shaking hands. The great mass of diplomats and officials moved impressively off across the lawns, and was gone. As sudden as this exodus, was the lifted ban on drinking. Champagne now ran in sparkling streams filling glass after glass. For the Sunni's observance of the Koran's inexorable law need no longer be respected.

My friendly henchman, Professor Garrigue, laughingly raised his glass to toast my progress in "head-hunting": "These are good promises given you this morning. They are genuine—but in the Afghan manner. The time involved in their materializing is another thing." He added musingly, "I hope you are not in too great a hurry to return to America!"
(To be concluded in an early issue of ASIA.)



The Turkoman of Ghuzni (and, possibly, the Ghilzai also—see page 270) may, though not now perhaps of pure strain, be identified with the Turkish Khalaj, the Ghuznivides of early ascendancy at Ghuzni

ASIA BOOK-SHELF

CONDUCTED BY PEARL S. BUCK

The confusion of our times is such that daily and weekly newspapers add only more confusion, and even monthly magazines can scarcely sufficiently analyze and organize events for human understanding. The volume *SURVEY OF INTERNATIONAL AFFAIRS 1934* by Arnold J. Toynbee, assisted by V. M. Boulter, is therefore the more valuable because it is a comprehensive and brilliantly written analysis of present human affairs, which is no more and no less than a contemporary history of the world. It is easy, very easy indeed, to become misled by news of momentary or political importance, or even to be misled by fields of special interest. Here are the events of one day, sternly classified, properly related to each other. These volumes, of which the present book is one, appear annually under the auspices of The Royal Institute of International Affairs. They are most important texts of modern history for today, and doubtless will be sources for historians in the future. Of special interest to readers of *ASIA* are the chapters on the emancipation of Iraq and the most excellent section on the Far East, the latter written by Mr. G. E. Hubbard. The volume is summarized in a good chronology of events, and there is a fine index.

Mr. Hubbard has written also, again under the auspices of The Royal Institute of International Affairs, *EASTERN INDUSTRIALIZATION AND ITS EFFECT ON THE WEST*, with special reference to Great Britain and Japan, in which work he is assisted by Denzil Baring. Professor T. E. Gregory has contributed the conclusion. This book is first a detailed compilation of the historical facts of the industrialization of Japan, China and India, a prognostication for the future of each of these countries, based upon these facts. The industrial situation in Great Britain is then portrayed, the development in the nineteenth century, postwar conditions, and the reactions of the social structure with particular reference to unemployment and "the distressed areas." In addition to this ably analyzed material, there is a brilliant and most important chapter on the effect of the eastern industrialization upon trade relationships with Great Britain, which, although it deals in particular with that commonwealth, is of the utmost importance to all nations who have a hope for trade in the Far East. The facts of this analysis would prove on the whole alarming to the West if it were not for Professor Gregory's conclusion, which he calls "An Economist's Comment." For it is fairly evident that, even given an open market in the Far East, no power can compete in trade with Japan. She has already taken the important markets in the Netherlands Indies, and the cheaper markets in India and China. That she has been able to do this is to her credit—she has been at once more clever in perceiving changes in demand in these countries, quicker in adapting herself to them, more up-to-date in her manufacturing methods, than has her rival, Great Britain. Nor can the accusation of lower labor costs be brought against her with entire truthfulness, for the fact is that cheap Japanese labor, because of its inefficiency and

immense turnover is not really cheap. In short, the truth is that Japan's enterprise, determination and ability are the real reasons for her success in trade. This is a major premise which trade plans for the future must take into consideration. A second important premise is that the industrialization of the Far East is inevitable and necessary, in order to raise the low standard of living and make the markets greater for any trade. A third is that these markets are potentially inexhaustibly great if the standard of life is so raised, and there is hope for western trade, in spite of Japan, if the West will concentrate upon the upper reaches of markets, allowing to Japan the cheaper grades of goods. It goes without saying that instead of less trade there should be more trade, since trade, however made, is universally beneficial. To obtain these benefits, however, free trade is essential. Mr. Hubbard has written an extremely important book. It is a book so fundamentally important that it should be read and studied by every one interested—and who of intelligence can afford not to be interested today?—in developments between the Orient and the Occident. For the material here has not in its deepest significance to do with trade; it has to do with the making of war and the keeping of peace.

The contributions of the Catholic Church to the Far East have been in more ways than in religion and education. The Catholic missionary has been on the whole a type superior to his Protestant brother, and it is not surprising that among Catholic priests in China have been great scientists and scholars. The first of these was Matteo Ricci, who was the great missionary of science to China, and who combined his scientific knowledge with his lofty qualities of character to such an extraordinary extent that for centuries China for his sake tolerated far lesser men. The story is told in *MATTEO RICCI'S SCIENTIFIC CONTRIBUTION TO CHINA*, by Henri Bernard, S.J., and translated by Edward Chalmers Werner. It is more than the story of Ricci. It is the story of that rich scientific interchange between Europe and China in the end of the sixteenth century, beginning with the influence of Islam a century earlier. The description of Chinese science, particularly astronomy, and Ricci's tactful influence is peculiarly interesting. Mr. Vetch of Peiping is to be congratulated on publishing this succinct and interesting addition to his already valuable list of books on oriental subjects.

One of the most delightful books to be included in the *Wisdom of the East* series is the translation, beautifully made by Shio Sakanishi, of Kuo Hsi's *ESSAY ON LANDSCAPE PAINTING*, an essay that is a classic in the Orient, to which L. Cranmer-Byng has written a foreword. The essay itself is one of those charming, seemingly simple pieces which are not simple at all but are actually sophistication strained clear of all pose. It is the writing of a great artist who, having passed through complete artistic discipline, has arrived at a spiritual distillation so pure and shining that what he has to say seems like clear water running smoothly in a brook. It is an aspect of the oriental mind, this pellucid sophistication. Whether one is

a painter or not, this essay is worth reading for its atmosphere.

The West is familiar with translations of Chinese poetry, but here is a little volume of exquisite poems out of Korea, translated by Joan S. Grigsby, illustrated by Lilian Miller, and published in Kobe, Japan. If a poem stands beautiful in translation, then surely in the original it must be beautiful, too, and these translations are frequently beautiful as most translations are not. They have the quality which is to be found as a rule only in an original. Several of them have already been published in *ASIA*, together with an article on Korean poetry, also by the same author.

Very different from these ancient delicate verses is a small volume entitled *TANGLED HAIR*, which is a translation of poems from the works of the modern Japanese poet, Akiko Yosano, made also by Shio Sakanishi. It is one volume in a series entitled *Modern Japanese Poets*, and it is interesting for more than its poetry. The average person, thanks to the limitation of newspapers, thinks of revolution chiefly in political terms. But there are other revolutions far more significant, because they are more truly revolutions in the inner thoughts and attitudes of people, and this is peculiarly true of revolution in poetry. Akiko Yosano and her husband were symbolic figures in such a revolution. The movement was primarily romantic, an attempt to take Japanese poetry out of the formalism into which it had fallen and pour into it fresh life and make it again an expression of true feeling. The poetry of the two Yosano is important not so much as poetry—for, judged by other standards, while spontaneous it is not superlative in reality—as for its place in the renaissance of all Japanese poetry. The subjects of the verses in this volume are modern, that is, they have to do with the matter of everyday life, and the form is loose and varied. This, in an art which had become patterned to complete convention in subject and phrase, meant revolution not only in the art, but in all thought and feeling behind the creative spirit.

Of the six books just reviewed, three have had to do with those confusions of the times, with the so-called hard facts of history, of trade, of war, of science. The last three have had to do with those other things so often regarded as unimportant because seemingly they have nothing to do with hard facts.

It is not possible to evaluate these two groups in terms of what they may accomplish for international understanding, but it is interesting to speculate upon such an evaluation, to imagine a scale upon which could be weighed hard facts against the thoughts, the dreams, the deepest feelings which go into the making of painting, of poetry, of philosophy. I wonder, if there were such scales—

P. S. B.

SURVEY OF INTERNATIONAL AFFAIRS 1934 by Arnold J. Toynbee, assisted by V. M. Boulter. Large 8vo., 743 pp., appendix, index, maps, New York, Oxford University Press. \$10.00

EASTERN INDUSTRIALIZATION AND ITS EFFECT ON THE WEST, with special reference to Great Britain and Japan, by G. E. Hubbard, assisted by Denzil Baring, with a conclusion by Prof. T. E. Gregory. Small 8vo., 395 pp., bibl., index, New York, Oxford University Press. \$7.00

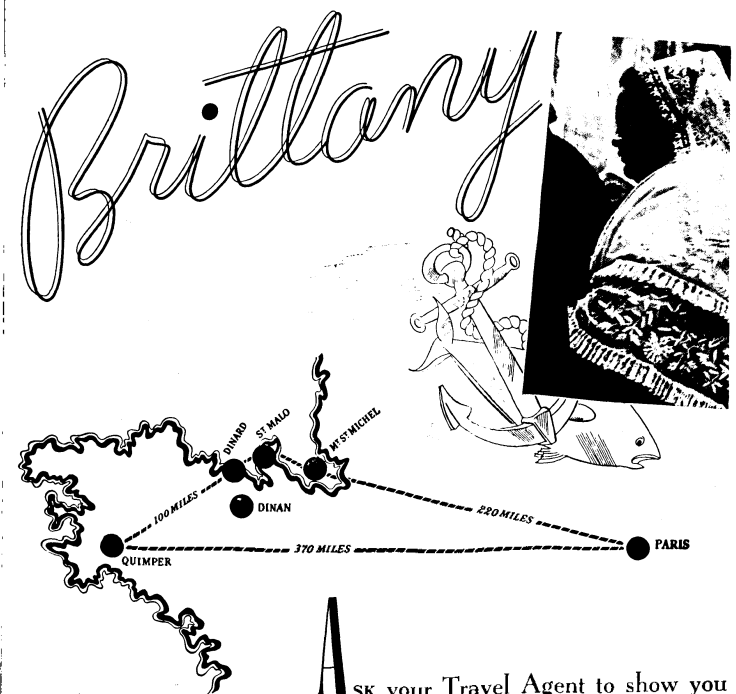
MATTEO RICCI'S SCIENTIFIC CONTRIBUTION TO CHINA by Henri Bernard, S.J., translated by Edward Chalmers Werner. 10mo., 108 pp., illus., abridged bibl., bibl., index, Peiping, Henri Vetch. U.S. \$2.50

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ASIA

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



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AN ESSAY ON LANDSCAPE PAINTING
by Kuo Hsi, translated from the Chinese by Shio Sakanishi. The Wisdom of the East Series. 12mo., 64 pp., New York, E. P. Dutton & Co. \$1.00

TANGLED HAIR, Modern Japanese Poets Series, Vol. II, by Akiko Yosano, translated by Shio Sakanishi. 12mo., 71 pp., Boston, Marshall Jones Co. \$2.00

THE ORCHID DOOR, Ancient Korean Poems collected and done into English verse by Joan S. Grigsby, illus. by Lilian Miller. 8vo., 105 pp., silk bound, Kobe, J. L. Thompson & Co., Ltd. \$3.00

RAMAKRISHNA, The Man and The Power, by Swami Gnaneshwarananda. 18mo., 125 pp., Chicago, The Vedanta Society. \$1.00

This book is a commemoration of the one-hundredth anniversary of Ramakrishna's birth. It gives simply and with admirable completeness within small compass a picture and a philosophy.

GRASS FOR MY FEET by J. Vijaya-Tunga. 12mo., 230 pp., New York, Longmans, Green & Co. \$2.40

Several of the chapters in this delightful book were published in *ASIA* as essays. Together, all the essays are vivid glimpses of life in a village in Ceylon. The author is a native of Ceylon, living and writing now in London. His training abroad has given him a point of view upon his childhood home which obviously he could not have had if he had remained there. Nor, similarly, could he have written so simply and truthfully, and with such feeling detail, had this village life not been his own. We are always grateful for a book like this, which is written from the inside of a country and a people.

INTRODUCTION TO CHINESE ART by Arnold Silcock. 12mo., 268 pp., illus., maps, appendices, index, New York, Oxford University Press. \$2.50

The exhibition of Chinese art at Burlington House, among many other good effects, is stimulating the writing of books which lead toward an understanding of Chinese art. This book is very properly described by the author as an introduction to the study of Chinese art. Its approach is through history, and Mr. Silcock has very ably summarized the main facts of the history of China and linked them with the development of art in that country. In addition, he has synchronized China's history with that of the West. The book is scarcely for specialists, but it must prove a very useful and intelligent handbook for the average Westerner who approaches Chinese art with genuine appreciation but little previous knowledge.

THE WAY OF A TRANSGRESSOR by Negley Farson. 10mo., 602 pp., New York, Harcourt, Brace & Co. \$3.00

The recent publishing year has been enlivened and enriched by autobiographical books from able journalists. To the list may now be added another as valuable. This is a first-rate example of good journalism, a good journalist, a journalist's view on life, and a journalist's spirit of adventure and moments of brilliant courage. There are, as added dishes to the feast, some pages of beautiful writing, a vibrant and enchanting fancy, and more than a dash of romance. It all makes very interesting and amusing reading, provided one asks for no more than a journalist's comment upon the life which he sees and lives. The chapters on the author's experiences in Russia and Japan will

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be of chief interest to readers of *ASIA*. There is a good deal of importance in the story of the selling of munitions here told. It sounds very familiar in the retelling in recent newspapers. P. S. B.

DOCUMENTS ON INTERNATIONAL AFFAIRS 1934, edited by John W. Wheeler-Bennett and Stephen Heald. Large 8vo., 546 pp., appendix, New York, Oxford University Press, issued under the auspices of the Royal Institute of International Affairs. \$10.00

THE BRITISH YEAR BOOK OF INTERNATIONAL LAW 1935. 8vo., 248 pp., notes, bibl., index, New York, Oxford University Press, issued under the auspices of the Royal Institute of International Affairs. \$6.00

INTERNATIONAL ECONOMICS AND DIPLOMACY IN THE NEAR EAST by Vernon John Puryear. 8vo., 264 pp., index, bibl., map, California, Stanford University Press. \$3.25

AMERICAN TRADE PROSPECTS IN THE ORIENT: Report of the American Economic Mission to the Far East. Small 8vo., 66 pp., map, New York, National Foreign Trade Council. \$1.75

COMMODITY CONTROL IN THE PACIFIC AREA, edited by W. L. Holland. 8vo., 452 pp., index, California, Stanford University Press. Issued under the auspices of the Secretariat of the Institute of Pacific Relations. \$5.00

The quantity as well as the high quality of the volumes appearing on international affairs is encouraging, and that in the face of the pessimistic outlook throughout the world today. Even if Italy is waging a war of aggression in Ethiopia and Japan is penetrating into North China for "the good of the Far East" and Outer Mongolia is rapidly becoming a serious bone of contention between Japan and the U.S.S.R., it is not true now as it was in 1914 that the peoples of the world are being sucked blindly into the maelstrom of another world war. Too many organizations are publicizing documentary evidence and sifting semiofficial conversations for people to be unaware of the cool pro and con facts of the economic, social and political difficulties between nations. If the spirit of getting together in the name of sanity and decency is not yet crystallizing, at least there is no excuse for any one who can read to be uninformed of the festering sores in the international body politic.

Here we have **DOCUMENTS ON INTERNATIONAL AFFAIRS 1934** which has been brought out annually since 1928. The 1934 volume, edited by John W. Wheeler-Bennett and Stephen Heald of the Royal Institute, contains a wealth of documents, official statements and correspondence. To mention some of the data in the oriental field alone, there are the notes exchanged in the fall of 1934 between the Chinese Minister at Washington and the U. S. Secretary of State on the American Silver Purchase Act; the treaty between Saudi Arabia and the Yemen; the now famous statement by the Spokesman of the Japanese Foreign Office, April 18, 1934, with the replies of the various governments; a generous extract from the illuminating address delivered by Hiroshi Saito, the Japanese Ambassador to Washington, before the Academy of Political and Social Science in Philadelphia. It is interesting to note that *The New York Times*, which published most of the documents reprinted in this volume, performs an unflinching public service by ac-

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

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 haustive study of British commercial policy in
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 the commercial relations of Great Britain and
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 other historians of the Near East have stressed
 policies rather than economics.

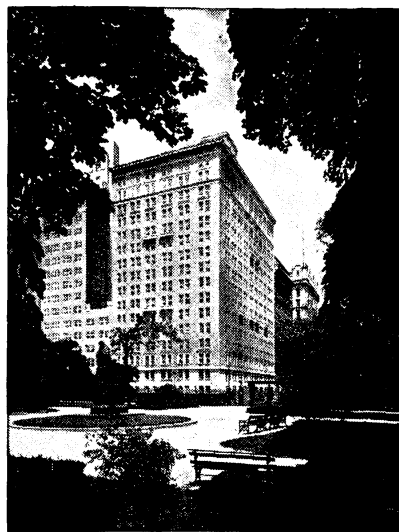
American business men will do well to con-
 sult AMERICAN TRADE PROSPECTS IN THE OR-
 IENT: Report of the American Economic Mis-
 sion to the Far East, a slender book filled not
 with theories but with practical facts. The report
 embodies the investigations in Japan, China
 and the Philippines of a group of eighteen
 Americans, long identified with the Far East
 and headed by W. Cameron Forbes, at one
 time Governor-General of the Philippines and
 U. S. Ambassador to Japan. In its report, the
 mission emphasizes that it had no political
 purpose; its object was to survey the oriental
 field "to ascertain by what means the United
 States might greatly increase its trade in the
 Pacific area." The turn developments have
 taken in the Far East since the return of the
 mission in July, 1935, make one wonder, how-
 ever, whether business and politics can now be
 treated as separate entities in "the Pacific
 area."

The close alliance of economics and politics
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 TROL IN THE PACIFIC AREA, another important
 volume in the fine series on trade and econ-
 omics in its international aspects, brought out
 by the Institute of Pacific Relations. This series
 of papers originated in the discussions at the
 1933 Banff conference of the Institute. Econ-
 omists of Great Britain, Japan, the United
 States, Canada, the Netherlands and Australia
 describe systems of commodity control in their
 own countries—many of them experiments,
 many of them frankly admitted to be failures
 —which may, however, serve to point the way
 to control schemes in the future that can be
 worked out successfully on an international
 scale. In May and June, 1935, ASIA published
 two comprehensive articles, analyzing the
 Intergovernment Agreement on rubber as a
 step in international commodity control. Mr.
 Holland, the editor of the Institute volume,
 aptly sums up the value of this series on the
 American A.A.A., the Canadian wheat pool,
 Japanese rice and silk control, commodity
 control in Netherlands India, international tin
 and rubber schemes, etc., in that they "serve in
 some measure as test-tubes, as examples of
 methods of interference with the interplay of
 supply, demand and price." It would be in-
 teresting to compare this collection of control
 systems, dominated by price and private profit,
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E. W.

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FRIENDS AND ENEMIES OF CHINA

SR: This morning I find focused a number of
 wandering thoughts which I have been col-
 lecting and pigeonholing in a more or less
 conscious fashion for a number of years. These
 thoughts have to do with the question, "What
 does it mean to be a friend of China?"—a ques-
 tion on which a great many modern Chinese have
 had much to say and on which these same Chi-
 nese, particularly if they are in the pay of the
 Chinese government, have very hot dogmatic
 feelings. I have, partly, I flatter myself, by na-
 ture and partly from long residence in China, a
 temperament foolishly amiable and tolerant of
 other people's opinions, and it has seemed easily
 understandable that in this ticklish transition
 days there should be a number of young Chi-
 nese who, for various reasons, should wish the
 people of other countries to know as little as
 possible of the realities of their own country.
 It is an attitude inevitable in a period when the
 young are not sure of their place in the world.
 One sees the same phenomenon in the Germany
 and the Italy of today. One sees conversely
 in England's sturdy indifference to any criti-
 cism or analysis, native or foreign, the assur-
 ance of a nation which is satisfied with its own
 methods. Even Soviet Russia, so early in her
 time, has as a definite part of the national pro-
 gram honest self-criticism, and she has stirred
 her people to even greater effort by the very
 fact of revealed shortcomings. I have, there-
 fore, allowed such feelings and thoughts as I
 have had upon the subject of what it means to
 be a friend to China to remain unfocused.

The thing that focuses these now, however,
 is a few pages torn from *The People's Tribune*,
 which is the propaganda organ of a leading offi-
 cial in the present Chinese government. The
 pages contain an article in the form of a letter,
 written under that refuge of the timid, a pen
 name. The letter is addressed to Dr. Lin Yu-
 tang, and bitterly reproaches him for having
 revealed to foreigners the state of China, for
 having given ammunition to "die-hards" and
 to Japan, and for not having given full credit
 for reforms which the present government has
 undertaken. I do not propose to reply to this
 letter, for it is not my concern, and anyway
 Dr. Lin Yutang is amply able to take care of
 himself.

The real value of these pages to me is that
 they crystallize my thoughts upon that ques-
 tion, "What does it mean to be a friend of
 China," or actually, what sort of presentation
 of China wins for her abroad the most appre-
 ciation and real friendship? I am perfectly fa-
 miliar, through long experience, with the Chi-
 nese answers to that question. The answers
 vary from those given by the usual small por-
 tion of balanced and highly intelligent
 minds, enlightened by a humorous tinge, who
 comprehend for themselves the value of their
 own presentation of their country, to the ex-
 treme chauvinism of government officials
 who view with alarm a harmless tourist and his
 camera and with complete fear and indignation
 a motion-picture camera. "We fear," said an
 editorial two years ago in a Chinese official
 newspaper, and apropos of an American mo-
 tion-picture company trying to get some back-
 ground pictures of Chinese scenes, "that in
 spite of the utmost vigilance of the government
 there will be a few servants with dirty aprons
 and some women with bound feet in this pic-
 ture."

The complete story of that picture will
 be told some day, and the disclosure of the
 Chinese mind will be far more amusing and
 revealing than anything the carefully guarded
 picture will show.

There is also the story of the American pro-
 fessor, newly arrived at a leading Chinese uni-
 versity, who, in the amiable desire to amuse
 his students at their request one evening,
 showed them some of his small motion pictures.
 Among them happened to be one of an ordi-
 nary Chinese village scene with a caption they
 disliked, a picture he had not taken but had
 rented from a Chinese concern to vary his pro-
 gram for their pleasure. They fell upon him and
 seized the reel, reported him to the government
 and worked up such agitation against him, to
 his bewilderment, that he was put under bond
 to take no more pictures. Unfortunately at this
 time his first child was born, a son. He weak-
 ened and took a few pictures of the child in the
 secrecy of his own home. He was not able to do
 his own developing, however, and he took the
 film to a shop. At the door he found one film
 yet unexposed. He snapped the camera without
 focusing it—I believe the picture afterwards
 was found to have some cobblestones and the
 feet of a donkey in it. But the students sleuth-
 ing him, seized him, and fresh agitation was
 created to such an extent that the college au-
 thorities were forced to send him home to the
 United States. There are many such stories,
 not worth repeating, for they merely reiterate
 an absurdity.

The important thing is that these persons
 in China whether they are high in government,
 or students, or ultrasensitive Chinese living in
 international settlements, or anonymous writ-
 ers, or what not, need some honest enlighten-
 ment. They are talking about something which
 obviously they do not in the least understand,
 that is, how to create a good impression of
 China abroad, how, in short, to enable the
 peoples of other countries to comprehend and
 therefore admire China, for really to compre-
 hend the Chinese is to admire them. There are
 one or two preliminary things to be said. In the
 first place, Westerners are not such fools as
 these Chinese seem to think they are. They
 are about as clever as the Chinese—as least,
 they know from practice all the tricks of gulling
 people and of putting on a false front. They
 view with nothing except honest amusement
 the efforts of "patriotic" Chinese who come as
 ambassadors of good will abroad and paint a
 picture of China all calm and content and teem-
 ing with fine philosophy and plenty for every-
 body. They simply do not believe there is such a
 place, for these Chinese ambassadors make the
 mistake of painting the picture as bright as a
 chromo—it loses all truth even as art. These
 Westerners, behind their friendly listening
 faces, are thinking of what they saw when they
 took that tour to China, of what they read in
 the daily newspapers about famines and band-
 its and Japanese in China, and a good many
 things which the ambassador does not mention
 in his fluent and beautifully polished speech.
 They crowd around him afterwards in the
 amiable American fashion, "... wonderful
 speech," "... so admire your country," etc.,
 etc., and then go home and think their own
 thoughts.

Granted, then, a practical and cynical west-

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ern world, what is the only real way by which to gain there an appreciation of China? There have been several extremely wise Chinese who have discovered and successfully practised the way. Few of them—indeed, besides Lin Yutang I know of only the earlier Hu Shih—have had the courage to write honestly what they felt and thought. But several others have spoken to chosen groups of leading Americans, always—significantly!—asking that no other Chinese be present, and that what they say be regarded as confidential. Such speakers, timid as they are and have reason to be beyond a certain point, and these two writers in their own time and fashion, are the only Chinese I have found, out of a long experience and examination and much questioning of Americans, who have done anything real for China in the United States. All the other writing and talk, designed to enlarge the status of China, has been so much wind, shrewdly so adjudged by the Americans.

What these doubtless honest but nevertheless uninformed Chinese patriots have to realize therefore is that they fool nobody. The Westerner is too experienced and too clever to be gulled by words. The surest way to win his confidence and appreciation is by an honest approach to any subject and particularly when it is a matter of one's self. To present one's country with honest praise and honest blame, to appraise one's strengths without conceit and one's weaknesses without shame, is to win the friendship of any American. It is this which Lin Yutang has done to a surpassing degree, a thing which any one can do who has intelligence enough to perceive and the ability to express. China has far too few such real patriots.

It is no disgrace to a book to appeal to so many persons as to become a best-seller. I do know, however, that in China to be successful is the most fatal of faults. Many a great man has been assassinated for a smaller success than Dr. Lin Yutang has had, for jealousy is a human vice which the Chinese, among their many superlative human virtues, possess also to a superlative degree. To have written a book instantly recognized by many thousands of people the world over as great and obviously true, because it was written out of an honest effort and an intelligent informed mind, is, in China, it seems, a dangerous thing. It will be interesting to see what happens to such a valiant writer. Be sure that, whatever happens, the world will know it, and China will stand condemned or praised by it.

New York City

PEARL S. BUCK

A Timely Article Next Month on SAIONJI, ARISTOCRAT

In addition to the articles announced on the third cover opposite, the May issue will feature a most timely article on Prince Kim-mochi Saionji, the last of the Elder Statesmen of Japan, who has been for years closest to the Emperor and his chief adviser. In this time of Japanese crisis this article was written specially for ASIA by Harry Emerson Wildes, who says, "The aged nobleman [eighty-five years old] armed with the final power over all important appointments, is the virtual dictator of Japan."

Between the army and the Emperor stands Prince Saionji. Which way will the Elder Statesman advise the Emperor to take?—Liberal?—Fascist?—or will the power of the "sole survivor of the ancient days" be extinguished?

Mr. Wildes' article interpreting the life, motives and career of Prince Saionji most appropriately follows Guenther Stein's article in this issue on Finance Minister Takahashi.

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COMING IN ASIA MAGAZINE

THE RISING SUN IN THE SOUTH PACIFIC

Two articles of importance in the May issue

In Apia, in the South Pacific, an American trader does a large business with the Samoans: print cloth at ten cents a yard, cameras at twenty-five cents apiece. A few years ago his business was altogether in American and British goods. Today, eighty per cent of his stock is Japanese, purchased through a British commission house in Kobe. The twenty-five cent Japanese camera is a significant symbol. Japan has won the commanding position in the South Pacific trade held before the war by Germans, points out Marc T. Greene in "Japan Looks South." The implications of the fact are noteworthy; in this article by an experienced observer they are stated fairly and authoritatively.

Siam, in the geographical center of British, French, American and Dutch colonial possessions, may play a key rôle in the solution of Pacific "problems." When the Siamese Peoples' Party seized the government in 1932, they not only shouted "Down with the royal family," but also, "Down with the Occidental." Traditionally Siam has enjoyed European protection; now the trend is towards rapprochement with Japan. Rumored plans of a Japanese-financed canal across the Isthmus of Kra have sensational implications, not the least of which is the possible deflation of the importance of Singapore as a port and British naval base. The article, "Siam, Pivot of Asia," by Andrew A. Freeman, examines and evaluates the situation.

THE CHINESE RED ARMY

A scoop for ASIA on the Reds in Szechwan, by Norman Hanwell

Except through Nanking censorship, very little has filtered through to the outside world about the Red Army since the 1933 retreat into Szechwan. Mr. Hanwell, who has just returned from several months in the interior of Szechwan, gives us his first-hand

observations of the Red Army—the most valuable information, in our opinion, that has yet appeared in English on the leadership, organization, composition, number of troops, military maneuvers, propaganda methods and training of the Red forces in China.

ADVENTURES OF A CHINESE BANDIT-VOLUNTEER

A true account of the warfare in Manchuria

Before the Japanese occupation of Mukden, the author of this astonishing narrative was a teacher in a middle school in Manchuria. Highly idealistic and patriotic, he became a "bandit." The account of his

adventures will give ASIA readers a vivid picture of what is going on in Manchuria today. The story, written by Wang Li-chuan and translated by Yü Hsi-chien, will appear in ASIA for May and June.

The contributors to ASIA Magazine are writers of every nationality. They are the men and women who possess first-hand knowledge of the events and problems they describe. ASIA Magazine is the link between English-speaking people and the continent which contains more than half the population of the world. The pages of ASIA are as important, as lively and as colorful as the land and peoples which they present.

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ASIA MAGAZINE

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

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MRS. ALLSTON BOYER (*Above*): "I notice that if I'm tired a Camel freshens me up. Lots of people have told me the same thing. I can smoke all I want, too, and they never upset my nerves."

MISS DOROTHY PAINE (*Above right*): "Of course I smoke Camels. They have such a grand, smooth flavor. And they never make my nerves jumpy. When I'm all tired out, a Camel sets me right again."

MRS. WILLIAM T. WETMORE (*Right*): "Everywhere you go they're smoking Camels. Their smoother, richer flavor seems to fit in with the gayer life we are leading again. They are made from more expensive tobaccos."



Costlier Tobaccos!

Camels are made from finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic—than any other popular brand.

Money-Back Invitation to try Camels

Smoke 10 fragrant Camels. If you don't find them the mildest, best-flavored cigarettes you ever smoked, return the package with the rest of the cigarettes in it to us at any time within a month from this date, and we will refund your full purchase price, plus postage.

(*Signed*)

R. J. REYNOLDS TOBACCO COMPANY
 Winston-Salem, North Carolina

0254

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

CONFIDENTIAL

March 21, 1936.

1936 MAR 24 AM 10 15

MAR 24 1936

Subject: The Situation in North China.

S:

Mr. Secretary.

The Embassy at Peiping reported that Sino-Japanese relations in North China continue to be quiet and expressed the view that this period of quiet may continue for some time. Peiping further reported the signing on March 6 by the Managing Director of the Peiping-Mukden (Peiping-Shanhaikwan) Railway and by an official of the South Manchuria Railway (the South Manchuria Railway operates the state railways of "Manchukuo") of an agreement providing for the establishment from May 1 of a through freight car service over the Peiping-Shanhaikwan and Shanhaikwan-Mukden lines, and the appointment by the Hopei-Chahar Political Council of five Japanese advisers. (The claim has been made, particularly in Japanese quarters, that the conclusion of such an agreement as the above was promised by the Chinese at the time of the negotiation of the Tangku Truce -- in May, 1933.)

The Embassy at Nanking reported that the Chinese Minister for Foreign Affairs and the new Japanese Ambassador to China had a series of parleys between March 16 and 19 and that according to available information these conversations

were

793.94/7818

793.94/7818

DECLASSIFIED: E.O. 11652, 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 -

were actually, as reported in the press, more in the nature of an exchange of views than of negotiations and that no basis for future negotiations was agreed upon nor any actual progress made toward a readjustment of Sino-Japanese relations.

W.D. Gustafson
FE:MSM/VDM

SKH

DECLASSIFIED: E.O. 11652, 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

1-1836

FROM

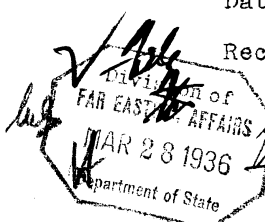
GRAY

Nanking (via N. R.)

Dated March 28, 1936

Rec'd 7 a. m.

Secretary of State,
 Washington.



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

67, March 28, 9 a. m.

One. An official of the Foreign Office has informed an officer that he thought Chiang Kai Shek had recently met Sung Che Yuan in Kai feng to discuss the North China situation, the most immediate problem being criticism against Sung by the Japanese military which probably presages an attempt to replace Sung if a suitable substitute can be found. He concurred in the general impression here and in Peiping (see Peiping's 147, March 24, 8 p. m., paragraph 4) that developments in North China must await clarification of the situation in Tokyo but he expressed the opinion that a renewal of Japanese pressure upon the Chinese Government could be expected in less than two months time.

Two. He denied reports that in the March 16-19 conversations between the Japanese Ambassador and the Minister for Foreign Affairs the former had insisted that China had accepted Hirota's so-called three points or insisted

793.94/7819

MAR 30 1936

FILED

F/FG

110-1

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

F3 2-No. 67, March 28, 9 a. m. from Nanking

insisted that they must form the basis of discussion. He said, however, that Arita had brought up for discussion the "concrete measures" which were implied by the three points and that in general both officials had "laid their cards on the table so that each government knew where the other stood."

Three. He stated that the Japanese Government had not yet made known to the Chinese Government any nominee to replace Arita and assumed that this question awaits Arita's return to Japan.

Four. By mail to Tokyo.

HPD

PECK

118-2

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

793.94

DOCUMENT FILE

NOTE

SEE 893.515/1036 FOR Memorandum

FROM State Department
Far Eastern Div. (Hornbeck) DATED Mar 12, 1936
 TO _____ NAME _____ 1-1127 ...

REGARDING: Sino-Japanese relations: Comments of Mr. Jean Monnet on-,
 stating his belief that Japan would continue a policy of
 constant pressure upon Nanking, weakening the Nanking
 Government, but stopping short of warfare; further,
 that there would be a period when nothing could be con-
 sidered as "settled", as between these nations.

FRG.

793.94/7820

7820

0259

DECLASSIFIED: E.O. 11652, 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

CONFIDENTIAL

1936 MAR 30 AM 11 59 MAR 30 1936

NOTED

March 28, 1936.

DIVISION OF
COMMUNICATIONS
AND RECORDS

Subject: The Situation in North China.

S:

Mr. Secretary.

During the week there were no noteworthy developments in Sino-Japanese relations affecting North China.

Although the invasion of Shansi Province by communist forces has so far been a domestic problem, it may at any time, unless promptly and effectively dealt with, become a pretext for Japanese interference. Responsible Japanese officials in China have indicated Japanese interest in the situation in Shansi Province and in the past have given evidence of a desire on the part of the Japanese to keep communism out of North China. A Chinese official statement, reported by the Embassy at Nanking, is to the effect that the Chinese are taking adequate steps to meet this invasion of communist forces.

According to press reports there has been a recrudescence of clashes on the borders of Manchuria, two having occurred on the Soviet-"Manchukuo" border and one on the "Manchukuo"-Outer Mongolian border, near Lake Buir. The clashes (one on the eastern and one on

the

793.94/7321

FILED
MAR 9 1936

DECLASSIFIED: E.O. 11652, 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 western border of "Manchukuo") between Soviet and Japanese detachments resulted in five Japanese being killed and a number of Soviet casualties. Reports indicate that both Tokyo and Moscow place the blame for the incidents on the forces of the other government and that the incidents have become the subject of diplomatic representations.

A press report of interest in this connection is to the effect that the Peoples Assembly of Outer Mongolia has approved the mutual assistance agreement with Soviet Russia, under the terms of which Russia would go to the assistance of Outer Mongolia in the event of a Japanese invasion of Outer Mongolian territory.

According to a telegram just received from the Embassy at Nanking, an official of the Foreign Office expressed the opinion that a renewal of Japanese pressure upon the Chinese Government could be expected in less than two months time.

lastly m.m.H.
FE:MSM/VDM

Statt
2

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

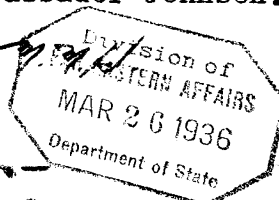
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

March 25, 1936.

EA:
Mr. Feis.

I believe that you will be
interested in the last paragraph
on pages 2-3 of the attached
letter from Ambassador Johnson.



Thank you
MF

MMH/REK

0262

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



Acknowledged Mar. 25, 1936.
 EMBASSY OF THE

UNITED STATES OF AMERICA
 Nanking, February 26, 1936.

Division of
 FAR EASTERN AFFAIRS
 MAR 25 1936
 Department of State

MAR 26 1936

DIVISION OF

COMMUNICATIONS AND

Dear Hamilton:

Your letter of January 6, 1936, with reference to the statement on page 3 of the memorandum of my conversation of October 24, 1935, with the British Ambassador in regard to Sino-Japanese relations has been received.

I am afraid that my memory was working badly when I dictated that memorandum. I suppose that what was in my mind was really a composite of the obligations entered into by the four Powers regarding their interests in their insular possessions and insular dominions in the region of the Pacific Ocean and the obligation implied in Article VII of the Nine Power Treaty regarding China, which reads:

"The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned."

I did

Maxwell M. Hamilton, Esquire,

Assistant Chief of the Division of
 Far Eastern Affairs,

Department of State,

Washington.

793.94/7822

F/FG

0 2 6 :

DECLASSIFIED: E.O. 11652, 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 -

I did not look up these agreements at the time because the important thing that was sticking in my mind, which I am afraid I did not make too clear in my memorandum of conversation, was the constant occurrence of rumors that the Japanese and British were getting together. I heard suggestions of this in various places but I felt that I could not ask Sir Alexander point-blank whether there was any truth in these assertions, for I did not wish to raise in his mind a feeling that I suspected that anything was wrong. I therefore attempted to conceal my purpose by inquiring as to whether the Japanese Government had consulted with the British Government.

I do not recall now whether I actually referred to the Four Power Treaty in our conversation, but that treaty was uppermost in my mind and I felt that I had accomplished my purpose when Cadogan assured me with some spirit that in so far as he knew, the Japanese Government had not taken the British Government into its confidence.

I gained the impression from conversations that I have had with Cadogan and also with Leith-Ross that they both belong to what might be termed a group in the British civil service that is hard-bitten and disposed to consider British and empire interests from a very realistic angle.

To/d M. D.
of WE
mmh

Cadogan now goes to the Foreign Office as Deputy Under Secretary for Foreign Affairs, with two years experience

in

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

- 3 -

in China and with the Chinese. He has very little sympathetic understanding of the Chinese scene but he has a very real and poignant understanding of the position of British interests in this area and the effect upon these interests of Japanese expansion upon the continent. He does not know Japan except as he has seen Japan operating here to thwart British efforts to stabilize their position. Leith-Ross has had an experience here in China which may or may not have embittered him. He certainly dealt with the situation as he might have dealt with the economic problem of France and England's relation thereto. He, also, will leave with a very real recollection of Japan's efforts to thwart his efforts toward stabilization of British interests which both he and Cadogan hoped for and worked to accomplish.

With kindest regards, I am

Truly yours,

Nelson T. Anderson

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

March 25, 1936.

Dear Mr. Ambassador:

Your letter of February 26 written from Nanking clears up the point mentioned in my letter to you of January 6.

The other items discussed in your letter have also been of decided interest to us.

With cordial regards and all best wishes, I am,

Yours sincerely,

M. D. Gustafson

The Honorable

Nelson T. Johnson,

American Ambassador,

Peiping, China.

793.94/7822

MMH/REK

DECLASSIFIED: E.O. 11652, 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 1-1236

FROM

GRAY AND SPECIAL GRAY

Peiping via N R

Dated April 2, 1936

Rec'd 7:35 p. m.

Secretary of State, Division of
 Far Eastern Affairs
 Washington, D. C.
 APR 3 - 1936
 Department of State

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

163, April 2, 6 p. m.

17773

Paragraph four of the Embassy's 102, March 3,
 11 a. m.

One. Some ~~(??)~~ ^{ten} of students among those arrested
 in late February and in March are still in custody.
 In addition to these, about fifty were arrested March
 31 for participating in demonstration at Peiping National
 University in memory of the one student known to have
 died (of pneumonia) while in custody. The demonstrators
 numbered about one thousand students from various uni-
 versities.

Two. The situation is quiet at present. Many
 students appear to be aware of the fact that if demon-
 strations get out of hand, the Japanese may use that as an
 excuse for interference in educational institutions on
 the ground that communism is endangering them. It is
 reliably reported that the Hopei-Chahar Political Council
 is not (repeat not) taking steps to obtain control of

the

793.94/7823

APR 7 1936

F/FG

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 note
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150-1

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

MJP -2- No. 163, April 2, 5 p. m. from Peiping

the administration of the universities and is not (repeat not) interfering other than to arrest demonstrators and alleged agitators. The proposal for the establishment of an education committee under the Hopei-Chahar Political Council for control of education is not (repeat not) being pushed at present.

Three. Of the three professors mentioned in the telegram referred to above, two have been released. The whereabouts of the other professor and his wife is not known. No students have been sent to Nanking for discipline.

Four. It is possible that the student question may have serious implications for the future for the reasons that, (one), students are restless and dissatisfied and these factors are being made use of by communistic students, that (two), the Chinese authorities may make matters worse by inept handling, and that (three), the Japanese military, although they are merely watching the situation at present, may in the future make use of student troubles to aid their own interests in some way.

By mail to Tokyo.

JOHNSON

HPD

120-2

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

KLP **TELEGRAM RECEIVED** SPECIAL GRAY & GRAY

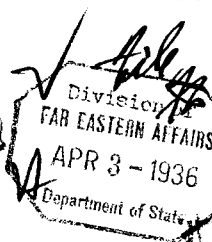
Peiping via N. R.

1-1336

FROM Dated April 3, 1936.

Rec'd. 7:20 a.m.

Secretary of State,
 Washington.



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

168, April 3, noon.

793.94/7794

One. Paragraph four of the Embassy's 135, March 16, 4 p.m., and 89, February 25, 5 p.m. Major General Takayoshi Matsumuro arrived March 28 from Tientsin to succeed Doihara as chief Japanese negotiator in North China and since then has been conversing at Tientsin with Sung Che Yuan and other Chinese leaders. The Embassy has been informed that Matsumuro is to establish a special military mission at Peiping which will be directly responsible to the Tokyo General Staff and not (repeat not) to the North China garrison. Japanese allegation that Sino-Japanese affairs in North China are not (repeat not) to be directed by the Kwantung army lose significance because Matsumuro was formerly of the Kwantung army, is allegedly strongly reactionary and is understood to have obtained his present assignment as the result of representations made at Tokyo by the Kwantung army. Doihara has been succeeded as chief of the special military mission at Mukden by Major General Toshi

Jimiura

793.94/7324

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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 -

168 from Peiping

Jimiura formerly of the China Section of the War Ministry. Doihara, now a Lieutenant General, has returned to Tokyo where he will be in command of that part of the first division which does not go to Manchuria. It is now said that a new commander may not (repeat not) be appointed to the North China garrison but that Tada may be promoted to Lieutenant General and continue as commander. The newly appointed Japanese Military Attache relieving Isogai, who has been appointed director of the Military Affairs Bureau at Tokyo, is Seichi Kita, recently promoted to the rank of Major General. Kita is described as being more moderate than Matsumuro. Matsumuro and Sung Che Yuan are expected to arrive at Peiping on April 6.

Two. According to Chinese sources, the current conversations at Tientsin concern questions arising from the existence of Yin Ju Keng's regime, the situation in Chahar, the situation in Shansi, and the alleged existence of a secret Sino-Russian treaty. It is doubtful that reports to the effect that the Japanese have requested permission to send Japanese troops to West Hopei near the Shansi border are true. However, the report that they have urged Sung to despatch some of his troops to Shansi may be true as it would be in accord with the Japanese method of extending Sung's influence as a cloak for extension

112.2

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

- 3 -

168 from Peiping

extension of Japanese influence. Sung is alleged to have refused on the ground that his troops are all needed in Hopei. It is anticipated that the Japanese will continue to insist on an enlargement of the autonomous character of Sung's regime.

Three. A sixth Japanese adviser has arrived at Peiping. (Reference paragraph three of Embassy's 135, March 16, 4 p.m.). He is a former official of the Manchukuo regime and will be adviser to the Economic Committee of the Hopei-Chahar Political Council.

By mail to Tokyo.

JOHNSON

HPD

118-3

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

CONFIDENTIAL

1936 APR 6 PM 12 5

APR 4 - 1936

April 4, 1936.

NOTED

Subject: The Situation in North ChinaS: COMMUNICATIONS

Mr. Secretary.

DIVISION OF
 FAR EASTERN AFFAIRS
 APR 6 - 1936
 Department of State

Significant developments indicative of the trend of Sino-Japanese relations in North China were lacking during the week in review.

The Embassy at Peiping reported the arrival of Major General Matsumuro to succeed Major General Doihara, for some time past a very potent influence in Sino-Japanese relations in North China. Matsumuro is establishing a special military mission at Peiping and will be directly responsible to the Tokyo General Staff. Formerly with the Kwantung Army, he is alleged to be strongly reactionary. The newly appointed Japanese Military Attache, Major General Kita, is described as being more moderate than Matsumuro. The Embassy anticipates that the Japanese will continue to insist on the enlargement of the autonomous character of the Hopei-Chahar Political Council and in this connection mentions the arrival at Peiping of the sixth Japanese advisor to that Council.

There was evidence of an improvement in the menacing communist situation in southern Shansi with a consequent lessening for the time being of the possibility that the Japanese military would use the situation as a pretext for an extension of their influence in Shansi.

With

793.94/7325

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 -

With reference to the conclusion on March 13, 1936, of a Soviet-Outer Mongolian mutual assistance pact, the Embassy at Moscow reported that China, according to the Chinese Embassy, would not protest the apparent infringement of Chinese sovereignty over Outer Mongolia but that Japan, according to the Japanese Embassy, would continue to regard Outer Mongolia as an integral part of China.

Fighting early in the week on the Manchuria-Outer Mongolia border seems to have been on a larger scale than at any time hitherto. The Embassy at Peiping refers to a Tass report that the fighting ceased with the repulse of the invading "Manchukuo"-Japanese detachments. Reports in the press and from the Embassy, Tokyo, indicate that the Japanese Foreign Office is not unduly concerned over the border situation. The Embassy at Moscow states that, while the Commissariat for Foreign Affairs expressed the opinion that serious consequences were not to be feared, the generals of the Red Army are extremely apprehensive. Subsequently the Embassy reported that the Commissar of War had informed the Japanese Ambassador during a (social) conversation that the Soviet Union would repel any troops that might cross the Outer Mongolian frontier.

map

JZV *ludm*
 JCV/REK *my m/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

LMS

1-1336

FROM SPECIAL GRAY

Nanking via N. R.

Dated April 6, 1936

Rec'd 10:45 a. m.

793 94
Secretary of State,
Washington.

82, April 6, noon

W. H. H.
FAR EASTERN AFFAIRS
APR 6 - 1936
Department of State

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

One. On April 4th McDaniel of the Associated Press had long interview with Suma for background purposes only. Suma stated he did not think the Japanese military intended to take any decisive step in the near future to overcome Chinese refusal to come to friendly understanding with Japan but he said he was warning the Chinese in a friendly way that so long as the Chinese Government refuses to accept at least in principle Japan's offer of friendly cooperation there will exist the possibility of a grave disaster to China more serious probably than the mere creation of a second "Manchukuo" in North China would be. Japan insists that China shall make its relations with all other nations subordinate to those between China and Japan and until this principle is accepted there can be no settlement of comparatively minor issues such as the smuggling in North China although if China once capitulates such details will be settled at once and easily. Japan regrets and distrusts Chinese

Government's

793.94/7326

FILED

F/FG

121-1

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. 82, April 6, noon, from Nanking.

Government's continued purchasing of expensive war equipment since possible ~~examinations~~ ^{enemies} are few and Japan is obviously one of them. Suma said that while Chinese Japanese relations are in the present stalemate he is directing all his efforts at the creation of good will through personal contacts with Chinese officials. Nevertheless it is the personal belief of Suma that Japan will have to use force against China before China will consent to accept Japan as their friend and guide.

Two. Referring to the policies of other nations in China Suma said that it seemed to him that the United States is coming to adopt a sensible and satisfactory attitude, that is, one of abstaining from entanglement in Far Eastern issues similar to the policy of Japan in the Western Hemisphere. Great Britain, however, still seeks to perpetuate a traditional leading position in China and the Japanese Government must ~~have it by~~ ^{devise means of} causing Great Britain to recognize that Japan, not Great Britain, is now the leading power in the Far East. Great Britain does not appear to realize that Japan has powerful means of reenforcing its arguments such as by interfering with textile markets in India.

Three. To Peiping by mail.

PECK

CSB

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

NO. 47

AMERICAN CONSULATE GENERAL,
Shanghai, China, March 2, 1936.

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n7u
201.9493

For Distribution-Check		Yes	No
Grade	1A		<input checked="" type="checkbox"/>
For	Davis	<input checked="" type="checkbox"/>	
	ONI MID		

SUBJECT: Sino-Japanese Relations: Statements
of Ambassador Hachiro Arita.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

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

793.94
Division of
FAR EASTERN AFFAIRS
APR 7 - 1936
Department of State

I have the honor to refer to despatch No. 43
of February 29, 1936, concerning the arrival in
Shanghai of Mr. Hachiro Arita, Japanese Ambassador
to China, and to report that on the afternoon of that
date THE SHANGHAI EVENING POST AND MERCURY (American)
published an article based on an exclusive interview
with the new Japanese Ambassador, in which he expressed
himself as optimistic over Sino-Japanese relations.

He is reported as saying that he envisions an era
of harmony in the Far East with Japan, Great Britain
the United States cooperating. According to the article
he said that this does not mean any new agreement
would be effected but that it does imply the maintenance
of the open door policy and non-interference with
existing interests of other nations. It is also of

interest

793.94/7327

F/FG

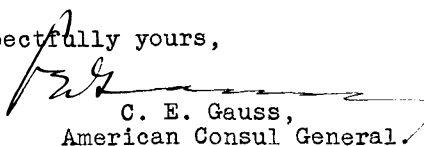
-2-

interest that Mr. Arita stated categorically that the era of "double diplomacy" by the War and Foreign Offices had ended.

Other interesting points covered in the interview were that the Ambassador confirmed statements made by Japanese officials here to the effect that the incident of February 26 in Tokyo will not result in any change of Japanese policy toward China, and that reports to the contrary notwithstanding Hirota's three points had been accepted in principle by Nanking.

Under the heading "A Chance for Sanity", THE SHANGHAI 2/ EVENING POST AND MERCURY of March 2, 1936, states that an inspiring note was struck by Mr. Arita in emphasizing that harmony must and will prevail among the great powers in their relations with China. It goes on to say that he gave a "reassuring refutation to the theory of a double diplomacy, conducted more or less independently by Japan's Army and Foreign Office, in China", and that these words will be welcomed by lovers of peace and fair dealing everywhere. The writer says they not only have a ring of sincerity but are sound common sense and inspire renewed conviction that Japan possesses official representatives of the highest ability if they are but allowed to act without pressure from quarters less competent.

Respectfully yours,


C. E. Gauss,
American Consul General.

Enclosures:

1/2/- Clipping and Editorial from
THE SHANGHAI EVENING POST
AND MERCURY of March 2, 1936.

800

MBD MB

In Quintuplicate.

Copy to Embassy, Peiping and Nanking.

Copy to Embassy, Tokyo.

Enclosure No. 1 to despatch No. 47 of C. E. Gauss,
American Consul General at Shanghai, China, dated March
2, 1936, on the subject: "Sino-Japanese Relations:
Statements of Ambassador Achiro Arita."

SOURCE: THE SHANGHAI EVENING POST
AND MERCURY (American),
March 2, 1936.

Clipping

Arita Foresees China Harmony

**Thinks Japan, Britain
And America Will
Work Together**

Mr. H. Arita, the new Japanese Ambassador to China, declared in an interview with The Shanghai Evening Post today that he was "rather optimistic" regarding the future of Sino-Japanese relations and he also envisioned a new era of international harmony in China with the three major powers concerned—Japan, Great Britain and the United States—according mutual recognition to, and respect for, each other's rights and interests.

Mr. Arita emphasized that this did not mean any new formal international agreement concerning China, but did mean maintenance of the "Open Door" policy with regard to trade and no interference with other existing interests of any nation.

No Foreign Policy Change

Mr. Arita reiterated the statement of an Embassy spokesman to The Shanghai Evening Post yesterday that the February 26 incident in Tokyo would not cause any change in Japanese policy.

He declined to comment, however, on a statement published this morning of Major-General R. Isogai, military attache to the Japanese Embassy, that "the Nanking Government will not be our sole partner in the negotiations designed to readjust Sino-Japanese relations," but he did say that the era of "double diplomacy"—by the War Office and Foreign Office—was past.

Close Cooperation

"There will be, of course," Mr. Arita said, "close cooperation between the military and the Foreign Office on China policy, but diplomacy is entirely in the hands of the Foreign Office, and naturally the Ambassador to this country is the only accredited diplomatic spokesman."

Mr. Arita will present his credentials to President Lin Sen on March 6 and he then plans a series of informal discussions with Chinese leaders on Sino-Japanese relations. He may, he said, return to Japan via North China toward the end of next month for conferences there on the basis of what he has learned in preliminary surveys. He would not predict when any formal negotiations would begin.

Hirota's Three Points

Interviewed on Hirota's much discussed three points, one by one, Mr. Arita said they were to be taken as guiding principles and the concrete details would be worked out later. He emphasized that, reports to the contrary notwithstanding, these three points had been accepted in principle by Nanking.

On the first point—suppression of anti-Japanese organizations in China—he was asked if the Kuomintang was regarded as anti-Japanese. He could not answer, he said, until he had made a study

Arita Foresees China Harmony

**Thinks Japan, Britain
And America Will
Work Together**

(Concluded from Page 1)

the planned "economic co-operation" been yet outlined.

The third point—Sino-Japanese co-operation for the suppression of communism—Mr. Arita said was the most important, but he declined to commit himself on whether this was intended to mean a Tokyo-Nanking alliance against the Soviet Union.

"What Do You Think?"

Questioned on whether "anti-Soviet" and "anti-communist" were regarded as synonymous, Mr. Arita responded: "What do you think?" The interviewer remarked that there was considerable difference of opinion on that between various communist schools of thought, but in this case it was Tokyo opinion that counted for most. Mr. Arita smiled, but did not answer.

Turning to communism, or so-called communism, as exemplified in China's Red Armies and the late "Soviet Republic of China," Mr. Arita expressed the definite opinion that this was still a major menace in this country.

The Red Armies, he declared, may be defeated now, but they are occupying areas of the country—not far from Siberia—where they can exist indefinitely and probably obtain necessary supplies for another comeback. Therefore, co-operation between China and Japan against communism was the most important point of the Hirota program.

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

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Hirota's Three Points

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On the first point—suppression of anti-Japanese organizations in China,—he was asked if the Kuomintang was regarded as anti-Japanese. He could not answer, he said, until he had made a study of the present policies and activities of the Kuomintang.

Recognition An Objective

Asked if the second point—economic co-operation between China, Japan and "Manchukuo"—meant that the Japanese would insist on Nanking's *de jure* recognition of the new "state," Mr. Arita said that was a desired objective, he could not yet say whether it would be insisted upon. Nor had the concrete nature of

(Please Turn to Page 2)

0215

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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. 47 of C. E. Gauss,
American Consul General at Shanghai, China, dated March
2, 1936, on the subject: "Sino-Japanese Relations:
Statements of Ambassador Achiro Arita."

SOURCE: THE SHANGHAI EVENING POST
AND MERCURY (American),
March 2, 1936.

Editorial

Shanghai, March 2, 1936, No. 52 Vol. 59

A Chance For Sanity

CHINA is accustomed to Japanese suggestions that this country is less a state than a geographical expression. Never was the time more ripe, it would appear, for Chinese to turn the tables neatly and inquire what, in view of last week's Tokyo events, the world is to make of a country whose capital can be subjected to such extraordinary happenings.

This inquiry would be made in no spiteful spirit, we are sure; in no effort to point a finger of scorn, or to take advantage of the misfortunes of a neighbor nation; but merely as a quite justified plea for tolerance. China has had troubles and so has Japan. Some of Japan's current difficulties have been worse than anything of the sort experienced in China, just as some of China's difficulties have been worse than anything of the sort experienced in Japan.

The clear and unmistakable fact concerning both countries is that charity and co-operation should prevail in their attitudes toward one another, in place of any lofty assumption on either side that all virtue resides beneath a single flag. And the same thing holds at least equally true with reference to other countries as we are certain will be agreed in all intellectually responsible quarters.

An inspiring note was struck by Mr. Hachiro Arita, Japan's new Ambassador to China, in an interview with The Shanghai Evening Post last Saturday. Mr. Arita emphasized his view that harmony must and will prevail among Japan, the United States and Great Britain in their relations with China. He made clear that in joining the three nations together he by no means had in mind any alliance against China, but precisely the contrary—a recognition of the rights of each and of the rights of China as well.

He also gave reassuring refutation to the theory of a double diplomacy, conducted more or less independently by Japan's Army and Foreign Office, in China. The Ambassador is to be the sole spokesman of his Government although he will naturally operate in close liaison with Japan's Army representatives, he said.

These words will be welcomed by lovers of peace and fair dealing everywhere. They had not only a ring of sincerity but a spicing of sound common sense, doubly welcome at a time of tension and inspiring renewed conviction that Japan possesses official representatives of the highest ability if they are but allowed to exercise their ability without pressure of restraint from quarters less competent.

Such murderous outbreaks as that in Tokyo last week, coming on top of a succession of other less far-flung but in their own way hardly less spectacular assassinations, may have at least some small measure of good result if they restore to sanity those who have

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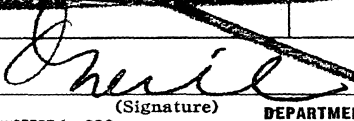
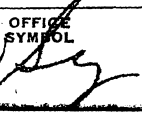
not only a ring of sincerity but a spicing of sound common sense, doubly welcome at a time of tension and inspiring renewed conviction that Japan possesses official representatives of the highest ability if they are but allowed to exercise their ability without pressure of restraint from quarters less competent.

Such murderous outbreaks as that in Tokyo last week, coming on top of a succession of other less far-flung but in their own way hardly less spectacular assassinations, may have at least some small measure of good result if they restore to sanity those who have spent their breath in proclaiming a chauvinistic doctrine of Japan's role in Far East Poo-Bah—"Lord High Everything". Thinking Japanese have never relished this sort of complacent self-adulation on the part of spokesmen self-proclaimed. They have recognized that if Japan is to be a great stabilizing force in the Orient Japan must first stabilize herself, but they have feared to raise their voices in fashion which could be assailed as unpatriotic.

Now the true patriotism of the moderates may have an opportunity for assertion, in the face of the obviously hysterical excesses of the younger military. It is by no means certain that this will be true but one may hope.

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 By Milton O. 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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 284

Peiping, March 5, 1936.

Subject: Attitude of Dr. Hu Shih toward a
Sino-Japanese War.

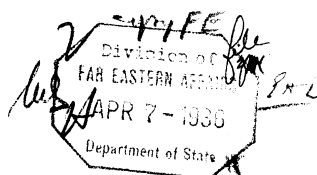
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MAR 10 1936



The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/

I have the honor to forward a copy of remarks made on February 17, 1936, by Dr. Hu Shih, well-known Chinese philosopher, before the Men's Brotherhood Forum at Peiping, giving his views with regard to a possible military conflict between China and Japan. (Dr. Hu's remarks were taken down in shorthand by Mr. H. J. Timperly, correspondent of the Manchester Guardian and of the Associated Press, who

supplied

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

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supplied the Embassy with a copy of a transcription of his notes.)

The gist of Dr. Hu Shih's remarks was that his pacifism of the past 20 years has faded away during the last six or eight months, that there is no statesman in either China or Japan capable of negotiating a Sino-Japanese peace, that there is no possibility of a peaceful settlement, that Chinese feel that China is in a much better position to fight now than it was four years ago, that the international situation gives many Chinese a rising hope, that the fighting of the Abyssinians has encouraged the Chinese, and that, if there is a war, he, Dr. Hu Shih, will be in favor of it.

Respectfully yours,

For the Ambassador:

F. P. Lockhart
 F. P. Lockhart
 Counselor of Embassy

Enclosure:

1. Copy of report of remarks made by Dr. Hu Shih, as stated.

710

Original and four copies to Department
 Copy to Embassy Nanking
 Copy to Embassy Tokyo

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

ENCLOSURE 1 / 284

CORRECT COPY
SC

Confidential and not for publication

Report of remarks made by Dr. Hu Shih at Men's
Brotherhood forum, Peiping, on February 17

I must confess that I have been for twenty years a pacifist and an internationalist. My pacifism stood the test of the 21 demands in 1915. In 1925 it stood the test of the anti-British movement. It also stood the test of the first three or four years of the Japanese invasion of Manchuria and North China. But I must also confess that during these last six or eight months my pacifism has faded away. The alternative seems to lie on the side of fighting -- there seems no other way.

That does not mean that I am in favor of fighting a war with Japan. Nor am I convinced that ultimately we should emerge victorious. But in the question: "Can China find a peaceful settlement with Japan?" If we cannot get an affirmative answer to this other question we shall be driven to the alternative of fighting. The policy of working for time, of waiting, of makeshift, is a very difficult one to pursue.

People are not rational. None of those few men who are in power in China are completely rational. They have all kinds of motives -- political position, prestige, pressure of public opinion, pressure of sentiment. All these things come into it. So at present I may say that I do not think that there is any possibility of an affirmative answer to that other question: "Can China have a decisive settlement with Japan?"

In the first place, there is no statesman in China great enough to take the responsibility of negotiating a peace with Japan. There is no statesmanship great enough to negotiate with Japan a peace that will be called fairly honorable. That is the first difficulty. I know most of the people who are at the head of affairs and I do not see that type, that kind of calibre and character, among them.

Secondly, I do not think there is statesmanship enough in Japan to negotiate a peace with China that will be acceptable to the Chinese and will give us peace for 10 or 15 years. And after all what is the object of peace? The object at least should be to give China, to give the world, to give the Pacific and Far Eastern region, a period of peace -- a period of time in which to work out internal reconstruction.

It seems to me that the Japanese have gone too far in the direction of their so called "continental policy" and I do not see any way, any miracle, that will stop them, or that will turn them in another direction. The Mikado has the constitutional prerogative to make that change of policy but I do not believe that the present situation will warrant the use of that prerogative because there is always the possibility of resistance and opposition, which may cause a revolt.

Short of the Mikado making use of his constitutional prerogative, nothing less than a miracle will make the Japanese statesmen

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

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statesmen come out and negotiate with China a peace that will be fairly satisfactory to the Chinese.

I do not see any possibility of a peaceful settlement with Japan. Last summer, during the most humiliating days of June, I wrote an article for the New York Times in which I pointed out that it was in a way comforting to me to see those great concessions made to Japan without arousing any revolt in China. Those concessions called for the removal from North China of high ranking generals and their armies and of important municipal and provincial headquarters of the Kuomintang party. These things were done without arousing any open revolt and at the end of my article I said: "It takes a strong government to accept a humiliating peace. No weak government could stand it, and the fact that these concessions were made without arousing any revolt speaks well for the new strength of the Nanking government."

If these concessions of last June had resulted in a really amicable solution of the North China situation, if the Japanese had realized the importance of these concessions, if the Japanese had demanded a first-class civilian government for this region, if they themselves had withdrawn their troops outside the Great Wall, if they had actually made this region truly a "demilitarized zone" in the best sense of the term, if they had put a stop to further Japanese advances south of the Wall --- if they had done these things there would have been the possibility of a peaceful settlement.

But nothing of the kind was done. The Japanese militarists thought that these concessions on the part of the Chinese were a sign of weakness and they tried to utilize this imagined weakness of the central government in order to advance further and to install here the worst politicians and elements they could find -- politicians and elements who would be a disgrace to any nation. They tried to drive away those few who, though not satisfactory to us, were far, far better than their latest successors. Take Mayor Yuan Liang, for instance. I never thought very much of him until he was gone.

All of these things have discouraged the present government from any further thought of peace. If the concessions made last summer had succeeded in ameliorating the situation in this part of the country it would have been greatly appreciated by the Chinese, and by the world. The Nanking government would have been strengthened further instead of being weakened. But now protests have been made openly to the government because the concessions have failed to achieve anything -- not even the minimum result of putting a stop to the Japanese advance into North China.

I quote this as a very concrete example to show the impossibility of further progress in that direction. It seems the other alternative is war. I say that, not because I want war. I have just returned from the South, where I watched the changes in the sentiment and in the personnel of the new government. I noticed that everything is in the direction of war preparation. There is no doubt about it and no way to stop it. Everybody with eyes can see it. And, after all, what the Chinese government has done in the last four years has been more or less in the direction of war preparations. At least people in the South feel more confident of war than four years ago. And that feeling of confidence is a very important factor.

We

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We feel in a much better position to fight today than four years ago when nobody was prepared.

Secondly, the international situation, which our speaker has felt very discouraging, gives many Chinese, on the contrary, a rising hope. There is, for instance, the fact mentioned by General Crozier of the peace vote in England, where 11,000,000 people voted to support the League and a vast majority voted in favor of armed sanctions. These things give us new hope. Last year I wrote several articles pointing out that the League was lifting up its head again. I sincerely believe it and I believe many people in China are beginning to cherish a new hope that the attitude of the world is changing, that the world is realizing the danger of letting the burglars go scot free. And that new spirit is a second factor in this new situation.

Thirdly, there is Abyssinnia -- the fact that Abyssinnia is fighting. Before the trouble started very few Chinese had ever heard of Abyssinnia. They asked: "Where is Abyssinnia?" And yet Abyssinnia is fighting Italy and has succeeded in arousing the whole world's sympathy on her side. That fact has given encouragement to many Chinese. Are we worse off than the Abyssinnians? Are we worse equipped than they? These and other questions are being asked. Of course very few people realize the geographical difficulties which the Italians have encountered compared with the situation in China. To create a similar situation we should have to turn the map of China upside down and put the Tibetan highlands on the coast.

Finally, a very great factor from a political point of view, war is after all easier than peace. To negotiate peace with Japan today requires far greater statesmanship, far greater courage than the 19th Route Army leaders displayed during the Shanghai war.

I take off my hat to Chiang Kai-shek for his ability to hold off war for these past four years and two months. It was very difficult to do and I am sure it must have been very hard to remain patient. It would have been far easier to fight. Even if regions are devastated, even if millions are massacred, even if territories are lost, people forgive that if it is done for the country. Nobody blamed the 19th Route Army leaders for the devastation of Chapei at Shanghai and they are still remembered as national heroes.

But those few statesmen in Chinese history who negotiated peace, notably Ching Hui, who succeeded in negotiating a peace with the Muchen Tartars, giving peace for 100 years to this country, are still remembered as traitors. If you go to Hangchow and see the famous tomb of the warrior Yu Fei you still see four iron figures kneeling in front of the tomb. Why? Because he negotiated a humiliating peace with the enemy. Ching Hui has never been forgiven in 750 years. Only last year one textbook of Chinese history was suppressed by the government because the author of the textbook tried to reverse this heavy condemnation of Ching Hui, defending him against this slander of 750 years. There was a great controversy between two newspapers in Nanking over the book and that drew the attention of the government, which decided to suppress it. There is a lawsuit still going on. But the book has been revised and these arguments in favor of Ching Hui have been withdrawn.

These

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

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These things are not unknown. They show that it is easier to fight than to accept a humiliating peace. And, after all, a peace with Japan would have to be humiliating. People say: "But a humiliating peace is better than a devastating war." That is true, but we are not rational animals. Even I, who have been twenty years a pacifist, think that if there is a war I will be in favor of it.

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

日本對華的基礎觀念

793,94/7827

ENCLOSURE NO. 2
608

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

日本對華的基礎觀念

昭和十九年九月一日

支那駐日大使館
 司令部

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日本對華基礎的觀念目次

- (七) 諸葛(一)
 (六) 將軍之否也
 (五) 士垂對中
 (四) 化生之國
 (三) 有外及於
 (二) 諸葛之說
 (一) 諸葛之說

日刊本報新聞紙

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(二) 對華政策之根本主義

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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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日本對泰國的基礎設施投資

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(三) 帝國之對華態度

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

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子孫敬其祖

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今日諸君共奉饗

DECLASSIFIED: E.O. 11652, 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.

日本對華的基礎觀念

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之入類公敵。並使其理解我公明正大之主張，乃蒙增進民衆福祉，排除妨害此項目的的。

[illegible]

永久繼續，轉因此而有不利之影響，此不可忽視之問題也。故對華政策之施行，當根據以民衆爲對象之觀念，勿以個人爲對象，以其人之思想及其行事之善惡爲對象，勿爲個人的感情所拘束，此最須注意者也。

六、消滅新舊軍閥及其他之擄取者

中國之舊式軍閥，向以擄取人民肥其私腹爲能事，對於民衆之福祉，絕不關心。就中國逐漸退化之一路，在實有害而無益，已爲一般之定論。故因時代之進步，入於逐漸退化之路上，此軍閥間之大部分在今日已爲蔣介石所壓倒分散，僅存殘喘。目下在華北之軍閥，受中央之壓迫與監視。竊中央之鼻息，僅僅保持其地位，祇知設法延長期間，以便擄取民衆，搜羅不義之財，無何等之氣力與勢力。除一部分外，已無從發見，有如往昔反抗中央，毅然獨立雄飛於時之氣概。世人或有期待其大同團結，或發揮威力者，然利害關係相異之彼等，實未具有捨小異而就大同之雅量與勇氣。卽或有之，皆希冀藉他力以圖存，欲期其成就大事，亦屬絕望。此證諸已往

之歷史而可知，在今日已屬末期之軍閥尤然。故今日之軍閥，懼伏於帝國威力之前，以阿諛使佞爲事，幸爲迎合帝國之言詞，要不外爲保持地位之手段，無何等主義信念熱誠，此大可留意者也。

次則利用軍閥之貪婪性及其無節操，使其提供利權，以資我之發展經濟；或與以資金兵器，希圖利用，此爲往時所採用之方式，實反乎帝國公明之主義，斷難採用。且就華北而言：帝國在華駐屯軍，今日在事實上已獲得支配權，更無利用之必要。

要之，現存之軍閥，不但無利用之價值，其害更大，宜指導中國民衆，與之協同消滅。然當此過渡時代，欲將現存之軍閥，一舉消滅，爲不可能，先令其追隨帝國之指導原理，暫許其利用之，此亦萬不得已者。所宜注意者，勿再蹈前轍，更擴大其勢力而利用之，或助長新軍閥之發生是耳。

七、排擊職業的親日派

日本對華的基礎觀念

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

中國有自稱親日家之一國，其人爲日本留學生出身，嫻日本語，欲藉此以致富，或謀生活之資。此等親日家，介於國民政府當局，與日本之間，善爲迎合日本官吏之言詞，貌爲調和兩國家以親善提携爲口頭禪，彼等除緩和帝國態度，搜尋我當局之意圖態度外，別無他用。如操縱彼等貫徹帝國之主張，恐因彼等而誤其判斷，或因彼等泣訴哀求，巧言令色，而歸緩和，呈緩衝地帶之觀。彼等所擅長之日本語及日本知識，非爲日本計，乃爲自己國計，於日本非必有利。但日本朝野，恰視如救世主，實爲可嘆。中國人無歐美派親日派之別，只有稱爲中國派者，此實況也。事實上了解大局，深知與日本有提携之必要者，不限於親日派，在歐美派中亦有之。要之，如前所述，不以人爲本位，而以事爲本位，加以觀測，與之交涉，可也。如由我先存一成見，加以親日派歐美派之區別，而難以好惡之情，實非滑稽，結果必爲彼等所用，而無絲毫之益。況今日之所謂親日派，其實力財力，多爲劣於歐美派之落伍者，不過在日下之情勢，蔣介石爲緩

兵計，有利用彼等之必要而已。

要之，帝國如依賴此等職業的親日家，以謀日華親善提携，愚之甚者也。毋寧與真正之實力者，或責任者，直接接觸，決定可否，辨別黑白，爲賢明之策。故須注意者，即介於中國間之緩衝地帶，對於中國無必要，對於帝國則有害而無益。但此輩今尚在各地跋扈，未調語學之日本人，因便宜主義，而利用之，其結果每爲彼等所利用，此須特加注意者也。

八、捨棄錯誤之優越感

中國人之不平，以日本人蔑視中國人，任意發揮優越感爲最感不快。吾人與中國人比較，可持優越感，雖屬當然；但任意發揮優越感，無視一切，則非所以緩服彼等之道。至如不良日本人之運送禁制品，或強乘火車，種種不法，而對於中國人，則傲慢無禮，爲人所不快，殊失大國民之態度。對於中國人動輒發揮優越感者，適以表示與彼等同其識見。在真正之優越感者，其自處固高人一等。然有尊重彼等人格愛護彼等人格之大度

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By *M. J. O. [illegible]*
NARS, Date 12-18-75

[illegible]

(四) 對於國民黨及蔣介石之認識

[illegible]

7

(五) 中國之赤化運動

[illegible][illegible]

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

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日本對華的經濟關係

[illegible][illegible]

[illegible]

(六) 對於華北政策成否之重要性

[illegible]

且須發題。

四上日原本有但發之可也一舉如步（上）；既無須之梯，度，決，可再降。

三三 天也，地也，悠久也，日本國不可不與天地並榮，勿拘目前之利害，求急速之成功。

不論何人國家，苟無自省自責之雅量，則其共榮爲不可能。

一 不論個人國家，必須具有「自反而縮」，雖千萬人吾往矣之信念。

要須以左列諸件爲鐵則每副謀國

之運命，民族之興廢，故須仔細探究過去失敗之原因，勿再蹈前轍。至此。

之，北之進展，萬一再遭失敗，但不完全由大陸退却，實關係國家

青島戰役，西比利亞出兵是也。在過去之事，乃屬不得已。今日，

自神武皇后仙逝，朝野爲悼，以及往非日本府之志，立爲廟，大開之，帝親臨，

[illegible]

日進德而利一邦發震之辭二官以之四外天誥垂示以夫故而量抑

一、我輩國之大勢，召我衆多，大和民族之富強，實在於此。

治之大本，以比竊王義，宣布於世界，為建國之基，外則能與世界無異。

「陛下，不亦可乎？」

神武天皇之詔有曰：『上尊乾國之德，下弘孫養正之心，然後』

（七）海諸

豐年 (5)

二日 新築の御祭

(七) 嬰孩

0303

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

審後詰

六

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

May 11, 1936.

SKH:

I have compared paragraph by paragraph the version of the Tada statement transmitted with Peipings No. 309, March 13, 1936, with that version received in the Department in December from an anonymous source in China. The former was translated by the Embassy from a Chinese text; the latter is stated to have been made from the original Japanese text.

In general, the two versions differ only in phrasing and might well have been made by two translators working from the same text. In fact, certain parts of the first few sections are so nearly similar that it seems likely that the Embassy's translator had before him a copy of the other translation. However, in the last half or more the two texts differ considerably in phrasing, but never in meaning. Comparison of the two versions clarifies in many instances portions of the text of one or the other which are vague.

The Department has also received from the War Department a copy of another version of the Tada statement transmitted by the Military Attaché in Peiping. No indication is given of the source of this version. It agrees in major outline with the two versions mentioned above but it has obviously been edited to some extent and is in the nature of a summary.

There

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DIVISION OF FAR EASTERN AFFAIRS

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There is appended a draft of an instruction to Peiping requesting the Embassy to endeavor to obtain a copy of the KEISHIN NICHI NICHI version of the Tada statement.

*See draft/let
sent.
Gust*

793.94/7829

Wg
WTT/DLY

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~LHD:~~
~~DEC:~~
~~MMH:~~
 SKH:

April 14, 1936.

Peiping's despatch No. 309, March 13, 1936, transmits an English translation made from a Chinese translation of a statement alleged to have been made by Major General Tada, Commander of the Japanese troops in North China, on September 24, 1936. The person making the translation from Japanese to Chinese has a note to the effect that after the statement was published in Japanese, the Japanese military authorities at Tientsin issued an explanation that the statement was merely written by a member of the staff of the Army for Japanese correspondents for reference purposes.

The most significant observations made in the statement are:

- (1) "the fundamental principle of our Empire's continental policy is to seek our own expansion and at the same time to emancipate the oppressed nations of the Orient";
- (2) the foundation of the Empire's policy toward China is to remove the source of peril existing in the Chinese militarists;
- (3) in accomplishing the Empire's policy of promoting "co-existence" and mutual prosperity between Japan and China, Japan should

(a) be

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- (a) be fair and great,
 - (b) employ legitimate force,
 - (c) discard exploitation and work for mutual benefit,
 - (d) respect the independence of the Chinese as has been done in "Manchukuo",
 - (e) disregard the old system of using disgruntled Chinese leaders,
 - (f) exterminate the militarists and other exploiters ("So far as North China is concerned, the Imperial Army stationed in China has in fact now obtained the right of control and there really exists no necessity for utilizing such militarists."),
 - (g) avoid trusting the pro-Japanese clique ("There are no European-American and pro-Japanese factions among the Chinese; really there is only a China faction."), and
 - (h) abandon the feeling of superiority ("Although it is certain that we can have a feeling of superiority in comparison with the Chinese, the reckless display of the feeling of superiority" is not proper.);
- (4) Chiang Kai-shek and his party, the Kuo-mintang, cannot be allowed to exist because they obstruct Japanese policy and cannot be trusted even when they profess a desire for cooperation;

(5) the

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(5) the Communist Party in China and the Red armies are not to be feared unless their activities are utilized by the Soviet Union, and the essential measure in thwarting communist influence is the reformation of Chinese administration;

(6) the success of Japanese continental policy in a large measure depends at this time on making North China a model area where Sino-Japanese "co-existence" in peace and prosperity may be an example to the rest of China and eastern Asia; and

(7) the following Imperial Rescript of Jimmu-tenno should be taken as the policy of the government:

"In order to show my gratitude to Heaven for its kindness for conferring upon me the country, and to magnify justice to my descendants, I shall annex the universe and then establish a capital and build a house to cover all corners of the earth. Can this not be done?"

Japan should move forward without hesitancy and without thought of retreat.

JCV
JCV/REK/DLY

0309

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



EMBASSY OF THE
 UNITED STATES OF AMERICA

Peiping, March 13, 1936.

No. 309

Subject: The Tada Statement.

793.94

For Distribution-Check		Yes	No
Send	To Field	<input checked="" type="checkbox"/>	<input type="checkbox"/>
For	In U.S.A.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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DEPARTMENT OF STATE
 OFFICE OF
 GENERAL INVESTIGATIONS AND RECORDS
 APR 7 1936

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1936 APR 7 PM 1 48

The Honorable

The Secretary of State,
 Washington, D.C.

DEPARTMENT OF STATE
 A.C./C.
 ASSISTANT SECRETARY
 OF STATE

Copy in FE(911)
 Division of
 FAR EASTERN AFFAIRS
 APR 7 - 1936
 Department of State

793.94/7829

I have the honor to refer to despatch No. 49
 of October 9, 1935, from the Consulate General at
 Tsientsin to the Embassy, forwarding a copy in
 translation of the so-called Tada statement of
 1/ September 24, 1935, and to enclose for the purpose
 of record an English translation made in the Embassy
 from a Chinese text which was printed and issued
 locally by responsible Chinese. Notwithstanding the
 fact that the translation is not made directly from
 the original Japanese text, it is nevertheless felt

MAY 20 1936
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to

F/FG

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2/ to be probably the most complete and authoritative text of this important document which has thus far been made available in English. The Chinese text in pamphlet form, is also enclosed.

By reason of the many discussions and criticisms of the statement which have already been brought to the attention of the Department, it is not felt necessary to offer in this despatch either a summary of or comment upon the subject.

Respectfully yours,


Nelson Trusler Johnson.

710
EC/js.

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

Enclosures:

1/English translation of
the "Tada Statement".

2/Chinese text in pamphlet
form.

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

ENCLOSURE No. 1
ENCLOSURE No. 309

Translator's Note

The attached translation of the "Tada Statement" has been made from a Chinese translation allegedly made from the original Japanese text. Being a second translation it must necessarily be less satisfactory than would be an English translation made directly from the Japanese. Any hidden meanings there may have been in the Japanese text have doubtless been lost in the process of translation. No truly satisfactory translation can be made until the Japanese text becomes available.

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

(Trans. CHT)

(Checked: PVM)

JAPAN'S BASIC CONCEPTION OF CHINA

September 1st, 10th year of
Chao Ho. (1935).

Headquarters of the Army
stationed in China.

TABLE OF CONTENTS.

- (1) Foreword.
- (2) Basic principle of the policy toward China.
- (3) The attitude of the Empire toward China.
 - 1. Must be fair, open, upright, and great.
 - 2. Must employ legitimate force.
 - 3. Discard the "squeezing" principle and adopt the "give benefit" principle.
 - 4. Respect independence and racial honor.
 - 5. Disregard personal relationships, and adopt the principle of "right and wrong".
 - 6. Exterminate new and old militarists and other "squeezers" (extractors).
 - 7. Discard the professional pro-Japanese clique.
 - 8. Abandon the erroneous feeling of superiority.
- (4) Cognition of the Kuomintang and Chiang Kai-shek.
- (5) The Soviet movement in China.
- (6) The importance of the success or failure of the North China policy.
- (7) Conclusion.

(1) FOREWORD.

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(1) FOREWORD.

Ever since Occidental power penetrated into the Orient, the attitude of the various countries toward China has been one of aggressively advocating partition, attempting joint control, seeking to expand spheres of influence, contemplating fighting for rights, privileges and markets. Although such aggressive measures have changed with time and have been repeatedly altered, the important thing has been nothing other than to sacrifice China for the prosperity of their own countries. Our Empire alone has, in accordance with her national policy, consistently made every effort to preserve the territory of China and has considered it particularly necessary to maintain friendship and cooperation as basic principles for co-existence and mutual prosperity between Japan and China. However, sometimes she has also followed the attitude of Europe and America, and, even worse, some of us have advocated annexation of China. Therefore our people have been adversely affected by such tendencies, and their conceptions of China have differed widely, thereby having more than once placed obstacles in the way of the national policy. Accordingly, this has given a very bad impression to the masses of the Chinese people. There are causes for the ill feeling of China today toward Japan which must be carefully examined by us; in other words, it is necessary for us to return to our original national policy.

Let us look at the great changes in world conditions which are displayed before our eyes. The white people have exhausted their means of progress; there has been a

movement

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movement to overthrow the present tyranny and high-handedness of the white people; the colored people who make up the majority of the people of the world have already been emancipated from the enslaving oppression of the white people with a view to realizing equality and peace for the people of the world; this is the beginning of racial war. On the other hand, it is also the beginning of a spiritual war for rectifying the material civilization of the West by the original moral civilization of the East.

The above-mentioned two great missions from Heaven are the obligations which the Empire should bear. The Empire's resolute establishment of Manchukuo, withdrawal from the League of Nations, and abrogation of the Washington Treaty were her first steps.

In order to fulfill the great missions imposed by Heaven, the Japanese Empire must keep itself strong and upright. How can Japan care for others if she herself is weak? How can she continue forever to expand if she is not upright even though she has power? Based upon the above observation, the attitude of the Empire toward China must be in accord with our national policy and mission. The fundamental principle of our Empire's continental policy is to seek our own expansion and at the same time to emancipate the oppressed nations of the Orient, enable them to live in prosperity and contentment, preserve the honor of the various races, respect their independence, and promote harmony and cooperation with them, thereby establishing between the Empire and them intimate and indivisible political, economic and military relations. This is truly the just principle of Heaven and Earth and, if enforced in China

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China and foreign countries, is also right. It is the belief which we entertain with a clear conscience in the face of Heaven and Earth.

With a view to fulfilling the missions imposed by Heaven, and on the basis of the above-mentioned belief and with the hope that weak and small neighbors will be helped and that everlasting peace in the Orient will be accomplished, we should proceed with intrepidity and valor in compliance with the Imperial Rescript of Jimmu-tenno (Holy, Martial, Heavenly Emperor).

The solution of questions regarding China is really the touchstone of success or failure of our endeavors for the fulfillment of the missions mentioned above. The first stone has already been thrown in North China. We must not follow old practices or resort to petty artifices. We must search for a method which is fair and upright, and which will convince all. We must be upright and straightforward and smash any obstacles which hinder the great plan. We must go forward with valor and in the manner of the real saviors of four hundred million people. Therefore, the conception entertained by all those who are, either directly or indirectly, engaged in the fulfillment of the sacred missions, must be unified and proper so that they may not tread on the wrong path in the execution of the policy toward China. This is the reason why this book is written. Let not any one slight this work as stupid talk based on empty theories. Devotion to work is the secret of success.

(B) BASIC

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(2) BASIC PRINCIPLE OF THE POLICY TOWARD CHINA.

Needless to say, the policy of the Empire toward China has as its object, on the one hand, to follow our national policy for the maintenance of permanent peace in the Orient, and on the other hand, to accomplish its great mission of emancipating the nations who are groaning under the oppression of the white race. Further, we must make a proper diagnosis of the origin of the disease afflicting China and employ adequate self-curing methods.

The fact that the Chinese people have for six thousand years been merely the objective of "squeezing" by the Government, landlords and plutocrats is proved in ancient and recent history. The ruling classes merely "squeezed" and had no real intention of promoting the welfare of the people. Consequently the people had no confidence in the officials and regarded as a good government any regime under which the officials did not interfere with them.

Since the beginning of the Chinese Republic, the Chinese people have been subjected to "squeezing" by the various militarists who never know the limit of greed and more recently they have been subjected to the/cruel ^{unprecedented} exactions of the new militarists formed by the combination of the Kuomintang leader Chiang Kai-shek and the Che'iang plutocrats. The Chinese people are now groaning under this state of affairs, and are 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 agricultural villages are heading for ruin. Are they going to become bandits

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bandits, vagrants, or communist-bandits? They have come to the forks of the road, and do not know which way to go.

Since the Republic the Nanking Government ruled by the Chiang Kai-shek party is really responsible for the greater part of such hardships. Their policy is aimed at nothing internal except squeezing and destruction, and externally they stop at nothing to attain their ends without considering the measures used. They merely make use of the stupid policy of "To employ barbarians to attack barbarians", and thus dig a grave for themselves. Particularly, forgetting the fact that their own country has narrowly escaped partition or joint control only because of the presence of Japan, they not only fail to feel grateful towards Japan but regard her as their enemy. They not only infringe upon the legitimate rights of our Empire, but also maliciously intrigue in conjunction with the various countries against the Empire by taking advantage of the crisis of the Empire. Their error cannot be described in words.

Such action toward the good neighbor, Japan, is not only not permissible under international morality, but also, as far as China itself is concerned, the repeated occurrence of unfortunate incidents between Japan and China and, even worse, the boycott of Japanese goods have merely increased the hardship of the masses.

It is not an exaggeration to say that they are not only the common enemy of our Empire and the Chinese masses but also the enemy of humanity for they have not realized

the

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the fact that they cannot exist without Japan and have exclusively been engaged in feathering their own nests by exploiting the masses. Therefore, the salvation of the Chinese masses cannot be left to such militarists. Furthermore, if they are not now saved those pitiable four hundred million people will certainly be thrown into an irremediable plight. Then, it is very clear that our Empire, having close relations with China, will be affected to a great extent. If we remain inactive this will become a source of peril to the peace of the Far East and a matter for most profound regret by both the Japanese and Chinese peoples.

In view of this, the foundation of the Empire's policy toward China is basically to remove this source of peril, and to relieve the Chinese masses, with the intent of promoting co-existence and mutual prosperity between these two nations. Some will ask how Japan can expand her strength abroad while she herself is facing so extraordinary a situation at home. However, the execution of the policy toward China depends upon the method, and does not require heavy sacrifices. Furthermore, whether our policies toward Manchuria and China are good or not will affect our domestic situation to a very great extent.

(3) THE ATTITUDE OF THE EMPIRE TOWARD CHINA.

1. Must be fair, open, upright, and great.

The fundamental principle of the Empire's policy toward China is based upon the salvation of the Chinese masses and the promotion of co-existence and mutual prosperity between Japan and China. Therefore, we

naturally

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naturally should have a clear conscience in facing Heaven and Earth, should maintain a fair and upright attitude, and should be cautious in taking any action that would arouse suspicion concerning our internal and external attitude. People frequently criticize the Chinese for their Machiavellianism, but we also occasionally fall unconsciously into such practices ourselves. Impure Machiavellianism is not the kingly attitude. We are no match for them 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 should employ the method of fairness and uprightness to cure the disease. It must be known to you that justice has great permanency, and that the welfare of the people should always be regarded as the basis. In the accomplishment of the Empire's missions we must not tolerate any obstacles, regardless of the nationality of those who produce them. Even in the case of our fellow countrymen, any unfair and unrighteous conduct should also be strictly controlled.

A movement for the acquisition of privileges, based on the so-called "snatching principle", the manufacture and secret sale of narcotic drugs, semi-public secret exportation and importation, and riding on trains by unlawful and forcible means really leave a great stain on the reputation of the Empire. Furthermore some of these people, utilizing the power of the Empire as background, have openly treated Chinese authorities with

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with contempt in broad daylight and have committed offenses as they pleased. Their crazy and erroneous acts cannot be explained in words.

Such acts, which cause the loss of the good faith of Japan and cause people to misunderstand the real motive of the policy toward China, will bring about unfortunate incidents and will as a result involve the Imperial Army and our motherland; these absolutely cannot be tolerated. Besides, they cause political movements to be mistaken as intrigues of the Empire, which merely arouses a feeling of unrest among the masses and impairs their confidence in the Empire. The Empire in its heart is upright, but on this account suspicion is aroused. Special attention should be paid to this matter.

2. Must employ legitimate force.

In order to smash these injustices and unrighteousness and punish stubborn ignorance, the employment of legitimate force is necessary. It is particularly so in the case of the intelligentsia of China who are fond of Machiavellianism and are contemptuous of right. Force must be exercised with the utmost prudence lest it should be erroneously used. Wrongdoing, injustice, unilateral reasonable demands, and frequent use of force as threat to bring about acceptance of demands will certainly cause everlasting resentment among the masses which will result in strife between the peoples and leave a great root of evil in the fulfillment of the lofty missions of the Empire. For instance, the slogan "Abolition of Unequal Treaties" and the "Down with Imperialism" movement originated with their statesmen

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statesmen who placed wrong above right. However, from our point of view, the movements of resistance against improper oppression by the various senior countries also can be cited as examples and warnings. Moreover, the lofty missions borne by the Empire are based upon the great idea of bringing about permanent peace in the world. The propriety of the methods will certainly affect the attitude of mind of the weak and small nations of the world.

In short, we must use force just as we use a sharp sword against demons. We must take justice as our platform, and must have a clear conscience in facing Heaven and Earth. We should not misuse, or hesitate to use force. If necessary, we should resolutely use force without hesitation.

3. To discard the "squeezing" principle and to adopt the "give benefit" principle.

The basis of economic cooperation between Japan and China is co-existence and mutual prosperity. The basis of co-existence and mutual prosperity is to discard the "squeezing" principle which is a remnant of European and American capitalism. Western material civilization appears already to be in difficult straits. Would it not be stupid if we should again taste the dregs? Furthermore, the basic principle of the Empire's continental policy is founded on righteousness, and the salvation of mankind. Accordingly, the Empire is constrained to search out a special method in accordance with this principle. What is the special method? It is the thorough

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thorough enforcement of the "give benefit" principle.

As a matter of course, it is first necessary to give medicine and nourishment to save the exhausted, impoverished and fatigued masses who are on the verge of death.

Speaking in detail, the masses of China should first be given capital and technical assistance to enable them to live in prosperity and contentment, so as to make their existence secure; then they should be given a chance to improve their livelihood and acquire purchasing power. If we can give the local people happiness, their feeling toward the Empire will doubtless be favorable, and their economic relations with the Empire will become indivisible. They will become a market for the products of the Empire, and a country full of supplies of raw materials. It will be possible to promote mutual well-being and to reach the position of co-existence and mutual prosperity. We will be very stupid if we do not understand the actual situation of the endlessly changing world and, adhering to the old practices, follow the "squeezing" principle favorable to us, or exert ourselves in acquiring privileges with the result that we will mistake the time and fall again into our old bad ways and become backward in the world. If we go forward bravely in accordance with the above-mentioned wishes, we will be admired by the weak and small nations of the world and will certainly be elected Head of the League by them of their own accord.

The so-called "Great Nation" principle is to do away with the fundamental habit of "begging for food" favorable to us, and is based upon self-consciousness of the "giving" principle. We should calmly assume

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a higher position, respect the personality of others, and should be generous to them; this is an essential point in pacifying foreign nations.

4. To respect independence and to preserve national honor.

It is the instinct of the various nations of the world to desire the maintenance of their national honor and the realization of their independence. It is doubtless a fact that the colonies of the various countries in Europe which economically have ripened are all seeking to shake off their yoke and become independent. However, some of the small countries established after the European War suffer from difficulties of economic independence and hope to have reasonable amalgamation. The other parties regard this as a question which requires consideration because amalgamation with an alien nation will bring about a disadvantage to them of increasing their burden so far as government and finance are concerned. Summing up the above questions, we may conclude that if the Empire's continental policy is solely based upon expansion of territory it will weaken the power of our own country. Therefore, this is the reason why a new independent and inseparable principle was adopted at the time of the establishment of Manchukuo. Accordingly, ministers and subjects of the Empire having thinking minds refrain from advocating the annexation of China or aggression in China, so as to avoid mistakes in times. However, some ignorant fellow countrymen whose speech and conduct indicate that we desire to make Manchuria into a second Korea,

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cause suspicion on the part of Manchurians and produce bad effects in administration. Some Chinese statesmen have also purposely conducted propaganda among ignorant people, thereby increasing hatred against the Empire. Chinese people are people who highly value their "face"; therefore, we must exercise special care. We should be frank and open with them, explain to them the real intentions of the Empire, and make them understand our fair and upright idea of promoting people's welfare and doing away with public enemies of mankind who place obstacles in the way of accomplishing this objective.

5. Disregard personal relationships, and adopt the principle of "right and wrong".

When Chinese militarists were very prosperous, we considered it most expedient in the execution of our policy toward China to get hold of influential persons of that time and control them. However, what was the result? Our past failure was due to our overconfidence in personal power and to our neglect of general benefit, with the result that we were so stupid as to help tyrants to become more tyrannous. The results were merely to cause resentment on the part of the people.

Now the missions of the Empire are to promote the mutual welfare of the masses. If we helped certain individuals for their personal gain and acted contrary to the welfare of the masses, this would be complete disregard of the principle, and we should merely fall again into our previous failure.

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The weak point of the Japanese is too much consideration of friendship. Frequently, because of daily and close contacts with others, ^{are} we want to differentiate between the familiar and unfamiliar and unconsciously make such a mistake. Even worse, being instigated by their natural clever diplomacy, sometimes we advocate in their favor, and are utilized to do propaganda work to conceal their crimes. Sometimes we make erroneous judgments on account of misconceptions. We should exercise special care on all these points. Furthermore, as regards relations with individual persons, the relations are changeable according to the persons, and cannot continue indefinitely, thereby bringing about adverse effects. This is a question which cannot be neglected. Accordingly, the execution of the policy toward China should be based upon the conception of the whole people as the objective, and should not consider certain individuals as the objective. Don't consider personal views and conduct as the objective. Don't be subject to the bounds of personal feelings. This should be given most serious attention.

6. Exterminate new and old militarists
 and other "Squeezers" (exactors).

Old-fashioned militarists of China have hitherto been absorbed in "squeezing" the people and feathering their own nests, and have been absolutely uninterested in the people's welfare. It is the consensus of opinion that so far as society in China is concerned their (militarists') existence really is harmful and not beneficial. Therefore, with the improvement of the times they have gradually

deteriorated

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deteriorated, and most of these militarists have now been suppressed and scattered by Chiang Kai-shek, and are on their last legs. The militarists who are at present in North China are subject to the oppression and supervision of the Central Government, and are listening to the snores of the Central Government in order to maintain their positions. They merely know how to devise means to prolong the time, so that they may "squeeze" the people and extort improper money. They have no strength or power of any consequence. Except for some of them, there is not one who heretofore could oppose the Central Government and who could bravely declare independence. Some people expect them to become unified or to display their power. However, as they have conflicting interests, they do not really have such generosity and courage as to give up their trifling prejudices and effect a general unification. Even if they were united, they would merely expect to maintain their existence by virtue of other power. It is also hopeless to expect that they will achieve a great work. This can be proved by past history, and is particularly true in the case of the present militarists who are in their last days. Accordingly, the present militarists are fearfully hiding themselves before the power of the Empire, are being absorbed in flattery, and are capable of making only such speeches as may be agreeable to the Empire. It is merely a measure to preserve their positions, and they have no principles, beliefs or enthusiasm. This is very worthy of note.

Next, we took advantage of the greed and loss of moral principle by the militarists, and made them furnish

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us with privileges so as to aid our economic development. We also utilized them by giving them arms and money. This was the method used in the past. It was really contrary to the Empire's principle of fairness and uprightness, and absolutely impossible to use. So far as North China is concerned, the Imperial Army stationed in China has in fact now obtained the right of control, and there really exists no necessity for utilizing such militarists.

In short, the existing militarists are not only useless, but also the harm they do is ^{even} greater. We should direct the Chinese people and cooperate with them in exterminating the militarists. However, it is impossible to wipe out the existing militarists all at once in this period of transition. We are constrained first to order them to follow the principle of direction by the Empire and temporarily permit them to exist. It is worthy of note that we should refrain from falling into our previous wrong way again, i.e., utilizing them by enlarging their power, or of strengthening the development of the new militarists.

7. Discard the professional pro-Japanese clique.

In China there is a group of people who claim to be pro-Japanese. Those people are returned students from Japan and are skilled in the Japanese language, by virtue of which they wish to become rich or to make a living. Those pro-Japanese persons stand between the National Government authorities and Japan, and can

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skillfully make speeches agreeable to Japanese officials. They profess to reconcile differences between these two countries, and use "friendship" and "cooperation" as conventional expressions. They do nothing but moderate the attitude of the Empire and find out the inclination and attitude of our authorities. If we control them for the purpose of realizing the project of the Empire, we will make a mistake in our judgment because of them, or we will come to a reconciliation on account of their lachrymose requests, crafty words, and unctuous looks, with the result that a buffer zone will be formed. Their skill in the Japanese language and knowledge is not for Japan's sake, but for the sake of their own country. It is not definitely advantageous to Japan. However, it is really laughable that the officials and people of Japan just regard them as the saviors. There are no European-American and pro-Japanese factions among the Chinese; really there is only a China faction. In fact, those who understand the general situation and are fully aware of the necessity for cooperation with Japan are not limited to the pro-Japanese faction, but also can be found in the European-American faction. In short, as already stated above, the person should not be taken as the basis but facts should be taken as the basis upon which we should make our observations and hold negotiations. It is humorous if we first have prejudices and cherish friendly or ill feelings over the difference between pro-Japanese and European-American factions. In the end we will certainly be utilized by them without any benefit (to us). Furthermore, the power and financial resources of the

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so-called pro-Japanese faction of today are for the most part inferior to the European-American faction. However, under the present circumstances Chiang Kai-shek has to utilize them for the purpose of delaying the approach of (Japanese) troops.

In short, it will be very stupid if the Empire depends upon such pro-Japanese professionals in trying to promote Nippon-Chinese friendship and cooperation. It will be an even better policy if we get in direct contact with the real powerful or responsible persons, so as to determine possibilities and to be able to tell black from white. It is therefore worthy of note that the buffer zone between us and China is unnecessary for China and is harmful to the Empire. However, those persons are still active at various places. The Japanese who are not acquainted with the language have utilized them for the sake of convenience. The result is that the Japanese have been utilized by them. Special care should be exercised in this regard.

8. Abandon the erroneous feeling of
 superiority.

The Chinese chiefly complain that the Japanese look down upon the Chinese with contempt, and that they recklessly display their feeling of superiority. Although it is certain that we can have a feeling of superiority in comparison with the Chinese, the reckless display of the feeling of superiority and the disregard of all others are not the proper way of winning them. It is really

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not the style of a great people to have unprincipled Japanese ship contraband articles, forcibly take trains, commit different unlawful acts, and treat the Chinese with contempt and impoliteness, with the result that the public feel unhappy with them. If we frequently display our feeling of superiority, it will just indicate that we have the same way of looking at things as they (the Chinese) have. Those who have a real feeling of superiority naturally take higher positions than others. However, it is most proper for them to be so generous as to respect and protect the personality of others and to take on the manner of great people. In this way they will treat the Empire as their elder brother or teacher, and will voluntarily submit to the Empire. The difference in national strength makes this a natural consequence. This superficial feeling of superiority has also done harm to the sovereign control of Manchuria as regards the harmony between these two peoples, and is really an obstacle to the execution of the continental policy. Special care should be exercised in regard to this point.

In short, the basic conception of the Empire's policy toward China is founded upon a great principle for the relief of mankind, which is the great mission of the Empire. Therefore, we must first relieve the Chinese people and endeavor to effect co-existence and mutual prosperity with them, so as to bring about permanent peace in Eastern Asia. Accordingly, we should adhere to this belief and go ahead to remove obstacles with valor, uprightness, and firm determination.

(4) COGNITION

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(4) COGNITION OF THE KUOMINTANG AND
 CHIANG KAI-SHEK.

In carrying out the above-mentioned fair and upright policy in China there is an obstruction which is caused by the existence of the Kuomintang and Chiang Kai-shek. However, recently because it has been repeatedly reported that Chiang Kai-shek had repented his past errors or that he had changed his attitude to a pro-Japanese one it has been believed that there is possibility of realizing this aim. This is due to misconception that Chiang Kai-shek is concentrating powers with the Central (Government) and has succeeded to a certain extent. It was also hoped that the reform of this ruler would mean basic purification. In fact, this is the confusing of a dream with a phenomenon. Abstract discussions which do not belong to mathematics really cannot be made to be unanimous. However, if logical premises or conditions preceding conclusions can be clearly recognized, then naturally the conclusions will agree. This is the essential point upon which we should lay stress in unifying the policy of the Empire. We therefore here explain for reference purposes the reasons why Chiang Kai-shek and the Kuomintang and Japan cannot exist together.

Since the inauguration of the Kuomintang it has advocated the abolition of unequal treaties and the overthrow of Imperialism. Whether or not the original motive was pure and proper is a separate question. However, this has been promoted for more than ten years. The present Chinese youths (those who regard themselves as patriotic) have long taken this as their belief. During that period
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of time, the Manchurian incident suddenly occurred. Not only have they basically lost hope of recovering the lost territory, but also they have completely lost their "face" on account of the loss of their territory. Therefore, the Kuomintang Headquarters have met with a vital blow in their policy of leadership. It is not difficult to imagine how gravely they hate us.

Chiang Kai-shek himself has also repeatedly acted against Japan. It is a true fact that since the Tsinan incident his attitude has been that absolutely he cannot compromise with Japan. The present Kuomintang Headquarters, after repeated party-purge movements conducted by Chiang Kai-shek, has entirely become Chiang Kai-shek's private party. It is very ignorant to have the impression that they exist independently and that the two (Chiang and the Kuomintang) work separately. Chiang Kai-shek is a new militarist jointly supported by the Kuomintang and the Chekiang plutocrats, and has resorted to the worst oppression and extortion of the four hundred million Chinese people ever experienced in China. As already stated above, it is very clear that those "squeezers" of the people cannot cooperate with Japan who is seeking the welfare of the people. It is really a blind observation to state that the public have frequently considered Chiang as an opportunist who will alter his direction if the general situation is unfavorable for him. Alteration of direction means submission which by nature may leave a bad name for thousands of generations and an entire change in the principle and policy which he has worshipped, thereby bringing about a result similar to suicide. Let

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us look at the relations among the statesmen with Chiang Kai-shek, T. V. Soong, H. H. Kung, and Ch'en Kuo-fu as center, and the Chekiang plutocrats, and the relations between them and Great Britain and the United States. It is a fact that most of their private money is deposited in British and American banks. It is very easy to understand whether or not they can ally with Japan whose interests run counter to theirs. So far as the Empire is concerned, it cannot but be called an extravagant hope for anyone still to consider it possible to restore friendship.

Furthermore, as evidenced by the existing facts, although as a result of the North China incident the National Government has issued a mandate announcing its pro-Japanese tendency, the secret anti-Japanese works have not yet ceased. It is needless to say that the remnants of the Kuomintang headquarters and Blue Shirt Society are still active and that the Branch Military Council is conducting secretly an anti-Manchukuo movement. The Ministries of Industry, Railways and Finance of the Nanking Government have secretly devised means to obstruct Nippon-Chinese cooperation. The above facts can be verified by much definite proof. North China which was expected to become prosperous has therefore fallen into a hopeless state. Even we suppose that they are in the process of changing their tendency but they cannot alter their protecting color suddenly or basically eradicate the thoroughly impressed anti-Japanese minds. It must take proper length of time, and this is excusable. However, when we turn out attention to the above-mentioned

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positive anti-Japanese activities conducted by them in North China which can all be proved, it is something deplorable. We cannot but conclude that they are absolutely insincere.

The change in tendency to be pro-Japanese will result in no actual benefit at all if it is not completely born out in fact. So far as the above facts are concerned, their change of tendency is nothing but a screen for the time being to delay the approach of troops. Therefore, in case they are conquered by our power or they receive appropriate satisfaction, they will recognize Manchukuo and will take other pretending and superficial measures. However, when the international situation undergoes a change, and when they say that it is a good chance for them to take revenge, they will certainly follow foreign nations and will again use the slogans "abrogate unequal treaties" and "recover lost territory", in which cases we shall suffer from revenge. Therefore, the so-called change or non-change in tendency is all anticipation of the future and you really cannot force yourself to consider them the same. However, if we make a mistake by concluding that they are favorable to us, and if we expect what cannot be expected, we will fall into their snare. In case we meet with an emergency how serious will be the danger to the country? If we consider this point, our thinking will be almost correct. In short, the relations between Chiang Kai-shek and his party and the Empire are such that either the Empire will have to be submissive to them or the Empire will have to overthrow them. No other settlement will be possible. This is the definite relationship of cause and effect.

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(5) THE SOVIET MOVEMENT IN CHINA.

The Soviet movement spread throughout China at the same time that the Kuomintang enforced its policy of taking in communist elements. Since the second year of Chao Ho (1927) Chiang Kai-shek started expulsion of communists and has repeatedly conducted party purge movements, but such thoughts have been impressed in the minds in the lower grade party offices. Although Chiang Kai-shek and other leaders after joining up with the Chekiang plutocrats have degenerated into new capitalist militarists, their form of organization and activities are not far away from communism. In view of the actual facts, this is very easy to understand. Therefore, despite the energetic punitive campaign against communists for several years, Chiang Kai-shek has not been able to achieve any important result. For instance, after one half of the air in a rubber ball has been drawn off, if you press one part of the ball, the other part will swell and the ball can never be broken. From this example we can see that basic suppression of communist-bandits is impossible. They are, moreover, expanding their influence and making alliances with Szechwan, Tsinghai, and Sinkiang so as to acquire the northwestern route desired by the Third Internationale. Accordingly, we cannot but entertain doubt about Chiang Kai-shek's punitive campaign against the communists.

The aims of the Chinese communist party, particularly of those whom they call communist-bandits, are different from those of the communist party of Soviet Russia. A large part of component elements of the former are peasants,
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and this is its characteristic. It would be better to recognize that due to maladministration by the Kuomintang the poor people of the agricultural villages and anti-Kuomintang groups borrowed the assistance of the communist party for the purpose of accomplishing their fight for existence. On the other hand, naturally the communist party of Soviet Russia desires to utilize them for the expansion of its influence, and so gives them directions. Therefore, should the bandit administration of the Kuomintang continue to exist, the poverty of the agricultural villages will become worse and the spread of communist-bandits will become even wider.

Can China be bolshevized? This has been a question before the Kuomintang since its sudden rise. Revolutions to bring about change in dynasty names have taken place in China since ancient times. Taking advantage of mutinies of local troops, native people considered it as their natural right to follow military units and snatch and distribute the property of wealthy people. This initial idea of communism is a general impression. The present communist leaders, on the one hand, direct the local people and their subordinates to carry out this initial principle of communism, and, on the other hand, are themselves expropriating the property thus obtained. This fact indicates that they have degenerated into militarists. The loss of the objective of the distribution (of wealth) naturally brings about the possibility of degeneration. Furthermore, communism in Soviet Russia is only possible under the strict pressure and absolute control of the Political Detective Corps and the Red Guard Army. In China it is absolutely

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absolutely impossible to inaugurate such controlling organizations. This is clear in view of the Blue Shirt Society policy of Chiang Kai-shek. Therefore, in view of the above-mentioned two facts, it is really doubtful whether a pure communist government can be established in China. Moreover, in consideration of the nature of the Chinese people, it is not difficult to conclude that even if the communist party can spread throughout the country for a time, most certainly it will degenerate as a matter of course as soon as the period of its prosperity has expired. However, owing to confusion during the period of transition, the seriousness of the hardships to be suffered by the people and the adverse effect upon our Empire can be imagined. Eventually we cannot act as if "watching a fire on the opposite bank of a river". It is particularly necessary to prevent Soviet Russia from utilizing them as means of destroying our Empire.

As already stated above, the Chinese Communist Party (communist-bandits) has come into existence purely due to the maladministration of the Kuomintang. The way of remedying this is to reform the maladministration, lighten the burden of the people, and at least to safeguard their livelihood. Accordingly, from the point of view of thwarting the Red influence and relieving the people, a basic reformation of those who have hitherto ruled China is really the common objective of the peoples of both Japan and China. In addition, as already stated above, the Kuomintang of China possesses the organization and form which are not far different from the Communist Party of Soviet Russia. Some of our people anticipate that when in extremities they (the Chinese) will certainly turn

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turn and become pro-Japanese, but they (the Japanese) are not aware that there is greater possibility for them to become communists of Soviet Russia. According to the latest information, it may be said that there are signs of this. It is very clear that Chiang Kai-shek is seeking an alliance with Soviet Russia with the idea of receiving the latter's assistance for the purpose of impairing the Empire's policy. Special attention should be given to this point.

In short, the Communist Party of China is not to be feared. However, if it is utilized by Soviet Russia, its activities will very adversely affect the Empire. We should pay attention to this, and should not make mistakes in dealing with it. The essential point in thwarting the Red influence is to lessen the possibility of sovietizing the masses, to the end that maladministration by the Chinese ruling classes will be reformed.

(6) THE IMPORTANCE OF THE SUCCESS OR FAILURE
 OF THE NORTH CHINA POLICY.

As already stated above, as long as Chiang Kai-shek and his party are the leaders of China, even though Japan is dealing with them in a fair manner, they will by no means sincerely change their attitude into a pro-Japanese one if they can help it.

Therefore, our Empire should not be misled by their falsehoods, and should promptly start self-government in the places where Japan's policy toward China can easily be enforced, so that the happy places in which co-existence and mutual prosperity between Japan and China can be realized may be gradually expanded. Then China will

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herself change her tendency or will not allow them (Chiang Kai-shek and his party) to exist. This really is the best plan.

The North China of the present really can very easily and quickly become a happy place, and needless to say is one that is necessary. North China should be made a peaceful country where the Japanese and Chinese people can live in peace and prosperity, and should be made a market where Japanese and Chinese products and other materials can steadily, mutually and freely move and be stored. If a happy place for co-existence and mutual prosperity between Japan and China can be realized, it will accelerate and help the healthy growth of Manchukuo in the north and will show China to the south the truth about the happiness of co-existence between Japan and China. Then cooperation and mutual assistance among Japan, Manchukuo, and China (with the Empire as the center) will bring about the secure peace in Eastern Asia. This shows the importance of the settlement of the North China question and also will indicate whether or not the external development of the Empire will succeed.

(7) CONCLUSION.

The Imperial Rescript of Jimmu-tenno (Holy, Martial, Heavenly Emperor) says:

"In order to show my gratitude to Heaven for its kindness for conferring upon me the country, and to magnify justice to my descendants, I shall annex the universe and then establish a capital and build a house to cover all corners of the earth. Can this not be done?"

Really the moral principles and justice of the Heavenly Emperor should be taken as the great policy of the

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government. If these moral principles and justice be proclaimed throughout the world, at home a country of good morality and justice can be built, and abroad the unification of the moral forces of the world can be expected. Our great spirit of national construction is manifest, and this is actually the belief of the Ta-Ho (Japanese) nation. Let us recall the past evidences of our country's expansion abroad. Since ancient times our country has placed steps on the continent several times, but has always withdrawn due to failure. This has been true since the conquest of Korea by Empress Jimmu-tenno, the establishment of the Japanese Legation in China, the Fengt'aiko Korean War, the Tsingtao War, and the expedition into Siberia. We were absolutely constrained to fail in past events. If we failed again in the present construction of a state in Manchuria and in the development of North China, not only would we have to withdraw entirely from the continent, but also it would affect the fate of the country and the prosperity of our people. It is therefore necessary to make a careful study of the causes of our past failures. We should not again fall into our past wrong ways. The details are omitted, but it is important that we should observe the following terms as our motto to be deeply impressed in our minds:

1. Either a private individual or a country must entertain the belief: "If, on self-examination, I find that I am upright, I will go forward against any number."

2. If any private individual or any country has no magnanimous spirit of reflection and self-reproof, it will

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be impossible to have co-existence and mutual prosperity.

3. Heaven and earth are everlasting. Japan should prosper with Heaven and earth. She should not be governed by immediate profits and losses and seek for immediate success.

4. Japan's development should not advance like an elevator, but should advance step by step on solid ground (but sometimes advance may be made several steps at a time). However, we should by no means again descend from a position of height reached, and in addition we should make further progress.

In short, in order to realize the great spirit of national construction and to fulfill our belief, it will be necessary for us to be just and patient and brave.

Translator's (from Japanese to Chinese) note:

This pamphlet was distributed ^{by} to Major-General Hayao Tada, the General Commanding Officer of the Japanese Forces stationed at Tientsin, to Peiping and Tientsin correspondents of the various Japanese newspapers and news agencies during his reception to them on September 24, 1935. It was originally a secret document. Unexpectedly, the next day (i.e. the 25th) the PEKING AND TIENTSIN DAILY NEWS in the Japanese language published the original text, but the "Foreword" of the first section describing the two great missions of Japan, all of item 6 of the third section (i.e. Exterminate New and Old Militarists and other "Squeezers" (extractors)), and all of the sixth section were deleted. The publication of this document astonished all

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at home and abroad. The Japanese Forces also were afraid that the effect would be very great, and especially ordered the PEKING AND TIENTSIN DAILY NEWS to publish a correction in its issue of the 26th, in which it was stated that this pamphlet was neither a statement by Major-General Tada nor a declaration of the Army and was merely written by a member of the staff of the Army for the Japanese correspondents for reference purposes. However, after careful perusal we feel that these remarks are all the true intention of the Japanese Military Headquarters and are in complete agreement with the past activities and with the policy now being considered. This is really a very important document on the relations between China and Japan, and should be carefully read.

CHT:PMM/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

Copy for Department of State.

No. 101

AMERICAN CONSULATE

Tsingtao, China, March 9, 1936.

SUBJECT: General Doihara's Visit in Tsingtao.

Grade	For	10-11-31	Yes	No
		In U.S.A.		

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

Sir:



I have the honor to report that General Doihara arrived at Tsingtao on March 6, at 7:35 a. m. from Tsinan. While here, it is understood that he refused to receive Reuters Correspondent.

A call was made by General Doihara on the Mayor of Tsingtao, but no information is yet available as to what passed between the two officials. General Doihara left Tsingtao on Saturday afternoon, March 7, for Dairen by steamer. In a Chinese newspaper General Doihara was reported to have delivered an address to the Japanese Residents' Association on "North China", but neither the Chinese nor the Japanese press has made any report of the speech. On March 7, the Japanese daily TSINGTAO SHIMPO published

an...

793.94/7830

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APR 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 -

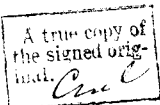
an interview with the General who is reported as having stated that his trip was simply "an ordinary inspection tour of North China". The report that he had been appointed an advisor to the Hopei-Chahar Political Council was nothing but "a newspaper appointment". "The Council", General Doihara is reported as saying, "is daily being perfected and achieving stability". He was quoted as having found General Han Fu-chu at Tsinan "busily attending to internal affairs".

Respectfully yours,

Samuel Bokobin,
American Consul.

800
SS/CML

Original to Embassy, Peiping.
Copy to Embassy, Nanking.
Five copies to Department of State,
Copy to Tsinan-Chefoo.



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



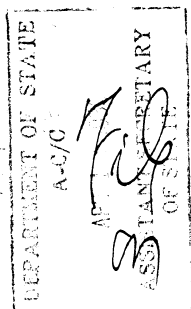
EMBASSY OF THE
 UNITED STATES OF AMERICA

Peiping, March 13, 1936.

No. 905

Subject: Major General Doihara's
Visit to Tsinan.

793.94



For Distribution-Check		Yes	No
Grade	AA		<input checked="" type="checkbox"/>
For	HN Limit	<input checked="" type="checkbox"/>	
To field In U.S.A.			<input checked="" type="checkbox"/>

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



793.94/7831

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

Sir:

I have the honor to refer to the Embassy's telegram No. 109 of March 4, 4 p.m., reporting the departure from Peiping of Major General Kenji Doihara, the chief Japanese negotiator in Sino-Japanese affairs in North China, and to enclose a copy of despatch No. 22 of March 6, 1936, addressed to the Embassy by the Consul at Tsinan, in which he reports the visit on March 5 of Major General Doihara to that city, stating that there were no indications that the visit was for

APR 15 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 -

a political purpose.

With the despatch is enclosed a copy in translation of a press interview with Major General Doihara published in the officially controlled Chinese language newspaper Shantung Min Kuo Jih Pao of March 6, according to which Major General Doihara stated that he was returning to Japan by way of Tsinan, Tsingtao, and Mukden, and that it was too early for the Eastern Hopei Anti-Communist Autonomous Government to be merged with the Hopei-Chahar Political Council, as well as a number of statements with regard to Sino-Japanese relations of little significance other than as indicating his adherence to the so-called doctrine of Pan-Asianism.

Respectfully yours,


 Nelson Trusler Johnson.

✓
 Enclosure:

- 1/ Copy of despatch No. 22,
 March 6, 1936, from
 American Consulate, Tsinan.

710
 LES/js.

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

0 3 4 7

DECLASSIFIED: E.O. 11652, 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. 22

ENCLOSURE No. 1
TO DESPATCH No. 305

AMERICAN CONSULATE,
Tsinan, China, March 6, 1936.

Subject: Visit of Major-General Doihara
to Tsinan.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

1/

I have the honor to enclose a copy of a translation of an article appearing in the officially controlled local Chinese language newspaper "Shantung Min Kuo Jih Pao" with reference to Major-General Kenji Doihara's visit to Tsinan yesterday. No information is yet available to this office which would indicate that the visit was motivated by anything more significant than the announced purpose of making a farewell visit to Tsinan and to General Han Fu-chu.

Respectfully yours,

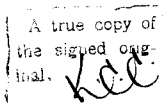
Horace H. Smith,
American Consul.

Enclosure:

1/Translation of Article.

Original and 5 copies to
Embassy, Peiping.
Single copy to Embassy, Nanking.
Single copy for information of
consulates, Tsingtao and
Chefoo.

800
HHS:KCC



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

Translation of article appearing in the Shantung
 Min Kuo Jih Pao (山東民日報) on March 6, 1936.

General Doihara Passes through Tsinan

General Doihara, the newly appointed Commander of the 12th Division of the Japanese Army, has received an instruction from the Japanese Government directing him to return to Japan to assume duties. He passed through Tsinan yesterday and called upon General Han. He will go back to Mukden via Tsingtao before sailing for Japan. He arrived in Tsinan at 5 a.m. and was greeted at the station by the Japanese Consul General, the Japanese Military Representative and other Japanese residents. He was entertained for tiffin at noon by General Han and for dinner at 6 p.m. by the Japanese Military Representative. He left for Tsingtao the same evening at 10 o'clock. Interviewed by a press reporter, General Doihara is quoted to have answered questions as follows:

- Q. "Congratulations on your promotion as a Division Commander!"
- A. "I have not yet received the official instruction."
- Q. "Are you going to return to Japan directly from Tsingtao?"
- A. "I shall leave Tsingtao for Dairen and then for Mukden to wind up affairs before sailing for Japan."
- Q. "What are you going to do here in Tsinan and also in Tsingtao?"
- A. "General Han is my old friend, and being specially introduced by General Sung Che-yuan, I take the opportunity of my present visit to call upon him and take leave. Nothing political is concerned with my present visit."
- Q. "How are the negotiations going on in Hopei and Chahar? Have you met Mr. Hsu, the newly appointed Chinese Ambassador to Japan?"
- A. "The negotiations are still going on and Chahar is quiet. I did not have the chance of meeting Mr. Hsu when the latter was on a short visit in Peiping."
- Q. "What is your opinion about the possibility of the inclusion of eastern Hopei in the jurisdiction of the Hopei-Chahar Political Council?"
- A. "It will be nice if the inclusion comes true. But it is now too early to make the inclusion."

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

- 2 -

- Q. "How about the troops of Li Shou-hsin in northern Chahar?"
- A. "The troops of Li Shou-hsin are under the jurisdiction of the Mongolian Prince Teh and are mistaken for the troops of Manchukuo invading northern Chahar."
- Q. "What is your opinion about the future of Sino-Japanese relations?"
- A. "I have been a strong supporter of the Pan-Asiatic Doctrine. China and Japan should join hands in maintaining the peace of Asia and attempting the suppression of the Red menace. The culture and race of China and Japan are identical and both should be regarded as the only masters of Asia."
- Q. "The Chinese do favor the Pan-Asiatic Doctrine, but unfortunately tragedies have so frequently occurred between China and Japan that they make it difficult for China to do anything in the promotion of the Doctrine. How about that?"
- A. "Efforts should be made by both China and Japan to remove the misunderstanding."
- Q. "How about the coup d'etat in Japan and when will the new Cabinet be formed?"
- A. "The coup is entirely over. The Mandate for the appointment of the new Prime Minister has been issued. Though the candidate has refused to accept the mandate, it will nevertheless eventually be accepted according to Japanese traditions."
- Q. "Can the negotiations between Nanking and Tokyo take place before the establishment of the new Cabinet?"
- A. "Of course not."
- Q. "Will the policy of Japan toward China be changed after the formation of the new Cabinet?"
- A. "Absolutely not. Not only the policy toward China but also that toward other countries have been fixed and can never be changed. Internal changes may be made."

DECLASSIFIED: E.O. 11652, 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,
 Shanghai, China, March 18, 1936.

For Distribution-Check		Yes	No
Grade	AA		
For	Davis		
To field			<input checked="" type="checkbox"/>
In U.S.A.			
ONI-MID			

SUBJECT: Sino-Japanese Relations: Nomination
 of Candidates for Shanghai Municipal
 Council.

THE HONORABLE

THE SECRETARY OF STATE,

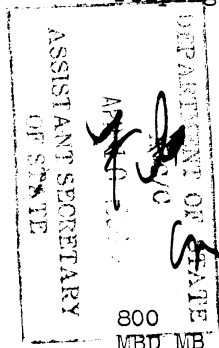
WASHINGTON.

SIR:

1/ I have the honor to enclose a copy of a self-
 explanatory despatch of today's date from this
 Consulate General to the American Embassy at
 Peiping in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss,
 American Consul General



In Quintuplicate.

793.94/7832

APR 13 1936

FILED

F/10

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

74

March 16, 1936.

Subject: Sino-Japanese Relations: Nomination
of Candidates for Shanghai Municipal
Council.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to despatch No. 122 of February 1, 1936, and previous reports touching upon the desire of the Japanese to assume a more important role in the affairs of the Foreign Settlement of Shanghai, and to state that their local community took the necessary steps, just before the period for nominating closed on March 14, to name three instead of two candidates for the Council, thus upsetting an arrangement that has obtained since 1927 whereunder the British nominated five, the Americans two, and the Japanese two.

Mr. Itaro Ishii, Japanese Consul General at Shanghai, has stated on several occasions that he doubted whether he could restrain his nationals from demanding greater representation, but it was not until

March

DECLASSIFIED: E.O. 11652, 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-

March 14 that the Japanese community became definitely committed to a trial of strength with the British-American group. The Japanese say that their people will vote solidly as instructed and they feel confident that they have sufficient strength to elect all their candidates. It is understood moreover that they may vote exclusively for their own nominees which would mean certain election if others should not resort to similar tactics. To counter this move the British and American election committees are considering advising their respective communities to vote only for the five British and two American candidates.

In stating the position of the Japanese a spokesman of the Residents' Corporation of that nationality is quoted as saying that "this is an international settlement, not a British colony... we have waited long enough, the time has come for us to have a more equitable share in the administration of the Settlement." Colonel F. Hayley Bell, the British Election Agent, gave out a statement to the press to the effect that the British bear no illwill toward any other nationality, that they have no bitterness but feel the present and traditional British stake in the Settlement justifies the maintenance of the status quo, and that any effort to alter it will be opposed.

As pointed out on previous occasions, the Japanese are disposed to criticize the expenditures of the Shanghai Municipal Council, particularly the salaries paid foreign officials and employees, the cost of the Russian units of the Shanghai Volunteer Corps, and the disposition of school funds. It has attacked the Council also for its handling

-3-

handling of agreements with the Telephone and Gas Companies, the actions of the police, and other matters. The more conservative elements led by Consul General Ishii favor the present system of international co-operation but with Japan having a larger voice in affairs, while the more radical groups advocate scrapping the Land Regulations of 1869 and setting up a separate administration to the north and east of Soochow Creek to be controlled entirely by the Japanese.

The British candidates were selected in a primary election, which was a new departure, and the Americans were named by the community organization committee. The ten candidates for the nine seats on the Council are as follows: H.E. Arnhold, British, present Chairman of the Council; Brigadier-General E.B. Macnaghten, C.M.G., D.S.O., British, member of the present Council; Harold Porter, C.M.G., British, member of the present Council; A.J. Keswick, British, of Jardine, Matheson & Company; G.E. Mitchell, British, of Butterfield and Swire; C.S. Franklin, American attorney, member of the present Council; A.B. Calhoun, American, Sub-Manager of the National City Bank of New York; T. Urabe, Japanese, Manager of Mitsui Bussan Kaisha, member of the present Council; T. Yamamoto, Manager of the Nippon Yusen Kaisha, member of the present Council; and T. Go, Japanese, Manager of the South Manchurian Railway office at Shanghai.

Mr. Go, the additional candidate nominated by the Japanese community, has had considerable foreign experience. He was sent to the Japanese Embassy in London in 1917, was

attached

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

-4-

attached to the Japanese delegation to the Peace Conference in 1918, acted as Secretary to the Japanese delegation to the First International Labor Conference at Washington in 1919, served as Japanese Secretary to the International Labor Office in Geneva in 1920, and resigned about 1926 to become Manager of the New York office of the South Manchurian Railway. He remained in New York a number of years and did not come to Shanghai until late in 1934. He seems to have pleasant recollections of his sojourn in the United States and to be genuinely friendly toward Americans. While he is believed to belong to the "big business" group and to have little sympathy with the intensely nationalistic elements in Japan, it is doubted whether his private views will have much effect on the collective action of the Japanese in Shanghai.

Inquiries recently made to the Japanese indicate that they consider C. S. Franklin vulnerable because of a recent decision against him in the United States Circuit Court of Appeals at San Francisco, and while they would no doubt prefer to see a British nominee defeated there is some reason to believe they will concentrate on Franklin as the weakest candidate. If they follow this course and any considerable number of British voters fail to cast their ballots for both of the American nominees, Franklin might be defeated and the in-

crease

132-5

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

-5-

crease in Japanese representation made at the expense
of the Americans.

Respectfully yours,

C. E. Gauss,
American Consul General.

800
MBD MB

In quintuplicate to Department by
despatch No. 82 of even date.

Copy to Embassy, Nanking.

122-6

0356

DECLASSIFIED: E.O. 11652, 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

MJP

1-1336

FROM SPECIAL GRAY

Nanking via N R

Dated April 9, 1936

Received 7 a. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 APR 9 - 1936
 Department of State

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

85, April 9, 9 a. m.

One. A well informed Chinese who arrived from
 Tientsin last night and who has recently been an official
 of the Tientsin municipal government has stated to an
 officer of the Embassy that General Matsumuro is pressing
 Tientsin Mayor Hsiao Chen Ying and General Sung Che
 Yuan for a written agreement providing for Sino-Japanese
 military cooperation against Communists.

Two. Informant stated that large numbers of National
 Government troops continue to enter Shansi Province and
 his opinion tends to confirm a general belief here that
 Japanese objections to the despatch of such troops
 (reference this office's 51, March 6, 2 p. m.) are based
 on the probability that they will consolidate Chiang Kai
 Shek's authority in that province at the border of terri-
 tory which is under Japanese influence by reason of the
 jurisdiction of the Hopoi Chahar Council. (Minister of
 Military Administration General Ho Ying Chin is understood
 to have

793.94/7333

FILED
 APR 11 1936

F/FG

1-3-1

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

MJP -2- No. 85, April 9, 9 a. m. from Nanking.

to have flown to Taiyuan several days ago and is
 reported to be there at present.) Recently a Japanese
 spokesman here has minimized the number of Central Govern-
 ment forces sent to Shansi (reference this office's 65
 March 26, 3 p.m.) and two days ago the same spokesman
 informed a foreign news correspondent that only two
 Central Government divisions were then actually in that
 province, according to reports he professed to have
 received from Japanese military officers in Peiping.

Three. To Tokyo and Tientsin by mail.

PECK

CSB

123-2

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

WWC.

TELEGRAM RECEIVED

Nanking via N.R.

Dated April 10, 1936.

FROM

Received 11 A.M.

Division of
FAR EASTERN AFFAIRS

APR 10 1936

Department of State

COPIES SENT TO

D.N.I. AND M.I.

Secretary of State,
 Washington D.C.

88. April 10, 2 P.M.

One, Reports that Ho Ying Chin has gone to Shansi (one
 of which was mentioned in second sentence, paragraph two of
 my 85, ⁷⁸³³ April 9, 9 A.M.) are denied by the Ministry of
 Military Administration and this office is reliably informed
 that at this hour Ho is in his residence here. A Reuter's
 report of today marked " for information only " states that
 Chiang Kai Shek who proceeded to Hankow by Chinese gunboat
 April 8 left Hankow this morning by plane for Taiyuan. Due
 to the secrecy which surrounds his movements this report
 has not yet been confirmed but I am authoritatively informed
 that if he has not yet gone to Shansi he will do so shortly.
 Tsinsnfu's despatch 32, April 7, cited a report from source
 which Smith considers reliable that on April 5 Han Fu Chu
 received a telegram from Vice Chief of Staff to the effect
 that Chiang desired a personal meeting with Han and Sung Cho
 Yuan either at Taian in Shantung, Suchow in Kiangsu or a
 third place whose name was not communicated to Smith.
 Japanese sources have professed a belief that Chiang would
 go to Shansi at an opportune time following the incursion
 into that province of National Government troops in order
 to effectively consolidate his authority there. That such

a time

793.94/7834

FILED

APR 16 1936

F/FG

0359

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

Page 2 of No.88 from Nanking, April 10, 1936.

a time may have arrived is indicated in foreign conception
of press reports which agree in general that the Communist
forces in Shansi are retreating in scattered bands.

Two. To Tsinanfu by mail.

RR
WWC.

PECK

154-2

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

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6121 FOR Tel#181, 4pm

FROM Great Britain (Bingham) DATED April 6, 1936.
 TO _____ NAME _____ 1-1127 ...

REGARDING: Sino-Japanese relations

Crucial period in-, Disturbing reports from China, received by the Foreign Office, regarding alleged-, Belief expressed by Foreign Office official that Chiang Kai Shek had to decide whether he would take the course of wisdom, effecting a compromise with Japan, or take on the role of national hero in leading a fruitless drive against the Japanese.

FRG.

793.94/7835

7835

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

FE

LMS

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

London

Dated April 6, 1936

Rec'd 1:02 p. m.

Secretary of State,
 Washington.

RUSH.

181, April 6, 4 p. m.

I have asked your 115, April 5, 8 p. m., be checked
 and repeated because of extent of garbles in the hope of
 taking up this matter tomorrow.

In a casual luncheon conversation today a Foreign
 Office official intimated that they had received somewhat
 disturbing reports in the last few days from China, that
 it was possible that the Chinese were reaching a point
 where "they might do something foolish". He said that
 "Chiang Kai Shek had to decide whether he would take the
 course of wisdom which was to effect a compromise with
 the Japanese or take on the role of national hero in
 leading a fruitless drive against the Japanese".

BINGHAM

CSB

Note: The Division of Communications and Records has
 serviced garbled groups.

NOTE
793.94

893.51/6121

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

1936 APR 9 PM 4 43

Washington,

April 9, 1936.

AMEMBASSY,

PEIPING (China). DIVISION OF
 RECORDS 5 P M.

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

One. Under date April 6 the American Ambassador at
 London telegraphs as follows:

QUOTE In a casual luncheon conversation today a
 Foreign Office official intimated that they had received
 somewhat disturbing reports in the last few days from China,
 that it was possible that the Chinese were reaching a point
 where SUBQUOTE they might do something foolish END SUBQUOTE.
 He said that SUBQUOTE Chiang Kai Shek had to decide whether
 he would take the course of wisdom which was to effect a
 compromise with the Japanese or take on the role of national
 hero in leading a fruitless drive against the Japanese END
 SUBQUOTE. UNQUOTE

Two. In the absence of identification of the parties to
 the conversation the Department is not repeat not inclined,
 in the light of your reports and other data, to attach undue
 importance to the statement made in the first sentence quoted
 above but brings London's telegram to your attention for
 purposes of information and in order that you may have the
 indication contained in the last quoted sentence of the trend
 of thought in some British circles.

Enciphered by FE:MMH:EJL FE

Sent by operator M., 19

D. C. R.—No. 80

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/7835

OR
 APR 9 1936 PM

Hull
 W
 21

DECLASSIFIED: E.O. 11652, 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

1-1336

FROM

GRAY

Peiping via N. R.

Dated April 10, 1936.

Rec'd. 7:20 a.m.

Secretary of State,
 Washington.

181, April 10, 5 p.m.

Nanking's 88, April 10, 2 p.m.

Following telegram has been received from Tsinanfu:

"April 10, 2 p.m. With reference to my despatch No. 32 of April 7, the third place suggested is Kaifong, Honan, and both Sung and Han are reliably reported to have accepted leaving place and date to be decided by General Hsiu Ng Ping. According to a report in the newspapers Han is leaving for Tsingtau tomorrow and will exchange calls with the Japanese Admiral in command of the fleet of sixty war-ships expected to arrive in Tsingtau, April 16".

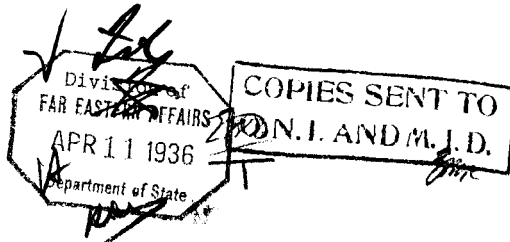
Repeated to Nanking.

JOHNSON

KLP

HPD

156-1



793.94/7836

FILED
 APR 20 1936
 F-6

DECLASSIFIED: E.O. 11652, 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

April 15, 1936.

~~RCM:~~

~~MMH:~~

~~SMH:~~
 Canton's despatch No. 103, March 10, 1936, reports the comments of various Southwestern leaders on Sino-Japanese relations and relations between Canton and Nanking.

Hu Han-min, replying to General Matsui who recently made a visit to Canton and Kwangsi, stated that Japan's present policy is the direct antithesis of Dr. Sun's Great Asia Doctrine and reproaches Japanese liberal leaders for failure to carry out what they have been preaching. Hu also stated to the press that his going to Nanking would be of no avail while Nanking showed a readiness to discuss Hirota's three-point program.

Chou Lu, Chancellor of Sun Yat-sen University, in an address stated that Japan desired to eliminate China as a nation this year in order to be free to challenge the Soviet Union and America in the near future. Chou informed General Matsui that all Chinese hate the Japanese without exception and that Japan followed a policy of grab in the north, intimidation in the Yangtze Valley, and deceit in the south.

Hsiao

DECLASSIFIED: E.O. 11652, 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
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Hsiao Fo-cheng, Kuomintang "Elder Statesman", denounced present Japanese policy and stated that Japan's material gains from military aggression have been more than offset by her loss of Chinese friendship.

Li Tsung-jen denied that Kwangsi had any agreement with Japan but admitted that Japanese arms had been purchased after consultation with Hu Han-min and Nanking. He also denounced Nanking and Japan.

The Consulate General concludes that "with active resistance to Japan and rejection of the Three Point Program as the officially proclaimed issues, the Southwest is again momentarily united in adoption of a revived policy of defiance of the Central Government."

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JCV/VDM

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

Copy for
 Department of State

No. 103

March 10, 1936.

Subject: Pronouncements of Southwestern
 Leaders Indicating Opposition
 to Three Point Program and New
 Defiance of Nanking.

For Distribution-Check		Yes	No
Grade	G	To field	
For	Chail	In U.S.A.	✓
		6N1-MID	✓

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peking.

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

Sir:

I have the honor to refer to this Consulate General's political review for February, 1936, transmitted under cover of despatch No. 102 of today's date, and particularly to the references therein (pages 5 to 7) to published alleged records of statements made by Hu Han-min, Chou Li and Hsiao To-cheng to General Iwane Matsui in response to the latter's efforts to enlist their sympathy with his Pan Asiatic Federation, and also to other public utterances of these Civilian Southwestern leaders and Marshal Li Tsung-jen with respect to Japan and the Central Government's policy towards Japanese aggression. Since, as stated in that review, these pronouncements appear worthy of separate treatment, the following summary of them is submitted.

The record

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

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The record of Hu's alleged remarks to General Matsui is of particular interest as constituting the first public expression of his views - other than pious generalities regarding the necessity of national and party reform - which he has uttered since his return to China.

Recalling his previous meeting with General Matsui almost ten years ago and the latter's then professed support of Dr. Sun's Great Asia Doctrine, he reproaches him and other Japanese disciples of the doctrine for failure to carry out what they had preached. He points out that Sun's teachings clearly "expound the Way of Right of the East while denouncing the Way of Might of the West", and that, in direct antithesis to Japan's present policy and her so-called Asia Monroe Doctrine, they call for the extension of aid to oppressed peoples and a united front against all imperialistic nations. He recollects Dr. Sun's prophetic warnings to sympathetic Japanese such as the late Premiers Katsura and Inugai in regard to Japan's sad betrayal of the natural bonds of race affinity and departure from the true spirit of the Great Asia Doctrine as demonstrated in her annexation of Korea and her arrogant Twenty-One Demands. He regrets the passing of the Katsura and Inugai type of far-sighted Japanese statesmen and declares the tendency of the present Japanese generation to "accept the fait accompli without questioning the merits of the situation" and their general misinterpretation of Sun's principles. Lamenting Japan's tactics in recent years, he claims that such acts as imposition of the Tangku Truce and instigation of the Yin Yu-keng rebellion have brought her nothing but

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but Chinese ill will and consequent damage to her material interests in China. Referring to Japan's alleged mission "to help China stem the tide of Soviet aggression," he asserts that "every Chinese would rather have the map of China painted red than see the flag of the rising sun flying over all parts of the country". He dismisses the three principles proposed by Hirota for readjustment of Sino-Japanese relations as inconsistent and ridiculous, and warns General Matsui of the Chinese people's pent-up hatred of Japan and the calamities which will befall the East if Japan continues her present practice of entrusting control to reckless soldiers instead of statesmen. Clarifying his own stand as one of logically simultaneous support of Dr. Sun's Doctrine and an unalterable anti-Japanese policy, he concludes sarcastically by calling upon General Matsui, as a comprehender and professed believer of Dr. Sun's ideals, to help correct misguided Japanese opinion.

Apparently by way of supplement to his lecture to General Matsui, Mr. Hu on the same day granted his first public interview since his return from Europe. The statements therein are similar in substance to those made in his private interview with the undersigned reported in the Consulate General's despatch No. 96 of February 21, 1936, with the omission of certain more confidential assertions. He criticizes Nanking severely for its weakness in handling the Manchurian issue and for resorting to the "ineffectual" League of Nations instead of attempting to settle the matter by armed or direct diplomatic resistance; and claims that by her mistaken course, China had played directly

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directly into Japan's policy of bluff and opportunism.

With respect to Nanking's present policy and his own intentions with regard to cooperation with the Central Government, the SOUTH CHINA MORNING POST quotes Hu as stating that Chiang's reported readiness to discuss settlement on the basis of Hirota's Three Point Program indicates that Nanking has not yet awakened to its blunders and constitutes in effect an admission that China is a protectorate of Japan; and that under such circumstances his going to Nanking would be of no avail. The CANTON GAZETTE carries this somewhat more bellicose version:

"This (my proceeding to Nanking) depends on whether the National Government is determined on taking a firm stand vis-a-vis the Japanese gnawing policy in China. If the Central Authorities are unable to prevent Japan's gradual tearing away of Chinese territory, we cannot stand by and remain inactive. Then the Southwest provinces must see what they can do in saving the situation. I am waiting to see what action Nanking will take, but I hope it will openly announce to the world whether it intends to fight Japan or to come to some sort of definite settlement with her. To keep on kowtowing to Japan and signing armistices means the national ruin of China".

According to all versions, Mr. Hu also expressed gratification at the increasingly sympathetic attitude of Great Britain, the United States and other western powers, with the possible exception of Germany, and emphasized that, while the salvation of China depends primarily upon her own active resistance to further Japanese aggression, it also requires at least the unequivocal moral support of the Powers.

These outbursts by Hu represented but one round of the Southwest's sudden barrage of public denunciation of Japan

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Japan and the Nanking Government. In a fiery address delivered at one of the weekly Sun Yat-sen Memorial Services, Chou Lu, Chancellor of the Sun Yat-sen University and one of the leading Civilian members of the Southwest Political Council, is quoted as referring to definite information of an impending Japanese engineered autonomy movement in Fukien. Citing this information together with the recent North China and Mongolian autonomy movements as sure evidence of Japan's determination to eliminate China as a nation, he asserted that Japan was anxious to dispose of China this year in order to be free to challenge Soviet Russia and America prior to their respective completions of the Second Five Year Plan and new naval program, and therefore demanded immediate united resistance to Japanese aggression.

Promptly after his interview with General Matsui, Mr. Chou followed Hu's example in publishing his alleged conversation with the General. According to the English text of the conversation printed in the CANTON GAZETTE, Chou informed the General bluntly that all Chinese hate the Japanese without exception and accused Japan of a deceitful five face policy towards China:

"To Nanking they promise friendship and assistance in unifying China. To the Southwest they urge the overthrow of General Chiang Kai-shek and undertake to give help and say that the North China incidents are evidence of Japanese support of the Southwest. To North China leaders, they urge the overthrow of Chiang Kai-shek and promise help and the cooperation of the Southwest. If the North China leaders there don't overthrow Chiang, the Japanese threaten to press Nanking to remove them in the same manner as Generals Yu Hsueh-chung and Sung Choh-yuan. To non-Kuomintang leaders the Japanese promise to overthrow the Kuomintang and the National Government. To the world the Japanese say: 'You keep out of China's affairs. It is certain that Nanking is

friendly

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friendly to Japan. The Southwest and North China are also friendly to Japan'.

"Japan has three methods in dealing with China. Along the Yellow River valley their policy is to grab; along the Yangtze valley their policy is intimidation; along the Pearl River valley their policy is deception".

The conversation also turned to the causes of the Manchurian trouble. General Matsui averring that they could be principally attributed to China playing off Russia against Japan and arrogantly irritating Japan by constant treaty violations on the strength of a secret pact between Chang Tso-lin and Soviet Russia, while Chou denied existence of the pact and retorted that the present Sino-Japanese impasse originated through Japanese oppression of the Chinese in Manchuria and the action of the Nanjing Government in giving away weekly before Japanese aggression. When General Matsui concluded by stating that Formosa University would like to exchange professors with the Sun Yat-sen University, Mr. Chou "declined the honor" on the ground that he could not trust any Japanese.

Hsiao Fo-cheng, veteran Kuomintang "elder Statesman", also contributed similar energetic public utterances which were in no way behind those of his colleagues. On February 21st, in the first public statement which the ailing politician had granted for some time, he denied that he was planning to send Chou Lu or other representatives to Nanjing, echoed Hu's recent demands for unified Kuomintang loyalty to Dr. Sun's fundamental principles, and vigorously denied rumors that Kwengai had offered

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mining concessions to Japan. A few days later he also published a record of his statements to General Matsui, closely paralleling those of Hu, in which he lays all blame for existing Sino-Japanese troubles on Japan's mistaken pursuance of her militaristic Pan-Asiatic doctrine instead of Dr. Sun's Great Asia Doctrine based on brotherly good will, and claims that Japan's material gains therefrom have been more than offset by her loss of Chinese friendship. Denouncing Hirota's Three Point Program as entirely unreasonable, he states that China's recognition of "Manchukuo" is impossible, and that China in her desperation is at perfect liberty to seek support from any nation, on the rather apt analogy that:

"A drowning man will catch at any straw and does not necessarily ask help from the man who pushes him into the water".

While the Southwestern military leaders have been far less vociferous than their civilian colleagues, they have also contributed to the recent notable outburst of public pronouncements in regard to national policy. Evidently feeling that the time was ripe for quashing recent rumors that Kwangsi leaders were succumbing to Japanese blandishments, Marshal Li Tsung-jen on February 7th granted an interview in which he strongly criticized the Nanking Government for its weak-kneed foreign policy and also for its ineffectual tactics in meeting the communist threat. He also categorically denied the reports that Kwangsi had concluded a secret alliance with Japan and had attempted to secure a Japanese loan; and stated that, contrary to their rumored friendliness to Japan, the Kwangsi people are

boycotting

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boycotting Japanese goods and students are holding anti-Japanese demonstrations. He admitted that Kwangsi had purchased arms from Japan and then endeavored to "pass the buck" to Hu Han-min and Nanking by declaring that the deal had been consummated after consultation with Hu and only as a last resort in consequence of Nanking's refusal to allow Kwangsi to purchase from either Europe or America (thus in effect confirming information from other sources that the Japanese equipment had been smuggled in without "huchas"). With reference to "the frequent visits to Nanning (Kwangsi provincial capital) by Japanese", the General explained that most of them had entered the province on travel permits issued by the Central Government, in consideration of which the Kwangsi authorities have had to extend them courtesies.

A further expression of the Southwest's increased mistrust of Nanking and apprehension of Japan occurred on February 25th when the Southwest Political Council and Southwest Executive Committee of the Kuomintang, according to local press reports, jointly despatched a telegram to the Central Government referring to the announced coming conference for readjustment of Sino-Japanese relations and demanding rejection of Hirota's Three Point Program on the grounds that its acceptance would reduce China to the status of a Japanese protectorate.

Whatever inaccuracies the press may have been responsible for in its versions of the above cited pronouncements of the Southwestern leaders, they are believed to be significant as indicating the Southwest's determination to make an issue of Japan's Three Point Program and hold

Nanking

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Nanking to account for acceptance thereof, and also as confirming other recent signs that the Civilian Group have definitely renounced the idea of rapprochement with Nanking, and that, with active resistance to Japan and rejection of the Three Point Program as the officially proclaimed issues, the Southwest is again momentarily united in adoption of a revived policy of defiance of the Central Government. (See Consulate General's political review for February and despatch No. 96 of February 21, 1936.)

Respectfully yours,

C. J. Spiker,
 American Consul General.

In quintuplicate to Department (copies)
 One copy to Embassy, Nanking.

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A true copy of
 the signed original.

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

Copy No 6

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INT/RAB-gwj

Headquarters, 4th Marines
 Marine Corps Expeditionary Forces
 Shanghai, China

11 March 1936

APR 11 1936

Division of
 FAR EASTERN AFFAIRS

DEPARTMENT OF STATE

APR 10 1936

Department of State

CONFIDENTIAL

From: The Intelligence Officer
 To: The Commanding Officer

Subject: Weekly Intelligence Summary for week ending 8
 March, 1936.

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

OSD letter, May 3, 1972

NARS Date

Mar 23,
 1973

I. CHINA

A. POLITICAL

1. Sino-Japanese Relations

The news that Premier Hirota in forming his cabinet has at least partially deferred to the wishes of the Army, has been gravely received in China. It is the opinion of both official and private circles that this will mean a stiffening of Japan's attitude toward China and, it is feared, further impossible demands.

Ambassador Arita departed for Nanking on March 4th. After paying his official calls he plans to return to Shanghai for a time, then go back to Nanking and open the Sino-Japanese negotiations. It is now generally known that he will insist on the acceptance of Hirota's three point program and equally well known that Chiang cannot agree to them. (To agree would mean a complete break with the southwest and perhaps rebellion among his own troops.)

Meanwhile, a serious threat to good relations between the two countries has arisen due to the Red invasion of Shansi. This office is informed on excellent authority that two divisions, possibly more, of Central Government troops have entered Shansi to suppress the reds. (One report says that 4 squadrons of planes have moved from Loyang to Taiyuanfu. Nanking does not expect Han Fu-chu or Sung Cheh-yuan to send troops to Shansi and is not depending to any great extent on Shang Chen). The Japanese have insisted ever since last summer that they will not permit Central Government troops to enter any of the 5 northern provinces. Chiang however, now has an excellent excuse to use the anti-red campaign to get control of Shansi, just as he used similar campaigns to gain control of Kiangsi, Hunan, Kweichow, Szechuan and Shensi. The Japanese

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have stated that they will not permit him to gain control of Shansi in this manner, and the Kwantung army announced at the end of the week that it was watching the Shansi situation closely. Thus a crisis appears to be developing here.

General Uyeda was on the 6th of March inducted as Commander of the Kwantung army and concurrently Ambassador to Manchoukuo. N.B.- Uyeda commanded the Japanese troops during part of the Sino-Japanese fighting in Shanghai in 1932. I had a pass permitting me to go through the Japanese lines at that time, and observed them in action many times. Uyeda is a strict disciplinarian and a man of iron nerve, but the Shanghai operations amply demonstrated that he is no great strategist.

That the Nanking attitude is stiffening is indicated by the fact that on March 3rd the Ministry of Foreign Affairs lodged a protest with the Japanese Embassy against the repeated flights of Japanese airplanes in North China during recent months. The note stated that the Chinese Government would take appropriate measures against future flights. N.B.- We checked this report with well informed sources and appears certain that the note was sent.

2. Fukien

Since the latter part of February many reports, both official and private, indicate that trouble is brewing in south and west Fukien. A few ex-generals and other disaffected elements not employed by the present government have formed the "Young People's Salvation Alliance." Their program is to relieve oppression and improve the common welfare of all. They have small organizations in many parts of South Fukien and there have been a number of minor outbreaks. The movement does not amount to much as yet but reports persist that it is being backed by the Japanese who are trying to organize an autonomous government in Fukien as they did in Hopei. Chiang Kai-shek takes the matter seriously for he has moved the 88th division from Kiangsi to Fukien and generally reorganized and strengthened the Central government forces stationed in the province.

3. Kwangsi

A very well informed foreign intelligence officer, normally stationed in Hongkong, told me on the 6th that Kwangsi had no intention of revolting against Nanking. That the Kwangsi leaders did not have money enough. He confirmed that Li Tsung-jen and Pai Chung-hsi had

recently received a second shipment of arms from the Mukden arsenal. Li and Pai, however, are simply getting all they can out of the Japanese and have no serious idea of using these weapons against Nanking. My informant, who has known Li Tsung-jen for years, was informed by Li that the equipment from the Mukden arsenal was not much good and in no case included spare parts for machine guns, rifles, etc.

4/ Another foreign intelligence officer who has just returned from a trip through Kwangsi and Hunan said that Kwangsi had no intention at this time of revolting against Nanking.

4. Soviet Propaganda

1/ We consider of considerable significance the fact that the communist literature and hand bills captured by the local police recently has been principally anti-Japanese in character. It has not really been communist propaganda, as such, but an appeal to the Chinese nation to unite against Japan. Most of it urges Chiang Kai-shek to stop the war against the Red armies and unite with the Red armies against Japan. We learn on good authority that the Reds throughout the country including those operating in Shansi are using this same type of propaganda, which undoubtedly has a powerful appeal to the mass of the Chinese people.

5. K. P. Chen

A Chinese source which has given us good information in the past told me that Mr. K.P. Chen, manager of the Shanghai Commercial and Savings Bank, who is leaving shortly for America, is going for the following purposes: 1. To negotiate an agreement in regard to silver. 2. To attempt to settle the cotton and wheat loans to China's satisfaction. N.B.- Japanese circles are very much interested in this trip. They have been making many inquiries both in Shanghai and Nanking concerning the matter.

B. MILITARY

1. West Shansi

The Red situation in Shansi has boiled all week. The press, both Chinese and foreign, has been full of reports, letters from correspondents, and editorials which have varied considerably both as to details and opinion on the seriousness of the situation. The reports from Chinese sources have been optimistic, and as usual, full of claims of successes against the Reds. It was noted as the week progressed that reports from this source increased the estimate of the Red's strength and the severity of the fighting (it is now generally conceded that the Reds total strength is something over 20,000 but a sizeable portion of it includes recruits, obtained voluntarily or by force, from the districts they have invaded and whose fighting worth is doubtful). The local Japanese press and Domei dispatches from the north continued to predict trouble for Shansi and Hopei and Chahar and at the end of the week were extremely critical of the reported movement of Central Government troops into Shansi and the fact that Yen Shih-shan had not asked for the assistance of Sung Chieh-yuan or Wan Fu-lin.

The Reds moved east from the Chungyang-Lishih area and at one time were within 6 miles of Fenchow but re-enforcements arrived and they were forced to fall back to the west. There was an uprising of plain-clothes Reds at Taiyuan, said to number about 1,000, and at one time during the fighting they succeeded in occupying part of the city wall. They were eventually beaten and the survivors escaped. Martial law was declared and is still in force, curfew at 11 o'clock stopping all street traffic. The families of Yen Shih-shan, Hsu Yung-chang, Chairman of the Provincial Government, and other officials have been evacuated to Peiping. Both Chungyang and Lishih were reported captured by the Reds and in the case of Chungyang this appears to have been correct but Chinese sources claim that it is again in the hands of Government troops. They have consistently denied the loss of Lishih. At the end of the week the main Red force was reported to be in the Chungyang area extending south to the Shihlow district.

Yen's success in blocking the Red movement on Fenchow and Taiyuan was due apparently to the arrival of Suiyuan troops via Peiping and the Chengtai railroad, the movement of 2 Divisions of Shang Chen's 32nd Army into Shansi from the east and the movement of Central Government forces into Shansi from the south. This released Shansi troops in these areas which Yen

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hurriedly moved against the Reds in the west. There was one other factor which undoubtedly contributed materially. This was aeroplane support furnished from the Central Government airbase at Loyang.

5/ During the early part of the week reports from the north continued to claim that Central Government troops were moving into Shansi from the south and most of them intimated that they were part of Chang Hsueh-liang's units from Shensi. Chinese reports admitted the movement of Shang Chen's troops from southern Hopei into Shansi from the east. On 6 March a local foreign news agency received a report on the result of an interview with Major T. Imai, Japanese Military Attache, by their representative at Peiping. This stated that Imai was noncommittal as to whether the Japanese would protest against the Central Government troops entering Shansi but that no objection had been raised to participation by Shang Chen's troops. On 8 March, this agency received word from Taiyuan that 2 Central Government Divisions had entered south Shansi. A Reuter's dispatch from Peiping announced that word had been received from Taiyuan that Chiang was sending 6 Government Divisions into Shansi. This was followed by another Reuter's report that the first column of Government troops had crossed the Yellow river "but where these soldiers materialized from was not stated". On 8 March, a local foreign newspaper received a letter from a correspondent in the north in which the writer stated that the present situation in Shansi was due solely to the tactics employed by the Young Marshal's troops in north Shensi. He claimed that during the latter part of February these troops, operating in northwestern Shensi and northeast Kansu, succeeded in driving a wedge between the original Shensi Reds of Liu Tse-tan, who were held to the north along the Suiyuan border, and the Reds of Hao Tse-tung and Hsu Hai-tung. The Government forces then proceeded "to shepherd with a certain amount of discretion" the Hao-Hsu Reds eastward toward the Yellow river. The writer claimed the Reds were only too glad to move as they had stripped northeast Shensi bare and after severely defeating the Shansi troops on the east had crossed the river and were now overrunning western Shansi in force.

1/ In view of the reports set forth in the preceding paragraph and the known Japanese attitude as announced by Irita and Isogai (see last weeks report, pages 1 & 8) this office obtained an interview with a local Chinese Official. In answer to direct questions and by voluntary comments the following information was elicited:

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The Red situation in Shansi while serious does not present any real danger. They have been forced back to the west and neither Taiyuan or Fenchow are in further danger. Two divisions of Shang Chen's army have moved into east Shansi from Hopei (the remainder will stay in southern Hopei where the activities of minor bandit groups requires their presence). Four squadrons of planes have been moved from Loyang to Taiyuan and are actively participating in the operations against the Reds. Central Government troops, more than two divisions (but he did not know the exact number) have moved into Shansi from the south. These are not Chang Hsueh-liang's troops and in commenting on the Reuter's report noted above he stated "no wonder they don't know where they are coming from. Most of them are being moved via the Hankow-Peiping railway and they could come from most any point south of Shansi."

He emphatically denied that Chiang had agreed to the conditions set forth by Arita and Isogai before Japan would permit Central Government troops to move into Shansi. "The Generalissimo cannot possibly agree to those demands, to do so would cause a civil war." He then stated that Nanjing is convinced that the Japanese will demand a final agreement as soon as their present home trouble is settled and that their attitude is certain to be stiffer. The Generalissimo believes that when the present negotiations break down, as they must unless the Japanese modify their demands considerably, he will have to fight and now expects to fight by the end of May."

He then said "I believe that with this in view Chiang has decided to use the present situation in Shansi and seize control of the province. Yen Shih-shan is about through. His land scheme has not worked and the people are becoming more dis-satisfied with him every day. He has no money and although he has been trying to raise it by various means has acquired very little and his troops are in poor shape. When the Japanese attack us from North China he would be of little use under the present conditions and as Shansi is essential to our plan of defense I believe the Generalissimo is going in now as this is probably his last favorable opportunity and once in, I do not believe he will get out unless the Japanese use force against him."

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During the week reports from the North indicated that the Japanese were keeping a close eye on the situation. A Domei report from Tokyo on 8 March stated that high Army Officers were of the opinion that the situation in Shansi would necessitate an immediate increase in the Japanese forces in North China in addition to those projected for the Tientsin Garrison, and that the Kwantung Army authorities were also viewing the situation with serious concern.

5/ Information from Nanking on 9 March stated that the Japanese Spokesman had announced that their concern was caused not so much by the possible success of the Reds as by the approach of the former "Northeastern Army" of Chang Hsueh-liang toward the provinces of Chahar and Hopei (the informant quoted above denied that these troops had moved into Shansi). The Spokesman then denied that General Isogai had presented any demands during his recent visit to Nanking (it should be noted that nothing was said about what Arita may have demanded) although he admitted Isogai "probably called the attention of Chinese leaders to the danger of allowing the Young Marshal's troops to operate in the northern provinces which they were forced to leave at Japanese insistence". The Spokesman then concluded by saying "So far, we have made no direct moves in the Shansi situation, but we are watching closely, and would take the gravest view of any Chinese military activity which would disturb the balance of peace and power in the North".

(This report also stated that the Japanese were not taking too seriously the reports of Chiang's sending 6 divisions of Central Government troops into Shansi nor did they take seriously the reported decisions of Han Fu-chu or Sung Cheh-yuan to send troops. Chinese circles in Nanking also discount Han Fu-chu's sending troops or use of his military force unless Shantung is actually invaded. He would have to act in co-operation with Sung and Yen and this might possibly pave the way for the five-province autonomy in the North which the Japanese have been trying to achieve for months.)

A careful analysis of all reports, plus the information from private sources, has led this office to the conclusion that while the present Red situation in this area remains somewhat serious the real danger lies in the immediate future. By the end of the week it was apparent that as far as the Reds were concerned the situation had resolved itself into one analogous to that which existed in Szechuan last year. That is, the Reds will not be permitted to take any large cities or important towns but the surrounding districts

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and small villages will suffer and meanwhile, Chiang will be utilizing his Central Government troops to consolidate his position in the province. Just how long the Japanese will permit such a condition to exist is unknown but it is unlikely that they will wait very long before taking action.

2. Hopei-Northern Honan-Shantung

5/ The reason for Shang Chen keeping part of his 32nd Army in Hopei was explained when information was obtained through a local source (from Kaifeng on 8 March) that the Liu Kwei-tang's bandits had made another raid through North China. Using commandeered animals and hugging the mountains, although they were laden with loot and female captives, they succeeded in evading the Government troops until cornered near Shunteh (Hobei) where they were badly defeated by Shang's troops. Fleeing south they were again cornered by Government units and in a running fight between Tzih sien and Wuan, in northern Honan, lost over half their number killed. Pursued by troops in motor trucks they turned east and the remnants, said to number about 300, escaped into the mountainous area of southern Shantung. Liu Kwei-tang is still reported to be hiding in the foreign concession at Tientsin.

3. Hupeh

5/ Information from Nanling on 9 March revealed that the USS Tutuila had been sent from Hankow to Kwangshihkiang, a town of some size about halfway between Kiukiang and Hankow, to investigate and lend protection against a bandit group, said to number about 800 men, which was operating in that vicinity.

6/ Information subsequently received from an official source revealed that such a group had taken two small towns about 20 miles upriver from Kwangshihkiang and the people at that place were afraid that the provincial troops stationed nearby might join them and attack the town. This source reported that most of the bandits had left the area after meeting a force of Government troops but that there had been no fighting.

4. Fukien

There have been reports of banditry and other outbreaks in eastern and southern Fukien. The local Chinese press has recently been publishing many articles in which the Japanese are accused of fomenting these incidents and of furnishing money, arms and ammunition to disaffected cliques and former bandits.

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5/
 Information recently made available to this office by a local source, received from Amov, reports that one such group, described as a remnant of the former "People's Government", headed by one Kao Sing-shiao, has been conducting extensive bandit activities in three districts of eastern Fukien near Foochow. On 24 February this group held up three busses near Foochow capturing 30 people and killing two. Some of the captives (women) were later released and at present Government troops have surrounded the district and are endeavoring to effect the release of the balance. This report stated that Kao had recently returned from a visit to Formosa and it is suspected that his present activity is due to help (money and arms) he secured then.

In southern and western Fukien an organization known as the Young Peoples Salvation Alliance has been formed (see political section this report). This movement has small groups scattered over many districts in these areas. Minor outbreaks have occurred at Yungstun and Anhui. Government troops are actively suppressing this movement and in a recent raid at Anhui, after a severe fight, two suspected leaders were captured and a large supply of arms and ammunition found. The report stated that these arms have been smuggled in from Formosa and that the movement is being supported by the Japanese.

7/
 Information from another reliable source reveals that there has been considerable movement of Central Government troops in Fukien during February. Two divisions, the 56th under General Liu Ho-ting and the 90th under General Chen Chi, have been moved from the south central to the north central area of Fukien while the 4th division has been moved into southeast Fukien. These units have been placed under command of General Chiang Ting-ven (this man is in command of the Reserve for the recently formed Southern Route Army - see last week's report, page 4). Further, that the 88th division, General Shun Yuan-liang was moved from Kiukiang (~~Lu~~) to Tingchow in Fukien (see last week's report, page 4 and report for week ending 16 February, page 7) and that the 16th Regiment of Artillery, under General Chia Ching-hai, was transferred at the same time (between the 6th and 15th of February) but did not move into Fukien having stopped at Hangchow where it is now stationed.

5. Western Szechuan

Government reports from Chengtu on 6 March announced the capture of Mowkung with the Reds moving northwest toward the Sikang border. The report places their strength now at between twenty and thirty thousand men. According to the latest reports from Tachien-lu, early February, that city is still holding out.

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5/ There appears to be considerable justification for the Government's claims of success against the Chu-Hsu Reds. A letter recently received by a local foreign news agency from a correspondent at Chungking states that the Szechuanese provincials have at last made a determined effort to fight the Reds. The recent victories reported against the Reds have been actually very extensive. Some 2,000 Reds were killed, over 1,000 taken prisoner and about 2,000 rifles and 75 machine guns captured. The writer said that their unexpected and unusual spirit, which resulted in these successes, was due to the fact that they have been receiving their pay regularly. It seems a new system of paymasters has been inaugurated. These men are responsible only to Headquarters so that no money is allowed to pass through general or division commanders.

7/ The source mentioned in connection with the troops movements in Fukien also reported that the 58th Army (105th, 106th, 107th and 108th Divisions - total 40,000 men) under General Liu Tu-chuan has been moved from northern Hupeh into Szechuan. These troops were moved to Hankow and from there by ships of the Hing-Seng Navigation Company (Min-Tsung, Min-Foh, and Min-chiang) to Ichang and then to Chungking during February.

6. Kweichow

There has been little news of the Ho Lung Reds. A Reuter's report on 3 March stated that the Red columns last reported headed west into Yunnan and southwest towards Weining had turned back towards Pichieh in Kweichow.

In an interview at Hankow on 8 March General Ho Chien, Chairman of Hunan, stated that the Reds had changed their tactics and were now spreading out over sparsely populated areas in order to block any concentration of Government troops against them. A rather indefinite report from Kweiyang on the same date stated they were in western Kweichow and by its wording appeared to indicate they were moving west again.

Nothing more has been heard of their movement north toward southern Szechuan and it is very likely that Ho Lung has turned back, but he probably has considerable forces in northwest Kweichow and may be heard of next in most any direction.

formerly
 105 Div
 106
 107
 108
 now all 58th AC
 entered 8/

57AC
 57AC
 67AC
 57AC

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II. SHANGHAI

1. Student Demonstrations

Celebration of the International Women's Day, March 8, was marked by a number of student demonstrations both in the International Settlement and the French Concession. The demonstrations culminated in two clashes with the French Concession police, one taking place at the corner of Fukien Road and Avenue Edward VII and the other at the junction of Rue du Consulate and Rue Tourane. Eight of the students were injured, two quite seriously. No arrests were made by either the Settlement or the French Concession police, causing a good deal of comment in the local Japanese press to the effect that in view of no arrests being made the demonstrators may become more active in the future. The Japanese community, the press declares, is seriously concerned over the fact that these demonstrators shout anti-Japanese slogans and in the demonstration of 8 March, distributed a number of anti-Japanese handbills.

2. Martial Law Order issued to local schools.

On 2 March, copies of an official order relating to the activities of students were issued to educational institutions in Chinese territory by the Woosung-Shanghai Garrison Commander's Headquarters. The order states that in accordance with the rules governing martial law, promulgated by the National Government, all students shall confine their attention to studies and that the forming of organizations, holding of meetings and processions, or any other activities liable to endanger peace and order are prohibited. The order concludes by stating that the principal of each school will be held responsible for the conduct of the students under his care.

On 4 March, copies of an order identical with the above, were distributed to Chinese middle schools and colleges in the International Settlement by the same authority.

3. Japanese file protest with City Government

A protest against the renewal of anti-Japanese activities here was filed with the Government of the Municipality of Greater Shanghai by the Japanese Consulate-General on 4 March, according to statements appearing in the local Japanese press. The protest was made by Consul Arata Sugihara, during an interview with General Wu Teh-chen, Mayor of Greater Shanghai, and asked for "more sincerity" in suppressing the anti-Japanese movement.

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4. Shanghai Volunteer Corps Maneuvers

"A" Battalion of the Shanghai Volunteer Corps carried out an extensive military exercise on 8 March, "B" Battalion being scheduled to execute the same exercise, which involved a defensive scheme, on 22 March. The following units took part in the maneuver: "A" Company, "B" Company, Shanghai Scottish Company, Jewish Company, Air Defense Company, Signal Company, Transport Company and the Interpreter Company.

5. Japanese Naval Landing Party Maneuvers

Between 1 p.m. and 3 p.m. March 5, 1936, approximately 150 men of the Japanese Naval Landing Party carried out maneuvers in Yangtszepoo District. The party was divided into two companies, attacking and defending. The defending company, consisting of 30 men armed with rifles and machine guns, took up a position along the roadways east of Lengcheng Road and at 1 p.m. the attack commenced. The attacking party consisted of 120 men, armed with rifles and machine guns, and at 3 p.m. the objective (Paton & Baldwin's Factory, Paoyang Road) was taken. Throughout the maneuvers blank ammunition was fired and smoke bombs were used to simulate gas attacks.

There was no obstruction caused to traffic and no untoward incident reported.

R. A. Boone
 R. A. BOONE.

JCB-gwj. 1st Endorsement. 12 March, 1936
 Headquarters, 4th Marines, M.C.E.F., Shanghai, China.

From: The Commanding Officer.
 To : The Commander in Chief, ASIATIC FLEET.

1. Forwarded.

John C. Beaumont
 JOHN C. BEAUMONT.

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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 P.R./105 FOR #226

FROM China (Lockhart) DATED Feb 11, 1936
 TO _____ NAME _____ 1-1137 ***

REGARDING: Definitive developments during January: Only few-, due to-
 (lists reasons). Student demonstrations: meeting with Gen-
 eral Chiang.

FRG.

793.94/7839

7839

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1. Japan:

793.94
 There were few definitive developments during January in most of those phases of Sino-Japanese relations which had been of primary interest during December, due not only (1) to the continuing disinclination of the Chinese military leaders of North China to yield to Japanese pressure for further autonomy and (2) to the (apparent) lack of a definite policy on the part of the National Government but also (3) to the fact that the Japanese regarded as important the celebration of the Sino-Japanese Year holidays of early January and the Chinese Lunar New Year holidays which began this year on January 24.

c. Student representation: Meeting with General Chiang:

793.94
 In response to General Chiang Kai-shek's invitation of December 23 that educational leaders and delegates of stu-

dents

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delegates meet him at Peking. Some 200 student delegates and 100 representatives of educational institutions gathered at the capital. ^{1.} Lack of confidence in the lack of important statements from China's students that such a meeting would be more than an unmeaning palliative was indicated by the formal repudiation by the Peking students' union of statements of Peking institutions who claimed (the books and bedding of the representatives were reported to have been burned by the Union) and by a demonstration in Pientsin of students of Tsinghua University, burned also by a bonfire of books and other articles.

It was understood that the student delegates decided in conference that the two questions in which they were most interested were (1) the time when resistance to Japanese aggression could begin and (2) the extent of China's readiness. They presented certain emotional demands, including (1) the suppression of autonomy movements in North China, (2) the non-revision of text books in North China of Japanese instances, (3) freedom of the press, (4) open diplomacy, and (5) the realization of the wishes by the Government.

General Chiang was reported confidentially to have made a militant address to the representatives, assuring them that war with Japan was only a question of time, a report which it was somewhat difficult to credit because of the absence subsequently of any reaction in the Japanese Press or in statements of Japanese officials in so far as known.

1. Sun Lin's telegram to Department 17, Jan. 16, 1937.
2. Sun Lin's telegram to Department 17, Jan. 17, 1937.

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and n. Whatever General Chiang may have said, it was agreed that an effort was made to create a martial atmosphere, as a result of which some of the representatives gained the impression that a Sino-Japanese conflict during 1936 was almost inevitable while others, skeptical of General Chiang's sincerity, were unimpressed. It became evident, however, before the close of January that even those students opposed to the Peking action had decided to resume their studies at the end of the winter vacation, presumably for a variety of reasons, including perhaps their realization that they could act more effectively as students in attendance at schools than as students dispersed to their homes. There was little cause for a belief that General Chiang had eliminated the probability that the students would express themselves again in the future.

As for student demonstrations during January, there were fewer than in December. The most serious occurred at Canton on January 13 when police fired on students of the Sun Yat Sen University who were demonstrating against the Japanese policy of the National Government.¹² Several students were wounded and one or more were reportedly killed. Martial law was in force as a result until January 23. Students of the University of Peking severely injured a man who was thought to be a spy attending a student meeting on January 8, and it was understood that several thousand students had marched on the preceding day to the Sun Yat Sen Mausoleum in protest against policies of the Government.¹³

Three

12. Canton's telegram to Department, Jan. 14, 3 p.m.

13. Peking's telegram to Department, 8, Jan. 9, 3 p.m.

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Three thousand students paraded January 1 at Yunnanfu, having previously decided to organize the "Yunnan Students' Patriotic Movement Association", and presented manifestoes and open letters to an official who promised to deliver them to the provincial chairman. This movement was presumed to be unofficially encouraged, if not inspired, by the provincial government as otherwise it could scarcely have taken place.¹⁴ Meanwhile the students at Beijing were quiet, with the exception that some two or three hundred students left the city January 3 to lecture in outlying areas against autonomy and Japanese imperialism, returning to Beijing by January 15 without any grave incidents having taken place.¹⁵

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DOCUMENT FILE

NOTE

SEE 894.00 P.R./98 FOR #1693

FROM Japan (Grew) DATED Feb 21, 1936
 TO NAME 1-1157 ...

REGARDING: Sino-Japanese relations: No change in general trend. Brief outline of the specific developments and events for the month of January.

FRG.

793.94/7840

7640

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II. RELATIONS WITH OTHER COUNTRIES.

(a) China.

793.94
 There was no change in the general trend of Sino-Japanese relations. The specific developments and events for the month of January may be briefly outlined as follows:

Apparently the Japanese came to no definite decision on the Chinese proposal of December 27 for negotiations toward a readjustment of Sino-Japanese relations and the formation of a Sino-Japanese committee to that end.** According to press reports, the Japanese authorities continued to be reticent in this matter because of the alleged desire on the part of the Chinese to utilize the proposed
parley

* Embassy's despatch No. 1654 of January 24, 1936.

** Monthly Report for December and Embassy's telegram No. 7 of January 9, 1936.

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parley for bringing up issues in which Japan is not interested at the moment, such as the principle of Sino-Japanese equality and reciprocity, the abolition of unequal treaties, cancellation of foreign rights to station troops on Chinese soil, and return of the foreign "settlements" to China. According to press reports, the Japanese Foreign Office, although favorably disposed toward the projected conference, was of the opinion that China must first eliminate the present tension between the two countries before any definite decision could be reached by Japan.

Japan's three-point program toward China, much discussed since the early part of October, 1935,* was for the first time officially and publicly enunciated in Mr. Hirota's address before the Diet on January 21. On this occasion the Minister for Foreign Affairs outlined Japan's policy as follows: (1) Cessation by China of all unfriendly acts and China's active and effective collaboration with Japan; (2) regularization of relations among Japan, "Manchukuo", and China, the first step of which should be the diplomatic recognition of "Manchukuo" by the Chinese Government, pending which recognition temporary measures should be devised for the prevention of any untoward incidents in the relations among the three countries; (3) Japanese cooperation with China for the eradication of Communism in China. It is pointed out by observers that Mr. Hirota was the first responsible Japanese official to suggest openly to the Chinese that they recognize "Manchukuo". Toward the end of the month the Minister for Foreign Affairs told a certain Chief of Mission in Tokyo that he realized

that

* See Monthly Report for October, 1935.

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that under present circumstances China could not possibly recognize "Manchukuo" but that he hoped for eventual recognition through a gradual development of the situation.*

According to a Nippon Dempo (news agency) despatch from Peiping, dated January 14, and a Domei (news agency) despatch from the same city dated January 20, the Hopei-Chahar Political Council requested the Japanese garrison in Tientsin to assign Japanese advisers to the Council. The Hopei-Chahar régime, under the chairmanship of Mr. Sung Che-yuan, became increasingly autonomous in accordance with Japanese desires.** However, upon his arrival in Japan on January 29, Colonel Takashi Sakai, former Chief of Staff of the Japanese garrison in North China, was quoted by the OSAKA MAINICHI as having stated that the new régime in North China was not functioning smoothly; that the amalgamation of the Hopei-Chahar Political Council and the East Hopei Anti-communist Autonomous Government was impossible under present circumstances; and that "there will be a day when General Chiang Kai-shek will come to know that his Government is nothing more than one of the local governments in a vast territory."

It was reported by the press that the Nanking Government had decided to appoint Mr. Hsu Shih-ying as Ambassador to Japan in succession to General Tsiang Tso-ping, and that the Japanese Government had signified its agreement to this appointment.

According to the newspapers, a Japanese policeman attached to the Japanese Consulate at Swatow was shot and killed by an unidentified person on January 21. The

Japanese

* Embassy's telegram No. 19 of January 30, 1936.

** Peiping's telegram No. 18 of January 15, 1936.

0396

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Japanese cruiser UBARI, accompanied by two destroyers, arrived at Swatow on January 22 as a "precautionary move", and on the same day a formal note of protest and warning against a repetition of similar incidents was handed to the Mayor of Swatow by the Japanese Consul.

The Japanese branch of the Japan-China Trade Council was, according to the JAPAN TIMES of January 27, founded on that date and Mr. Kenji Kodama, President of the Yokohama Specie Bank, was elected President, and Mr. Ichiji Iio, Chairman of the Guild of Japanese Spinners in China, was elected Vice President.*

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Mukden/100 FOR #-

FROM Mukden (Ballantine) DATED March 9, 1936
 TO NAME 1-1127 ...

Sino-Japanese relations.

REGARDING: Reaction to Tokyo assassinations; relinquishment of extrality;
 Japanese and Korean immigration.

FRG.

793.94/ 7841

7841

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B. Relations with Japan:

1. Reaction to Tokyo Assassinations:

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(48 5-10)

A mild censorship of both incoming and outgoing communications was established in Mukden on February 26 by the Army authorities as soon as news was received of the Tokyo coup. News articles in HOKUTSU and in the vernacular press were restricted to the official communiqués issued in Tokyo, most of which had already been broadcast from Tokyo. The Mukden telegraph office on February 27 refused to accept an uncoded telegram in "cablese" filed by the local representative of the ASSOCIATED PRESS, which described local reactions to the Tokyo affair. The Mukden telegraph office also received instructions not to accept any code telegrams from business houses unless they were of a strictly commercial nature, and two British firms were at first requested to furnish translations of code telegrams which they wished to send. The telegraph office, however, finally accepted the firms' assurance that the telegrams did not discuss political matters, and apparently despatched the telegrams. The telegraph office
 accepted

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accepted the Consulate General's telegram of February 27, 3 p.m. concerning the Burns' case, and subsequent telegrams without question.

On March 1 the police section of the Kwantung Bureau published a notice that meetings of the Japanese public in Manchuria were prohibited for one week, with the exception of celebrations of the founding of "Manchukuo" on March 1. The same authority on February 29 had also issued a notice that the police in Manchuria would strictly control undesirable elements and if necessary would arrest undesirables. So far as the Consulate General could observe, police forces were not increased and no restrictions were placed on street traffic, theatres, et cetera.⁴

Most civilian Japanese guardedly deplored the affair as injuring the good name of Japan in foreign eyes, and hoped that the moderate faction in Tokyo would gain control. Chinese "Manchukuo" officials appeared to be apprehensive that the coup would result in stricter military control of "Manchukuo" (though it is difficult to imagine a stricter control than that exercised by the Kwantung Army for the past four years) and in a stronger and more reckless policy in North China, Mongolia, and toward the U.S.S.R. The Japanese military displayed great interest in my sources of information from Tokyo and in my opinion of the affair; they appeared to be much busier and occupied with conferences than usual, "regretting" social engagements previously made, so that I have as yet been unable to obtain the opinions of the more responsible high-ranking

⁴My telegram of February 29, 11 a.m.

officers

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officers. The civilians employed by the military as foreign spokesmen in conversations with local journalists, appeared to deplore only the abortive nature of the coup and the failure of the assassins to observe traditional Japanese protocol in not immediately giving themselves up to the authorities after their "purge".

The Japanese editor of the leading Chinese language daily newspaper published on February 28 an editorial, surprisingly frank in view of the military domination of Manchuria, stating that the men assassinated, especially Takahashi, were statesmen not inferior to those in any other country, and not easily replaceable; describing the affair as an "atrocity ten times as serious as the May 15th incident"; quoting a proverb that "Soldiers are like fire, and if not restrained will burn by themselves"; and regretting that these "simple-minded military officers of brute force" had not been restrained.

2. Relinquishment of Extraterritoriality:

According to Tokyo despatches, July 1, 1936 has been definitely decided upon as the date for the institution of "Manchukuo" taxation and industrial regulation of Japanese firms in Manchuria, and October 1, 1937 for the complete rendition of all extraterritorial rights. These reports state that all Japanese banks and companies will be "treated as foreign institutions" after July 1, and that "Manchukuo" will tax the South Manchuria Railway Company after that date. As regards the enforcement of industrial legislation, presumably the prospective treaty between Japan and "Manchukuo" would provide that Japanese consular courts would

apply

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apply "Manchukuo" law during the transition period between July 1, 1936 and October 1, 1937. The reports concerning the taxation by "Manchukuo" of the South Manchuria Railway Company can hardly be expected to improve the present weak market for South Manchuria Railway securities.

Civilian Japanese in Manchuria continued during the month to agitate for a postponement, or at least a "gradual enforcement", of the authorities' rendition program. On February 4, the chairmen of the Japanese Chambers of Commerce at Dairen, Mukden, Harbin and Antung met at Hsinking and called upon the State Council, the Department of Finance, the Japanese Embassy, the Kwantung Bureau, and upon Kwantung Army Headquarters, to present the resolution passed in Mukden by the Chambers of Commerce on January 22.⁵ According to press reports, the authorities assured the delegates that the taxation policy would be gradually enforced in order to avoid "unreasonable" taxation of Japanese firms, and the delegates were satisfied with the reply.

On February 26 a meeting of administrative chiefs from all of the cities in the railway zone was held at the Mukden South Manchuria Railway Club. The meeting was agreed that Japanese administrative rights in the zone should be retained, but that if rendition to "Manchukuo" was necessary, the zone should be made a special administrative area; that "Manchukuo" taxation in the Zone should be enforced "on a progressive basis", and should not be higher than the rates now fixed by

⁵My political review for January, page 3.

the

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the South Manchuria Railway Company; and that the educational system in the zone should be maintained as a separate organization, and entrusted to the Kwantung Bureau rather than to "Manchukuo", so that Japanese education might receive adequate financial support and be maintained at the same level as education in Japan proper.

It was also announced during the month that "Manchukuo" would construct new prisons, designed for Japanese criminals, in 23 principal cities in Manchuria, and that the "Manchukuo" police would be strengthened by the enlistment of more Japanese than at present; in Fengtien Province 200 Japanese are to be enrolled shortly on the basis of examination held in Mukden on February 24, in which 500 Japanese applicants competed. At this rate of progress the "Manchukuo" personnel making up the police, the courts, and the prison officials in areas populated by Japanese will be almost entirely Japanese within a short time, and the relinquishment of Japanese criminal jurisdiction to "Manchukuo" will be a change in name only.

It is also probable that the Mukden Commercial Settlement will be abolished shortly. This area, situated between the walled city and the South Manchuria Railway Zone, was set aside by the Chinese authorities for foreign residence after the Russo-Japanese War; it has never had the status of a "concession", and its abolition would be merely an administrative reorganization involving little change in the present status of foreigners in Mukden.

3. Japanese and Korean Immigration:

Press despatches announced that 400 Japanese

agricultural

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agricultural immigrants would leave Japan during February, sailing from Tsuruga and destined to settle at Mishan near the eastern Siberian border; that they would receive Yen 80 each as traveling expenses and Yen 5 a month during the first year from the Overseas Ministry. The despatches stated that the Manchuria Colonization Company would supervise their settlement, but did not state whether the company would add to the subsidy of the Overseas Ministry. It was also stated in the press that the Overseas Ministry would charter a new Yen 50,000,000 semi-official company to cooperate with the Manchuria Colonization Company; that 100,000 Japanese agricultural households (presumably arranging between 4 and 5 persons) would be settled in Manchuria by 1950; and that the Japanese Government would contribute a maximum of Yen 1,300 per household, or Yen 500 to an individual.

The vernacular press also announced that the authorities expected 800,000 Koreans to migrate to Manchuria, principally to Kirin Province, during the next fifteen years, 300,000 of whom would receive government subsidies. A census of the Korean population indicated a 25 percent increase in Kirin Province during 1935, and an 11 percent increase for all of "Manchukuo". The total Korean population of "Manchukuo" was estimated at 792,214, 441,215 of whom lived in Chientao Province.

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/98 FOR #102 to Embassy

FROM Canton (Spiker) DATED March 10, 1936
 TO NAME 1-1197 ...

REGARDING: Sino-Japanese relations during month of February, 1936.

FRG.

793.94/7842

7842

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B. Relations with Other Countries:

1. Japan:

(a) Increased Apprehension with Respect to Japan:

New excitement and apprehension with respect to Japan were aroused in consequence of further visits to Canton of prominent Japanese military figures, reports of the outbreak of an allegedly Japanese engineered autonomy movement in Fukien, claims of Nanking's acceptance

of

¹ Despatch No. 92 of February 21, 1936, to the Department.

793.94
(792-8)

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of Hirota's Three Point Program, and news of the military coup in Japan.

(b) Anxiety over Swatow Situation and Fukien
 Autonomy Movement:

While it appeared near the close of the month that the tension at Swatow had been momentarily cleared by a settlement favoring the Japanese, anxiety over the situation at that port and irritation at increasing Japanese smuggling activities there continued to worry local official quarters.

More serious concern in both governmental and financial circles was aroused in consequence of the outbreak of an "anti-Nankin autonomy movement" in South Fukien near the Kwangtung border, which several local high officials asserted unreservedly was being instigated by Japanese and Formosans. According to press reports, a number of military units garrisoned near Canton have been despatched to the East River district of eastern Kwangtung as a precautionary measure and a conference to formulate plans for defense of that area was recently convened at Canton by Marshal Ch'en. In the course of a vehement public speech which he delivered about two weeks ago demanding resistance to Japanese aggression, Chou Lu, Chancellor of Sun Yat-sen University and Kuomintang leader, openly accused Japan of definite designs to carry her imperialistic activities to Fukien and other parts of South China.¹

(c) Further Visits of Prominent Japanese Military
 Figures:

Visits of important Japanese military leaders,

which

¹ Despatch No. 96 of February 21, 1936, to the Embassy.
 Telegrams of Feb. 14, 11 a.m. and 27, 2 p.m.

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

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which have occurred with significant frequency during recent months, continued to be an increasingly noticeable feature of Sino-Japanese relations in the Southwest and aroused anxiety in local Chinese circles. Vice Admiral R. Oikawa, newly appointed Commander-in-Chief of the Japanese Fleet in China, came to Canton on February 3rd and stayed for four days. He is reported as having dined with Marshal Ch'en Chi-t'ang and having also met Marshal Li Tsung-jen; and the Japanese Consul General held a reception in his honor which was attended by the consular corps and an unflatteringly unimportant delegation of Chinese officials. The local press asserted that he had come to Canton for the express purpose of persuading Hu Han-min to endorse a Pan-Asiatic anti-Occident policy and intimated that Hu had rejected his request for an interview. The Admiral denied these allegations and also rumors that his visit was for the purpose of pressing demands in connection with the shooting of Japanese consular policeman Tsunoda at Swatow. His explanation that he came to Canton purely on a friendly call appeared somewhat unconvincing, however, in the light of a despatch from Tokyo published under date line of February 19th in the CANTON DAILY SUN to the effect that his Chief of Staff, Rear Admiral Iwamura, having just completed "an inspection tour" of various Chinese ports (including Canton) had immediately returned to Tokyo and personally reported to the highest Naval and Foreign Office authorities, his report being understood to include recommendations regarding the adoption of a unified policy towards China

by

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by all Japanese services in that country in order to prevent recurrence of unfortunate past instances of divergent action.

Rear Admiral I. Hosokawa, commander of the Fifth Japanese Destroyer Squadron, also made a "friendly" call at Canton during the month.

During the latter part of February the Southwest was further favored with a visit by a distinguished "retired" Japanese military officer in the person of General Iwane Matsui, Councillor of the Tokyo War Office "until recently" and, according to the press, founder of the Pan-Asiatic Federation and a close personal friend of Sun Yat-sen, Hu Han-min and Li Tsung-jen. The General is quoted as stating that he visited Canton in purely private capacity with "no special mission except to persuade Chinese leaders to support" his "Pan-Asiatic Federation", and that, while adjustment of Sino-Japanese relations might proceed on Foreign Minister Hirota's Three Point Program, genuine friendship between the two countries could be promoted through adoption of the principles of the Federation. During his stay of one week he is reported as having been busily occupied in interviewing Southwestern civilian and military leaders; and, consistent to the recent Japanese policy of showing particular favor to Kwangsi, he went to the trouble of making a special trip by airplane to Nanning in order to explain his views to General Pai Chung-hsi (白崇禧) and the Kwangsi Provincial Chairman. Commenting on his interviews with Marshal Li and Hu Han-min, he is quoted

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as stating:

"We discussed the Pan-Asiatic Federation. I started this some ten years ago, and Dr. Sun Yat-sen was then also championing the same cause. We had much in common. On the basis of the Pan-Asiatic movement, Sino-Japanese relations can be placed on a happier footing. On my way here by train, I saw many anti-Japanese posters along the railway stations, but in my conversations with government leaders here I did not notice any hostile sentiment against Japan and was informed of the ways and means of improving friendly relations of the two countries".

(d) Violent Denunciation of Three Point Program and Nanking Foreign Policy:

Whatever consideration may have been privately accorded to his arguments by any of those interviewed, however, it soon appeared from the press that his efforts to enthrone Southwestern leaders were on the whole anything but fruitful. The Civilian Group "Triumvirate", Hu Han-min, Hsiao Ko-cheng and Cho Lu, promptly proclaimed their invulnerability to the General's endeavors by publishing in the press allegedly verbatim records of the respective responses they had made to him. These utterances, together with other public statements which each of them made shortly before or after, and an interview given by Marshal Li Tsung-jen about two weeks earlier constitute the most prolific outburst of violent public denunciation of Japan and the Nanking Government and definite annunciation of foreign policy (more particularly with regard to Hu) which has been heard from the Southwest for many months. The statements of the three civilian leaders are all of similar character, being devoted mainly to caustic criticism of the Central Government for its supineness in the face of the Japanese occupation of Manchuria, indignant charges of Japanese deceit and reckless imperialistic policies

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policies, scathing rejection of the Japanese Pan-Asiatic doctrine championed by General Matsui as the antithesis of Dr. Sun's principles, ridicule of Hirota's Three Point Program as tantamount to reduction of China to the status of Korea, and scornful censure of Nanking for its reported willingness to negotiate on the basis of such program instead of actively resisting Japan. Marshal Li's contribution was along somewhat different lines, consisting chiefly of sarcastic references to Nanking and energetic denial of recent rumors of Kwangsi leanings towards Japan. Since the statements are of considerable length and appear worthy of separate treatment as constituting, together with other signs,¹ convincing evidence of the Southwest's definite challenge of the Three Point Program and abandonment of rapprochement with Nanking in favor of a revived policy of defiance, they are being treated in detail in a special despatch of today's date.

(e) Southwest Telegraphs Nanking against Three Point Program:

In addition to the public utterances above cited, the press has devoted much space to Hirota's program and the coming Sino-Japanese Conference at Nanking, and a further expression of the Southwest's increased distrust of Chiang and apprehension of Japan occurred on February 25th when the Southwest Political Council and Southwest Executive Committee of the Kuomintang jointly despatched a telegram to the Central Government demanding rejection of the Three Point Program on the ground that its acceptance would reduce China to the status of a Japanese protectorate.

(f) Local

¹ See, for example, telegram of Feb. 14, 11 a.m.; also commercial section of this despatch; and despatch No. 26, Feb. 21, 1936.

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(f) Local Concern over Japanese Military Coup:¹

The local authorities evinced considerable concern over news of the assassinations of Finance Minister Takahashi and other distinguished Japanese statesmen and appeared to be of the opinion that success of the responsible younger military clique in influencing Japanese policy would greatly accelerate expected Japanese aggression in Fukien and later in the Southwest.

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DOCUMENT FILE

NOTE

SEE 800.43 International Federation FOR Despatch #1630 Political.
 of League of Nations Societies/28

FROM Geneva (Gilbert) DATED March 24, 1936.
 TO NAME 1-1127 ...

REGARDING: Draft Resolution concerning Japanese encroachments in
 China to be considered by League of Nations
 Societies. Transmittin~~g~~ Copy of-.

jw

793.94 / 7843

7843

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

QUINTUPLICATE

1930 Edition

London, Scotland. March 24, 1936.

Enclosing Copy of Draft Resolution
 concerning Japanese Encroachments in
 China to be Considered by League of
 Nations Societies.

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

I have the honor to transmit herewith a copy of
 1/ draft resolution concerning Japanese aggressive action
 in China which was discussed at a recent meeting in con-
 vention of the International Federation of League of Nations
 Societies.

This resolution was introduced by the French League
 of Nations' Federation and, although its adoption was
 opposed by the representative of the Japanese League of
 Nations Association, it was decided that the question
 should be referred to the Federation's members for fur-
 ther study.

While similar action has on some occasions been a
 means of avoiding a disputed issue, it was decided in
 this case to place the question on the agenda of the
 next annual Congress of League of Nations Societies
 which meets at Glasgow, Scotland, on June 1 - 4, 1936.

and

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and to continue the discussion of the French Federation's draft resolution at that time.

For this reason it was seemed appropriate to bring the text of the draft resolution to the Department's attention, especially in view of its sponsorship by the French Association and its reference to the Nine-Power Treaty and to the Pact of Paris, and, furthermore, in its insistence that the League of Nations put the question of Japan's encroachments in China on the agenda of the next meeting of the Council and that energetic steps be taken by the League of Nations societies to urge their respective Governments to adopt restorative measures in Peking.

Naturally I have no means of appraising the possible influence of this endeavor on governmental action in the respective countries.

Respectfully yours,

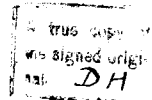
Prentiss B. Gilbert,
 American Consul.

Enclosure:

Draft resolution concerning Japanese relations with China.

Original and four copies to Department of State.
 one copy to American Legation, Bern.
 one copy to American Legation, Peking.

MB/DB



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

DOCUMENT FILE

NOTE

SEE 761.93 Outer Mongolia/9 FOR Tel. noon #84

FROM China(Nanking) (Peck) DATED Apr. 8, 1936
 TO _____ NAME _____ 1-1127 ...

Stating that:

~~RECORDING~~:

China's press communique protesting against the protocol of mutual assistance between Soviet Union and Outer Mongolia was issued to assure Japan that China had not become an ally of the Soviet Union and that she is not ignoring alienation of Outer Mongolia while protesting against Japanese acquisition of Manchuria.

dc

793.94/7844

7844

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

FE
 EE
 AM

LMS

GRAY and SPECIAL GRAY

Nanking via N. R.

Dated April 8, 1936

Rec'd 2:55 p. m.

Secretary of State,

Washington.

84, April 8 noon.

This office's April 7, 6 p. m.

One. It appears likely that the objects of the Foreign Office protest and announcement were (1) to refute indirectly Japanese suspicions that Chinese and the Soviet Union have concluded a pact of mutual assistance, the implication being that (a) a Soviet-Mongolian pact would not (repeat not) have been necessary had a Sino-Soviet pact existed and (b) a protest so strongly worded would not have been made if the Soviet Union had recently become a formal ally of China; (2) to save the Chinese Government's face as much as possible in a situation in which it cannot (repeat not) afford to act except on paper because Soviet friendship is necessary in the event of war between China and Japan; (3) to answer recent Japanese criticism in the press that China has ignored the alienation of Outer Mongolia by the Soviet Union while protesting to the world over the loss of Manchuria; and (4) to keep the record clear for

76193 Oct. 1936

ms 1936

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LMS 2-No. 84, April. 3 noon from Nanking.

for the future.

Two. The Soviet (?) refused to comment on the announcement when approached by an American press correspondent but both Chinese and Japanese officials privately expressed to him views similar to one and two above and a Chinese official intimated that the Chinese Government would not press for a reply if the Soviet Union should ignore the protest, and analogy being drawn with the Chinese protest against the sale of the Chinese Eastern.

Three. To Tokyo by mail.

PECK

CSB

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793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsinan/94 FOR #6

FROM Tsinan (Smith) DATED March 1, 1936
 TO NAME 1-1137 ***

REGARDING: Sino-Japanese relations.

FRG.

793.94/ 7845

7845-

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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
 The number of Japanese airplanes flying over
 Peinan during February was no less than the number noted
 in January; but it is believed that the focus of Japanese
 pressure was never concentrated on General Ben during the
 month under review as it had been during a part of the pre-
 ceding month. General Ben is reported by some of his close-
 est advisors to have devoted practically his entire atten-
 tion this month to the internal reorganization of the admin-
 istration of the province and to other problems which had
 been allowed to go unsettled during the past six months
 when external affairs necessarily occupied so much of his
 attention. General Ben's present policy in dealing with
 the Japanese is reported by two of his advisors on foreign
 affairs to be to stick grimly to the theory of equal justice
 for Japanese and other foreigners and never to permit anyone
 to assume that he is anything more or less than a loyal
 Chinese official friendly toward all and favoring none. In
 this policy he has apparently had the full cooperation of
 M. Sishida, who for the past eight years has been Japanese
 Consul General in Peinan. Even during the height of the
 Shanghai trouble no open anti-Japanese demonstrations were

permitted.

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permitted. General Hon's firmness in suppressing recent anti-Japanese demonstrations is again allowed to enter in this report. No reasonable request of the Japanese authorities would appear to have been refused and apparently no unreasonable requests have been countenanced. There is little question that General Hon was offered great inducements to leave the autonomy movement but it is believed that his firmness and fairness have won for him enough respect and consideration from the Japanese authorities to confine their direct pressure upon him within comparatively reasonable limits. An example of Japanese evasion in dealing with Gen Au-chu may be drawn from his comparative immunity from Japanese pressure during the recent successful Japanese "diplomatic drive" to obtain approval for the early extension of the Tsingtao-Tsienan railway from Tsienan to Changte, Honan.* A further inclination or lack of Japanese intention to create unnecessary friction in Tsienan at the present time might be deduced from the business with which the Japanese Consulate General turned over to the Commissioner of Public Safety the investigation of the murder of a Korean from Pientain named Li Baung (李雄) whose corpse was found by the Japanese authorities in a Chinese home in Tsienan early in the month. The confidential secretary of the Commissioner of Public Safety informed this office that an embarrassment from Japanese pressure was expected although the case was not much nearer solution at the end of the month than it had been at the time the body was found.

* See this office's dispatch No. 16 of February 21, 1936.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 16, 1936.

~~SKH:~~
 SKH:

Nanking's telegram No. 92, April 16,
 5 p.m.

The reference to "Shihchia, Chuang and Shunteh" in the telegram should be corrected to read "Shihchiachuang and Shunteh". Shihchiachuang (also Chengting) is the junction point of the Peiping-Hankow and the Chenting-Taiyuan railways. The significance of Japanese military forces at Shihchiachuang is obvious. They would be in a position to control the only railroad into Shansi. Shunteh, some hundred miles due south of Shihchiachuang, is an important city on the Peiping-Hankow railway. Reference to a map will show that both Shihchiachuang and Shunteh are near the border of Shansi. The former is in west Hopei and the latter in southwest Hopei.

JcV.
 JCV/VDM

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~MSH~~
~~EHD~~
~~MSH~~
~~SKH~~

April 22

*To note Peiping's
 brief forwarding despatch
 which summarizes ade-
 quately the essential
 information in the
 enclosed memorandum.*

JcV.

0422

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

TELEGRAM RECEIVED

GRAY

FROM Nanking (via N.R.)

Dated April 16, 1936,

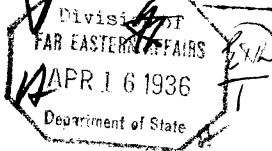
Recd. 7:55 a m

773.94
 note
 893.00



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

Secretary of State,
 Washington.



92, April 16, 5 p m.

One. An officer of the Embassy has just been informed by a Chinese official of Cabinet rank that the Hopei-Chahar Council has agreed to the formation of a Sino-Japanese "anti-Communist" commission including Sung Che Yuan as head and Matsumuro as member and that under the terms of the agreement Japanese troops may proceed as far as ^{Shihchiachuang} Shihchia, Chuang and Shunteh, Hopei, as Hopei is considered to be threatened by Communist forces. This statement has not (repeat not) been verified by other sources.

793.24/7846
 FILED
 APR 13 1936

Two. Repeated to the Department, Peking, Tokyo.

PECK

WSB

1.37-1

FD

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

TELEGRAM RECEIVED APR 20 1936
 DEPARTMENT OF STATE

RR

1-1338

FROM

Peiping via N. R.

Dated April 16, 1936.

Received 10:40 a. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 APR 16 1936
 Department of State

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

191, April 16, 3 p. m.

Embassy's 168, April 3, noon.

One. Major General Matsumuro established his office at Peiping on April 10. The Japanese Embassy now states that this office is under the North China garrison and not (repeat not) under the Tokyo general staff. Matsumuro and Sung Che Yuan are in Tientsin.

Two. Sung apparently continues his policy of procrastinating to the greatest degree possible in meeting Japanese desires. Sung's purpose is evidently to maintain his present status quo as long as possible.

Three. Preparations for inauguration of reconstruction and communications committees under the Hopei - Chahar Political Council are being made slowly but the dates of inauguration have not yet been fixed. It is understood that the Japanese military hope that these committees will accelerate Sino-Japanese economic cooperation. It is doubtful, however, whether much can be expected of the committees for the reasons that the committees will probably procrastinate and that neither Chinese nor Japanese capital seems

793.94/7847

APR 23 1936

F. L. M. D.

F/EG

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191 April 16, 1936, from Peiping

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to be available at present for effective support of significant project.

Four. The economic committee of the Council decided on March 21 to urge the Ministry of Railways at Nanking to issue a permit for the construction of a private narrow gauge railway from Kalgan to ^QBolonor and referred to economic advisers for study a proposal for readjustment of the Lungyen iron mine in Chahar. The action of General Sung's regime in respect to these projects in which the Japanese are interested illustrates that regime's methods of attempting simultaneously to please the Japanese and to delay.

Five. Notwithstanding the situation described above, there is evidence of a steady Japanese economic and social penetration into Hopei and Chahar, such as (1) the continued smuggling of Japanese produce into China through Yin Ju Keng's area, (2) expanding trade by Japanese and Koreans in Hopei in opium and other narcotics, which is being extended to towns in Chahar and Suiyuan Provinces, according to foreigners resident there, (3) establishment of Japanese owned bus lines in Northern Hopei, (4) activities for improvement of cotton production, (5) establishment of various Japanese investigation organs and (6) intended improvement of the Peiping-Mukden Railway installation at Shanhaikwan at a reputed cost of \$600,000 (Chinese currency).

Six. The attitude of the Chinese military leaders

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in North China indicates that the Japanese will be unable to effect the establishment of a regime of the degree of autonomy and geographical scope which they presumably still desire unless they are ready to threaten the Chinese leaders with the use of armed force or to run the risk of using armed force.

Seven. According to a competent press correspondent who has just visited Kalgan and Kueihwa the ^{foreign residents} ~~people~~ of those provinces do not expect a forward movement into Suiyuan by Japanese controlled Mongols of Chahar for some time.

By mail to Tokyo.

CSB

JOHNSON

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

April 11

S.H.P.

Coville's memorandum
 on the Lada statement
 is immediately under
 the draft telegram.

Coville's memorandum
 (bottom of p5) recommends
 that Dept. endeavor
 to obtain copy of
 article in this Japanese
 newspaper.

H.

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DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS
MEMORANDUM

1936 APR 16 AM 9 20

March 28, 1936.

THE TADA STATEMENT

793.94

Reports agree that on September 24, 1935, Major General Hayao Tada, commander of the Japanese military garrison at Tientsin, made some sort of statement of Japanese policy in China. This has come to be called the Tada statement. No text has been officially released. The present memorandum has to do with what the Tada statement was. (For background see FE memorandum of December 28, 1935, Evidence of Japanese Initiative in the Autonomy Movement in North China, pages 2 and 3.)

With regard to the Tada statement the American Embassy at Tokyo in despatch No. 1499, October 3, 1935, ascribed to "a Foreign Office official" the following information:

In the course of a visit to Peiping and Tientsin of a party of Japanese business and newspaper men, General Tada tendered the members of the party a luncheon, during which an informal discussion took place of various questions affecting Sino-Japanese relations in North China. After the lunch, the newspapermen consolidated the various informal remarks of General Tada into a so-called "statement", which was telegraphed to Japan . . .

The Consulate General at Tientsin (despatch of October 9, 1935) was told by "a well-informed observer" that a pamphlet

of

Division of
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 Department of State
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793.94/7843

FILED

F/FG

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of considerable length was passed out during the interview. The Consulate General reported also that on September 26 General Tada definitely told a NEW YORK TIMES correspondent that "there was not one copy (of the statement) in the Japanese military headquarters at Tientsin".

On September 25, the day following the interview, the KEISHIN NICHI NICHI, a Tientsin Japanese newspaper, printed approximately one full newspaper page purporting to be a summary of a pamphlet given to Japanese newspaper men by General Tada. The Department is not in possession of the Japanese text of this newspaper article nor of any translation of it by an American consulate or mission, but the Consulate General at Tientsin submitted (with despatch of October 9, 1935) an enclosure in fifteen typed pages referred to as a translation "made for a local English newspaper from the KEISHIN NICHI NICHI version mentioned". This enclosure opens with the words: "Details of the alleged statement of policy, contained in a pamphlet passed to Japanese newspapermen at a reception by Major-General Hayao Tada, G.O.C. the Japanese Troops in North China, are given in the following summary. The statement, at first described as the 'fundamentals of Japan's policy in China', was published in the Japanese press at considerable length."

THE JAPAN WEEKLY CHRONICLE of Kobe, October 17, 1935,

page

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page 490, contains an article on Japan's China policy in which it is stated that the Chinese Ambassador at Tokyo, General Chiang Tso-pin, visited the Japanese Foreign Minister on October 7 and that "General Chiang also asked whether the statement alleged to have been made public by Major-General Tada, Commander of the Japanese garrison in North China, on September 24th on Japan's new policy toward China truthfully reflected the policy of the Japanese Government. This inquiry elicited from the Foreign Minister the reply that what was called Major-General Tada's statement originally appeared in a certain paper published in Tientsin and was reproduced in some Japanese papers. Mr. Hirota said that he understood that it was later withdrawn by the papers as a misrepresentation of the fact. Beyond this he knows nothing about the matter, Mr. Hirota said."

On December 12 the Department received from China from an anonymous source a document (793.94/7522) entitled "JAPAN'S PLAN TO CONQUER CHINA -- Disclosure Made in Major-General Tada's Statement." This document is a mimeographed compilation in thirty-two pages plus introduction. The introduction bears the subscription "The Association for the Preservation of China's Territory" and is dated at Shanghai, October 25, 1935. The introduction refers to the pamphlet "sponsored" by General Tada and states that

"this

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"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." The body of the compilation occupies twenty-three pages under the title BASIC CONCEPTION OF CHINA and is followed by nine pages under the title AN ANALYSIS by Nugent Rugge.

3
 In the November 2, 1935, issue of J. B. Powell's THE CHINA WEEKLY REVIEW there occurs at page 306 the title "THE BASIC CONCEPTION OF CHINA" AS VIEWED BY THE JAPANESE ARMY, BY MAJOR-GENERAL HAYAO TADA, followed by a verbatim reproduction of the mimeographed compilation of the Association for the Preservation of China's Territory, with the exception of the omission of the introduction, the supplying of a short table of contents, the substitution of the notation "(Contributed)" for "By Nugent Rugge" at the head of the analysis, and the placing of the following notice in italics at the beginning of the article: "(This English version of 'The Basic Conception of China' is based on two published translations, one in the Manchuria Daily News and the other in the Peking and Tientsin Times, and two Chinese translations, one done from the Japanese original published in the Keishin Shimbun, and the other from the original text of the pamphlet. -- Editor)." THE CHINESE

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

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CHINESE WEEKLY REVIEW, then, asserts that its version is based in part on a Chinese translation of the original pamphlet; but this assertion can be discounted on its face, for there would be no need to base the accepted version in part on other less direct sources if it were possible to work from a text known to be a translation of the genuine original pamphlet.

Whatever the origin of the version used by the Association for the Preservation of China's Territory, the mimeographed compilation was apparently given wide circulation. Obviously it has been seen by the author (writing under the name "Scramasax") of an article in the NEW YORK HERALD TRIBUNE of December 29 on the subject of "Japan's Heaven-Sent Mission in China"; and the MANCHESTER GUARDIAN for December 6 quotes verbatim parts of it.

Articles on the Tada statement in the press of Japan which have been reported to the Department are brief in comparison with the KEISHIN NICHI NICHI version, and are not of use in attempting to reconstruct the Tada statement.

It is desirable that the Department be supplied with a copy of the September 25 KEISHIN NICHI NICHI and with an English translation of that version of the statement. It is not unlikely that the KEISHIN NICHI NICHI version is the best text than can be obtained. The Tientsin Consulate

General

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

-6-

General should be instructed to submit it. It was published the day following the interview, before Tokyo's interest in suppressing the statement could be effective in Tientsin; and furthermore it was certainly used in preparing other versions. The PEKING AND TIENSIN TIMES version was probably based on it. This deduction is a safe one because many passages in the version of the Association for the Preservation of China's Territory (which cited the PEKING AND TIENSIN TIMES as one source) are identical with passages in the fifteen-page enclosure to Tientsin's despatch of October 9 (which explained that the enclosure was a translation "made for a local English newspaper from the Keishin Nichi Nichi version."

The various accounts of the Tada statement which have come to the Department's attention severally bear indications of having grown, by translation and retranslation, from the Japanese text given in the Tientsin KEISHIN NICHI NICHI for September 25, 1935. Verbal differences in the various accounts therefore do not have any special significance which warrants their careful comparison. A better approach to the statement would be to obtain and translate that original article. Emphasizing again that the Tada statement is not available in an authoritative text and that publicity about it seems to have resulted from an article in the KEISHIN NICHI NICHI which has not been supplied

DECLASSIFIED: E.O. 11652, 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-

supplied to the Department, and emphasizing particularly that any observations with regard to the Tada statement must be subject to revision after a direct study of the KEISHIN NICHI NICHI article, the following tentative summary of the statement is offered, with brief comments in brackets:

Japan must be the champion of:

(a) The peace of the orient. [This thesis has found frequent expression in the past.]

(b) Emancipation from the oppression imposed by the white races. [This is a deviation from ^{and} ~~the~~ noteworthy aggravation of the idea of Japan as a champion of the Asiatics. This doctrine of emancipation from white oppression is obviously more belligerent and holds a more serious threat.]

(c) A crusade on behalf of the masses of China against Chiang Kai-shek and his militarist and monied supporters, and against China's other evils. In this crusade Japan's moral principles must be of the highest, the independence of the Chinese must be respected as it was respected in the establishment of "Manchukuo", force is to be used when necessary, communism in China is to be recognized as a potential tool of the Soviets and not as a product of the Chinese

people's

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

-8-

people's convictions, and Japan is to abandon its former practice of attempting to obtain its ends by working through individual Chinese leaders. [The particular difference between this item of the Tada program and similar statements in similar previously voiced programs is the degree of outspoken opposition to Chiang Kai-shek. The Tada statement in this regard contains no ambiguity. Chiang is an enemy of China, Japan, and humanity, and should be overthrown.]

(d) As a first essential, the peace and prosperity of north China, for the benefit of Chinese and Japanese alike.

(e) Dissemination in the world of the spirit of Japan. The emperors of Japan have built a righteous nation and have hoped for the unification of moral forces in the world. This is the national spirit. In support thereof, Japanese continental expansion must continue.

cc
FE:CG:LCR:SS

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

TELEGRAM RECEIVED

1-1236

FROM

~~CORRECTED COPY~~
 (from confirmation)

LMS

GRAY and SPECIAL GRAY

Nanking via N. R.

Dated April 16, 1936

Rec'd 4:02 p. m.

Secretary of State,
 Washington.

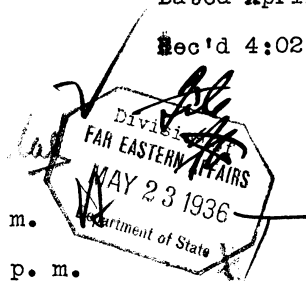
91, April 16, 2 p. m.

My 88, April 10, 2 p. m.

Hankow's April 13, noon to Peiping; and Peiping's
 181, April 11, 5 p. m.

One. Press reports have made it public knowledge that Chiang Kai Shek reached Hankow by gunboat April 10 and left by plane April 13 for Ichang, thence to take ship for Chungking with Chengtu as objective. It is generally believed here that from Chengtu he will shortly fly to Taiyuan and possibly to Kaifeng or other convenient place at which to meet Sung Che Yuan who is reported in the press as planning an inspection trip south from Peiping. Ho Ying Chin remains in Nanking; he has been seen by officers of the Embassy and has accepted an invitation

13-1



795.94/7849

FILED

MAY 25 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

CORRECTED COPY
 (from confirmation)

LMS 2-No. 91, April 16, 2 p. m. from Nanking.

invitation from Admiral Murfin for luncheon, April 19.

Two. A Japanese Embassy spokesman this morning stated to an American news correspondent that Chiang's departure for the west constituted a reversion to Chiang's former policy of evading Sino-Japanese issues by absenting himself from the capital. We have no information tending to confirm this opinion, although it might conceivably be supported by a domei report dated Tokyo, April 14 that General Seichikita, newly appointed Japanese Military Attache, "suddenly changing his plans", will come to Nanking from Tokyo in a few days "apparently because of the repercussions that followed the conclusion of the Soviet-Outer Mongolia mutual assistance pact quoted (reference our 90, April 12, 11 a. m., and previous).

Three. Some Chinese official circles in Nanking, express apprehension in connection with the visit to Tsingtau of sixty Japanese naval vessels reported in the press as arriving at that port today, and the journey to Tsingtau of Han Fu Chu, who according to semi-official Central News Agency reached that port April 14 "to inspect local administration and meet Japanese military and naval authorities". The spokesman cited in paragraph two stated that

159-2

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

CORRECTED COPY
(from confirmation)

LMS 3-No. 91, April 16, 2 p. m. from Nanking.

that the vessels are merely making their routine spring visit to Tsingtau, no significance is to be attached to this maneuver, and the coincident visit of Han is one of courtesy.

Four. One extremely pessimistic high Chinese official who is actively engaged in improving China's military establishment, is reliably reported as having expressed the opinion of himself and others that hostilities are probable within one month and fears that one of the first acts of "the enemy" will be a gas attack upon Nanking from the air. This is reported as possibly interesting because it represents a certain state of mind prevalent in some Chinese Government circles in the capital.

Five. To the Department and Peiping. By mail to Tokyo, Hankow, Tsinanfu, and Tsingtau.

PECK

SMS:NPL

15 9 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

CA

Gray and Spl Gray

NANKING VIA N. R.

Dated April 16, 1936.

Rec'd 10 p.m.

Secretary of State,
 Washington.

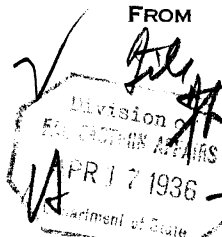
91, April 16, 2 p.m.

My 88, April 10, 2 p.m., Hankow's April 13, noon to
 Peiping, and Peiping's 181, April 11, 5 p.m. /7836

One. Press reports have made it public knowledge that Chiang Kai Shek reached Hankow by gunboat April 10 and left by plane April 13 for Ichang, thence to take ship for Chungking with Chengtu as objective. It is generally believed here that from Chengtu he will shortly fly to Taiyuan and possibly to Kaifeng or other convenient place at which to meet Sung Che Yuan who is reported in the press as planning an inspection trip south from Peiping. Ho Ying Chin remains in Nanking; Soviet-Outer Mongolia mutual assistance pact quoted (reference our 90, April 12, 11 a.m. and previous).

Three. Some Chinese official circles in Nanking, express apprehension in connection with the visit to Tsingtau of sixty Japanese naval vessels reported in the press as arriving at that port today, and the journey to Tsingtau of Han Fu Chih, who according to semi-official Central News Agency reached that port April 14 "to inspect local administration and meet Japanese military and naval authorities." The spokesman cited in paragraph two stated that the vessels are merely making their

routine



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

793.94/7849

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

CA --2-- 91 Nanking Apr 16, 2 p.m.....

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Two. A Japanese Embassy spokesman this morning stated to an American news correspondent that Chiang's departure for the west constituted a reversion to Chiang's former policy of evading Sino-Japanese issues by absenting himself from the capital. We have no information tending to confirm this opinion, although it might conceivably be supported by a domei report dated Tokyo, April 14 that General Seiichikita, newly appointed Japanese Military Attache, "suddenly changing his plans", will come to Nanking from Tokyo in a few days"apparently because of the repercussions that followed the treaty with (?), and the coincident visit of Han is one of courtesy.

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Five. To the Department and Peiping. By mail to Tokyo, Hankow, Tsinanfu and Tsingtau.

PECK.

SMS NPL

129-5

DECLASSIFIED: E.O. 11652, 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

1-1336

FROM

FS

SPECIAL GRAY

Peiping via N. R.

Dated April 17, 1936

Rec'd 7:30 a. m.

Secretary of State,
Washington.

195, April 17, 4 p. m.

Department's 91, April 15, 6 p. m. / 7339

The Embassy forwarded under cover of its despatch
309 of March 13, an English translation of late Chinese
translation of what is believed to be the complete text
of the statement. The account which appeared in the
KEISHIN NICHI is only a summary of the statement.

In view of the foregoing and of the fact that the
Department's telegram does not indicate that the above-
mentioned despatch has come to its attention, the Embassy
desires to know whether the Department still wishes the
instruction to be carried out.

CSB

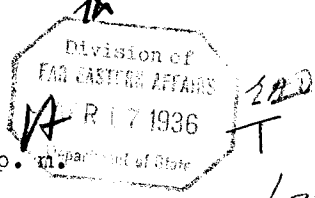
JOHNSON

793.94/7850

MAY 19 1936

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File
May 18 1936
Just to Peiping
4/18

793.94

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

May 18 1936

No. 178

The Honorable

Nelson T. Johnson,
 American Ambassador,
 Peiping.

Sir:

Reference is made to the Department's telegram No. 91, April 15, 6 p.m., requesting that the Embassy endeavor discreetly to obtain a copy of the September 25, 1935, issue of the KEISHIN NICHI NICHI which contains a summary of the so-called Tada statement, and to the Embassy's telegram No. 195, April 17, 4 p.m., stating that a translation of what is believed to be the complete text of the statement was forwarded with the Embassy's despatch No. 309⁷²²⁹ of March 13, and in view of that fact requesting to be informed whether the Department still desired that the instruction given in the Department's telegram No. 91 be carried out.

The Department does not wish in connection with this matter to put the Embassy or the Consulate General at Tientsin to unnecessary trouble or to insist on an effort which might occasion embarrassment to anyone, but the Department would like to have for purposes of comparison and record original copies and translations of any documents or publications which purport to give the text of
 the

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0442

DECLASSIFIED: E.O. 11652, 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 Tada statement or a Japanese-prepared summary thereof,
and the Department will appreciate receiving any such
materials if and as these may without undue effort be
obtained.

Very truly yours,

For the Secretary of State:

William Phillips

793.94/7850

WV
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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. Hueston NARS, Date 12-18-75

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

April 11, 1936.

CONFIDENTIAL.

1936 APR 18 AM 8 56

Subject: The Situation in North China.

S: ☒
 Mr. Secretary:

Significant developments in the North China situation during the week in review were (1) the possibility of a contest between the Chinese Government and the Japanese military for the control of Shansi Province and (2) the Chinese Government's protest and Soviet Government's rejection of the Chinese protest in regard to the Soviet-Outer Mongolian mutual assistance pact which was published in Moscow this week.

With reference to the communist situation in Shansi Province, reports from the Embassy at Nanking indicate that Chiang Kai-shek plans to visit the Province at an early date with a view to utilizing national troops, which appear to have had some success in dispersing the communist forces, as a pretext for consolidating his authority there. Indicative of the Japanese attitude is a report from the Nanking Embassy that the Chief of the Japanese Military Mission in Peiping is understood to be pressing the North China leaders for a written agreement providing for Sino-Japanese military cooperation against the communists.

The Chinese Government protested the Soviet-Outer Mongolian mutual assistance pact, and the Soviet Government rejected

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 APR 2 1936
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

rejected the protest on the grounds that the pact did not violate Chinese sovereignty. To the Nanking Embassy it appeared that the Chinese protest was made to refute Japanese suspicions of a Sino-Soviet understanding and to "save face" and keep the record straight. The Chinese press was critical of the pact and the Soviet Union, and the NEW YORK TIMES suggested the possibility that the Chinese Government would appeal to the League of Nations.

The Embassy at Nanking reported remarks made by the First Secretary of the Japanese Embassy to the Associated Press representative to the effect (1) that the Japanese military does not intend to take decisive steps in the near future vis-à-vis China, (2) that nevertheless Japan will eventually have to use force against China, (3) that Japan insists that China shall make its relations with all nations subordinate to those with Japan, and (4) that the United States is adopting a satisfactory attitude in contrast to Great Britain's refusal to recognize that Japan is the leading power in the Far East.

The Manchuria-Outer Mongolia frontier situation was not a cause for immediate concern during the week although another clash on the frontier was reported by the press. With reference to North China, the NEW YORK TIMES commented that the extent of alienation from Nanking of the Eastern Hopei autonomous regime was revealed by the announcement that this regime plans to exchange diplomatic representatives with "Manchukuo".

JCV
 JCV/REK *m.m./*

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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

FS

GRAY

Nanking via N. R.

Dated April 18, 1936

Rec'd 6:34 a. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS

APR 18 1936

Department of State

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

98, April 18, 11 a. m.

This office's 91, April 16, 2 p. m. / 7849

One. It is reliably reported that Chiang Kai
 Shek reached Chungking by boat from Ichang April 16,
 a highly placed Chinese official states that he is in
 Chengtu today and will proceed soon to Taiyuan.

Two. Repeated to Department and Peiping. By mail
 to Tientsin, Hankow, Tokyo.

WWC:CSB

PECK

793.94/7852

FILED
 APR 22 1936

F8

DECLASSIFIED: E.O. 11652, 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

April 22, 1936.

~~MSM:~~
~~MMH:~~

Although the value to the Department of the information in these reports is fully appreciated, it is felt that together they constitute a good illustration of the regrettable tendency on the part of consular officers in China to send direct to the Department copies of any and all despatches to the Embassy without any thought as to the appropriateness of such action. Properly handled, these four despatches should have been sent to the Embassy only and should have formed the subject of one despatch from the Embassy to the Department summarizing the situation and action taken, with whatever comment seemed called for.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
 April 22, 1936.

MSM:
 EHD:
 MMH:

Four despatches from Tientsin
 (Nos. 161, 162, 165 and 166 of March
 13, 14, 16 and 17, 1936) regarding the
 visit of Major General Nakajima, aide-
 de-campe to the Emperor of Japan, to
 Tientsin.

Despatch No. 161, March 13, 1936,
 describes the occupation of the railway
 station by Japanese in complete disregard
 of the rights of civilians. Consul Ward
 was among those ordered to leave the
 area protected by Japanese soldiers.

Despatch No. 162, March 14, 1936,
 states that the British Consul General
 called on the Japanese Consul General to
 protest the interference with the
 movements of British subjects and that
 he intended to call upon General Tada
 accompanied by the commanding officer
 of the British troops in Tientsin.

Despatch No. 165, March 16, 1936,
 states that the American Consul General
 called upon the Japanese Consul General
 to protest and that the latter expressed
 regrets.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

Despatch No. 166, March 17, 1936,
 states that General Tada's aide called
 on the Consul General to express regrets
 and give assurances that precaution
 would be taken in the future to avoid
 causing inconvenience to Americans.

JCV
 JCV/VDM

0445

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

793.94
100. 161

AMERICAN CONSULATE GENERAL,

Tientsin, China, March 13, 1936.

Subject: Visit to Tientsin of Major General Nakajima.

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

11
Ward ONI MID

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peking.

Division of
FAR EASTERN AFFAIRS
APR 21 1936
Department of State

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

Sir:

I have the honor to report, in confirmation of accounts appearing in this morning's English language and vernacular press, that on the evening of March 12, at 7:35 P.M., Major General Tetsuzo Nakajima, aide-de-campe to the Emperor of Japan, arrived at the West Station in Tientsin.

It is understood that General Nakajima is acting as an "Imperial Messenger" and that he will inspect the North China Garrison.

The principle immediate significance of General Nakajima's visit to this city lies in the manner in which he was received here. For an hour and a half before the arrival of his train, the Tientsin West Station,

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FILED
MAY 18 1936

F/FG

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

- 2 -

Station, situated in Chinese-controlled territory and the principal railway station in Mientsin, was completely occupied by Japanese troops with fixed bayonets, who were also posted for several hundred yards along the road leading to the station. No cars were permitted to drive up to the station itself after 7:00 o'clock and car-owners were not permitted access to their cars if they had happened to arrive before the peremptory suspension of traffic by the action of the Japanese military. Consul Ward of this office was at the station at that time, and he was one of those who was ordered at the point of a bayonet to leave the area marked off as inviolable by the Japanese army authorities. He was present in Mukden several years ago when General Minami made his first visit to that city as the Ambassador of Japan to "Manchukuo" and it is his opinion that if there was any difference between Minami's reception in Mukden and that of Major General Nakaizumi in Mientsin last night, it was due simply to the difference in rank of the person received, and not to any lesser degree of control over the area involved.

Respectfully yours,

J. E. Calawell,
 American Consul General.

800
 ASW:hr

Transmitted in duplicate.
 Five copies to the Department, without covering despatch.
 Copy to the Embassy, Peking.

A true copy
 of the original
 is being
 furnished
 to the
 Department
 of State
 for
 their
 information
 and
 use
 as
 they
 see
 fit
 H 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

No. 162

AMERICAN CONSUL GENERAL,

Tientsin, China, March 14, 1936.

Subject: visit to Tientsin of Major General Nakajima.

Division of
 FAR EASTERN AFFAIRS
 APR 21 1936
 Department of State

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

Honorable
 Nelson Crusier Johnson,
 American Ambassador,
 Peiping.

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

Supplementing my despatch No. 161, dated March 15, 1936, regarding the arrival in Tientsin of Major General Nakajima, I have the honor to report that the British Consul General informed me, in the course of a conversation yesterday evening, that he has received protests from three British subjects concerning the treatment which they received when they attempted to meet friends arriving by the train on which General Nakajima arrived; that one of them was threatened in a terrifying manner by a Japanese soldier armed with a bayonet, and that the others were roughly shoved about.

The British Consul General yesterday called on the
 Japanese

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FILED
 MAY 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 -

Japanese Consul General, Mr. Kawagoe, and made a strong oral protest; he also demanded an interview with General Tada on the subject, which he has not yet obtained, but which he intends to insist upon having, and at which he intends to be accompanied by the commanding officer of the British troops in Tientsin, Brigadier Hopwood. The British Consul General informed Mr. Kawagoe that British subjects will be travelling, to Beijing by the Sunday morning express, by which it is understood that General Nakajima is to proceed, and that steps must be taken to see that they are not subjected to such treatment by the Japanese military as was experienced on the arrival of General Nakajima in Tientsin.

I shall call upon the Japanese Consul General this morning to express orally my protest against the unwarranted interference with the movements of American citizens which occurred upon the arrival of General Nakajima, and will report the result of my interview.

- 1/ There is enclosed a copy of an open letter published in the PEKING AND TIENTSIN TIMES of March 12, 1936, describing the treatment accorded a British subject who was at the station on the evening of March 12, 1936,

Respectfully yours,

J. A. Caldwell,
 American Consul General.

Enclosure:

DECLASSIFIED: E.O. 11652, 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 -

enclosure:

- 1/ copy of open letter published
in the Peking and Tientsin Times
of March 13, 1936.

800
JAC:hr

transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the Embassy, Peking.

NR

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

C O P Y.

Enclosure No. 1 to despatch
 No. 162, dated March 14, 1938,
 from the American Consulate
 General, Tientsin, on the
 subject of Visit to Tientsin
 of Major General Nakajima.

STATION INCIDENT

(To the Editor of the P. & T. Times.)

Sir:

Last evening I had occasion to go to the East Station to meet my wife who was returning from Tongku.

On arrival at the Station I was ordered to place my car at least 100 yards from the entrance to the Station by a Japanese Private and after doing so and attempting to get near the station I was chased back on the point of the bayonet and had to go back to my car.

On a bugle recalling all the Japanese Soldiers to fall in one private deliberately came towards me and made a jab with his rifle and fixed bayonet for no reason whatsoever and shouted something in Japanese at me.

I did not meet my wife---in fact I could not get anywhere near the entrance to the station---due to the uncalled-for behaviour of the Japanese troops.

The Chinese Police wanted to do all they could to help me but they could do no more than tell me to wait until the Japanese soldiers had gone.

If people are to be treated in this manner, I would like to suggest that Japanese officials when travelling to Tientsin come in a private train and leave other people to travel by the ordinary train and be allowed to leave the station in a decent manner and not pushed all over the place by Japanese troops who do not care how or when they use their rifle and bayonet.

Yours faithfully,

BRITON.

793.74/7854

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

FIVE COPIES TO THE DEPARTMENT, WITHOUT COVERING
 DESPATCH

No. 165

SENJO N. CONDOLETT. GENERAL,

Tientsin, China, March 16, 1936.

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

Subject: Visit to Tientsin of Major General
Nakajima.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Division of
 FAR EASTERN AFFAIRS
 APR 21 1936
 Department of State

DEPARTMENT OF STATE
 A-C/O
 MAY 13 1936
 SECRETARY

Sir:

Referring to my despatch No. 162 of March 14,
 1936, I have the honor to report that on March 14,
 I called on the Japanese Consul General, Mr. Kawagoe,
 regarding the treatment experienced by a member
 of my staff at the hands of the Japanese military
 at the Tientsin East Station on the evening of
 March 12.

I merely informed Mr. Kawagoe in a friendly
 manner of what had occurred and expressed the hope
 that a repetition of such a situation might be
 avoided.

Mr. Kawagoe said that he had had no advance
 knowledge of the plans of the Japanese military
 for the reception of General Nakajima; that he re-
 gretted any inconvenience which had been caused
 Americans by the action of the Japanese military;
 and that he would discuss the matter with the mil-
 itary authorities in an effort to avoid any recur-
 rence

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FILED

MAY 13 1936

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

- 2 -

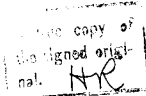
rence of such a situation.

Respectfully yours,

J. K. Caldwell,
American Consul General.

800
JAC:hr

Transmitted in duplicate.
Five copies to the Department, without covering despatch
Copy to the Embassy, Banking.



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

FIVE COPIES TO THE DEPARTMENT.

No. 166

AMERICAN CONSUL GENERAL,

Tientsin, China, March 17, 1936

793.94

Subject: Visit to Tientsin of Major General
Nakajima.

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

The Honorable *M*
Caldwell
Nelson Trusler Johnson,
American Ambassador,
Peiping.

Division of
FAR EASTERN AFFAIRS
APR 21 1936
Department of State

Sir:

I have the honor to refer to my despatch No. 165 of March 16, 1936, regarding the "Visit to Tientsin of Major General Nakajima", and to report that this morning General Tada's aide called upon me, under instructions from his chief, to express regret that inconvenience had been caused to any American by the arrangements of the Japanese military at the Tientsin East Station on the evening of March 12, 1936. The aide explained that it had not been the intention of the Japanese military authorities to close the station to the public, but that the orders given had been misunderstood by the troops carrying them out. The aide gave an assurance that on any similar occasion hereafter care will be taken to avoid causing inconvenience to Americans.

Respectfully yours,

J. K. Caldwell,
American Consul General.

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A.C/O
MAR 21 1936
ASSISTANT SECRETARY
OF STATE

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MAY 13 1936

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

FIVE COPIES TO THE DEPARTMENT.

- 2 -

800
JMC:hr

Transmitted in duplicate.
Five copies to the Department, without covering despatch.
Copy to the embassy, Nanking.

A true copy of
the signed original
as: HR

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 24, 1936.

~~MEM:~~
~~RCM:~~
~~MMH:~~
~~SKH:~~

Tsingtao's despatches Nos. 104 and 105 of March 18 and 20, 1936, report on Sino-Japanese relations with particular reference to customs problems.

The Japanese Consul General is understood to have made a strong effort to influence the Tsingtao authorities to claim 20% of the net import duties collected at Tsingtao. This would be in accordance with the system prevailing during German control of Tsingtao. The Consulate sees in this move an effort to undermine the Chinese customs and revenues in North China.

Smuggling into Shantung from Tientsin received the attention of the Japanese Chamber of Commerce, Tsingtao, but the Chamber's protest to the Japanese military in Tientsin were rejected.

Japanese merchants desire the establishment of a free port at Tsingtao.

The Consulate foresees difficulties with the Japanese if the American Commissioner of Customs at Tsingtao is transferred and a non-Japanese is sent in his place.

✓
 JCV/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. 104

AMERICAN CONSULATE

Tsingtao, China, March 18, 1936.

SUBJECT: Mayor of Tsingtao Shows Anxiety
 Over Sino-Japanese Relations.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

Sir:

I have the honor to report that information

has come to this consulate from a most reliable source that Admiral Shen Hung-lich is greatly disturbed by the present Sino-Japanese relations with particular reference to the financial structure of China and the Customs revenue base thereof.

It is stated that in the last month of the stay of Mr. A. Tajiri, until recently Japanese consul general in this city, who left Tsingtao for Japan on March 10, a strong effort was made to induce the Mayor of Tsingtao to claim at least 20% of the net import duties collected in Tsingtao by the Chinese Maritime Customs. Such an allocation of part of the customs revenue would be a resumption of the practice at this port during the German regime...

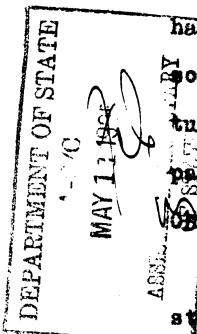
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MAN 19 1936

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

- 2 -

regime here, based on the following provision of
 the Sino-German Agreement of December 1, 1905 (Customs Edition of Treaties, Vol. II, page 221) which reads:

"ART. I.

"After the delimitation of the Tsingtau free area by the German officials, the Chinese Maritime Customs established in the German Territory will levy all the duties payable on goods passing outside the free area, and the Chinese Government will hand over annually to the German officials at Tsingtau 20 per cent. of the net Import Duties collected, as shown by the statistics of the Kiaochow Customs, as its contribution to the expenses of the territory. This per-centage will be fixed for the present provisionally for five years, and payment will be made in quarterly instalments after the end of each quarter. If this arrangement, fixing the contribution at 20 per cent., should at any time seem to either party to require amendment, notice is to be given to the other before the beginning of the fifth year, in order to afford time for reconsideration."

The practice, it is understood, was continued in modified form even after the retrocession of Tsingtau for a short time. It cannot be denied that the Tsingtau Municipal Administration would welcome such an additional revenue in the amount of more than *Tsingtao*
~~\$3,670,000~~ *See dispatch # 106, 3-24-36*
~~\$6,000,000~~ *\$18,347,000* (the import duty collection at Tsingtau *file 79394/7863*
 in 1935 was ~~\$31,600,000~~), but it is reported to the *Wm*
 consulate that the manner in which the subject was presented by the Japanese consul general to the Mayor has caused the latter and his administration to believe that the Japanese have in mind not the

immediate...

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

- 3 -

immediate benefit to the municipality of an increased revenue but an attack on the Chinese Maritime Customs and all it signifies in the financial structure of the Chinese Government.

Allocation of customs revenue to one port in China would in no great time result in claims by other ports. Allocation of 20%, for example, might soon be followed by claims of the several ports for greater shares of the revenue; it is not difficult to see what the effect would be on the sum total of the Central Government's revenue and on the service of the foreign loans and on internal loans secured on customs revenue.

JAPANESE MERCHANTS ALARMED BY INFLUX OF SMUGGLED GOODS FROM NORTH CHINA.

The local Japanese Chamber of Commerce has at the behest of its members made an investigation of the extent of smuggling in North China (Hopei) and of the great losses which Japanese importers in Tsingtao have suffered as a result of the influx of smuggled goods into Shantung via the Tientsin-Pukow Railway.

The smuggling started on a small scale when Japanese and Koreans who were taking silver out of Shantung returned via rail from Tientsin with goods which had been smuggled from East Hopei. When smuggling activities became unprofitable as a result of the decline in the price of silver

these...

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

- 4 -

these smugglers concentrated their efforts on the smuggling of merchandise into Shantung. Not only did Japanese and Koreans engage therein but Chinese and allegedly Russians participated. The amount of smuggled merchandise in the interior of Shantung has steadily grown, especially because of the considerably lower tariff on the export of merchandise stated to have been established by the East Hopei Government as from March 1, 1936, the tariff there being in all cases 25% of the Central Government's present tariff. The local Japanese Chamber of Commerce states that the amount of smuggled goods entering North China totals five million dollars a month. Smuggling increased to such a great extent that rayon can be purchased at Chowtsun, Shantung, where there is a large weaving industry, for \$130. Mex. compared to the local price of \$150. per 100 pounds. It is stated that representatives of the Japanese Chamber of Commerce visited Tientsin and made representations to the high Japanese military authorities there. These bluntly refused any aid to the Japanese representatives and stated that for the present they would have to suffer but the time was not far distant when the whole matter of customs authority in China would take a turn for the better.....of all Japanese in China. The report of the reception given the Japanese merchants from Tsingtao has strengthened the belief of the Mayor of Tsingtao that the Japanese in one way or another propose to...

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

- 5 -

to undermine the entire Chinese Maritime Customs administration in this region and thus deal a blow to the Central Government.

JAPANESE PROPOSE THE ESTABLISHMENT OF A FREE PORT AT TSINGTAO.

That the Japanese merchants are giving much attention to the question of customs administration and smuggling of merchandise from North China is shown by a discussion which has taken place in Tsingtao among the Japanese on the possibility of making Tsingtao a free port. What the Japanese have in mind when they mention a free port is the establishment of a port where the treatment of imports and exports would be the same as at Dairen and which would serve as a great distributing center for North China. The fact that this subject has now been broached indicates that serious attention is being given to the problems which have arisen from (a) the greatly increased Chinese customs tariff and (b) the extraordinary increase in smuggling of imported goods into Shantung from an area controlled by Japanese, i. e. East Hopei. The Chinese authorities here appear genuinely anxious in regard to the situation. Locally there is little that can be done, but they realize that the situation is developing into the most serious in China's history, or to quote a statement attributed to Dr. Wang Chung-hui in a UNITED PRESS despatch from Hongkong dated

March...

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

- 6 -

March 10, there is an awareness of "the growing
 acuteness of China's national status".

Respectfully yours,

Sammuel Sokobin,
 American Consul.

800/624.4
 SS/GML

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 Five copies to Department of State.
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A true copy of
 the signed orig-
 inal. *CML*

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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. 326

Peiping, March 26, 1936.

FE
AA

Subject: Memoranda of Conversations on
Sino-Japanese Relations.

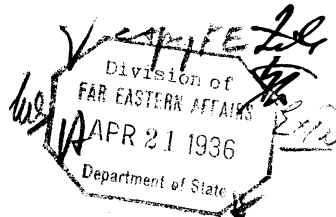
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3/24



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

Sir:

1-10/ I have the honor to enclose copies of ten memoranda of conversations which I had during February at Nanking with various officials on the subject of Sino-Japanese relations and to summarize them below.

Dr. Lo Wen-kan, former Minister of Justice, indicated that he expects an outbreak of hostilities between Japan and China. Dr. C. T. Wang, former Minister for Foreign Affairs, stated that China is concentrating

its

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

- 2 -

its forces for a conflict which seems inevitable. Mr. Hallett Abend, correspondent for the New York Times, informed me that Mr. Y. Suma, Japanese Consul General at Nanking, had told him that the Japanese Government was much concerned over the quantity of arms which China had been purchasing and which were a waste of money as the Japanese army could crush China in two months. The German Ambassador, Mr. Oscar Trautmann, expressed the opinion that in intellectual and military Chinese circles there was an increasing belief in the inevitability of a Sino-Japanese war, although he was not certain with regard to the attitude of General Chiang Kai-shek in this respect.

The Minister for Foreign Affairs, General Chang Ch'un, in the course of conversations with me on February 13 and 14 stated that he was prepared to discuss all phases of Sino-Japanese relations with the Japanese, that it was difficult to know who was speaking for Japan, and that, although the Japanese military dictate the policies of the Japanese Government, they are divided among themselves. He expressed the opinion that the Japanese were somewhat hesitant about going ahead (in China) in view of the present uncertainty in the world situation.

With regard to the rebellion of February 26 in Tokyo, General Chiang Tso-pin, the Minister of the Interior, General Yu Fei-peng, the Acting Minister of Communications, and Mr. Wu Ting-ch'ang, the Minister of Industry, expressed the belief that there will be further

trouble

13-2

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

- 3 -

trouble in Japan as a result of divergence of opinion among Japanese. The Soviet Ambassador, Mr. Dimitri Bogomoloff, stated that he believed the rebellion would result in increased control of the Japanese Government by the military and would bring inflation, increased foreign trade, and greater expenditure for the military who would continue to go ahead in China but who would not dare to attack Soviet Russia because the border defenses of the latter were too strong for Japan to penetrate without great cost in material and men.

Respectfully yours,



Nelson Trusler Johnson

✓ Enclosures:

1. Memorandum of conversation, Dr. Lo Wen-kan and Mr. Johnson, February 12, 1936
2. Memorandum of conversation, Dr. C. T. Wang and Mr. Johnson, February 13, 1936
3. Memorandum of conversation, Mr. Hallett Abend and Mr. Johnson, February 12, 1936
4. Memorandum of conversation, Mr. Oscar Trautmann and Mr. Johnson, February 12, 1936
5. Memorandum of conversation, General Chang Ch'un and Mr. Johnson, February 13, 1936
6. Memorandum of conversation, General Chang Ch'un and Mr. Johnson, February 14, 1936
7. Memorandum of conversation, General Chiang Tso-pin and Mr. Johnson, March 4, 1936
8. Memorandum of conversation, General Yu Fei-peng and Mr. Johnson, February 27, 1936
9. Memorandum of conversation, Mr. Wu Ting-ch'ang and Mr. Johnson, February 27, 1936
10. Memorandum of conversation, Mr. Bogomoloff and Mr. Johnson, February 27, 1936

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- 4 -

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131-4

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

131-5
326

Sino-Japanese relations.

Nanking, February 12, 1936.

Conversation between: Dr. Lo Wen-kan and Mr. Johnson.

Dr. Lo Wen-kan, former Minister of Foreign Affairs, came to see me to-day. He expressed the opinion that Sino-Japanese relations would come to a crisis within the year.

I gathered from the way he talked that he expected hostilities, and that these hostilities would probably mean his return to a position of responsibility.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

131-5

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

2
H No. 326

Sino-Japanese relations.

Nanking, February 13, 1936.

Conversation between: Dr. C. T. Wang and
Mr. Johnson.

Dr. Wang stated that the Chinese Government was carefully watching the situation in Russia and Europe, while concentrating its forces for a conflict which everyone felt was inevitable.

Nelson Trusler Johnson,
American Ambassador.

NTJ:BA

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

No. 3

H No 326

SUBJECT: Purchase of arms by China.

Nanking, February 12, 1936.

Conversation between: Mr. Hallett Abend and
Mr. Johnson.

Mr. Hallett Abend, correspondent for the New York Times, told me to-day that in a recent conversation with Mr. Suma, Japanese Consul General at Nanking, the latter stated that the Japanese Government was much concerned over the quantity of arms that China has been purchasing. Mr. Suma expressed the opinion that such purchases were a foolish waste of money by the Chinese, stating that after all the Japanese Army could crush China in two months.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

0 4 7 3

RE No. 4
CH No. 326

Attitude of Chinese toward Japanese encroachments.

Nanking, February 12, 1936.

Conversation with: Mr. Oscar Trautmann, German
Ambassador.

Present: Mr. Johnson

In a conversation with Mr. Trautmann to-day he stated it was his opinion that in intellectual and military Chinese circles there is an increasing belief in the necessity for opposing Japanese encroachments with force,- an increasing belief in the inevitability of a fight. He was not so certain, however, in the attitude of General Chiang Kai-shek in this matter.

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

ENCLOSURE No. 5
 ATTACHMENT No. 326

SUBJECT: Sino-Japanese relations.

Nanking, February 13, 1936.

Conversation between: General Chang Ch'un and
Mr. Johnson.

I called to-day upon General Chang Ch'un, the new Minister for Foreign Affairs, and in the course of conversation he stated that the reasons for the present lull in Sino-Japanese relations were as follows: first, there were the elections. All energies in Japan at the moment were concentrated upon the results of the present elections. The second reason was Japan's withdrawal from the Naval Conference. The Japanese were watching that situation.

He stated that the Chinese Government was determined to be treated with respect; that the Generals in the North understood this. He expressed the opinion that conversations which the newly-appointed Japanese Ambassador expected to have with them would take some little time. He said that the Japanese of course were watching events throughout the world at this time, and somewhat hesitant about going ahead in the present uncertainty.

Nelson Trusler Johnson,
 American Ambassador.

NTJ:EA

131-7

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

6
326

SUBJECT: Sino-Japanese relations.

Nanking, February 14, 1936.

Conversation between: General Chang Ch'un and
Mr. Johnson.

Present: Mr. Ch'on Chieh,
Mr. Tuan Mao Lau, interpreter.

In the course of conversation to-day General Chang Ch'un, Minister for Foreign Affairs, stated that his policy vis-a-vis Japan was to lay all of their cards on the table. He was prepared to discuss all phases of their relations with the Japanese. The difficulty, however, was to know just what the Japanese wanted; this was due to the fact that it is difficult to know who speaks for Japan. It is difficult to find the political center in Japan. The Japanese military are divided among themselves, even though it is true that they control the Government and dictate its policies. There are a number of military leaders all talking for Japan.

He ascribed the cause of this interest of the military in the domestic and foreign policy of Japan to the fact that there had come about a change in the training of the Japanese military. At the time of the Revolution in 1868, the Japanese military were

all

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

- 2 -

all students of Chinese political science and Chinese statecraft. It was these students of the Chinese theory of imperial government that had brought about the restoration of the Emperor. After the revolt the Japanese Army concentrated upon its business of professional soldiering and kept free from politics. The new era began; the center of Japan's new civilization was to be found in the great publishing house of Maruzen. There was a tremendous interest in the study of Western knowledge, from its mechanical and material point of view. The old sanctions began to be discarded. He recalled that once the Emperor Meiji made an address to the students of one of the universities and stated that he had found in the University excellent equipment for training the students to act the part of men and to perform services, but he failed to find the section in the University where the student was taught to govern.

General Chang Ch'un stated that the situation changed after the World War. The officer corps, observing the World War and the conduct of the armies in Europe, acquired a new theory of their responsibility, and there commenced in the military schools an intensive study, on the part of those training themselves to be army officers, of political science, sociality, political economy, and all of those questions relating to the conduct of government, commerce, economics, and finance.

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

- 3 -

finance. The result was that now these officers are all coming to the front with their minds full of ideas on these various questions; and although as individuals they have no personal stake in the situation, they are anxious to assume the responsibility for putting their ideas into effect. Hence the new condition where Japanese military officers are interfering in the politics of a country.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

131-12 .

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

7
326

SUBJECT: Conditions in Japan.

Nanking, March 4, 1936.

Conversation between:

General Chiang Tso-pin and Mr. Johnson.

I called to-day upon General Chiang Tso-pin,
Minister of the Interior, who was formerly Chinese
Minister to Japan.

In discussing the recent events in Tokyo General
Chiang stated that there was a widespread feeling in
the Japanese Army in favor of social reforms in Japan
of a very drastic character, and he expressed it as
his opinion that the recent coup in Tokyo was but a
curtain raiser to events which must follow.

Nelson Trusler Johnson,
American Ambassador.

NTJ:SA

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

326

SUBJECT: Conditions in Japan.

Nanking, February 27, 1936.

Conversation between:

General Yu Fei-peng and Mr. Johnson.

In the course of a call upon General Yu Fei-peng, Acting Minister of Communications, the latter stated, in discussing the recent coup by the military in Tokyo, that he believed there would be much more trouble in Japan, for he felt that the forces in Japan were not united behind the fascist element in the Japanese Army.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

131-4

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

9 326

Conditions in Japan.

Nanking, February 27, 1936.

Conversation between: Mr. Wu Ting-ch'ang, Minister
of Industry, and Mr. Johnson

In a conversation to-day with Mr. Wu Ting-ch'ang, the latter commented upon recent events in Japan and stated that he believed there would be a quarrel among the Japanese military, as between the older group led by General Ugaki and the new group led by General Mazaki.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

131-15

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

10
326

SUBJECT: Soviet-Japanese relations.

Nanking, February 27, 1936.

Conversation between: Mr. Dimitri Bogomoloff and
Mr. Johnson.

In the course of conversation to-day with Mr. Bogomoloff, Ambassador of the U.S.S.R., the latter stated that in his opinion the coup which occurred in Tokyo on February 26th was the inevitable evolution in events in Japan in the direction of fascism. He believed that the result of this coup and the consequent control which the military would obtain over the Government would be inflation, increased foreign trade, and greater expenditure for the military.

With reference to Soviet Russia, he said that the Japanese do not dare to attack Soviet Russia; that Soviet Russia had prepared defenses along its border that were too strong for Japan to penetrate without a great deal of cost in material and men.

He felt, however, that the Japanese military will work their will here in China where there is no unity. He believed that failure on the part of the Chinese Government to oppose Japan will result in a civil war and the revival of the communist trouble.

Nelson Trusler Johnson,
American Ambassador.

NTJ:EA

13-4

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Department of State letter, August 10, 1972
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DEPARTMENT OF STATE

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MAY - 3 1951

5/3/51

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

April 27, 1936.

~~EHD~~
~~WHD~~
~~SKH~~

Reference Peiping's 332, March 27,
1936, entitled "The Alleged Ho-Umetsu
Agreement".

The despatch encloses copies of
various documents dated from May 29 to
July 6, 1936, purporting to be a record
of the negotiations between the Chinese
and Japanese which led to the written
acceptance of the Japanese proposals by
General Ho Ying-ch'in on the latter date.
This material, it is stated, was obtained
from a foreign source in Shanghai under
an injunction of strict secrecy. The
so-called agreement is given on pages
13 and 14 of the enclosure.

The Embassy states that although the
text of this agreement was not obtained
directly from a Chinese official source
and Chinese official statements have
denied the existence of a "Ho-Umetsu
Agreement", it is felt that this record
of memoranda of conversations and the
purported document itself adhere so
closely to what was known of the nego-
tiations at the time as to give the whole
an aspect of verity.

MSM/VDM

132-1

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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

No. 332

Peiping, March 27, 1936.

Subject: The Alleged Ho-Umetsu Agreement.

STRICTLY CONFIDENTIAL

793.94

For Distribution Check		Yes	No
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For		In U.S.A.	<input checked="" type="checkbox"/>
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in strict confidence
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 O.N.I. AND M.I.D.

793.94

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

Chy in FE
 Division of
 FAR EASTERN AFFAIRS
 APR 21 1936
 Department of State
alo
SH

793.94/7859

Sir:

I have the honor to refer to the alleged agreement reached in June or July of last year between General Ho Ying-ch'in (Minister of War, then Acting Chairman of the Peiping Branch Military Council) and Lieutenant-General Yoshijiro Umetsu (then a Major-General in command of the Japanese North China Garrison), with regard to affairs in North China, and to enclose in English translation and in the Chinese original copies of various documents dated from May 29 to July 6, 1935, purporting to be a record of the negotiations

between

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132 f x

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between the Chinese and Japanese sides which led to the written acceptance of the Japanese proposals by General Ho Ying-ch'in on the latter date. This material was obtained recently by Third Secretary O. Edmund Clubb from a foreign source in Shanghai under the injunction of strict secrecy.

Although this text was not obtained directly from a Chinese official source and no definite proof can be obtained of its authenticity in the face of the Chinese official statements that no such document as the "Ho-Umetsu Agreement" exists, nevertheless, it is felt that this record of memoranda of conversations and the purported document itself adhere so closely to what was known of the negotiations at the time as to give the whole an aspect of verity. It is to be observed, in this connection, that the CHINA WEEKLY REVIEW of March 14, 1936, carried a translation of the memorandum (as it is entitled) allegedly as finally presented to General Ho Ying-ch'in by the Japanese side for signature and that this text is essentially the same as that which is enclosed in more careful translation. The CHINA WEEKLY REVIEW'S account, however, does not include General Ho Ying-ch'in's acceptance of the Japanese proposals. As regards the subject of these negotiations, Mr. Clubb was recently informed by an officer of the Japanese Embassy that 1) there was no "agreement" between General Ho and Lieutenant-General Umetsu, but an exchange of communications, 2) the officer believed the substance
of

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of this exchange to be substantially as reported at the time (he had not seen the actual documents), 3) the Chinese acceptance of the Japanese proposals was definitely given by General Ho Ying-ch'in after his return to Nanking, and 4) he (the Japanese officer) regarded the evidence as indicating that General Ho Ying-ch'in had given the acceptance only after consultation with General Chiang Kai-shek and by the latter's authority. The statement that the Chinese acceptance was given only after General Ho's return to Nanking, if true, would be in accordance with the impression prevalent at the time that the War Minister left on June 13 from Peiping without accepting the Japanese proposals and also in accordance with the date appearing on the brief note of acceptance as it was alleged to have been sent from Nanking under date of July 6, 1935. The Fengtai disturbance outside the walls of Peiping, occurring as it did between the time of General Ho's departure from Peiping and July 6, may have been the Japanese threat that forced Chinese compliance.

The record of the verbal representations made by the Japanese side beginning on May 29 and continuing until June 11 is not at variance with the information obtained at the time and forwarded to the Department in the Embassy's telegrams ⁶⁹⁹⁷ 233, June 1, 4 p.m., 236, ⁶⁹⁹⁸ June 2, 2 p.m., ⁷⁰⁰⁵ 243, June 5, 2 p.m., 245, ⁷⁰¹¹ June 7, 5 p.m., ⁷⁰²² 250, June 10, 6 p.m., and especially 270, ⁷⁰³⁸ of June 13, 3 p.m. Those telegrams and this record of verbal

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verbal representations outline the dissatisfaction of the Japanese military with the then existing state of affairs in North China, with particular reference to various activities alleged to be primarily anti-Japanese, and show the development of Japanese measures designed to "correct" those factors felt to be detrimental to the future of Sino-Japanese relations. They indicate also the resistance offered by General Ho Ying-ch'in, under the instructions of the National Government, to the signing of the proposed document, which was described by Mr. Wang Ching-wei, President of the Executive Yuan, as being "actually no different from signing a treaty to give up Hopei".

General Ho's alleged letter of July 6 in reply to the Japanese stated that the items under consideration were all accepted, and that General Ho Ying-ch'in on his own part hoped they would be made effective. Subsequent actions of the Chinese authorities have not run counter to the Japanese desires expressed last June, and the circumstantial evidence inclines one to believe in the genuineness of the documents submitted herewith. Any additional information which may come to light regarding this general matter will be forwarded promptly to the Department.

Respectfully yours,



Nelson Trusler Johnson.

Enclosure:

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Enclosures:

- 1/ Chinese text of record of negotiations between Chinese and Japanese sides in connection with the Ho-Umetsu agreement.
- 2/ English translation of above-mentioned record.

710

Original and 4 copies to the Department.
Copy to American Embassy, Tokyo.
Copy to American Embassy, Nanking.

EC/rd

4 Carbon Copies
Received E. P.

132-5

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二十四年五月二十九日

本月酒井高橋來見酒井謂渠代表天津駐屯軍高橋代表關東軍作口頭之通知其大要如下

甲一平津現為擾亂日滿根據地中國政府是否知情

二天津發生胡白暗殺事件查與富廳確有關係政府是否知情

三滿國境仍有義勇軍受中國官廳委任接濟近如孫永勤曾受遵化縣接濟并指示逃走途徑政府是否知情

乙因此提下之質問

一及日結團究由蔣委員長指導或由何部長指導或由中國政府指導

二此種責任究由何人負責

丙特預先通知兩點請中國方面注意

一對日滿之擾亂行為如仍以平津為根據地繼續發生日方認為係破壞停戰協定及辛丑條約停戰區域

或將擴大至平津

二對於軍之關係者白胡之暗殺軍認為係中國之排外舉動及向駐屯軍挑戰行為如將來預知或有類此事件

之情事日軍為自衛上取斷然之處置或再發生庚子事件或九一八事件亦不可知

又照停戰協定須中國方面無擾亂日滿行為日軍始自動撤退長城之綫如再發生擾亂日滿行為日軍可隨時開入戰區中方不可不知也

丁酒井個人意見希望中國自動辦理左之事

一將委員長對日之三重政策即對日陽表親善暗中仍作種種抗日之準備如此政策不根本改變以後演至何種程度殊不可知

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

二千學忠為擾亂日滿之實行者張漢卿之爪牙僅遷保定於事無補中國政府應自動撤調
 三憲兵第三團河北省市黨部軍分會政訓處藍衣社似以撤為宜

四最好將中央軍他移 (250)

以上諸點如能辦到中日關係或能好轉

二十四年六月四日口頭答復之要點酒井高橋之件

甲對日方口頭答復之要點

一天津發生胡白被暗殺事件其地點在日租界係地方暫時發生事件我政府何從知情但因租界混連

天津市此間已嚴令河北省政府轉飭津市政府協同緝兇

二孫永勤匪部竄擾遵化遷安附近我政府當時即令警團協同團勦業已將其肅清至謂曾受遵化縣

接濟并指示逃走路徑一層此間已嚴令河北省政府轉飭嚴查如有查有實據自當照律懲處

乙對酒井個人意見答復之要點

一于主席學忠已經中央決定他調現正斟酌調後之位置稍緩數日即可發表

二憲兵第三團團長蔣孝先軍分會政訓處處長曾撫情業已於六月一日免職憲三團之特務處亦已令其撤

銷天津市黨部將由中央令其停止工作河北省黨部將遷移保定藍衣社根本無此組織

二十四年六月九日口頭對酒井之回答

一對於日方希望之點截至昨日止已完全辦到

1. 于學忠張廷謨之免職

2. 軍分會政訓處已結束憲三團已他調

3. 河北省黨部已移保天津市黨部已結束

4. 日方認為有碍兩國國交之團體如勵志社軍事雜誌社已結束已嚴令天津地方當局負責取締一切有害國交之秘密組織

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

五十一軍已決調防(明日十號起)

二蔣委員長對於中日問題之見解於其今年二月十四日對大阪朝日新聞記者之談話可以見之中日必須親善提携方足至維東亞大局之和平此乃我中央既定之方針迄今并未變更凡此皆有事實可以証明非僅言語所能掩飾者也

二十四年六月九日酒井到居仁堂面交來

第一今迄交涉二依支那側二於テ受諾シタ九事項

一蔣孝先丁昌曾擴情等免職

二于學忠及張廷謨一派罷免

三第十五師學生訓練班解散

四天津市黨部解散

五憲兵第三團撤去

六軍事分會政治訓練處解散

七藍衣社類似機關撤廢

八勵志社北平支部撤廢

第一附件

一撤去之也三諸機關再進入茲對日關係不良ナリシム可ヲ恐レカル新シキイ又ハ機關進入不可

二省市職員人物件

三紛東事項監視糾察手段

二十四年六月九日上午十一時酒井等交支部長

第二未着手事項

一河北省內黨部撤退

二五十一軍撤退

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

三中央軍撤退

四全支三於九排外排日行為禁止

十四年六月十日下午五時三十分在居仁堂答復高橋武官(用口頭)

一河北省內黨部之撤退已於今日下令即日開始結束

二五十一軍已開始移動預定自十一日起用火車向南省輸送大約本月二十五日輸送完畢但如因車輛缺乏或須延長數日

三第二十五師第二師已決定他調(預定一個月運畢)

四關於全國排日排外之禁止已由國民政府重申命令

總覽書此覽書係於六月十日高橋武官交來組長式勤請求我方蓋章當已拒絕

一中國側三於十日本軍二對實行承諾之事項左如左

1. 于學忠及張廷諤一派罷免

2. 蔣孝先丁昌曾攬情何二飛等罷免

3. 憲兵第三團撤退

4. 軍分會政訓處解散并北平軍事雜誌社解散

5. 日本側所謂藍衣社復興社等如夫中日兩國國交三害刀儿秘密機關取締其存在於許容也又事

6. 河北省內一切黨部撤退勵志社北平支部撤廢

7. 第五十軍河北省外撤退

8. 第二師第二十五師河北省外撤退第二十五師學生訓練班解散

9. 中國內全般三於九排外排日禁止

二以上諸項實行三關左記附帶事項亦併也承諾又

1. 日本側十約束之事項八約束之事項期限內三完全三實行三再七進入之八中日關係才不良才

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 Department of State letter, August 10, 1972
 By MILTON Q. CHURCH NARS, Date 12-18-75

ラシムル恐シカル人スハ機關ヲ新ニ進入セシメフ

之省市等職員任命ニ当クテハ中日關係ヲ不良ナラシメサル人物ヲ選定セラシメハ日本側

希望ヲ容シタル事

ヲ約束シタル事項實施ニ关シテハ日本側ニ於テ監視糾察手段ヲ採ルコト

以上念ノ為筆記送附ス

昭和十年六月十日

國民政府軍事委員會北平分會代理委員長何 在北平日本陸軍武官高橋坦殿

二十四年六月十一日由米式勸告渡邊

一今次關於中日事件磯谷少將酒井大佐及高橋武官晉謁部長面談均希望中國方面自動之處

理和平解決不破壞中日國交維持和平主義中國方面業經照貴方所希望之各點并已分別辦理多
 項其餘諸項現正在積極辦理中故無須再用書面表示

二此項事件并非懸案性質已起日解決其未辦結者仍在進行中并有時期約定以上兩點均已呈報
 中央今令貴方又實行事求書面表示似無必要

三第三之事項中多關於中國內政方面非本人權限內之事請將以上各情速電復高橋

抄汪院長文已電二十四年六月十二日到

特急北平何部長勳鑒今晨中政會議對兄拒絕蓋印覺書一致贊成如日方再來催迫兄可告以自動

辦理本人尚有權衡若成文規定則權在中央非本人所能作主請其逕與南京當局交涉北銘文已
 抄汪院長侵已電北平居仁堂何部長勳鑒將彼方覺書蓋印送還實屬異於簽字斷送河北之條

約萬無答應之理最低限度可改為我方致彼方一書函歷述任免官吏調動軍隊各項均屬我國政範
 圍因基於友誼諒解等等理由已述由我方自動辦理等語如此并不構成為條約性質盼酌行之為
 盼弟兆銘侵已叩

抄中央黨部秘書長真電 北平何部長敬之先生蔭電奉惠承示日方所言之何一飛經詢組織委員會
 查明前津市黨部並無何一飛其人特復楚僑真印
 覽書

一在中國方面對於日本軍曾經承認實行之事如左

1. 于學忠及張廷諤一派之罷免

2. 蔣孝先丁昌曾舊情何一飛之罷免

3. 憲兵第三團之撤去

4. 軍分會政治訓練處及北平軍事雜誌社之解散

5. 日本方面所謂藍衣社復興社等有害於中日兩國國交之秘密機關之取締并不容許其存在

6. 河北省內一切黨部之撤退勵志社北平支部之撤退

7. 第五十一軍撤退河北省外

8. 第二十五師撤退河北省外第二十五師學生訓練班之解散

9. 中國國內一般排外排日之禁止

二關於以上諸項之實行并承認左記附帶事項

1. 與日本方面約定之事項完全須在約定之期限內實行更有使中日關係不良之人員及機關勿使重新進入

2. 任命省市等職員時希望容納日本方面之希望選用不使中日關係成為不良之人物

3. 關於約定事項之實施日本方面採取監視及糾察之手段

以上為備忘記見特以筆記送達 年 月 日

國民政府軍事委員會代委員長△△△在北平日本陸軍武官高橋坦殿

南京院長王頃由高橋文來覽書稿件文曰覽書云云特以筆記送達等語屬職照繕一份蓋章送

去職當加拒絕并謂以前係雙方口頭約定由職自動實行不能以書面答復等語如何應付乞迅賜示

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

職應。真酉印

照抄何部長魚未秘電

特急北平軍分會鮑主任志一兄。密極密關於答復梅津司令之件經商承汪院長同意由弟署名蓋章快郵寄平其文曰逕啟者六月九日酒井參謀長所提各事項均承諾之并自主的期其遂行特此通知此致梅津司令官閣下何應。二四年七月六日等語原件寄到時請兄派員送交高橋武官請其轉交梅津為要并盼示復應。魚未秘印

照抄上何委員長陽已電

南京門雞欄四號何委員長鈞鑒魚未秘電敬悉。密原件寄到即遵照派員送交職鮑文。印陽己印

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

覽書

一中國方面對於日本軍曾經承認實行之事項如左

1. 于學忠張廷諤一派之罷免
2. 將孝先丁昌曾撫情何二飛之罷免
3. 憲兵第三團之撤去

4. 軍分會政治訓練處及北平軍事雜誌社之解散

5. 日本方面所謂藍衣社復興社等有害於中日兩國國交之秘密機關之取締并不容許其存在

6. 河北省內一切黨部之撤退勵志社北平支部之撤廢

7. 第五一軍撤退河北省外

8. 第二二十五師撤退河北省外第二十五師學生訓練班之解散

9. 中國內一般排外排日之禁止

二關於以上諸項之實行并承認左列事項

1. 與日本方面約定之事項完全須在約定之期限內實行更有使中日兩國關係不良之人員及機關

勿使從新進入

2. 任命省市等職員時希望容納日本方面之希望選用不使中日關係成為不良之人物

3. 關於約定事項之實施日本方面採取監視及糾察之手段

以上為備忘起見特以筆記送達此致

何應欽閣下

昭和十年六月九日

華北駐屯軍司令官梅津美治郎

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

何之復函

敬啟者六月九日酒井參謀長所提各事項均承諾之并自主的期其遂行特此通知此致
 梅津司令官閣下

中華民國二十四年七月六日

何應欽

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

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(TRANSLATION)

(Trans. CHT)
 (Checked: EC)

May 29, 1935

Today Sakai and Takahashi came for an interview. Sakai said that he was representing the Army at Tientsin and that Takahashi was representing the Kwantung Army in the making of a verbal notification, the salient points of which are as follows:

- A. 1. At present Peiping and Tientsin constitute a base for the disturbance of Japan and Manchukuo. Does the Chinese Government know this?
2. It has been found that the case of the assassination of Hu and Fai at Tientsin definitely involved the Chinese authorities. Does the Government know this?
3. On the border between China and Manchukuo there are still volunteers commissioned and supported by the Chinese authorities. For instance, recently Sun Yung-ch'in received support from the Magistrate of Tsunhwa, who also indicated to him an avenue of escape. Does the Government know this?

B. For these reasons, the following questions are raised:

1. Are the anti-Japanese associations actually under the direction of Chairman Chiang or Minister Ho or the Chinese Government?
2. Who should actually assume responsibility in this connection?

C. There is especially given an advance notice of the following two points to which the attention of the Chinese is invited:

1. If activities for the disturbance of Japan and Manchukuo continue to occur and Peiping and Tientsin continue to be used as bases, the Japanese will consider it a violation of the Truce Agreement and the Treaty of 1901, and the demilitarized zone will probably be extended to Peiping and Tientsin.

2.

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

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2. The Army considers that the assassination of Wei and Hu, connected with the Army, constituted anti-foreign activity by China and was an act of provocation directed against the resident Army. If in future a similar incident recurs, or is discovered before perpetration, the Japanese Army will take drastic measures, for the purpose of self-defense, and it cannot be said in advance whether an incident similar to that of 1900 or to the September 18th incident will not occur.

Furthermore, in accordance with the Truce Agreement, the Chinese may take no action for the disturbance of Japan and Manchukuo, in which case the Japanese Army will voluntarily withdraw to the line of the Great Wall. If any action for the disturbance of Japan and Manchukuo recurs, the Japanese Army may enter the demilitarized zone at any time. The Chinese should not neglect this point.

D. In his personal opinion, Sakai hopes that China will of its own accord take action on the following matters:

1. Chairman Chiang's dual policy toward Japan, i.e. the public profession of friendship for Japan but the secret making of various kinds of preparations against Japan. If this policy is not fundamentally altered, no one can forecast to what extremity the situation may develop in the future.
2. Yu Hsueh-chung being the creator of disturbances in Japan and Manchukuo and a subordinate (爪牙: "claws and teeth", a myrmidon - E.C.) to Chang Han-ch'ing (Marshal Chang Hsueh-liang), his mere transfer to Peiping does not in fact achieve any good. The Chinese Government should of its own accord remove him from office or transfer him to another place.
3. It would appear to be advisable to withdraw the 3rd Gendarmerie Regiment, the Provincial and Municipal Tangpu in Hopei, the Political Training Section of the Branch Military Council, and the Blue Shirt Society.
4. It would be best if the Central Government troops can be moved to other places. (25 D) (Sic: 25th Division? - E.C.)

If the above items can be carried out, Sino-Japanese relations may possibly take a turn for the better.

June 4, 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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June 4, 1935.

A verbal reply to Sakai and Takahashi:

A. Salient points of a verbal reply to the Japanese side:

1. The case of the assassination of Hu and Pai occurred in the Japanese Concession at Tientsin, and was a local transient incident. How could the Chinese Government know anything about this matter? However, as the Japanese Concession borders upon the Municipality of Tientsin, we have strictly ordered the Hopei Provincial Government to instruct the Tientsin Municipal Government to render assistance in apprehending the murderers.
2. The bandits under Sun Yung-ch'ing fled to and created disturbances in the neighborhood of Tsunhwa and Tsienan. The Chinese Government immediately ordered the police and militia jointly to surround and suppress them. They have already been routed.

As regards your statement that they had received support from the Magistrate of Tsunhwa who had also shown them a way of escape, we have strictly ordered the Hopei Provincial Government to issue instructions to those concerned to undertake rigid investigations. If any definite proof is discovered, punishment will of course be administered in accordance with the law.

B. Salient points of a reply to Sakai's personal views:

1. The Central Government has decided to transfer Chairman Yu Hsueh-chung to another post, and now has under consideration the position to which he will be transferred. It will be announced after a few days.
2. Chiang Hsiao-hsien, Commander of the 3rd Gendarmerie Regiment, and Tseng K'uo-ch'ing, Chief of the Political Training Section of the Branch Military Council, were relieved of their posts on June first. The abolition of the Special Service Department of the 3rd Gendarmerie Regiment has been ordered. The Tientsin Municipal Tangpu will be ordered by the Central Headquarters to cease work. The Hopei Provincial Tangpu will be removed to Peking. As to the Blue Shirt Society, basically (根本) there is no such organization.

June 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

- 4 -

June 9, 1935.

A verbal reply to Sakai:

- I. Up to yesterday the items desired by the Japanese side were completely carried out:
 1. Yu Hsueh-chung and Chang T'ing-ao have been relieved of their posts.
 2. The Political Training Section of the Branch Military Council has been closed, and the 3rd Gendarmerie has been transferred to another place.
 3. The Hopei Provincial Tangpu has been moved to Paoting, and the Tientsin Municipal Tangpu has been closed.
 4. Organizations which were considered by the Japanese to be detrimental to the relations between the two countries (such as the Officers' Moral Endeavor Society and the Military Affairs Journal Office, which have been closed). The Peiping and Tientsin local authorities have been strictly ordered to assume responsibility for suppressing all secret organizations which are injurious to international relations.
 5. It has been decided to move the 51st Army to another garrison post (beginning tomorrow, the 10th).

II. Chairman Chiang's views as regards Sino-Japanese problems may be seen in his remarks made in an interview with a correspondent of the Osaka Manichi on February 14th of this year. China and Japan must be friendly and cooperate, then peace in Eastern Asia will be jointly protected. This is the established policy of the Central Government of China, and remains unchanged. All this can be proved by facts and can not be hidden by mere words.

June 9, 1935.

Sakai came to Chujent'ang and delivered the following in person:

- I. In accordance with negotiations which have taken place up to the present, the matters to which China has agreed are:*

*This sentence in Japanese: E.C.

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1. Dismissal of Chiang Hsiao-hsien, Ting Ch'ang, and Tseng K'uo-ch'ing.
2. Dismissal of Yu Hsueh-chung and Chang T'ing-ao and their followers.
3. Dissolution of the Students' Training Class of the 25th Division.
4. Dissolution of the Tientsin Municipal Tangpu.
5. Withdrawal of the 3rd Gendarmerie Regiment.
6. Dissolution of the Political Training Section of the Branch Military Council.
7. Abolition of the Blue Shirt Society and similar organizations.
8. Abolition of the Peiping Branch of the Officers' Moral Endeavor Society.

The first enclosure:

1. Prohibition of reentry of various organs which have been withdrawn and of entry of new organs which it is feared will be bad for relations with Japan.*
2. List of personnel of the province and municipalities.
3. Measures of restraints, surveillance, and investigation.

June 9, 1935, 11 a.m. Sakai and others delivered the following to the Chinese Minister (Ho Ying-ch'in. E.C.):

II. Items which have not been acted upon:

1. Withdrawal of Tangpu from Hopei Province.
2. Withdrawal of the 51st Army.
3. Withdrawal of the Central Government military forces.
4. Prohibition of anti-foreign and anti-Japanese activities in all China.*

June 10, 1935, 5:30 p.m. A reply made at Chujent'ang to Military Officer Takahashi (verbally):

1.

*This sentence in Japanese: E.C.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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 By Milton O. Gustafson NARS, Date 12-18-75

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1. The withdrawal of the Tangpu from Hopei Province has been the subject of an order issued today (10th), directing them to begin to wind up their affairs on the same date.
2. The 51st Army has started to move. It is planned that the troops will be transported by train to southern provinces as from the 11th. The transportation will be completed on about the 25th of this month. However, in case of shortage of rolling-stock, there may possibly be a delay of a few days.
3. It has been decided to transfer the 25th Division and the 2nd Division to another place. (It is estimated that their transportation will be finished within a month.)
4. As regards the suppression of anti-foreign and anti-Japanese activities throughout the country, the National Government has issued another explicit mandate.

MEMORANDUM

This memorandum was handed by Military Officer Takahashi to Department-Chief Chu Shih-ch'in on June 11 with the request that it be sealed by the Chinese. This request was at once refused.

I. Matters which China has promised the Japanese Army to carry out.*

1. Dismissal of Yun Hsueh-chung and Chang T'ing-ao and their followers.
2. Dismissal of Chiang Hsiao-hsien, Ting Ch'ang, Tseng K'uo-ch'ing, and Ho Yi-fei.
3. Withdrawal of the 3rd Gendarmerie Regiment.
4. Dissolution of the Political Training Section of the Branch Military Council and the Paiping Military Affairs Journal office.
5. No permission for the existence of the so-called Blue Shirts, Revival Society, and the like and of secret organs injurious to Sino-Japanese relations.*
6. Withdrawal of all party offices from Hopei Province.
7. Withdrawal of the 51st Army from Hopei Province.

8.

*This sentence in Japanese: E.C.

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

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8. Withdrawal of the 2nd Division and the 25th Division from Hopei Province, and dissolution of the Students' Training Class of the 25th Division.
9. Prohibition of anti-foreign and anti-Japanese (activities) in all China.*

**

II. The foregoing and the following various matters are agreed to:

1. Matters agreed on by Japan and China shall be fully carried out within the time limit agreed on and persons and new organs which it is feared will be bad for Sino-Japanese relations will not be allowed to enter.
2. With regard to the appointment of provincial and city officials, it is desired that persons who are not bad for Sino-Japanese relations will be selected. This is the hope of the Japanese side.
3. The Japanese side will oversee the carrying out of the matters which have been agreed upon.

June 10, 10th year of Showa.

Takahashi,
 Japanese Military
 Officer at Peiping.

To Ho (Ying-ch'in),

Acting Chairman of the Peiping Branch
 Military Council of the National Government.

- - - - -

June 11, 1935. Chu Shih-ch'in orally informed Watanabe of the following:

1. As regards the present Sino-Japanese problems, Brigadier-General Isogai, Colonel Sakai, and Military Officer Takahashi had an interview with the Minister (Ho Ying-ch'in: E.C.), and orally expressed the hope that the Chinese side would of their own initiative take action for the effecting of a peaceful settlement and would not violate the principle of the maintenance of peace in Sino-Japanese relations.

The

* This sentence in Japanese: E.C.

** This entire section in Japanese: E.C.

132-12

DECLASSIFIED: E.O. 11652, 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 Chinese side has taken action separately on many of the items in accordance with the wishes expressed by you. The rest of the items are being actively attended to, and therefore, it is not necessary to make a written statement.

2. These items are not in the nature of pending cases. A settlement has been effected immediately. Action is being taken on those items which have not been settled and it is agreed that there is a time-limit. The above two points have already been reported to the Central Government. Now you demand a written statement, which appears to be unnecessary.
3. Most of the matters in item 2 concern China's internal administration and do not come within my jurisdiction. Please send a telegraphic reply promptly to Takahashi in regard to the above.

COPY OF PRESIDENT WANG'S (Wang Ching-wei's: E.C.)
 TELEGRAM OF THE 12th, Ssu hour (9 a.m. to 11 a.m.)
 Received June 12, 1935.

ESPECIALLY URGENT

His Excellency

Minister Ho (Ying-ch'in),

Peiping.

All present at the Central Political Council meeting this morning approved your refusal to affix a seal to the memorandum. If the Japanese come to press you again, you may tell them that you have the authority to take action on your own responsibility, but that the right to make written provisions rests with the Central Government and that you are unable to make such a decision. You may ask them to hold negotiations directly with Nanking.

(Wang) Chao-ming.

The 12th, Ssu hour.

COPY

192-13

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

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COPY OF PRESIDENT WANG'S TELEGRAM OF THE 12TH,
 Ssu HOUR (9 a.m. to 11 a.m.).

His Excellency

Minister Ho (Ying-ch'in),

Chujent'ang, Peiping.

The sealing and return of their memorandum actually is no different from signing a treaty to give up Hopei. There is absolutely no reason for our acceptance. At the lowest limit (最低限度) you may address to them from our side a written statement pointing out the fact that matters of the appointment and dismissal of officials and the transfer of troops all pertain to the sphere of our internal administration, and that, on the basis of reasons of friendship and understanding, we have repeatedly of our own accord taken action. This is nothing in the nature of making a treaty. It is hoped that you will, after consideration, take appropriate action.

(Lang) Chao-ming. Seal.

The 12th, ssu hour.

- - - - -

COPY OF A TELEGRAM FROM THE SECRETARY GENERAL OF THE
 CENTRAL TANGPU, DATED THE 11TH.

Mr. Ho Ching-chih (Ho Ying-ch'in : E.C.),

Minister, Peiping.

Your telegram dated the 10th has been received and noted. You told us about Ho Yi-fei who had been mentioned by the Japanese side. Inquiries have been made of the Organization Committee which has found out that the former Tientsin Municipal Tangpu had no such person as Ho Yi-fei. This is a special reply.

(Yeh) Ch'u-ts'ang.
 Seal.

The 11th.

MEMORANDUM

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

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MEMORANDUM

I. The matters which the Chinese side has consented to carry out, vis-a-vis the Japanese Army, are as follows:

1. Dismissal of Yu Hsueh-chung and Chang T'ing-ao and their followers.
2. Dismissal of Chiang Hsiao-hsien, Ting Ch'ang, Tseng K'uo-ch'ing, and Ho Yi-fei.
3. Withdrawal of the 3rd Gendarmerie Regiment.
4. Dissolution of the Political Training Section of the Branch Military Council and the Peiping Military Affairs Journal office.
5. Suppression of the Blue Shirts Society, the Revival Society, and other secret organizations indicated by the Japanese side as detrimental to international relations between the two countries China and Japan, and the prohibition of their existence.
6. Withdrawal of all Tangpu from Hopei Province, and withdrawal and abolition of the Peiping Branch of the Officers' Moral Endeavor Society.
7. Withdrawal of the 51st Army from Hopei Province.
8. Withdrawal of the 2nd and 25th Divisions from Hopei Province, and dissolution of the Students' Training Class of the 25th Division.
9. Prohibition of all anti-foreign and anti-Japanese activities in China generally.

II. In connection with the putting of these items into effect, the following additional matters have also been agreed:

1. All the items agreed to with the Japanese side must be given effect within the agreed time-limit. There will not be permitted the entry anew of officials or organizations which would adversely affect relations between China and Japan (the two countries).
2. At the time of appointment of officials in the several provinces and municipalities, it is hoped that there will be compliance with the Japanese desire that there will not be selected personnel which would cause Sino-Japanese relations to deteriorate.

3.

132-15

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

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3. As regards the effecting of the items agreed upon, the Japanese side will take measures of supervision and adjustment.

For the purpose of aiding the memory, the above was especially written down and is delivered to you.

Date:

Takahashi,
 Japanese Military Officer
 at Peiping.

To

.....

Acting Chairman of the Military
 Council of the National Government.

President Wang,

Nanking.

Takahashi just handed to me a draft document entitled "MEMORANDUM", and stated that it was delivered in writing. He asked me to make a copy and affix my seal to it and send it back to him. I at once refused his request, and told him that the previous was a bilateral verbal agreement which I have carried out on my own responsibility, and that I am unable to make a written reply. Please instruct promptly as to how I should deal with the situation.

(Ho) Ying-ch'in.
 Seal.

The 11th, Yu hour (5-7 p.m.)

COPY OF MINISTER HO'S CONFIDENTIAL TELEGRAM DATED
 THE 6TH, WEI HOUR (1-3 p.m.).

ESPECIALLY URGENT

Pao Chih-yi,

132-16

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

- 12 -

Pao Chih-yi, Esquire,
 Chief Secretary, Peiping Branch
 Military Council.

STRICTLY CONFIDENTIAL. Regarding the reply to Commander Umetsu, I have discussed the matter with President Wang who has agreed to authorize me to sign and seal the reply which is being sent to Peiping by express mail. The reply reads as follows:

"The several items which were a matter of reference on June 9th by Chief-of-Staff Sakai have all been accepted, and, by my own authority, I hope they will be put into effect. This is especially to inform you.

To Commander Umetsu. Ho Ying-....July 6, 1935."

When the original document arrives, please send an official to deliver it to Military Officer Takahashi and ask him to forward it to Umetsu. Your reply is requested.

(Ho) Ying-.....

Confidential. Seal.

The 6th, Wei hour (1-3 p.m.)

 COPY OF A TELEGRAM SUBMITTED TO CHAIRMAN HO,
 DATED THE 7TH, SSU HOUR (9-11 a.m.)

His Excellency
 Chairman Ho,
 4 Tou Chi Cha, Nanking.

Your confidential telegram dated the 6th, Wei hour, has been respectfully noted. CONFIDENTIAL: When the original arrives, I shall send an official to deliver it in compliance with your instructions.

The 7th, Ssu hour.

Pao Wen-.....
 Seal.

MEMORANDUM

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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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Annex 1 to the Agreement

I. The matters which the Chinese side has consented
 (曾經承認) to carry out, vis-a-vis the Japanese side,
 are as follows:

1. Withdrawal of Yu Kuan-chung, Liang T'ing-an,
 and their followers.
2. Withdrawal of Chien, Hsiao-hsien, Lin, Sh'ang,
 and Hsiao-ch'ing from Hsiao-fai.
3. Withdrawal of the Third Landarmy Regiment.
4. Dissolution of the Political Training Section
 of the Branch Military Council, and of the
 existing Military Affairs Journal Office.
5. Suppression of the Hsiao-ch'ing Society, the Re-
 vival Society (復興社) and other secret
 organizations indicated by the Japanese side as
 being detrimental to the international relations
 between the two countries and Japan, and
 the prohibition of their existence.
6. Withdrawal of all Kungpu (Kuomintang) members, etc.
 from the office, and withdrawal and abolition
 of the existing office of the Officers' Moral En-
 hancement Society.
7. Withdrawal of the 1st Army from Hsiao-fai Province.
8. Withdrawal of the 1st and 2nd Divisions from
 Hsiao-fai Province, and dissolution of the 1st and 2nd
 Divisions of the 20th Division.
9. Prohibition of anti-foreign and anti-Japanese
 activities in China generally.

II. In connection with putting of the items into effect,

the following matters have also been agreed:

1. All the items agreed to with the Japanese side
 must be given effect within the agreed time-
 limit. There will not be permitted the entry
 and of officials or organizations which could
 adversely affect relations between China and
 Japan (the two countries).
2. At the time of appointment of officials in the
 several provinces and municipalities, it is hoped
 that there will be compliance with the Japanese
 desire that there will not be selected personnel
 which could cause Sino-Japanese relations to
 deteriorate.

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

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3. As regards the effecting of the items agreed upon, the Japanese side will take measures of supervision and adjustment.

For the purpose of aiding the memory, the above has especially been written down and is delivered to you.

W. T. S.

Commanding the Japanese Army
 in North China.

His Excellency

Ho Ying-ch'ing.

June 9, the 14th year of Kuang (1925).

 Ho Ying-ch'ing.

Sir:

I have the honor to inform you that the several items which were a matter of reference on June 9 by Chief-of-Staff Masai are all accepted and that, by my own authority (自主), I hope they will accordingly be put into effect.

Ho Ying-ch'ing.

To Commander Matsui.

July 6, the 14th year of the Chinese Republic (1925).

132-19

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

TELEGRAM RECEIVED

LMS

1-1336

FROM

GRAY AND SPECIAL GRAY

Peiping

Dated April 20, 1936

Rec'd 12:30 p. m.

Secretary of State,
 Washington.



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

201, April 20, 2 p. m. / 7824

One. Nanking's telegram to the Department 92, / 7846
 April 16, 5 p. m., and paragraph two of the Embassy's
 168, April 3, noon. / 7824

Although joint suppression of communism has probably been urged recently by Matsumuro, available information here indicates that Sung has not (repeat not) yet entered into an agreement. According to various sources, Sung has recently stated that he is not traitor to China and that, unlike Yo Ying Chin, he has not (repeat not) entered into any written agreement with the Japanese. Chinese observers state that Sung is deeply averse to yielding to Japanese representations of major importance.

Two. There are at present in Peiping two Kuominchun generals who formerly outranked Sung. One of them, Shih Ching Ting, has been here for some time as chief counselor of the Hopei Chahar Pacification headquarters. The other, Teng Chehsi, has only recently arrived

rived

134-1

793.94/7860

FILED

APR 22 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. 201, April 20, 2 p. m. from Peiping.

rived from Nanking and has been appointed chief of court martial of the Hopei Chahar Pacification headquarters. A third, Lu Chung Lin, was in Peiping recently as a representative from Feng Yu Hsiang. It seems probable that their advice to their former subordinate Sung has been that he should not (repeat not) yield to Japanese representations. What significance, if any, the movements of these men may have with regard to the Kuominchun as a unit is a matter of speculation.

Three. The future of Sung's relations with the Japanese appears to depend upon (One) the courage of Sung in refusing to make important concessions to the Japanese, (Two) the degree of pressure which the Japanese may be willing to exert, and (Three) the extent of aid, if any, which the National Government may give to Sung.

Four. The principal Chinese military of Hopei are expected to return from Tientsin to Peiping within a day or two. The principal Japanese military in the five northern provinces are expected to have a conference soon at Tientsin with Colonel Nagami, chief of staff of the North China Garrison, who has just returned from Tokyo where he represented Major Tada at the annual meeting of Japanese commanders. It is anticipated that subsequent to Sino-Japanese

conversations

134-2

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

LMS 3-No. 201, April 20, 2 p.m., from Peiping.

conversations at Peiping will be resumed.

Five. According to the Japanese press, there will be a conference at Shanghai of Japanese military officers after the imminent arrival there from Japan of the new Japanese military attache.

Six. Tientsin's telegram, November 27, 11 a. m., the Consulate General at Tientsin reports in despatch 190, April 16, that there is renewed activity in the vicinity of the international race course. Evidence points to construction under supervision of Japanese military of large building or buildings near the land already leveled off for use as airfield. Apparently an aerodrome or barracks is being constructed. A Chinese official stated that the work involves an area of some 700 acres, much of which belongs to the Peiping Mukden Railway.

Seven. Yin Ju Keng of the demilitarized zone has sent a "good will envoy" to Hsinking. Information is lacking with regard to developments in Yin's relations with the Japanese.

Eight. According to press reports some two hundred and fifty soldiers of the Japanese Embassy guard left Peiping April eighteen for Japan replacements of approximately the same strength having arrived April 16.

By mail to Tokyo.

JOHNSON

CSB

134-3

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

LMS

GRAY

1-1336

FROM

Canton (via N. R.)

Dated April 20, 1936

Rec'd 4:05 p. m.

Secretary of State,
Washington.

April 20, 4 p. m.

Division of
FAR EASTERN AFFAIRS
APR 21 1936
Department of State

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

Referring to previous correspondence concerning possible cooperation between Japanese and Kwangsi provincial leaders. In a lengthy newspaper statement published in local and Hong Kong press on April 18, Marshal Li Tsung Jen, military spokesman for Kwangsi urges war resistance against Japan as sole means of salvation of China at this juncture. Li holds there is no likelihood of the United States, Great Britain, or Russia going to war with Japan and that those who urge delay in belief that such war will solve China's problems play directly into Japan's hands. He admits that in Sino-Japanese conflict, Japan will promptly seize China's ports and will blockade her coast but that ensuing extended guerrilla warfare in interior China will require such an expenditure of men and treasure by Japan that under pressure from within and without there will be precipitated economic and political crisis which will make prosecution of foreign war impossible. On the other hand, Li presages that

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APR 23 1936

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133-1

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

LMS 2-From Canton, April 20, 4 p. m.

"the impact of foreign aggression and raising of standard of war for national emancipation the Chinese will become more united"; that Japan will suffer "such diplomatic isolation that it would be easy for the powers to help China either morally or materially and to capitalize Japan's war-given exhaustion". Despatch follows. Sent to Department and to Peiping and Nanking.

SPIKER

SMS:CSB

133-2

0516

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

Copy for Department of State,

No. 105

AMERICAN CONSULATE

Tsingtao, China, March 20, 1936.

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

773.94

RECEIVED
 MAY 12 1936
 DEPT. OF STATE

SUBJECT: Mayor of Tsingtao Shows Anxiety
 Over Sino-Japanese Relations.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.

Division of
 FAR EASTERN AFFAIRS
 APR 21 1936
 Department of State

Sir:

With further reference to this consulate's despatch no. 104/7857 of March 18, 1936, file no. 800/624.4, subject: Mayor of Tsingtao Shows Anxiety Over Sino-Japanese Relations, I have the honor to add thereto that difficulties or embarrassment may be caused the Chinese Government in the event that the present Commissioner of Customs, Mr. H. W. Bradley, an American, is transferred and a non Japanese appointed in his place. It is not for this consulate or the American Government to indicate to the Chinese Government that a change at this time of the nature indicated may be so displeasing to the Japanese merchants of this port and to the Japanese authorities that a diplomatic issue may arise, but it is a fact that the Japanese feel that the whole customs question, tariff as well as administration, needs revision. A serious breach in the...

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

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the present satisfactory relations between the present customs administration in Tsingtao and the Japanese would probably add fuel to a fire which already holds possibilities of a disruption of the great Chinese Maritime Customs Service. A Japanese representative of the Japanese Chamber of Commerce here has in recent months toured Japan and brought to the attention of Japanese commerce and industry certain "iniquities" in the Chinese customs tariff and is creating a feeling not at all sympathetic to the Administration. The situation here has been handled skillfully and satisfactorily by the American commissioner and while it is realized that the Customs administration has acquired a reputation for impartial and equitable application of its regulations, this consulate ventures to repeat what it indicated in its confidential despatch to the Secretary of State, no. 18 of February 2, 1935, file no. 801.A, subject: Position of Americans in Chinese Maritime Customs Service, that it is a matter of regret that the American Government has apparently not always availed itself of opportunities for promoting American interests in the Chinese Maritime Customs Service.

In respect to the situation which may arise from changes in the present customs personnel at Tsingtao, it is of interest to quote Article III of the annex to the treaty for the settlement of outstanding questions...

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questions relative to Shantung, February 4, 1922 (Mac-
 Murray, III, page 86):

"III, Maritime customs at Tsingtao

"The Government of the Chinese Republic declares that it will instruct the Inspector-General of the Chinese Maritime Customs (1) to permit Japanese traders in the former German leased territory of Kiaochow to communicate in the Japanese language with the Customs House of Tsingtao; and (2) to give consideration, within the limits of the established service regulations of the Chinese Maritime Customs, to the diverse needs of the trade of Tsingtao, in the selection of a suitable staff for the said custom-house."

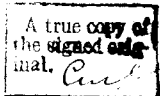
In the foreign press there is little reported in regard to Japanese policy in Shantung, but it would be an error to believe that the Japanese are overlooking the promotion of their interests in Tsingtao and Shantung at this time.

Respectfully yours,

Samuel Sokobin,
 American Consul.

800/620
 SS/CML

Original to Embassy, Peiping,
 Copy to Embassy, Nanking,
 Five copies to Department of State,
 Copy to Tsinan-Chefoo.



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

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

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

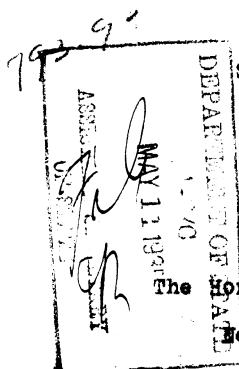
Copy for Department of State.

No. 106.

AMERICAN CONSULATE

Tsingtao, China, March 24, 1936.

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



SUBJECT: Correction in Despatch no. 104 on
 Subject "Mayor of Tsingtao Shows
 Anxiety Over Sino-Japanese Relations."

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping, China.



Sir:

I regret to state that most unfortunately an error of some importance was made on page 2 of this consulate's despatch no. 104⁷⁸⁵⁷ of March 18, 1936, file no. 800/624.4, subject: Mayor of Tsingtao Shows Anxiety Over Sino-Japanese Relations. The import duty collection at Tsingtao in 1935 was stated to be \$31,600,000. This was the import duty collection for the port of Tientsin. The import duty for the port of Tsingtao was \$18,347,000 and 20% thereof would accordingly be \$3,670,000, and not \$6,000,000 as stated on page 2 as the amount which Tsingtao would derive if the practice of apportioning 20% of the import duty

collection...

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corrected
 4/24/36
 JLV.

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

- 2 -

collection at this port were continued.

Respectfully yours,

Samuel Sokobin,
American Consul.

800/624.4
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

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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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

May 2, 1936.

~~MMH:~~
~~BCW:~~
~~MMH:~~

Shanghai's despatch No. 111, March 27, 1936, describes the circumstances which caused the Shanghai Municipal election on March 23-24 to be voided by the Consular Body and a new election to be required. One ballot box was overlooked when the count was made and, although the recount did not alter the outcome of the election, the Japanese Consul General, impelled by the insistence of Japanese residents, requested a new election. The Consular Body granted the request without hesitation, setting April 20-21 as the date for the election. (The results of the new election are not yet known in the Department.)

JCV
 FE:JCV:EJL

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

NO. 111

AMERICAN CONSULATE GENERAL,
 Shanghai, China, March 27, 1936.

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By	Davis		

LEGAL ADVISER
 DEPARTMENT OF STATE

SUBJECT:

Sino-Japanese Relations: Municipal
 Election: Demand of Japanese for
 New Election.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

copy FE
 Division of
 FAR EASTERN AFFAIRS
 APR 21 1936
 Department of State

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

1/ I have the honor to enclose a copy of a self-
 explanatory despatch of today's date, with enclosures,
 from this Consulate General to the American Embassy
 at Peking in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss,
 American Consul General.

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

Enclosure:

1/- Copy of Shanghai Consulate
 General despatch No. 99
 with enclosures.

In Quintuplicate.

800
 MBD MB

793.94/7864

MAY 9 1936
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 99

March 27, 1936.

Subject: Sino-Japanese Relations: Municipal
Election: Demand of Japanese for
New Election.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this office's telegram
of March 26, 4 p.m., and despatch No. 74 (No. 83 to the
Department) of March 16, 1936, concerning the Shanghai
Municipal Council election set for March 23 and 24; and
to report that an unfortunate blunder in the counting of
the votes has resulted in the invalidation of what would
otherwise have been a defeat for the Japanese in their
attempt to gain a third seat on the Council at the ex-
pense of a British or American candidate. The pre-
election campaign aroused a great deal of interest and
resulted in by far the largest poll in the history of
the Settlement. The issue was clearly drawn: there are
nine foreign seats on the Council; the British and
American communities nominated their usual number of
candidates, namely, five and two respectively, but the
Japanese named three instead of their usual two, which
necessarily challenged the "status quo."

While

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

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While deploring the situation precipitated by the Japanese, the NORTH CHINA DAILY NEWS (British) and the SHANGHAI EVENING POST AND MERCURY (American) took the view that the facts should be squarely faced and stressed repeatedly that only one question was before the voters and that was whether the Japanese were to be permitted to force an increase in their representation. It was pointed out that such an increase would result in an "Oriental majority" on the Council, since the combined Chinese and Japanese vote would be eight to the remaining six. Since it was taken for granted that the Japanese would vote only for their three nominees the British and American communities were urged to cast their ballots for the seven non-Japanese candidates exclusively on the theory that two Japanese would thus be elected but the selection of which two would be left to the Japanese community.

Needless to say such forthright tactics resulted in criticism. The SHANGHAI TIMES (British but with Japanese sympathies) stated that the implications of the argument that by "the inexorable laws of arithmetic any vote given for a Japanese candidate is a vote against the British interest, as represented by the five British candidates and their two American colleagues" are extremely serious and tend to educate the non-Japanese community along highly dangerous lines. The SHANGHAI EVENING POST AND MERCURY, which supported the NORTH CHINA DAILY NEWS in its stand, blamed the Japanese for having precipitated the conflict and criticized their tactics in having come
forth

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

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forth with an extra nominee after it was too late for other groups to do the same. It recommended that the two Americans and five Britons be supported and that it be left to the Japanese to "conduct their own straw vote and final election simultaneously". This journal pledged its support whatever the outcome to any effort made to meet just complaints against Settlement administrative policies, and advocated that Japanese claims to additional representation be given due consideration together with similar claims on the part of the large body of qualified ratepayers of other nationalities.

The Chinese vernacular press took occasion to agitate for a much larger Chinese representation; and the CHINA PRESS (Chinese owned, American incorporated) expressed concern over the possibility of increased Japanese influence in the Settlement, recalling Japanese defiance of the Shanghai Municipal Council in Hongkew and insistence on privileges not enjoyed by other residents. It stated also that should the three Japanese be voted into office the Chinese would be fully justified in insisting on an enlarged representation on the Council, but favored the existing ratio as the best for practical purposes.

How successfully the two sides marshaled their forces is evidenced by the vote which was as follows:

	Correct Revised	First Return
Brigadier-General E.B. Macnaghten	2012	1921
W. J. Keswick	1988	1899
G. E. Mitchell	1988	1898
H. Porter	1949	1860
A. D. Calhoun (American)	1902	1819
C. S. Franklin "	1896	1813
H. E. Arnhold	1893	1811
T. Go	880	644
T. Yamamoto	875	640
Defeated Candidate		
T. Urabe	874	638

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

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Acting in accordance with a ratepayers' resolution of some years ago, the scrutineers burned the ballots after they had counted what they believed to be the total number and made a return showing a total of but 2482, which was released as a municipal notification dated March 24, 1936. Later it was discovered to the acute embarrassment of all concerned that one of the ballot boxes contained 323 votes that had been overlooked. It appears that the two scrutineers, A. J. Welch (British) and G. Boelsen (German) assisted by certain employees of the Shanghai Municipal Council including a Japanese, opened the boxes, counted the votes, and thinking they had seen all the ballots issued their first statement. The following day a revised statement showing a total of 2779 votes was issued. There would seem to be no excuse for the error.

Mr. Itaro Ishii, Japanese Consul General at Shanghai, when interviewed immediately after the election, quoted a Japanese proverb to the effect that "a defeated general does not speak" and intimated that the Japanese community would take its defeat in a sportsmanlike manner, but there is no doubt that its members were greatly incensed over the outcome of the election and saw in the failure of the scrutineers to include a number of votes that unfortunately were largely Japanese an opportunity which they were quick to seize. Delegations from various Japanese organizations presented themselves at their Consulate General and it soon became apparent that the only course the Consul General could take would be to make a forthright demand that the election be declared invalid. A special meeting of the Consular

Body

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

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- Body was convened on the afternoon of March 21 to
- 1/ consider the enclosed communication from the Chairman of the Shanghai Municipal Council, which points out that under the Land Regulations the Consuls are the only authority competent to call for a municipal election and that the question raised by the Japanese would therefore have to be resolved by the Consular Body.

- Inasmuch as the failure to count the entire vote was considered inexcusable, no member of the Consular Body showed any disposition to oppose the Japanese demand and the Consular Body declared the election invalid by unanimous vote and called for a new election on Monday and Tuesday, April 20 and 21. Due notice in
- 2/ accordance with the enclosed draft was sent to the Chairman of the Shanghai Municipal Council expressing the view that the election should be entirely "de novo" including new nominations made in accordance with Land Regulation XVIII. It is considered most unfortunate that a stupid blunder should have occurred at the time when the outcome of the election was otherwise all that the non-Japanese foreign communities could have desired. The solidarity with which such communities supported the British and American candidates was surprising. The authorities themselves do not seem to know how to account for the incredible lapse that resulted in the failure of the scrutineers and their assistants, supplied largely by the Shanghai Municipal Council, to count all the ballots.

Although obviously pleased at the action of the Consular Body, Consul General Ishii said the Japanese community would no doubt nominate the same three candidates.

This

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

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This morning, however, the SHANGHAI TIMES which often expresses official Japanese opinion said that a canvass last night revealed that many Japanese favor the withdrawal of one candidate, which would obviate the necessity for the poll set for April 20 and 21. They would be well advised to take this course as they have small chance of gaining anything in an election, but would confound their critics and gain support for an ultimate readjustment of their representation were they to take action making another election unnecessary.

Respectfully yours,

C. E. Gauss,
 American Consul General.

Enclosures:

- 1/- Senior Consul's circular
 No. 60-M-XII.
- 2/- Senior Consul's circular
 No. 61-M-XII.

800
 MPD MB

In Quintuplicate to Department by
despatch No. /// 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

Encl #1

(CIRCULAR NO. 60-M-XII.)

SUBJECT: ELECTION OF MUNICIPAL COUNCILLORS

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(From the Chairman of the Shanghai Municipal Council to the Senior Consul;)

March 26, 1936.

N. Aall, Esquire,
 Consul General for Norway and Senior Consul,
 Shanghai.

Sir:

I have the honour to bring to your attention an unfortunate mistake which occurred in the counting of the votes cast in the Municipal Election held on March 23, and 24.

The facts in so far as the Council has been able to investigate up to the present are as follows:

The procedure at the election of members of the Council this year followed long established practice based on Land Regulation XVIII. The officers appointed by the Council to attend at the polling booth at the Drill Hall and at the Hongkew Police Station immediately after the close of the poll brought the ballot boxes - one from the Drill Hall and one from Hongkew Police Station - sealed and locked to the Council Chamber, and there the seals were broken and the boxes unlocked in the presence of the two scrutineers appointed by the Council. The scrutineers counted what they believed to be the total number of voting papers and made a return showing the total number of votes to be 2,482 together with 13 irregular votes, and declared the names of the nine ratepayers who had the greatest number of votes. The declaration signed by the scrutineers was then issued for publication by order of the Secretary of the Council. The whole of the votes counted were forthwith burnt in accordance with the usual practice in order to prevent any possibility of the secrecy of the ballot being violated. The ballot boxes, presumed to be empty, were locked up in an office of the Secretariat. On examination the next morning one box which had been brought from the Hongkew Police Station was found to contain some voting papers which by some unaccountable inadvertence had remained in the box and had not been counted. The box was kept in custody until the arrival of the two official scrutineers who counted the votes numbering three hundred and twenty-three, of which six were irregular. They drew up a revised return and signed a revised declaration of the names of the nine candidates who had the greatest number of votes after the additional count.

I am advised that the Japanese Consul General and other leading members of the Japanese community regard the election as invalid and desire that a re-election be held.

Under the Land Regulations the respective Consuls are the only persons clothed with authority for holding the municipal election for councillors therefore in the opinion of the Council the matter of a re-election lies entirely within

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

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the authority of the Consular Body.

I am advised that in accordance with Land Regulation IX if the Consular Body decides to call for a re-election such action will be legal within the provisions of Land Regulation IX provided notice is issued by the Consuls before the expiration of this month of March.

I have the honour to be,
Sir,
Your obedient servant,
(sd) H. L. Arnhold,
Chairman.

Circulated: March 26, 1936.

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

Encl # 2

(CIRCULAR NO. 61-M-XII.)

SUBJECT: ELECTION OF COUNCILLORS FOR
THE MUNICIPAL YEAR 1936/1937.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND WITH REFERENCE TO THE DECISION AT THE CONSULAR BODY MEETING ON MARCH 26, HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(From the Senior Consul to the Chairman of the Shanghai Municipal Council.)

March 27, 1936.

H. E. Arnhold, Esquire,
 Chairman, Shanghai Municipal Council,
 Shanghai.

Sir:

I have the honour to inform you that the interested Heads of Consulates have decided that owing to an error whereby 323 votes were not included in the declaration of the Election of Members of Council made by the scrutineers and published as a municipal notification dated March 24, 1936, the said election is to be declared invalid.

Accordingly I am transmitting with this letter a notification in which this declaration is made and also calling for a new election on Monday and Tuesday, April 20 and 21 next. This notification is signed by or on behalf of the Heads of Consulates concerned.

My interested colleagues hold the opinion that the fresh election should be entirely de novo, including new nominations made in accordance with the provisions of Land Regulation XVIII.

I have the honour to be, Sir,
 Your obedient servant,
 (sd) N. Aall,
 Consul General for Norway,
 and Senior Consul.

Enclosure:

ELECTION OF COUNCILLORS MUNICIPAL YEAR 1936/1937.

Owing to an error whereby 323 votes were not included in the declaration of the Election of Members of Council made by the scrutineers and published as a municipal notification dated March 24, 1936, the said election is hereby declared invalid.

Therefore, we, the undersigned, have decided to call for a new election and in pursuance of the provisions of Article IX of the Land Regulations for the Foreign Settlement of Shanghai hereby give notice that Monday and Tuesday, April 20 and 21, are fixed for the election of Councillors for the municipal year 1936.

March 27, 1936.

(signed) N. Aall, Consul General for Norway; J. F. Brennan, H. E. M. Consul General; E. Lardy, Consul Général de Suisse; Itaro Ishii, Japanese Consul General; L. Neyrone, Consul General for Italy; Antonio J. Alves, Consul General for Portugal; M. de Castello Branco, Consul General for Brazil; Poul Scheel, Consul General for Denmark; G. W. Boissevain, Netherlands Consul General; Marce, Baudex, Consul Général de France; C. E. Gauss, American Consul General; J. Delvaux de Fenffe, Belgian Consul General; ff; H. von Hartmannschriff, Acting Consul General for Sweden; J. de Larracochea, Spanish Consul General.

Circulated: March 27, 1936.

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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

April 8, 1936.

MEM:
 1281:
 SKT:

1936 APR 2 AM 10 43

APR 22 1936

Department of State

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 The remarks contained in London's telegram No. 181, April 6th, suggesting that Chiang Kai-shek might decide to oppose Japan with force are believed to be based on reports received by the British similar to those received by the Department from Nanking and Peiping. It is pertinent in this connection to quote briefly from recent reports received from those two offices.

Nanking's despatch No. 81, February 4, 1936:

"Dr. Y. T. Tsur, Administrative Vice Minister of Industries" gave evidence "that the idea of the inevitability of hostilities between China and Japan is prevalent - - -. Dr. Tsur said he supposed that the 'baptism of fire' through which China had been passing must be prolonged to include hostilities with Japan and that 'perhaps' China would emerge from the ordeal improved and strengthened."

"He (Lui Wei chih, Political Vice Minister of Industries) expressed the opinion that - - - (2) no negotiations between the Chinese and Japanese Governments would have any effect in halting the program of Japanese expansion in China; - - - (4) China will be compelled to resist Japan by force of arms within the next two or three months."

"Mr. Suma said (to the NEW YORK TIMES correspondent) that he knew that certain Chinese leaders actively advocated armed resistance to Japan - - -."

Peiping's despatch No. 232, February 11, 1936:

"Dr. Bates (of the University of Nanking) told me (Counselor Peck) that one of the measures for increasing China's combat strength during the period of diplomatically delaying hostilities with Japan, in accordance with the plan of General Chiang, is the building of strategic railways."

"An

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APR 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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"An educator just returned from General Chiang's January 15 conference with students and educators is authority for the statement, based, it is said, on the results of conversations with an old friend who is head of the Ordnance Department, that plans were being rushed to completion which would put China in a state of maximum preparedness for war 'in a very short time'. This impression, it may be stated, seems to be general among those who have had the opportunity to discuss Sino-Japanese relations with General Chiang, but it is difficult to point to any concrete development which would justify this confidence."

Nanking's despatch No. 119, March 7, 1936, (Political Review for February):

"Chinese military preparations for 'resistance' against Japan, - - - continued during February. - - - the Surgeon General of the Army received orders to have the medical corps fully prepared for war within two months."

"According to a reliable Chinese official, General Chiang has now set the 'limit of Japanese aggression' at which the Chinese 'must' begin fighting as Japanese invasion of Suiyuan or Shantung."

Peiping's despatch No. 292, March 11, 1936, (Political Report for February):

"China continued to prepare militarily, perhaps for eventual action against Japanese aggression."

The Military Attaché, Peiping, in his report of February 14, 1936, draws the conclusion "that the probabilities of war between the Chinese and Japanese are remote and that such as exist are, in the main, dependent on factors external to Sino-Japanese relations." (Soviet-Japanese relations presumably).

Predictions

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

- 3 -

Predictions have been frequent in the Chinese press and in reports from China that renewed Japanese activity in North China might be expected in the spring or summer. It is believed (1) that these predictions are correct (2) that Japanese activity outside of the Hopei-Chahar area will be in the direction of Suiyuan and Shansi (3) that it is improbable that this activity will involve the use openly of Japanese military forces and (4) that such activity is not expected to be of a nature to cause Sino-Japanese hostilities. It is further believed that Japanese activity in Shantung will not be pronounced but that should it become so the Nanking Government would support General Han Fu-chu, with armed forces if necessary, should General Han elect to offer resistance. The balance of evidence, although slight, seems to indicate that General Han would resist. Chinese military preparations, as indicated in the preceding quotations from despatches, would appear to be predicated on possible armed resistance south of the Yellow River.

The foregoing paragraph represents an estimate of the probable trend of developments during the next few months. It does not relate to probabilities beyond that period.

Remarks made by Mr. Jabin Hsu, Chief of the Department of General Affairs of the Chinese Ministry of Finance and confidant of H. H. Kung, to Mr. Davis of the Shanghai Consulate General throw light on the situation. "He (Mr. Hsu) said they (government officials) considered the four northern provinces lost to the Nanking Government for all practical purposes; that Suiyuan is isolated and at the mercy of the Japanese; that Yen Hsi-shan has accepted Japanese advisors and will do as they direct and that Sung Che-yuan is under such pressure that he has no choice but to comply with Japanese wishes - - - . He (Hsu) - - - apparently has confidence in Han Fu-chu, who he seems to think will hold out against the Japanese". (Shanghai's despatch No. 24, February 24, 1936).

JZV
 JCV:REK/EJL

SKH

DECLASSIFIED: E.O. 11652, 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

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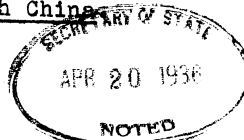
CONFIDENTIAL

April 11, 1936.

1936 APR 21 AM 10 47

Subject: The Situation in North China

DIVISION OF
 COMMUNICATIONS
 AND RECORDS



S.
 Mr. Secretary:

In regard to the situation in North China, --
 The American Military Attache at Peiping, in a report submitted under date February 14, stated that there was in China "ever increasing certainty among many observers that the Chinese are going to fight" (against Japan); he then analyzed a lot of evidence and set forth as his own view: "In the light of the foregoing, it is believed that the probabilities of war between the Chinese and Japanese are remote"

On April 6 the American Embassy in London sent us a "rush" telegram reporting:

"In a casual luncheon conversation today a Foreign Office official intimated that they had received somewhat disturbing reports in the last few days from China, that it was possible that the Chinese were reaching a point where 'they might do something foolish'. He said that 'Chiang Kai Shek had to decide whether he would take the course of wisdom which was to effect a compromise with the Japanese or take on the role of national hero in leading a fruitless drive against the Japanese'."

In the light of these contributions, officers of FE gave careful attention to the evidence available to us.

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On April 9 the Department telegraphed to Peiping the contents of London's telegram of April 6 quoted above together with the comment:

"In the absence of identification of the parties to the conversation the Department is not repeat not inclined, in the light of your reports and other data, to attach undue importance to the statement made in the first sentence quoted above" (i.e., the view expressed by the unnamed British official that the Chinese were perhaps on the point of taking some kind of "foolish" action against the Japanese).

Mr. Vincent has since written a memorandum (first item hereunder attached) in review of various bits of evidence. Conclusions set forth are to the effect that: renewed Japanese activity in North China may be expected within the next few months; Japanese pressure may be in the direction of Suiyuan and Shansi: this activity probably will not involve the use openly of Japanese military forces; it need not be expected to be such as to bring about armed hostilities between Chinese and Japanese armies; but if the Japanese pressure upon Shantung Province should become too great, there might be armed resistance by the Chinese.

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SECRETARY OF STATE
APR 20 1936
NOTED

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

APR 21 1936

April 18, 1936.

Subject: The Situation in North China.

793.94

4: Mr. Secretary.

[Handwritten signature]

[Handwritten "DER" and "H"]

Although there were no striking developments in the North China situation during the week in review, reports tended to confirm earlier predictions that Japanese pressure in that area will increase and continued to indicate the possibility that a contest may develop between the Chinese Government and the Japanese military for control in Shansi Province.

The Embassy at Nanking reported unconfirmed information to the effect that the Hopei-Chahar Council had agreed (1) to the formation of a Sino-Japanese "anti-communism" commission and, in connection therewith, (2) to the stationing of Japanese troops as far south and west as Shihchiachuang and Shunteh. (Both cities are in west Hopei on the Peiping-Hankow railway and near the Shansi border. Shihchiachuang (Chengting) is the strategic junction point from which a railroad leads westward to the capital of Shansi.)

The Embassy at Peiping reported that, notwithstanding the Hopei-Chahar Council's attempts simultaneously "to please the Japanese and to delay", there is evidence of a steady Japanese economic and social penetration into Hopei and Chahar Provinces. However, the Embassy stated there are indications that the Japanese will not be able to establish

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a régime of the autonomous character and geographic scope they seem to desire without the use of or the threat to use armed force.

General Chiang Kai-shek is reported to have proceeded from Nanking to Szechuan Province and to be expected soon to fly to Taiyuan, Shansi, in connection with plans for strengthening the national government's control in that province. There are indications that he will also consult with the head of the Hopei-Chahar Council and with the Governor of Shantung Province in regard to the North China situation. The Embassy at Nanking refers to the belief of a high Chinese official that hostilities with Japan are probable within a month and that Nanking will be the first point of attack.

Another clash on the Manchuria-Outer Mongolia frontier reported by the press during the week did not appear to occasion concern in Tokyo or in Moscow. With regard to the Soviet-Outer Mongolia mutual assistance agreement, the Embassy at Nanking telegraphed the text of a second Chinese note which rejects the explanation in the Soviet Government's reply to the original Chinese note and renews the original protest. It is observed that the second note does not request a reply.

The press contains the news, under a Shanghai date line of April 16, that the Japanese Consul General at Tientsin has been appointed Japanese Ambassador to China and that Chinese Government circles view the appointment with apprehension because the reported appointee is understood to be under the influence of the Japanese Army.

JCV
 JCV/VDM m.m.v.

SEK

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DOCUMENT FILE

NOTE

SEE 893.00 P.R.Tientsin/93 FOR Desp.#167 to Embassy

FROM Tientsin (Caldwell) DATED Mar.21,1936
 /H6/// NAME 1-1187 ...

REGARDING: Developments in Sino-Japanese relations:Reports
 high lights of -, during past month.

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B. Relations with Other Countries.

1. Japan.

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(44-2-12)
c. The Tokyo Coup. The startling
events in Tokyo on February 26 - "bloody Wednesday" -
when in an abortive attempt to effect a coup d'etat

a group

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a group of junior Japanese officers led their subordinates in the assassination of Takahashi, Ito, and other Japanese leaders, overshadowed all other political happenings affecting North China during the period under review. Chinese here who follow the political situation had already reviewed the Japanese elections held on February 20 as having resulted in a considerable advancement of the power and practices of Torokyo Takahashi, the Minister of Finance in the Shide cabinet, and an opponent of larger military budgets for the Japanese Army: in Takahashi's death they saw the removal of the last remaining restraint on the Japanese military machine in North China. It should also be noted, however, that the coup has cost Japan an immense loss of prestige in Chinese eyes, and is accepted as proof of the contention of Chinese leaders that Japan herself is far from stable.

b. The Student Movement.

(1) Students return to school.

On February 3 the Peiping Student's Union issued a manifesto ending the student strike which had begun on December 9, and explaining the decision of its members to return to school "to strengthen themselves for the coming struggle."

(2) Efforts to disrupt the movement. It became evident early in February that the authorities both of North China and the Central Government were intent upon the disruption of the student movement.

(c)

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(a) "Blueshirts" back to Peiping. Student leaders allege that as the first step toward the reorganization of their movement, agents of the Central Government belonging to the notorious "Blueshirts" corps, who had been driven out of Peiping last June, were being sent back into the city to assist in the organization of lists of student leaders.

(b) "Naziist" students caught. It appears also to be generally accepted as a fact in student circles that the authorities were paying certain students--called "Naziists"--to "spy" on the Student Union, and in one case at least the members of the Union found one of the suspected students--a girl--in possession of a complete list of girl students belonging to the Union, with a ground plan of their school territories.

(c) Arrests. The arrests of members of the Student Union, and in some instances of professors believed to be in sympathy with them, continued throughout the month. The police authorities worked with great thoroughness. Student state that they were apparently in possession of a master-list, giving a complete description of each individual "wanted", including, for one university at least, the student's photograph. From this list it was possible to make arrests even on the street. With many of the arrests effected outside of the schools, even the Union leaders are unable to say which of those of their fellows who have disappeared have been arrested and which are

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which are in hiding. Although it was generally expected among Chinese that some at least of the arrested students would be released, no report of such action had been received at the end of February.

(d) Charges of Communism.

In their war on the Student Union one of the most effective weapons which has come to the hands of the Chinese authorities is that of asserting that the movement's leaders are communists. A certain Professor Yang of Tsinghua University succeeded in drawing widespread public attention to this charge by asserting that he could produce proof that it was true. He failed to do so.

(e) Proposed Commission.

Professor Yang's charges against the Student Union were said to have made him eligible for the chairmanship of the proposed but as yet unestablished Education Commission which General Jung Shao-yuan was reported in the local vernacular press to be considering setting up under the Soviet-Chinese Political Council as a means of controlling the student movement.

(f) Holding of Examinations.

Although they were perhaps not justified in their belief, students felt that the unwillingness of the faculties of the various schools and universities to cancel or even to postpone the examinations covering the period of the student strike was also an evidence of the

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of the desire of the authorities to divert them from their efforts to bring to the world of North China." The conflict over the student union was not without moment or consequence was especially acute at Tsinghua University, where it precipitated the destruction, in the afternoon, of the whole faculty. This dispute, from which the school suffered a great and victorious, and the student union considered a popular support.

(3) Reaction of the students.

When it became evident early in February that the government authorities intended to outlaw the student union, its members appear to have become more rather than less aggressive in their tactics.

(a) Attack on middle school.

A band of three hundred students entered the offices of the principal of the local Provincial Higher Middle School in Beijing and manhandled the business manager of the school in a riotous fashion for the action of the school authorities in dismissing 30 students who had been active in the formation of a student association without having first sought their teachers' permission.

(b) Beiping Affair. At Peking

University in Peking members of the student union held a meeting in the last part of January at which they decided to oust the students who had attended the Peking Student Conference held by Chiang Kai-shek (蒋介石). This they did, and in the affray which followed they destroyed the bedding of the one-time delegates

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gator to inform and rounded several of the structures.

Early in the morning of February 1 the police raided the University and arrested the students they believed responsible. The students reacted by seizing the campus and petitioning the Minister of Education to remove the President of the school. Settlement was reached only after the Chinese Government had dispatched a special representative to the scene.

(3) Peking protests delayed.

The two delegations who had been selected by the school authorities of Beijing National University to attend the Peking Conference were objected to by the school on February 18 after a mass meeting attended by five hundred students voted for that action. The students circularized all the universities of China urging them to deny admission to the dismissed students on the grounds that they had attended Chiang Kai-shek's conference.

(4) National Emergency Decree.

The audacity of the Peking students was answered two days later by the Government at Peking in the issuance of the National Emergency Decree for the Maintenance of Peace and Order, which empowered the local authorities everywhere to use whatever means they found effective to suppress disorder. It was accompanied by telegraphic instructions from General Ho Ying-chin (何應欽) ordering the suppression of the Peking-Mountain Student Union, and was followed the next

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the next day by similar instructions transmitted to the Ministry of Education. General Ho's telegram asserted that the student movement was being used by communists.

(2) Effect of the degree.

The issuance of the degree was another attempt to restore a number of measures of the Chinese government, and drove the student leaders into hiding, but it is probable that it not only failed to destroy the union, but that it may have actually strengthened it. However, even if it were now destroyed, the government would appear to have performed a very important function in the political history of present-day China by only bracketing Jansen and General Chiang Kai-shek as the "rascals" enemies of the "Chinese people." The students seek a leader who will resist them.

c. National liberation association.

During February some fourteen of the most vigorous of the patriotic associations which have sprung up in the last three months in North China banded together in what is described as being the largest of these organizations so far formed, called the North China National liberation association. At its first meeting it adopted a strong anti-Japanese program advocating the cessation of internal strife and the arming of the whole nation against Japan.

d. Affairs of the Hobei-Hebei Council.

- (1) Sung and Han confer. General
 Sung

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Wang Shu-yuan (宋哲元), Chairman of the Hobei-Chahar Political Council, met and conferred with General Han Fu-chang (韓復榘), Chairman of the Chientung Provincial Government, at T'oli in Chientung on the first of September, while the former was visiting there to inspect the tombs of his ancestors. A subordinate official of the Hobei Provincial Government informed this Consul that General Wang asked Han's advice as to whether he should attempt to sever financial relations between local and the Peking Government, and that Han advised strongly against such a step.

(2) Boihara for fiscal autonomy.

In the conference which took place in Beijing after General Wang's return from Chientung, General Boihara was alleged by usually well-informed Chinese to have pressed for the establishment of fiscal autonomy for the Hobei-Chahar Political Council. He is said to have stated that he had done much for China, and that he hoped that the General would find it possible to do at least that much for him.

(3) Japanese advisors. The same sources also assert that General Boihara was offered the post of Chief Advisor to the Council, but refused it with the statement that he could not serve that body until it became financially independent of the Peking Government. In the course of the month two Japanese advisors were however appointed to Commissions subordinate

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subordinate to the Council, set off then to that on
 foreign relations and the other to that on economics.

(4) Location to Hankow. Presumably also in connection with the question of the Council's finances, General Yang dispatched two representatives to Hankow to confer with C. H. Jung (孔祥熙), the Minister of Finance in the Central Government.

(5) Commission's power enlarged.

The organic law of the Foreign Relations Commission of the Hsuei-shan Political Council was amended during February to empower the Commission not only to study but to deal with all diplomatic questions involving the provinces of Hsuei and Chahar. Its membership was at the same time increased from seven to eleven.

a. Inner Mongolia.

(1) Uprising after collapse. The Inner Mongolian Autonomous Council virtually ceased to function in October, when the troops of General Li Shou-hsi (李守信), erst-while "Manchukuo" commander from Tolon, took south-central Chahar and established a government at Changpei, north of Nalgou. The Tuh-tang (德王), who had been the real leader of the Council, deserted its headquarters at Tsilia also for his own at Panghsang, leaving the staff of the defunct Council behind him. The fact of the Council's collapse became inescapable when in the latter part of February the thousand officers and men

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and non communist the Kollingian staff continued on radio and started south, at the same time telegraphing the Chinese Government explaining their action and asking for assistance.

(2) Li Hsiang-shan. Li Hsiang-shan (吴鹤龄), a member of the National Commission for Mongolian and Tibetan Affairs, and known to favor the allegiance of the Inner Mongolians to Nan-king, was rumored to have been assassinated in the early part of February. It was later established, however, that he is in Lanchow, where, according to report, he is actually a prisoner of the KKK army.

(3) Cho Chih-hai and Chuiyuan. The pro-Manchurian Mongol leader, Cho Chih-hai (卓什海), who is said to be allied with General Li Shou-hsin and to have established a Chahar League Government in northern Chahar, was reported during February to be negotiating with General Yu Tso-i (傅作义) for the peaceful surrender of the five districts within the province of Chuiyuan which are the traditional home of the Chahar Banners of Chuiyuan. It would appear probable that any weakening of General Yu's desire or power to resist the pro-Manchurian Mongol advance would result in the loss of eastern Chuiyuan.

(4) Chuiyuan Council inaugurated. The autonomous Political Council of Mongolian Leagues and Banners in Chuiyuan was inaugurated at Hueisui on February 23, the oaths of office being administered

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to Prince Sakdoojab, the new Chairman, and Prince Jen, the Vice-Chairman, by General Lu Tso-i, acting on behalf of the Executive Yuan of the National Government. General Hsu Yung-chang (徐永昌) was present as the official representative of General Yen Hsi-shan (閻錫山), who has been appointed the Director General of the Council by Chiang. A significant part of the ceremonies was the participation in them by Major Yoshio Hayama, the Resident Japanese Military Officer at Nanking, who made a speech.

C. Japanese Navy Office.

Rear Admiral Sada, Commanding Officer of the Naval Depot, at Port Arthur, visited Tientsin and Tsiping during the month to inspect the situation here following the institution of the Hopsi-Chaher Political Council and to establish contact with the North China Garrison of the Japanese Army. His visit to Tientsin, where he talked with Yin Ju-keng (殷汝耕), led to rumors that he was bargaining for a naval depot at Tangku. It is probable, however, that these reports grew out of plans to establish a Tientsin Office of the Japanese Navy. That office was set up in February at No. 12 Fushin Road, in the Japanese Concession in Tientsin.

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NOTE

SEE 893.00 P.R./110 FOR Desp.#292

FROM China (Johnson) DATED Mar.11,1936
16/11 NAME 1-1127 ...

REGARDING: Relations between China and Japan: Gives status of -,
with summary of developments during past month.

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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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There was during the first twenty-five days of February little activity directed toward a solution of Japanese relations by negotiation. The situation was suddenly galvanized, however, by the assassination of high officials at Tokyo on February 26 by extreme reactionaries of the military. The assassinations increased the obscurity surrounding the future of Sino-Japanese relations. No change, however, took place during the remaining days of February, although grave apprehension existed with regard to the significance of the assassinations for the future of Sino-Japanese relations. The Chinese and Japanese concerned with Sino-Japanese relations appeared to await the progress of internal developments in both China and Japan and the initiation and progress of impending negotiations at Hankow on the basis of Mr. Hirota's so-called three points.

a. North China:

Japanese restraint:

There was during February a diminution of pressure by the Japanese military on the Chinese leaders of the five northern provinces. It seemed that the Japanese military were willing merely to watch for the time being the progress by its own efforts of the Hopei-Chahar Political

Council

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Council toward greater autonomy. In adopting this passive attitude, the Japanese military were presumably influenced by several factors,¹ including (1) the impending replacement of the two ranking officers of the Japanese North China Garrison by officers of higher rank, that is, by a Lieutenant General and a Major General, (2) the impending transfer of Major General Kenji Doihara, the chief Japanese negotiator in North China, (3) the impending increase of the numerical strength of the North China Garrison, and (4) conversations in progress during February at Tokyo among various important leaders, including Major General Kensuke Isogai, Military Attaché of the Japanese Embassy in China, and Lieutenant Colonel Sumihisa Ikeda, Staff Officer of the North China Garrison. The suspension of activity was further indicated by the indefinite postponement of the visit to North China of the Vice Chief of Staff at Tokyo, Lieutenant General Hajime Sugiyama, whose arrival had been scheduled for the early part of February. After the assassinations at Tokyo of February 26, it seemed probable that future actions of the Japanese military with respect to North China would await also a clarification of the situation in Japan.

There were no major developments in connection with the Hopei-Shahar Political Council, Mr. Yin Ju-keng's regime in the demilitarized zone, the situation in Inner Mongolia in Shahar and Suiyuan provinces, and the Japanese plan for a five province autonomous state.

The

1. Embassy's 79, Feb. 20, 5 p.m., and 102, March 3, 11 a.m.

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The Hopei-Chahar Political Council:

Although Major General Doihara, Chief of the Special Military Mission at Mukden, and Major General Hayao Wada, Commander of the North China Garrison, had numerous conversations during February with Chinese of the Hopei-Chahar Political Council, it was impossible to discover definite evidence of increasing autonomy on the part of that organ, other than the arrival of the "informal" Japanese advisers. One of them was Mr. Doki Yano, a former junior official of the Japanese Foreign Office who subsequently served the "Manchukuo" government; the other was a Mr. Aoki, formerly of the Japanese Ministry of Finance and subsequently of the "Manchukuo" government.² It was understood that Mr. Yano would assist the Foreign Affairs Committee and Mr. Aoki the Economic Committee of the Hopei-Chahar Political Council.

The chief concern of the Hopei-Chahar Political Council during February seemed to be the question of the division of revenue between itself, Mr. Yin Ju-keng's regime, and the National Government. The Council appeared to be most perturbed over the question of a subsidy's being granted to it by the National Government, and General Sung Cho-yuan dispatched two financial officials to Nanking during the middle of the month and then sent near the close of the month General Chih Ching-t'ing for the purpose of discussing financial arrangements with the National Government.³ According to a local financial

official,

2. Embassy's 62, February 14, 5 p.m.
3. Embassy's 102, March 3, 11 a.m., paragraph 2.

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official, the monthly income of the Hopei-Chahar Political Council is \$2,650,000 (Chinese currency), of which \$1,500,000 comes from the Salt Administration, \$300,000 from the Peiping-Lukden Railway, \$200,000 from the Consolidated Tax, and the remainder from the Peiping-Suiyuan railway, the Wine and Tobacco Tax, the Peiping and Tientsin Municipal Governments, the Peiping and Tientsin Telephone Administrations, the Peiping Telegraph Administration, the Hopei and Chahar Provincial Governments, and from the sale of revenue stamps. This official stated that the monthly deficit of the Hopei-Chahar Provincial Government was \$350,000.

Notwithstanding this seemingly clear-cut statement of an official concerned, the question of revenue for General Sung's regime was confusing. Although the revenue of the Peiping Branch Military Council under General Ho Ying-ch'in, which preceded the regime of General Sung, received monthly some \$4,000,000 with the approval of the National Government, that money was used in part to pay for the upkeep of General Chang Chen's troops, then stationed in Hopei Province, of the former Northeastern forces, including those of General Yu Hsueh-chung, then Chairman of the Hopei Provincial Government, and of the troops of General Sung Che-yuan stationed in both Chahar and Hopei Provinces. It is understood that now the situation with regard to payment of troops has considerably altered and that General Sung and the Hopei-Chahar Political Council do not contribute - or contribute comparatively little - to the upkeep of any forces but

General

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General Sung's own, a fact which means that the expenditures of his regime should not be so heavy as those of the former military council.

No important appointments of Chinese were made during February by the Hopei-Shanar Political Council. The undesirable Generals Sun Tien-ying and Shih Yu-san did not assume any posts, although it had been reported that each was being considered for a military position under the Council. According to some informed Chinese, their failure to obtain office was due to the fact that the National Government had not withdrawn previous orders for their arrest. The possibility of their being used eventually by Japanese expansionists, however, continued to exist.

Yin Ju-keng's regime in the demilitarized zone:

The status of the Eastern Hopei Anti-Communist Autonomous Government remained unchanged during February and that organization continued in existence as a potential instrument for further penetration by the Japanese when they should consider the time opportune.

Student activities and General Sung Che-yuan:⁴

The most significant student activities during February occurred at Peiping, China's principal center of learning. Their activities appeared, on the surface at least, to be less anti-Japanese in character than previously. That their agitation was directed against the holding of the usual mid-year examinations and against

these

4. Embassy's 71, Feb. 18, 4 p.m., and 102, March 3, 11 a.m.

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those students who had attended the students' conference at Hankow in January lost to some extent of the sympathy which observers had had during their earlier activities which had been primarily in protest against the unfortunate political situation resulting from Japan's presence. It was believed that radical students had organized or were attempting to gain control of student activities, for immediate purpose seeming to be the creation of a situation which the ultimate purpose might be to bring about a situation through that confusion which would involve the Japanese and thus by facilitating the spread of communism. That the radical students could have the continued support of non-radical students was presumably due to the fact that students in the latter category regarded their activities as expressing dissatisfaction with the present regime in Hanoi province.

General Chu Cho-pun, the military leader of Hanoi province and a man of slight political administrative experience, became highly incensed as the month under review progressed and caused the arrest during the latter part of February of some tens of students and of three university professors who were allegedly encouraging student agitation. It was reliably reported that General Chu wanted to have two of the professors shot but was restrained by other officials to adopt no such radical measures. He was urged to have offenders sent to Hanoi to be dealt with by the National Government rather than to have punishment meted out locally; and the National Government also urged that this course be followed.

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In part as the result of his anger, General Sung continued to consider the advisability of establishing an education commission for the purpose of supervising education.⁵ He was advised, however, by leading educators that, if such a commission attempted to interfere with the universities of Peiping, the universities would be forced to remove from North China; and some educators and politicians refused, when approached, to serve on such a commission. It appeared, therefore, at the end of February that the commission would not be set up in the near future.

Inner Mongolia in Suiyuan⁶

The situation in Inner Mongolia in Chahar and Suiyuan Provinces remained much the same as it had been during January. A potential threat to peace was contained, however, in the desertion on February 21 of some 500 to 1,000 Mongols at Pailingmiao, the headquarters of the Mongolian Local Autonomous Political Council, of which Prince Teh is the most powerful figure. The intention of the deserters was to join the recently established District Autonomous Political Affairs Commission of Mongolian Leagues and Banners in the Province of Suiyuan, which is supported primarily by agricultural Mongols and by General Fu Tso-yi, Chairman of the Suiyuan Provincial Government and henchman of General Yen Hsi-shan. Although the deserters were understood to be not Mongol troops belonging to Prince Teh but rather a heterogeneous group of Mongols who had gathered at Pailingmiao from various places following the inauguration

of

5. Embassy's 102, March 3, 11 a.m.
 6. Embassy's 122, March 10, 3 p.m.

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

- 3 -

of the Council in 1934, their action was regarded as creating a plausible excuse for Prince Teh to take action against the new Suiyuan Council, if he so desired. It was presumed that in the event of such action he could depend for assistance on Li Shou-hsin and Joddajap (Chou Shih-hai) who control the twelve Chahar banners in Chahar province north of the Great Wall and who probably have the loyalty of the four Chahar banners in Suiyuan. Such a movement, if successful, would mean the extension of Japanese control over the Mongols in Suiyuan province as Prince Teh, Li, and Joddajap are understood to be subject to the dictation of the Japanese military.

Mongols of the Pailingmiao Council, who had been alienated from Chinese authority by the inauguration in February of the Suiyuan Council, were further alienated by the assumption on February 24 by General Yen Hsi-shan of the post of Director of the Suiyuan Council, as General Yen has been the principal opponent of Mongol unity as envisaged by the Council at Pailingmiao.

b. Central China⁷:

The new Japanese Ambassador: negotiations:

The National Government so far as is known to the Embassy participated during February in no conversations of importance with Japanese authorities. Negotiations presumably awaited the arrival of the new Japanese Ambassador, Mr. Naohiro Arita, whose appointment was formally

announced

7. Nanking's monthly report for February.

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

- 9 -

announced on February 7 and who reached Shanghai on February 26. It was understood that Mr. Krita would base his conversations on the Japanese contention that General Chiang Kai-shek had already agreed to the so-called three points of Mr. Hirota.

Chinese military preparedness:

There was again evidence that the National Government was continuing to improve its position militarily, presumably in preparation for that time when it might decide to resist by force further Japanese aggression. It was still not known whether General Chiang Kai-shek and the National Government had decided at what point in future Japanese aggression armed resistance would be employed.

c. South China:

A general uneasiness existed in South China during February because of rumors that Japanese intended to initiate a separatist movement in Fukien Province. These rumors were not substantiated, and it was thought that they might have been the result of activities of Chinese planning or engaged in subversive activities.⁸

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

DOCUMENT FILE

NOTE

SEE 894.00 P.R./99 FOR Desp, #1737

FROM Japan (Grew) DATED Mar. 19, 1936.
TH// NAME 1-1137 ..

REGARDING: Sino-Japanese relations: Gives general summary
of developments in -, during the past month.

fpg

793.94/7870

7870

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

II. RELATIONS WITH OTHER COUNTRIES.

(a). China.

793.94
No development of particular significance appears to
have taken place in Sino-Japanese relations during the
month of February, although more emphasis was placed on
closer

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closer cooperation between the Army, the Navy, and the Foreign Office and also between the Tokyo authorities and the Japanese authorities in China. Major General Isogai, Military Attaché to the Japanese Embassy in Peiping, on February 5 reported to the then War Minister, General Kawashima, on conditions in China. According to the Japanese press, officers in the General Staff consulted with General Kawashima and Major General Isogai and agreed with them on the following program for China: that a unified policy, as mentioned above, should be adopted; that efforts should be made to have the Nanking Government "liquidate" its policy of resistance to Japan and "Manchukuo" and to suppress the "malign" activities of the Kuo-mintang; that the Army should give as much friendly help as possible, within the limits of non-interference in China's internal affairs, to further the health development of the Hopei-Chahar Political Council. It was reported on February 8 by Domei (news agency) and several of the vernacular newspapers that on the previous day high officials of the Ministries for Foreign Affairs, War, and Navy, had come to a complete agreement of views on measures for carrying out Japan's foreign policy as set forth by Mr. Hirota in his speech to the Diet on January 21.* Probably in connection with the above-mentioned plan to aid in development of the Hopei-Chahar Political Council, two Japanese advisers were appointed to the Council on February 10: Mr. Seiki Yano, Chief of the Asiatic Affairs Section of the "Manchukuo" Ministry for Foreign Affairs, and Mr. Minoru Aoki, Counsellor of the Planning Department
of

* Embassy's Monthly Political Report for January, Section II (a).

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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 "Manchukuo" State Council. During the early part of the month, Major General Isogai and Mr. Ariyoshi, retiring Ambassador to China, appeared to share the view that Japan's policies toward China should be unified and strengthened. However, at the end of the month Isogai was apparently more satisfied with Japan's policy, judging from the following statement attributed to him by a Domei (news agency) despatch from Shanghai dated February 28: "Both the Japanese Government and civilian quarters are completely in accord with my views with regard to Japan's policies toward China, as was revealed in the series of conversations held during my recent stay in the country." Furthermore, Mr. Arita, who on February 8 was appointed Ambassador to China to succeed Mr. Ariyoshi, was reported by the OSAKA MAINICHI of February 25 to be in substantial agreement with Major General Isogai, with whom he departed for China on February 24. This newspaper quoted the new Ambassador as having said: "You see, the General and I are travelling together on the same ship to our posts, which should indicate that we are showing a united front." Major General Isogai was stated to have confirmed the Ambassador's remarks regarding their complete agreement in policy.

According to the YOMIURI of February 10, the Army General Staff decided to increase the Japanese forces in North China without waiting for the appropriation of special funds at the special session of the Imperial Diet, because of the "momentous situation following the foundation of the Hopei-Chahar Political Council in Peiping."

It was reported that the Overseas Ministry had decided to have Japan undertake cultivation of raw cotton in North China on a five-year plan to be participated in by the

three

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

- 9 -

three principal Japanese cotton spinning companies.

The only clash reported by the Japanese press during the month was the alleged physical mistreatment of 13 Japanese and 28 Koreans at Tsangchow, Hopei Province, on February 20 by Chinese police. The Japanese Consulate General at Tientsin was said to have started an investigation of the affair.

1569

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

DOCUMENT FILE

NOTE

SEE 893.515/1047 FOR Desp.#102

FROM Shanghai (Gauss) DATED Mar.23,1936
//19// NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Possible issue of new
currency in North China.

fpg

793.94/7871

7871

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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 893.00/13474 FOR Tel#-, Noon

FROM Tientsin (Caldwell) DATED April 24, 1936
 TO NAME 1-1137 ...

REGARDING: World wide peace strike declared by World Student Union in Paris, April 22; Treaty between Sung and the Japanese.

Strike meeting in Tientsin addressed by speakers urging opposition to Japanese imperialism. Treaty between General Sung Che-Yuan and Japanese military authorities reported being negotiated, the wording and intent of which closely follows Russo-Outer-Mongolian Pact, whereby Sung is pledged complete support against incursion of Russian, Communist, or Central Government troops into territory under control of Hopei-Chahar Political Council.

793.94/ 7872

FRG.

7872

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

ZE

KLP

GRAY

Tientsin via N. R.

Dated April 24, 1936.

Rec'd. 11:35 a.m.

Secretary of State,
 Washington.

RUSH

April 24, noon.

Students of Nankai University April 22 received telegram from headquarters of World Student Union in Paris declaring students world wide peace strike. Meeting of Tientsin Student Union called evening April 22 declared student strike for April 23 and 24. Strike reported to be 100% effective yesterday and today in all middle schools and colleges of Tientsin. Four hundred students of Huichung Middle School held mass meeting this morning from 9 to 10; addressed by speakers urging them to remember Kuoch'ing, dead student, and to oppose Japanese imperialism for salvation of China. Mass meeting of all Tientsin students has been called for 2 o'clock this afternoon at Peiyang University. Students orderly and peaceful. Peiping students reported not to have

notes
 793.94
 693.002

593.00/13474

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

- 2 -

have gone on strike but will do so within next three days.

793.94
 Two. Son of Anfu ex-official, himself a minor official, states that treaty is being negotiated and perhaps has already been signed between General Sung Che-Yuan and Japanese military authorities the wording and intent of which closely follows Russo-Outer-Mongolian Pact, whereby General Sung is pledged complete Japanese military support against incursion of Russian, Communist, or Central Government troops into territory under control of Hopei-Chahar Political Council.

693.002
 Three. Reports in English language and vernacular press of today's date confirm statements made to this office by informed Chinese that Hopei-Chahar Political Council has opened customs office at Ch'ik'ou with branch at Map'engk'ou where levies of .2 per bag on sugar and .10 per role on artificial silk are to be collected.

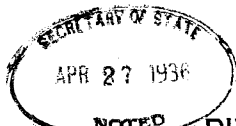
Four. Copy to Embassy at Peiping and Nanking.

CALDWELL

HPD

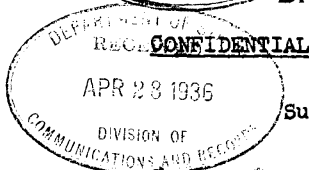
0573

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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



April 24, 1936.

Subject: The Situation in North China.

Mr. Secretary.

793.94
 During the week in review there were no new developments of major significance in Sino-Japanese relations in North China.

The Embassy at Nanking reported the grant of a large monthly subsidy to the Hopei-Chahar Council by the National Government and commented that this action merely legalized the Council's previous arbitrary practice of retaining National Government revenues amounting to approximately two and a half million dollars monthly (Chinese currency).

The Embassy at Peiping telegraphed information to the effect that the Chairman of the Hopei-Chahar Council had not entered into a written agreement with the Japanese and that he was averse to yielding to Japanese representations in regard to subjects of major importance.

The Embassy at Nanking reported that the Chinese Government was understood to have decided to lower import duties on certain articles (notably sugar and rayon) in order to make the extensive smuggling of Japanese goods into North China unprofitable and with a view possibly to forestalling independent action in North China which would be tantamount

to

793.94/7873

F6

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

- 2 -

to a reduction of import duties. This situation is one which is of direct interest and concern to the "foreign powers", as it affects the potential customs receipts and therefore China's capacity to pay in relation to her foreign indebtedness.

The Executive Yuan of the Chinese Government, apparently after some deliberation and with some misgiving, approved the appointment of Shigeru Kawagoe as Japanese Ambassador to China. Kawagoe is believed by the Chinese to be sympathetic toward the aims of the Japanese Army in North China.

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FE:JCV/VDM

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Department of State letter, August 10, 1972
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TELEGRAM RECEIVED

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GRAY

Peiping via N. R.

Dated April 29, 1936

Rec'd 1:20 p. m.

Secretary of State,
Washington.

213, April 29, 3 p. m.

One. Reference paragraph one of Embassy's 201,
April 20, 2 p. m., Sung Che Yuan and his self-seeking
civilian subordinates are conferring at Tientsin with
Japanese military leaders. Available information indi-
cates that Sung is being urged to sign an anti-Communism
agreement which is designed for strategic purposes with
regard to Soviet Russia, for further separation of the
Sung regime from the National Government, and for fur-
ther extension of Japanese influence in North China.
Details are not obtainable.

Two. Japanese advisers suggested recently to the
Foreign Affairs Committee of the Hopei-Chahar Political
Council that Japanese nationals be granted the priv-
ilege of free residence in North China. All of the
committee except the chairman, allegedly a member of the
Kwangsi clique of the Kuomintang and opposed to Chiang
Kai Shek disapproved of the suggestion, which has been
referred to Sung Che Yuan. Acceptance of the suggestion
would facilitate Japanese penetration and activities



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793.94/7874

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

LMS 2-No. 213, April 29, 3 p. m. from Peiping.

as, for example, it might be used as an excuse to bring in additional Japanese police and courts.

693.77
Three. According to Chinese officials, it has been definitely decided by the Hopei-Chahar Political Council to construct a railway from Shihkiachwang on the Pinghan Railway to Tsangchow on the Tsinpu Railway. (Reference page three of Embassy's despatch 2897, August 10, 1934).
892.00/12803
Apparently the project has the approval of the National Government as the Ministry of Railways has appointed the "chief of the engineering bureau of the Tsangchow-Shihkiachwang Railway". It is not (repeat not) known what Japanese interests are involved.

Four. The Japanese military are constructing new barracks at Kupeikou to the south of the north gate, apparently on a fairly extensive scale. At present there are about 100 Japanese troops at Kupeikou.

Five. It is reliably reported that all construction of roads, railways, and the like in Jehol Province has ceased since the Tokyo assassinations. There is a news report about Hsingking, indicating an economy program with regard to Manchukuo.

Six. Major General Tada, commander of the North China garrison, and Major General Itagaki, chief of staff

135-5

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

LMS 3-No. 213, April 29, 3 p. m. from Peiping.

staff of the Kwantung army, have been promoted to the rank of lieutenant general.

893.01-
Inner Mongolia
Seven. An unconfirmed report is current in Peiping today that the form and personnel for an autonomous Mongol government under Japanese direction is ready for inauguration "at a suitable time" with Prince Teh as the head and Panhofen in Western Chahar as the capital.

By mail to Peiping.

JOHNSON

CSB

135-3

0578

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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

GRAY

Peiping via N. R.

Dated April 30, 1936

Rec'd 7:50 a. m.

Secretary of State
 Washington.

Division of
 FAR EASTERN AFFAIRS
 APR 30 1936
 Department of State

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

217, April 30, 4 p. m.

Reference paragraph six of the Embassy's 213, April
 29, 3 p. m.

The Embassy is reliably informed that several changes are being made in the status of the Japanese military in Hopei Province for the purpose of showing the Chinese "the fixed determination" of the Japanese military and of enhancing the prestige of Lieutenant General Tada's position vis a vis other Japanese military. Appointment of the commander of the North China garrison will hereafter be made directly by the Emperor, thereby putting the post in the same status as that of commanders of the Kwantung Army, the forces in Chosen and Taiwan districts. Presumably Tada will receive the first appointment as he has recently been raised in rank. As a result of the approaching increase of the strength of the North China garrison (which Japanese sources state will be double the present number) the Japanese Embassy guard in Peiping will be raised

793.94/7875

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136-1

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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. 217, April 30, 4 p. m. from Peiping

raised from the status of a regiment to that of a brigade. The present Commander, a lieutenant colonel, is being replaced by a colonel. At the same time, the brigade will be commanded by a major general who will have under him two lieutenant colonels. There will thus be an exceptional number of high ranking officers in Peiping, including Major General Matsumuro, head of the military mission stationed at Peiping which is under the North China garrison. Matsumuro is assisted by a major; assistant military attache continues to be a major.

By mail to Tokyo.

KLP

JOHNSON

136-2

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

TELEGRAM RECEIVED

LMS

1-1336

GRAY and SPECIAL GRAY

Nanking via N. R.

Dated April 30, 1936

Rec'd 7:50 a. m.

Secretary of State
 Washington.

FROM
 file 29.C
 Division of
 FAR EASTERN AFFAIRS
 MAY 1 - 1936
 Department of State

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

113, April 30, 10 a. m. / 7846 6939-13/4
 My 92, April 16, 5 p. m., and 103, April 22, noon.

One. Foreign Office has given to the press official denial of press reports from Peiping that Sung Che Yuan has entered into an agreement with the Japanese military for Sino-Japanese cooperation against Communism.

Two. In an informal private conversation last evening a responsible official of the Foreign Office stated to me positively that no such agreement had yet been made. He indicated, however, that he feared Sung eventually would have to meet Japanese wishes in this respect, stated that Japanese military officers had recently been pressing Sung for such agreement, and intimated that Sung is bargaining for the best terms possible and is attempting as a quid pro quo to obtain the abolition of the East Hopei regime and the inclusion of the East Hopei area in the territory under the jurisdiction of the Hopei-Chahar Council.

137
 Three.

793.94/7876

MAY 2 1936

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

LMS 2-No. 113, April 30, 10 a. m. from Nanking.

Three. Except for threats of a military demarche, which he indicated are not (repeat not) being employed by Japanese officers at this time, the principal lever in the hands of the Japanese to force acceptance of the proposal in the Hirota program relating to joint Sino-Japanese action against Communism appears to be the situation arising out of the smuggling through the demilitarized zone of large quantities of Japanese goods (estimated by some to amount in value from two to three hundred million Chinese dollars per annum and to cost the customs daily from ten to twenty thousand in revenues). He feels that the smuggling constituted an attack upon the Customs Administration which might later be directed against the customs at other places and eventually destroy its effectiveness as the Government's chief and most reliable revenue-producing agency. The seriousness of the Chinese predicament in this respect, he intimated, might cause Sung to capitulate if by so doing the effectiveness of the customs in the North might be maintained. He said that reduction of the import tariff would not in his opinion prove a good solution of the smuggling problem because it would mean

137-2

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Department of State letter, August 10, 1972
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LMS 3-No. 113, April 30, 10 a. m. from Nanking.

mean reduction not only of duty on items now being
smuggled but eventually of all items with consequent
great loss of revenue.

Four. Repeated to the Department and Peiping.
By mail to Tokyo.

KLP

ATCHESON

137-3

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

DOCUMENT FILE

NOTE

SEE 761.93/1570 FOR Tel. #115, noon

FROM China (Nanking) (Atcheson) DATED Apr. 30, 1936
~~xxxx~~ NAME 1-1127 ***

REGARDING: Japanese press reports concerning an alleged secret treaty between China and the Soviet Union. Official Chinese press statement deploring -.

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793.94/ 7877

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

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FS

GRAY & PLAIN

Nanking via N. R.

Dated April 30, 1936

Rec'd 6:40 a. m.

Secretary of State,
 Washington.

115, April 30, noon. (GRAY)

One. Foreign Office has released following statement in English to the press. (END GRAY)

"The Persistent reports in the Japanese press of an alleged secret treaty between China and Soviet Russia were deplored by Dr. T. T. Li, director of intelligence and publicity department of the Foreign Office, in the course of a press interview this afternoon.

Declaring that such reports were absolutely groundless, Dr. Li said that their repeated appearance in the Japanese newspapers in spite of China's denials led to the suspicion of some wilful purpose.

The circulation by the Japanese papers of such sensational but totally unfounded rumors, he emphasized, would in no way serve the cause of Sino-Japanese understanding."

(GRAY). Two. To Department. By mail to Peiping, Moscow and Tokyo.

JS

ATCHESON

793.94

761.93/1570

0585

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

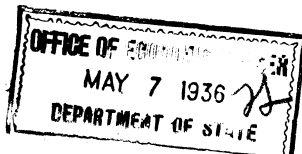


EMBASSY OF THE
 UNITED STATES OF AMERICA

No. 348

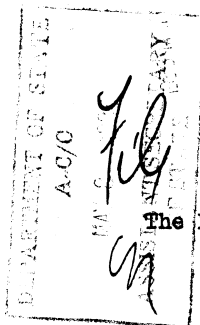
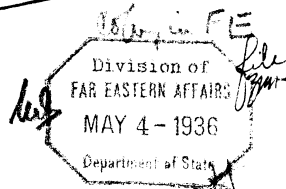
Peiping, April 8, 1936.

Subject: Japanese Advisers to the Hopei-Chahar
Political Council.



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

ON 11 M 17



The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to refer to paragraph three of the Embassy's telegram No. 135/7794 of March 16, 4 p.m., reporting the arrival of additional Japanese advisers to the Hopei-Chahar Political Council, and to submit information with regard to each.

The six advisers assigned up to the present to the Hopei-Chahar Political Council are as follows:

1. Mr. Seiki Yano, adviser to the Foreign Affairs Committee of the Council; formerly of the Japanese Foreign Office and subsequently Chief of the Asiatic Affairs Section of the "Manchukuo" Foreign Office;

2.

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 MAY 9 1936

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

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2. Mr. Shiro Nagai, adviser to the Economic Committee; formerly an official of the Japanese Ministry of Finance, an official of the Kwantung Government, and Director of the General Affairs Board of Lungkiang (Tsitsihar) Province in "Manchukuo";
3. Mr. Minoru Aoki, adviser to the Economic Committee; formerly an official of the Japanese Ministry of Finance, an official of the "Manchukuo" Ministry of Finance, and an official of the Planning Bureau of the General Affairs Board of "Manchukuo";
4. Mr. Yoshikaku Kazahaya, adviser to the as yet unformed Industrial Committee; formerly an official of the Japanese Ministry of Commerce and Industry and of the "Manchukuo" Ministry of Industry;
5. Mr. Teiji Yamaryo, adviser to the as yet unformed Communications Committee; formerly an official of the South Manchuria Railway Company and an adviser to the Peiping-Mukden Railway; and
6. Mr. Matsuo, adviser to the as yet unformed Communications Committee; formerly of the "Manchukuo" Telegraph and Telephone Company.

(If further information about these advisers is obtainable, confidential biographic data forms with regard to them will be submitted later.)

According

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

- 3 -

According to information received from a former official of "Manchukuo", these advisers spend a large part of their time in Tientsin and all of them, except Mr. Nagai, are comparatively young and low ranking for the reason that they are to be scarcely more than transmitters of advice from the Japanese military to the committees of the Hopei-Chahar Political Council to which they are attached.

In this connection it may be mentioned that the Japanese North China Garrison is understood to have a Financial Section under the direction of a Mr. Mori, who was formerly an officer of the Japanese Ministry of Finance and later an officer of the "Manchukuo" Ministry of Finance, and also an Industrial Section under the direction of Mr. Takeo Ito, who was and still is an official of the South Manchuria Railway Company.

Notwithstanding the presence in Hopei Province of these and other so-called Japanese experts in economics, finance, industry, and communications, the question of co-operation along these lines by Japanese and Chinese interests concerned appears to be still largely in a stage of investigation with concrete developments as yet unimportant.

Respectfully yours,



Nelson Trusler Johnson

710

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

LES-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

DEPARTMENT OF STATE

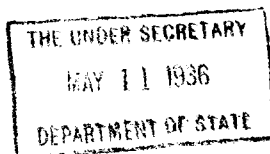
DIVISION OF FAR EASTERN AFFAIRS

May 7, 1936.

WTT
 MSM:
 TMM:

Suggest that you read the despatch N.

Nanking's despatch No. 133, April 1, 1936, reports a conversation with the retiring British Ambassador. The Ambassador informed Mr. Peck that the Chinese Foreign Minister had told him that there was still a lack of agreement in regard to the fundamental Sino-Japanese issue but that it seemed possible that some agreement in regard to various details might possibly be reached. In connection with Japanese expansion on the mainland, the Ambassador remarked that Japan was in a desperate situation and must do something about it. He said that China should not expect British assistance in the event of Sino-Japanese hostilities.



JCV
 FE:JCV:EJL

0589

DECLASSIFIED: E.O. 11652, 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, April 1, 1936.

Handwritten initials and signature

No. 133

CONFIDENTIAL.

Subject: Sino-Japanese Relations; Conversation
with the British Ambassador.

793.94

RECEIVED
MAY 4 PM 12 5

For Distribution-Check		Yes	No
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London Embassy

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To *London*
5/13/36

793.94/7379

DEPARTMENT OF STATE
A-C/O
MAY 13 1936
ASSISTANT SECRETARY
OF STATE

Division
FAR EASTERN AFFAIRS
MAY 5 - 1936
Department of State

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

FILED
MAY 14 1936

Sir:

I have the honor to state that Sir Alexander Cadogan,
the retiring British Ambassador, called on me today to
say goodbye, and in the course of the conversation told
me briefly of the results of recent conversations which
he had held with some of the leading persons in Nanking.

Our

120-1

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 -

Our conversation was, of course, informal and had the nature of an exchange of impressions. Sir Alexander said that he had had farewell interviews with General Chiang Kai-shek, President of the Executive Yuan, Mr. Chang Ch'un, Minister for Foreign Affairs, and others, and had taken pains to inquire whether any progress had been made in the conversations recently held between the two persons just named and Mr. Arita, until recently Japanese Ambassador in Nanking, who has returned to Tokyo to take up the post of Minister for Foreign Affairs.

General Chiang Kai-shek had, as usual, been rather uncommunicative, but he and Mr. Chang Ch'un had both stated, in effect, that the conversations with Mr. Arita had not resulted in any progress in settling the differences between Japan and China. Mr. Chang Ch'un told Sir Alexander there was still a lack of agreement in regard to a fundamental issue between the two Governments, but it seemed possible that some agreement in regard to various details might possibly be reached. Sir Alexander said that he had observed to Mr. Chang Ch'un that there were two ways of handling such a situation as exists between Japan and China; one way would be to try to reach a basic understanding and leave details for later consideration, while the other way would be to adjust such differences as could be adjusted, hoping thus to reach, ultimately, a settlement of the fundamental issue. To this Mr. Chang Ch'un had said that the second method seemed to be the only one feasible.

I remarked that the fundamental issue which Mr. Chang Ch'un had referred to as still being a point of disagree-

ment

138-2

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

- 3 -

ment between Japan and China was probably the refusal of China to submit to Japanese tutelage, and Sir Alexander concurred in this supposition.

The British Ambassador said that he had talked with Mr. Suma, Secretary of the Japanese Embassy, and Mr. Suma had confirmed the general feeling that no progress had been made in the conversations between Mr. Arita and General Chiang Kai-shek and Mr. Chang Ch'un. In fact, Mr. Suma said, some of the outstanding questions which were formerly under negotiation had been "discarded" by the Chinese. Sir Alexander said that he had not been able to ascertain clearly what Mr. Suma meant by this statement. My own supposition is that Mr. Suma meant either that the Chinese had refused to carry to a conclusion some of the discussions which were in progress, or that Mr. Suma meant that the Chinese Government had repudiated some of the positions formerly taken by it. For example, the press has carried statements made by Japanese officials that the Chinese Government had "accepted" Mr. Hirota's "three principles", whereas published statements of Chinese leaders assert that these "three principles" have not been accepted by China, except as subjects for discussion.

Sir Alexander inquired what I thought had been the result of the February 26 incident in Tokyo, that is, what phase of Japanese policy toward China had gained the ascendancy in the Japanese Government as the outcome of that incident. I replied that, while my impressions were all gathered at secondhand, I felt that the rather

socialistic

138-3

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

- 4 -

socialistic attitude toward alleged unequal distribution of wealth in Japan had gained some headway and that the plan to expand on the continent through military occupation of territory had probably become more firmly entrenched as the policy of the Japanese Government. Sir Alexander said that nothing important had happened since the February 26 incident in the way of Japanese military activities in north China, and I observed that I had heard several important Chinese express the opinion at the time the incident occurred that China might expect a lull of several months, until normality had been restored in the political scene in Tokyo.

Sir Alexander said that it irritated him to hear Japanese complain of China's lack of friendship for Japan and he intimated that in his conversation with Mr. Suma he had pointed out the unreasonableness of expecting the Chinese to be friendly toward Japan so long as Japan maintained in power a puppet like Yin Ju-keng in the demilitarized zone of eastern Hopei Province, and did not take steps to prevent Japanese smuggling into Hopei Province. During our conversation I referred to a recent informal dissertation I had heard given by Mr. Tai Chi-tao, President of the Examination Yuan, on what he termed the historic urge of Japan to expand on the Asiatic mainland. It was President Tai's opinion that this urge had existed for centuries, would continue to form Japanese foreign policy and would ultimately be the cause of the destruction of Japan. Sir Alexander said that it was all very

well

138-4

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

- 5 -

well to talk about a mere "urge" to expand on the mainland, but doubtless Japan is in a desperate situation and must do something to improve it. This fact must be taken into account. I remarked that this office had recently prepared a translation of an editorial which appeared in a Nanking popular journal, drawing lessons for China from the bold action of Germany in breaking the shackles of "unequal treaties". Sir Alexander said he feared that the writer of the editorial had not carried his argument to its logical conclusion and called attention to the fact that Germany has become powerful through discipline and energy, whereas China seems to remain perpetually an inert mass. I observed in regard to this that General Chiang seemed to be doing his best to create a powerful military machine and that he was reported to be sending large numbers of troops to the region of Haichow, north Kiangsu Province, in apparent fear that the Japanese might attempt to seize the Lung-Hai Railway. Sir Alexander said that he had heard of the Chinese apprehension that the Japanese might seek to seize this railway, beginning at the port of Haichow.

I remarked that the editorial to which I had referred showed that Chinese are beginning to think of China in relation to the general international set-up. For example, they were drawing lessons from the demonstrated ability of Ethiopia, a nation at least as backward as China, to oppose Italy for many months and were beginning to wonder whether if China were to oppose Japan's encroachments actively, other nations would not think more highly of

China

138-5

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

- 6 -

China and would not come to China's assistance. Such Chinese were speculating what would be the attitude of the leading nations, say Great Britain and the United States, if China should begin such active resistance.

Sir Alexander said that "feelers" on this subject had been put to him and he had not hesitated to reply that the Chinese might expect nothing from Great Britain. I observed that the Chinese might feel themselves warranted in expecting some support from Great Britain, since that country had been, in public opinion, foremost in measures designed to place some restraint on Italy in its imperialistic schemes in Ethiopia. Sir Alexander replied that the Chinese ought to be able to see that the two situations are entirely different; in Europe it was possible for Great Britain to enlist the joint support of other nations, whereas in the Far East there would be no nation to join Great Britain in opposing Japan's encroachments on China. He pointed out that it would be impossible for Great Britain to exert any military strength of its own in the Far East. I assented to his general view and admitted that the nearest Great Power, the United States, would be extremely unlikely to take any part in the matter, since American participation in any war is enormously more expensive than participation by any other nation, and there were no American interests in China which would seem to warrant the colossal expenditure that past experience indicated would probably be necessary.

Sir Alexander

138-6

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

- 7 -

Sir Alexander said that he was glad to have had his experience as Ambassador in China before taking up his new post of Deputy Under-Secretary of State for Foreign Affairs in London, although he felt that his experience in China had been too brief to give him a genuine insight into the problems here. I replied that I did not feel that this was the case, that Sir Alexander had acquired a thorough comprehension of the psychological factors which mould political events in the Far East and that the details were more or less inconsequential. Sir Alexander said he hoped to have an interesting talk in Tokyo with the British Ambassador there.

Sir Alexander expressed the hope that if I should pass through London I would establish contact with him, so that our relations might be continued.

Respectfully yours,

For the Ambassador:

4 - 15
 E. J. V.

Willys R. Peck
 Willys R. Peck,
 Counselor of Embassy.

Original and four copies to Department
 Copy to Peiping
 Copy enclosed for Tokyo.

710.

WRP:MM

158-1

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
 May 11, 1936.

MMH:
 MMH:

Nanking's despatch No. 134, April 4, 1936, encloses a Chinese editorial which, in connection with Senator Pittman's recent speech in the Senate, states that (1) the "imperialists" are taking care of their own interests and have not the slightest idea of helping the weak, (2) the real objective of the "imperialists" is to "expand armaments and not for peace", and (3) "it is simply a dream if we expect the United States to help China resist Japan".

Nanking states that this article is typical of comment in the Chinese press at the present time and concludes that "it is China's misfortune in attempting to adapt the system (of mutual assistance pacts) to China's needs that (1) the Far East offers only two other Powers with whom to bargain, and (2) China has so little to offer in exchange for aid from another nation." Nanking adds the comment that there are still rumors that the Chinese Government has made some sort of military alliance with the Soviet Union.

JLV
 JCV/VDM

134-1

0597

DECLASSIFIED: E.O. 11652, 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
 Nanking, April 4, 1936.

No. 134

Subject: China's Desire for Assistance against Japan.



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Grade			
For	X		
To field			
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1936 MAY 4 AM 11 58

RECEIVED
 DIVISION OF
 EASTERN EUROPEAN AFFAIRS
 AND RECORDS



793.94/7880

The Honorable

The Secretary of State,
 Washington.

Sir:

740.0011 Mutual Guarantee (Sumner) 636

I have the honor to refer to my despatch No. 131 of March 27, 1936, on the subject "Chinese Press Comment on Germany's Militarization of the Rhineland", with which was transmitted a translation of an editorial in the Hsin Min Pao, a newspaper popular in Nanking, drawing certain lessons for China from Germany's self-assertion

in

139-1

FILED
 MAY 13 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 -

in international relations.

1/ There is enclosed herewith a translation made in this office of another editorial from the same journal, entitled "Will the United States Help China to Resist Japan?", published on March 26.

The text of the editorial is taken from statements said to have been made by Senator Pittman, in which the Senator is said to have criticized Japan for violation of the "Nine Power Treaty for the protection of China" and to have advocated increase of American armaments "as a means of preserving peace".

The conclusions reached by the writer were that the Senator's reference to Japanese ambitions was merely to justify the expansion of American armaments, that the United States is not devoted to "upholding justice and humanity" to the extent of giving China armed assistance against Japan, and that "it is simply a dream if we expect the United States to help China to resist Japan".

This article is typical of a strain of comment in the Chinese press at the present time. Apparently Chinese editorial writers, even after the experience of the last four or five years since the "Mukden Incident" in 1931, are still reluctant to abandon the hope that there is a world sentiment which will maintain the inviolability of territorial frontiers, overcoming the tendency of vigorous nations to expand at the expense of nations which show ineptitude in the current race to turn the world into a collection of "armed camps".

The Nanking

139-2

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

- 3 -

The Nanking regime seems to fear that, as a Japanese statesman is said to have observed recently, China's efforts to arm are entirely futile, because Japan could crush Chinese resistance in two months, and to see the necessity of enlisting military assistance from some foreign source. The enclosed editorial shows the bitterness with which China relinquishes the hope of such assistance from the United States. In spite of published denials from the Chinese Foreign Office, there are still rumors in Nanking that the Government has made some sort of a military alliance with the Soviet Union, directed against Japan. It appears to be the desire of the Chinese to obtain guarantees of their frontiers similar to the guarantees sought by Belgium and France under the Locarno Treaties, and the sort of assistance which the Soviet Union and France are said to have promised each other in the recently ratified pact. The system of regional pacts of mutual assistance is respectable enough in Europe, and appears to be superseding the League Covenant as a practical factor. It is China's misfortune in attempting to adapt the system to China's needs that (1) the Far East offers only two other Powers with whom to bargain, and (2) China has so little to offer in exchange for aid from another nation.

Respectfully yours,

For the Ambassador:

Willys R. Peck
 Willys R. Peck,
 Counselor of Embassy.

Enclosure

139-3

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

- 3 -

Enclosure:

1. Translation of editorial
from the Hsin Min Pao
March 26, 1936.

Original and four copies to Department
Copy to Peiping

710.

WRP:MM

137-4

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

Editorial HSIN MIN PAO, March 26, 1936.

Trans.Hsi:WRP

WILL THE UNITED STATES HELP CHINA TO RESIST JAPAN?

Yesterday, Senator Key Pittman, chairman of the Foreign Relations Committee of the United States Senate, launched another bitter attack against Japan. He said:

"Japan has deliberately and ruthlessly violated the Nine Power Treaty for the protection of China as well as the League of Nations Covenant. Japan ridicules this treaty and proceeds with her plans for conquest without interference or even condemnation, save for the protest of our own government and the League's non-recognition judgment. The pride and ambitions of Japan are increased under these conditions."

The Senator, therefore, advocated larger United States armaments as a means of preserving peace. The erstwhile protection of oceans, he asserted, has vanished in recent years because of the advent of aeroplanes and swifter fleets. We are greatly moved by the Senator's statement and have the following comments to make.

Firstly, Senator Pittman considers that the deliberate and ruthless violation of treaty by Japan is due to the absence of interference or condemnation, except the protest of the United States and the "non-recognition" of the League. The reasons for the failure to take any positive action are the inability and unwillingness of the League and the United States to interfere. They are unable to interfere either because they are not well prepared and thus lack ability

or

138-5

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

- 2 -

or because there are obstacles and they have no courage to do so. As inferred from the facts, they are rather short of courage than of ability, thus causing them to be "unwilling" to interfere. However, it may be that they hate to resort to war and do not wish to create disturbance. Or they may neglect justice and humanity and are not will to fight for the weak. These are also important reasons to be accounted for. Nevertheless, the United States and members of the League have been without exception expanding their armaments and hurriedly preparing for war, and it is unlikely that they are afraid of resorting to armed force on any account. Yet they do not care to help the weak by supressing the strong. Apparently the fact that they merely made vague statements is to cheat the world. The statement of Senator Pittman indicates, therefore, the real attitude of the Imperialists. They are taking care of their own interests and have not the slightest idea of helping the weak.

Secondly, Senator Pittman in his conclusion advocated larger armaments as a means of preserving peace. The "armed peace" is the pretext generally used by the Imperialists for expanding armaments. The expansion will undoubtedly result in the outbreak of war. History tells us that to start with armed peace will be to end with armed conflict. Now, the Senator also used the reason of insuring peace as a pretext for positively expanding armaments. The Senate, according to a press message dated March 23, passed the military budget bill amounting to \$611,000,000 U.S. currency. The amount is the highest one spent for the purpose in peaceful

times

DECLASSIFIED: E.O. 11652, 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 -

times and the eagerness of the United States to prepare for war may be seen. The statement of the Senator for preserving peace, consequently, is purely a disguised one of the Imperialists. The real objective is to expand armaments and not for peace. There is no such thing in the world as obtaining peace by engaging in the expansion of armaments.

On the basis of the above two comments, the conclusion may be reached that the United States speaks of peace not for the sake of China but for expanding its armaments. The United States is not helping China with the aim of upholding justice and humanity. It has no courage to fight against Japan and has to resort to falsehood. Therefore, it is simply a dream if we expect the United States to help China to resist Japan.

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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. 351

Peiping, April 7, 1936.

Subject: Yin Ju-keng's situation.

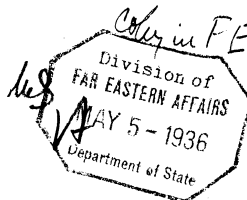
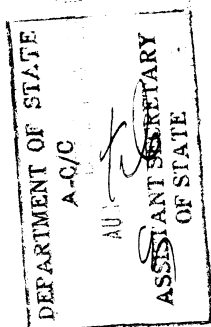
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AUG 3 1936



793.94/7381

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to submit, in view of the scarcity of information with regard to Mr. Yin Ju-keng and his regime in the demilitarized zone, information supplied to the Embassy by a counselor of General Sung Che-yuan, Chairman of the Hopei-Chahar Political Council, and by a Korean who is in close association with the Japanese and who has recently resigned from a post in the "Manchukuo" government.

General

FILED
AUG 10 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 -

General Sung's Counselor said that he visited Tungchow, Mr. Yin Ju-keng's capital, fourteen miles east of Peiping, on April 4. He called first on Mr. Yin at his governmental headquarters which are housed in a Confucian temple which was being repainted. There were in Mr. Yin's waiting-room a number of visitors, including several Japanese. The Counselor told Mr. Yin that he had called in person because he hesitated to discuss matters over the phone or in writing, to which Mr. Yin replied that it was unnecessary to make the trip to Tungchow as any matters could be taken up with Mr. Yin's representative in Peiping whose office is on Nanch'ih-tzu (in the house occupied by the American Military Attaché until July, 1935). Mr. Yin asked the Counselor what was the attitude toward his regime of the Peiping authorities, and the Counselor replied that they were not especially interested in seeing the regime abolished but would like to cooperate in certain matters, such as the improving of the road connecting the two cities. Mr. Yin informed the Counselor that he had not enough money to make the necessary repairs. During the conversation the Counselor said to Mr. Yin that of course the latter could quite understand why General Sung Che-yuan had been unable to keep his promise of declaring autonomy when Mr. Yin declared his autonomy - by which the Counselor intended to convey that orders from the National Government had made a declaration of autonomy by General Sung impossible.

The Counselor then visited Mr. Ch'u Fang-p'u, who is Mr. Yin's financial officer, and attempted to discover

something

DECLASSIFIED: E.O. 11652, 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 -

something about Mr. Yin's alleged customs agreement with the Japanese. Mr. Ch'u, however, confined himself to saying that no agreements of any sort with the Japanese had been put into writing, that, as the Counselor was aware, Mr. Yin's regime was organized by the Japanese, and that the Japanese were the principals and Mr. Yin and the Chinese associated with him were merely agents.

The Korean informant told a member of the Embassy staff that Mr. Yin Ju-keng's finances are controlled by two Japanese advisers, one a man named Kanai who was formerly a member of the consular police in Manchuria and the other a man named Inoue, brother of Mrs. Yin Ju-keng and a ronin. The Korean stated that an agreement in writing had been entered into by Mr. Yin and certain Japanese whereby Japanese goods entering Mr. Yin's area paid to Mr. Yin's representatives from ten to twenty-five per cent of the tariff scheduled by the Chinese Customs Administration. He added that Mr. Yin was not satisfied with the arrangement for the reason that these Japanese expended all of the money collected on building up an armed force for the regime in preparation for the eventuality of forcing General Sung Che-yuan out of Hopei Province. The Korean said that, as the Japanese do not trust the Chinese to fight for them, many Japanese "hooligans" were being enlisted in the forces which nominally are under Mr. Yin. (According to the latest report of the American Military Attaché, these forces consist of five divisions totaling 20,000 men.)

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

- 4 -

It may be added that, with regard to the alleged tariff agreement, a secretary of the Japanese Embassy recently informed a member of this Embassy's staff that Mr. Yin's representatives were collecting ten or twenty-five per cent of the rate fixed by the tariff of the Chinese Customs Administration on goods entering Mr. Yin's territory.

With regard to this question of a customs agreement between Mr. Yin Ju-keng and certain Japanese, reference is made to the Embassy's despatch No. 322 of ^{693.00244/27} March 21, 1936, in which smuggling in the Tientsin area was discussed and in which it was stated that confirmation of the report of the conclusion of such a tariff agreement had not been obtained.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson

710

LES-SC

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

4 Carbon Copies
 FR

0608

DECLASSIFIED: E.O. 11652, 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 GENERAL,

Shanghai, China.

April 8, 1936.

CONFIDENTIAL

For Distribution-Check			
Grade	For	To field In U.S.A.	Yes No
	AA		
Davis		ONI-MID	

SUBJECT:

Sino-Japanese Relations: Memorandum
from American Treasury Attache:
Chiang-Arita Conversations.

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

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON

Division of
FAR EASTERN AFFAIRS
MAY 5 - 1936
Department of State

SIR:

I have the honor to enclose a copy of a self-explanatory despatch No. 112 of this date, with enclosure, from this Consulate General to the Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

- 1/- Copy of despatch No. 112 to
Embassy, Peiping, dated April 8,
1936, with enclosure.

800
MBD:NHW

4 Carbon Copies
Received

In quintuplicate

DEPARTMENT OF STATE
MAY 12 1936
ASSISTANT SECRETARY
AND CHIEF

793.94/7332

FILED
MAY 14 1936

No. 112

AMERICAN CONSULATE GENERAL

Shanghai, China.

April 8, 1936.

CONFIDENTIAL

Subject: Sino-Japanese Relations: Memorandum
from American Treasury Attaché:
Chiang-Krita Conversations.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to enclose as of possible
1/ interest to the Embassy a copy of a memorandum
supplied this Consulate General by the office of
the Treasury Attaché in Shanghai concerning the
recent conversations between General Chiang Kai-shek
and Ambassador Matsuoka Krita. The memorandum was
prepared by a confidential agent, whose identity
has not been disclosed but whose reports in general
indicate close contact with the Southwest political
group. He expresses the view that no formula for
the improvement of Sino-Japanese relations was
arrived at, basing his opinion on reports that Krita
said he considers Chiang crafty and insincere toward
Japan, and that Chiang on his part found it impossible
to accept Krita's demands.

AS

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-

As to North China, the memorandum refers to the outspoken disappointment of General Hensuki Isogai, former Japanese Military Attaché in China, due to the disposition on the part of leaders in North China to follow General Feng Yu-hsiang, and expresses the opinion that this group are ready to fight for the nation but "see no reason why they should not 'sell out' to the Japanese themselves instead of waiting to be 'sold'" if Nanking continues its present policy. It goes on to say that the northern group has maintained close contact with Hu Han-min and that they have found at least one thing in common, namely, disapproval of General Chiang Kai-shek's foreign policy.

As to the statements in the enclosure regarding the failure of the Nanking Government to put a stop to smuggling in North China, and political changes said to be necessary in order to effect a rapprochement with the Hu Han-min faction, reference is made to separate despatches on these subjects dated April 6 and 7, respectively.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

1/- Copy of memorandum from American
Treasury Attaché dated April 4, 1936.

800
MDD:NEW

In quintuplicate to Department by
despatch No. 124 of even date.
Copy to Embassy, Nanking

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

Enclosure No. 1 to despatch No. 112 of C. E. Gauss, American Consul General at Shanghai, China, dated April 8, 1936, on the subject: "Sino-Japanese Relations; Memorandum from office of Treasury Attache; Chiang-Arita Conversations".

April 4, 1936.

A GENERAL SURVEY OF THE LATEST POLITICAL
 SITUATION IN NANKING.

In the past month, Nanking witnessed a lull in its political atmosphere, internally and externally. The long talked about Nanking-Canton rapprochement and the outstanding Sino-Japanese issue saw very little development. Although considerable negotiations are still going on concerning these two important cases, it affords very little hope of any marked progress in the near future. However, in a recent survey made by your agent, some very important facts have been secured from authoritative sources and are outlined in the following. These facts, it is believed, will play not an insignificant role in shaping China's future in time to come.

The Chiang-Arita Conference

One of the most important affairs of the past month is the conference held in Nanking between General Chiang Kai-shek and Mr. Arita, until recently Japan's Ambassador to China. While the contents of their talk have been kept in absolute secrecy, it was learned from reliable circles, both among Chinese and Japanese officials, that their talk did not make any concrete headway in the improvement of Sino-Japanese relations. Mr. Arita has been heard to have remarked to his Japanese colleagues after the conference with Chiang, that he had a very poor impression of the generalissimo. In his opinion, he thinks Chiang is very crafty and insincere towards Japan. He urged that Japan should adopt a stronger policy towards Nanking.

On the part of General Chiang, he has found the new Japanese Ambassador's demands impossible to accept. With Mr. Hirota's famous three point policy as the basic principle, Mr. Arita wanted an independent regime for North China entirely separate from Nanking economically, financially and politically. He wanted it not only in fact but also in name. If Chiang should accept such a proposal, he will have to rank himself as traitor number one 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 eyes of the whole world. This he cannot do, for he does not want to "lose face". As General Chiang is not ready and courageous enough to take up an armed resistance against Japan, such negotiations will probably be shifted from Nanking to North China, where the local authorities such as General Sung Cheh-yuan and General Chin Teh-shun will be authorized to carry on and find a formula to satisfy the Japanese. In this way, General Chiang will not have to face the responsibility.

North China Leaders and Nanking

The real attitude of the North China leaders such as General Sung Cheh-yuan, General Chin Teh-shun, General Han Fu-chu and others towards Japan could be best illustrated with a recent statement made by General Isogai (), until recently Japanese military attache in China, who remarked that after his trip to North China, he was terribly disappointed with the state of affairs there. The Chinese leaders there are still running North China according to the wishes of Nanking Government. He believed that strong penalizing measures should be applied to such men as General Sung Cheh-yuan, who owe their phenomenal rise to the backing of Japan's military. The real situation is that these men, although anti-Chiang Kai-shek, still listen to their leader General Feng Yu-hsiang who is now cooperating with the Nanking group. They are maintaining friendly relations with the Japanese military there primarily to preserve their own strength and position. In case Nanking adopts a real anti-Japanese attitude, they are quite ready to fight for the nation. But if Nanking continues the weak-kneed policy, they see no reason why they could not "sell out" to the Japanese themselves instead of waiting to be "sold".

The North China leaders have in recent months maintained a close contact with Mr. Hu Han-min and the Cantonese clique. Both parties exchanged envoys. It seems that they have found at least one thing in common, a "disapproval of General Chiang's foreign policy". It is believed that if the Nanking-Canton rapprochement does not succeed soon, the North China leaders will join hands with the South in a strong denunciation of Nanking.

Recent Sino-Japanese Disputes

In viewing several cases of Sino-Japanese disputes one can easily tell that the Nanking authorities are still maintaining a very weak policy towards Japan, in spite of all sorts of propaganda for a "holy war".

(1) Japan has made no reply to Nanking's repeated protest against illegal and unauthorized flights of Japanese military planes in North China. Japanese planes continued to fly in total disregard of Nanking's protests. Nanking remains inactive and has not carried out the threatened

measures

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

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measures to check these illegal flights.

(2) In spite of Japan's assurance to help check smuggling of Japanese goods in North China, smuggling continues under Japanese auspices on an even larger scale in the past two weeks since the Sino-Japanese understanding. Nanking has done nothing to remedy the situation for fear of further Japanese entanglements.

(3) A Japanese spy was arrested in Kiangsi recently for conducting espionage work among the Chinese army. As soon as the Japanese learned of the arrest, two gun-boats were sent there and several unreasonable demands were presented to the Chinese authorities. These demands requiring immediate release of the spy, apology by Chinese authorities, etc. etc. The Japanese further stated that unless all these demands are fully carried out, Japanese marines will land in Amoy and take possession of the island within 24 hours. The Chinese authorities, after consulting General Chiang, accepted all the Japanese demands and closed the case.

(4) Drastic measures have been applied by Chinese authorities in Peiping and Shanghai, according to the instructions of General Chiang, to suppress student movements in these two cities. Student societies have been dissolved, leaders arrested, active students expelled from their colleges, and in many cases some teachers who are sympathetic towards the patriotic movements have also been charged with being communists. In Shanghai over twenty progressive magazines which published anti-Japanese literature have also been suspended and their editors arrested. All these steps are taken simply to satisfy Japanese wishes.

The Canton-Nanking Rapprochement.

According to latest information from a reliable source, the prospect for the long-talked of Nanking-Canton rapprochement will not be an immediate success. The officials around General Chiang Kai-shek do not want it to be realized for fear their interest will be affected. In case the cooperation is successful, General Chiang simply has to withdraw his men from several ministries so as to make room to place some of Mr. Ku Han-min's men in the government. This situation is what General Chiang's men are gravely concerned about. For this reason they are doing everything to prevent the rapprochement from materializing.

On the other hand, Mr. Ku Han-min's subordinates do not want to see their leader in cooperation with General Chiang except in patriotic principles without political

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

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political conditions. They want to make General Chiang promise definitely to vacate several government ministries for their men to occupy. For this reason, they likewise want to hold up the "rapprochement scheme" until such a bargain is actually transacted.

In the light of the foregoing information, we can easily imagine that the rapprochement between Nanking and Canton will be still a remote affair. General Chiang Kai-shek's attitude could be seen with the fact that as soon as Dr. Wang Chung-hui, until recently Chinese jurist at the Hague Court, arrived in Shanghai on behalf of the South, he left hurriedly for Fenghua. That showed he was reluctant to see the southern envoy. As the whole nation attached great hope on Dr. Wang's visit, he found the situation caused by General Chiang's absence from Nanking most embarrassing. He therefore had to enter the Country Hospital under the pretense of being sick in order to save his face and also to more conveniently watch developments. Now General Chiang had officially requested Dr. Wang to come to Nanking on April 1st to talk over the situation. But the result has been found to be very vague. Well-informed circles in Nanking believe that General Chiang will play with Canton until after he is elected the first Constitutional President of the Chinese National Government this winter, then he will negotiate with the South. At that time he will be in a stronger and more favorable position than as at present. He does not wish to permit Mr. Hu Han-min the opportunity of competing with him in the forthcoming presidential election. Hu will stand a better chance than Chiang, if given the same opportunity.

The activities of Mr. Hu Han-min's group and that of the anti-Japanese group will be reported in a separate memorandum.

Copied by: LMF

Compared with: *gl*

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

May 6, 1936.

~~MSM:~~
~~EHD:~~
~~MCH:~~

Peiping's despatch No. 366, April 10, 1936, transmits a report from Tsinan in regard to General Han Fu-chu's views on the present Far Eastern situation. Briefly, General Han's views are (1) that Japan desires to control China's man power and resources for use in a war with the Soviet Union; (2) that the Soviet Union has similar designs upon China; (3) that China is too weak to resist these encroachments because of the lack of leaders, lack of organization, and lack of money; (4) that Japanese pressure on China may decrease as a result of the Tokyo coup on February 26; and (5) that the communist movement in China is growing stronger. General Han hopes that he may be able within two or three years to strengthen Shantung Province to an extent that it may be able to avoid domination by either Japan or the Soviet Union and be sufficiently strong to remain neutral in case of war.

The Consul draws certain inferences from General Han's remarks, the most important of which are (1) that Han expects a Soviet-Japanese war; (2) that he intends to maintain the neutrality of Shantung in the event; (3) that China will be drawn in

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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on the side of the Soviet Union; (4) that Han regards the Soviet Union and Japan as equally dangerous to China; (5) that Han feels primary loyalty to Shantung rather than to China; (6) that Han hopes to convince the Japanese that Shantung will be of great use to Japan if his control is left undisturbed; (7) that Han may declare Shantung an autonomous province but that he will never become a subservient tool of Japan; and (8) that Han may expect to be able to obtain Japanese support on his own terms against the Central Government in the event that he decides upon an autonomous move.

Generally speaking, the conclusion to be drawn from the foregoing "inferences" is that General Han, if forced to make a choice, prefers cooperation with Japan to domination by the Nanking Government or to alliance with the Soviet Union. However, it is very doubtful that the Nanking Government will take action which will force Han to declare autonomy under Japanese protection. Furthermore, in the event of Sino-Japanese hostilities one cannot be as certain as the Consul indicates that Han would choose to remain neutral rather than support Nanking.

JrV
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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

Peiping, April 10, 1936.

No. 366

Subject: General Han Fu-chu's Views on
the Far Eastern Situation.

For Distribution-Check		Yes	No
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For	ALHH		
	ONI-MID		



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



The Honorable

The Secretary of State,
Washington, D.C.

Sir:

1/ I have the honor to enclose a copy of an interesting despatch, No. 31 of April 4, 1936, addressed to the Embassy by the Consulate at Tsinan, which contains views expressed to Consul Horace H. Smith General Han Fu-chu, Chairman of the Shantung Provincial Government, with regard to the situation in the Far East, and inferences drawn by Mr. Smith from General Han's statements.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson.

Enclosure:

1/ Copy of despatch No.
31, April 4, 1936,
from Tsinan.

4 Carbon Copy
Received *L. H.*

800.

LES/js.

Original and four copies to the Department.

One copy each to American Embassy at Nanking and Tokyo.

793.94/7336

FILED

MAY 12 1936

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

No. 31.

Copy for Embassy, Tokyo, Japan

SPOTLIGHT 366
 780147

AMERICAN CONSULATE,

Tsinan, China, April 4, 1936.

STRICTLY CONFIDENTIAL

Subject: Conversation with Han Fu-chu.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

I have the honor to report below, as of possible interest to the Embassy, statements made by General Han Fu-chu, Chairman of the Shantung Provincial Government, in the course of his latest conversation with the writer.

It is well known that General Han is not given to explaining his activities or intentions and dislikes exceedingly to commit himself on serious matters when he can possibly avoid doing so. On the other hand his reputation for blunt and direct truthfulness lends weight to his words when he does speak freely.

Early last December, when General Han became aware of the writer's interest in Chinese boxing he promised to come to the Consulate some day to give a personal demonstration of the art. Probably with the intention of dispelling any doubt about his physical condition after the April 1st rumors of his assassination, General Han chose to give this demonstration

ON

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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 the afternoon of April 2nd: over tea and Sherry, after a reciprocal demonstration of American Boxing, he responded at length to the writer's questions as to his opinion regarding the actual significance to North China of recent Red movements in Shansi and of the recent Military Coup in Tokyo. Since no apparent ulterior motive for his unusual frankness has occurred to the writer, it is considered probable that the exercise and the informality of the occasion led him to express himself somewhat more freely than he usually does.

He said that he is convinced there are today two equally great threats to the national existence of China. The first and most obvious is the attempt of the military group in Japan to secure by force and threats of force practical control of China's manpower, resources, and favorable strategic position; primarily for use in a war with Soviet Russia and secondarily in carrying out Japan's plan for the domination of the world. The second is the less known but equally dangerous attempt of the Soviet Government to obtain practical control of the same manpower, the same resources, and the same strategic position through the machinations of the Third International and the Communist Party in China for use primarily in a war against Japan and secondarily in the carrying out of the plans of the present Russian Government for the communization of the world under Russian leadership and control.

China

* see this office's monthly political report for March. (Despatch No. 29 of April 2, 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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China is at present too weak to resist with complete success the encroachments of either of these forces. China's weakness is due to (1) the lack of unity among its leaders, which makes it impossible to bring to bear effectively the strength China now possesses; (2) the lack of sufficiently widespread experience and comprehension of the type of modern political, economic, and military organization which might otherwise make it possible for the Chinese people to organize the requisite additional forces immediately for effective resistance; and (3) the inability of the present Government to obtain, either in cash or in credit, the necessary funds to finance an effective resistance.

Despite the recent Military Coup in Tokyo, which at first caused considerable apprehension in China, internal dissension in Japan now seems to have developed to an extent which permits the expectation of a temporary decrease of Japanese pressure in China. However, despite published reports to the contrary, the Communist Party in China is already very strong and is rapidly growing stronger with Russian support. Recent Communist movements in Shansi have convinced him that the trouble there will soon spread to Honan and the southern part of Hopei.

While General Han sees no chance for some years to come of real unity among China's leaders, he hopes that if he is left undisturbed by major external interference for a further period of two or three years,

he

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

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he may be able to develop the political, economic, and military organization and the financial resources of the province to such an extent as to enable the 38,000,000 inhabitants of Shantung to avoid domination by either Japan or Russia and to be sufficiently strong to maintain the neutrality of the province in the event of a major war between Japan and Russia. General Han expressed complete confidence in his present ability to suppress any communist outbreak in Shantung Province, and said that he had already completed 30% of his planned reorganization and development of the province.

He concluded with the statement that, although Japan, small as it is, may be able to dominate all or a major portion of China in her present weakened state, he is firmly convinced that it is impossible for Japan to completely and permanently subvert China.

It is believed by the writer that interesting inferences may be drawn from the above statements when considered in connection with Han's actions as Provincial Chairman and Commander-in-Chief of the 3rd Route Army for the past five years. Among these inferences might be the following:

(1) That Han is convinced that at some time in the near future war will be declared between Russia and Japan.

(2) That in event of such a war Han will attempt to maintain the neutrality of Shantung Province.

(3) That he believes it probable that the Central Government of China will be drawn into such a war on the side of Russia.

(4) That

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

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(4) That Han regards the Russian menace to China as at least equal in danger to the Japanese menace.

(5) That he believes the primary aim of Japan's policy in China is to insure against being taken on the flank in a war with Russia and to make definitely available to Japan the resources of nearby sections of China in such a conflict.

(6) That Han feels his primary loyalty is owed to the 35,000,000 Chinese under his own control rather than to the present Central Government of China.

(7) That by developing the Province and strengthening his mastery over it Han hopes to convince Japan that Shantung will be of the greatest use to Japan in her fight against Russia if Han's internal control is left undisturbed.

(8) That the tremendous impetus given to the strengthening of centralized control over the civil administration of the Province during the past two months is motivated by the fear that he may soon have to demonstrate his ability to lead Shantung in a separatist move and to maintain order and security without outside assistance.

(9) That Han's recently inaugurated regular inspection tours of the Province, accompanied by a theatrical troupe and a motion picture machine, are mainly for the purpose of inculcating a feeling of personal loyalty to him among the people due to direct contact and evidence of his consideration for them.

(10) That any autonomous move fostered by Han would either

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

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either be one with reasonable prospects of comparative permanence with advantage to the people of Shantung or else an opportunistic move for the purpose of averting major disaster to Shantung upon the outbreak, or imminence of the outbreak, of hostilities between Japan and China.

(11) That Han's firm but friendly policy toward Japanese interests, personalities, and policies, is perhaps based mainly upon a desire to demonstrate clearly that while he may be regarded as a reliable neighboring neutral he can never be expected to become a subservient tool of Japan to the disadvantage of his Province.

(12) That Han may possibly expect to be able to obtain Japanese assistance in maintaining the autonomy of Shantung against the Central Government but hopes to wait until such assistance will be so advantageous to Japan that it will be given without requiring in return a large measure of Japanese control of Shantung.

(13) That Han may not yet have committed himself secretly to Japanese officials with regard to his action in the event of the outbreak of a Russo-Japanese war in the near future, although he realizes fully his helplessness to protect Shantung under present conditions against any Japanese attack on it as a preliminary move for Japanese security on the outbreak of such a war.

(14) However, if Han has not yet committed himself, it is probably mainly because he feels sure that he can make a better bargain with Japan later when she is

finally

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

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finally faced with the reality of war with Russia and because he considers it possible that the entry into such a war of other powers in addition to China on the side of Russia or some other unexpected development might so change the situation as to make it more profitable for him and his Province to side positively with the Central Government rather than "neutrally" with Japan.

(15) It is probable that General Han would consider that he possesses adequate excuse for any seeming lack of patriotism in such separatist activity in his sincere conviction that the salvation of China lies neither in the policies nor in the personalities of the present Central Government and that even though Japan may temporarily control all or a large portion of China she can never completely and permanently subvert the Chinese nation.

In conclusion it may be stated that, while the writer does not consider Japanese aims in China to be so largely restricted to a desire to use China to fight Russia as General Han apparently believes, so much that is otherwise difficult to account for in Han's actions with regard to the internal administration of the Province and in his relations with Central Government and Japanese officials might be fully explained by the above inferences, that it does not seem impossible that they present some approximation of Han's real position. In this connection it is perhaps worthy

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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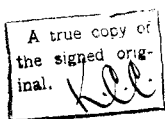
of note that the consensus of local foreign opinion appears to be that the army and the people of Shantung will even now follow Han blindly in any course he may choose although they would certainly prefer a policy of pro-Japanese neutrality for Shantung as opposed to an anti-Japanese policy leading into an armed conflict with Japan in which Shantung would be bound to bear more than her proportionate share of suffering.

Respectfully yours,

Horace H. Smith,
 American Consul.

Original and 5 copies to
 Embassy, Peiping.
 Extra copy to Embassy, Peiping, for
 transmission to Embassy, Tokyo
 if deemed advisable.
 Single copy to Embassy, Nanking.

800
 HH3:KGC



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

MSM
 MMH.

April 5

Possible meeting
 between Chiang,
 Han Fu-chu and
 Sung Che-yuan.
 Reported also as a
 possibility in several
 recent telegrams,
 but the meeting
 has not appeared to
 have taken place
 yet

JCV.

3627

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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

No. 369

Peiping, April 10, 1936.

Subject: Significant Conference Proposed by
General Chiang Kai-shek.

92-94

STRICTLY CONFIDENTIAL

For Distribution-Check		Yes	No
Grade	E		<input checked="" type="checkbox"/>
For	General HH ONI-MID	<input checked="" type="checkbox"/>	

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Division of
FAR EASTERN AFFAIRS
MAY 5 - 1936
Department of State

DEPARTMENT OF STATE
A-C/C
MA-3
ASSISTANT SECRETARY
OF STATE
Sir:

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

1/ I have the honor to enclose a copy of despatch
No. 32 of April 7, 1936, addressed to the Embassy by
the Consulate at Tsinan, in which evidence is given
that General Chiang Kai-shek is attempting to arrange
an interview between himself and General Han Fu-chu,
Chairman of the Shantung Provincial Government, and
General Sung Che-yuan, leading military figure in Ho-
pei, which, if true, might be of considerable signi-
ficance

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MAY 9 1936

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

-2-

ficance for the future of Sino-Japanese relations.

1
Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

✓
Enclosure:

- 1/ Copy of despatch No. 32,
April 7, 1936, from
Tsinan.

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

800 Tsinan

LES/kt

4 Carbon copies
Received **FP**

DECLASSIFIED: E.O. 11652, 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. 32.

REF ID: A66111
 TELETYPE No. 369

AMERICAN CONSULATE,
 Tainan, China, April 7, 1936.

MINISTERS CONFIDENTIAL

Subject: Highly significant Conference
 Proposed by Chiang Kai-shek.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peking, China.

Sir:

I have the honor to report that this office has received information from a source which has in the past four months always proved reliable, that General Han Fu-chu received a telegram on Sunday, April 5th, from Lieutenant-General Hsiung Pin (熊斌), Vice Chief of General Staff at Hanking stating that General Chiang Kai-shek earnestly desired a personal meeting with Generals Han Fu-chu and Sung Cho-yuan in the near future and wished Han to discuss with Sung the choice, as the place of meeting, of either Tainan in Shantung, Suichow in Kiangsu, or a third place not named in the presence of this office's source of information. Up to Monday evening Han had neither replied to General Hsiung Pin nor telegraphed to General Sung. It is thought that he will send a special delegate to consult with Sung instead of attempting to handle the matter by telegram.

It is

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

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It is recalled that General Hsiung Lin has a long record of close association with both Generals Han Fuchen and Sung Ch-yuan as Chief of Staff of the Huimin-shun First Army under Feng Yu-shiang, and as an active revolutionist and prominent military and civil official since the revolution. If Chiang Kai-shek were selecting someone to arrange such a conference for him it would not appear illogical for him to be expected to choose General Hsiung, for not only is Hsiung well known to Han and Sung, but he has already handled successfully other delicate matters for Chiang Kai-shek in North China and is believed to possess Chiang's confidence to an unusual extent.

If further information is received concerning this conference or the matters to be discussed therein the Embassy will be immediately informed.

Respectfully yours,

Horace H. Smith,
 American Consul.

Original and 5 copies to
 Embassy, Peiping.
 Single copy to Embassy, Hanking.
 Single copy for information of
 Consulates, Tsingtao and
 Chefoo.

600
 HHS:HTC

H.S.

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
May 9, 1936.

~~MSM~~
~~MMH:~~

Shanghai's despatch No.
117, March 31, 1936, reports
on student trouble at Fuh Tan
University which resulted in
the arrest and subsequent
release of a number of students
suspected of communist agitation.
One policeman was fatally wounded
by shots fired from the University.

JCV
JCV/VDM

0632

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
May 9, 1936.

~~MSM:~~
MMH:

Shanghai's despatch No.
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TJV
JCV/VDM

0633

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

NO. 117

AMERICAN CONSULATE GENERAL,

Shanghai, China, March 31, 1936.

7-3-36

Investigation Check	For
111	✓
5-11-10 N.I. M.I.D.	✓

SUBJECT: Student Agitation: Difficulties
at Fuh Tan University.

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THE HONORABLE

THE SECRETARY OF STATE,

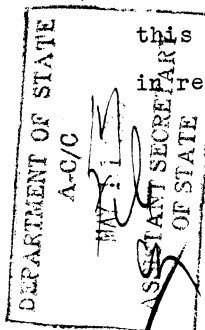
WASHINGTON.

Division of
FAR EASTERN AFFAIRS
MAY 5 - 1936
Department of State

SIR:

I have the honor to enclose a copy of a self-

- 1/ explanatory despatch No. 106 of this date, from
this Consulate General to the Embassy at Peiping
in regard to the subject above mentioned.



Respectfully yours,

C. E. Gauss,
American Consul General.

FILED
MAY 13 1936

Enclosure:

- 1/- Copy of despatch No. 106 to
Embassy, Peiping, dated
March 31, 1936.

800
MBD:NHW

cc to Mr. Bannerman

In quintuplicate

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. 106

AMERICAN CONSULATE GENERAL

Shanghai, China.

March 31, 1936.

Subject: Student Agitation: Difficulties
at Fuh Tan University.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Beiping, China.

Sir:

793.94/7745

I have the honor to refer to despatch No. 121 of February 1, 1936, regarding student agitation at Shanghai and to report that serious disturbances have taken place at Fuh Tan University, Kiangwan. There have been several clashes between students and police with the result that several persons have been injured and one member of the police received a gunshot wound from which he subsequently died. It appears that the difficulties arose over the arrest of a number of alleged communist agitators on information supplied by secret agents in the University itself.

According to police reports representatives of the Special Branch of the Bureau of Public Safety appeared at Fuh Tan University shortly before midnight on March 24, 1936, and arrested eight students, which led to an attack on the police who eventually

succeeded

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succeeded in taking out their prisoners but not until a female member of their party had been seized by the students. She received minor injuries and was not released until the following morning. Feeling against the authorities ran high at the University and about one thousand students declared a strike. Throughout Wednesday, March 25, the students showed resistance, stoning the police on duty about the University grounds, and firing some shots about four o'clock in the afternoon with the result that a member of the police was fatally wounded. A state of emergency was declared and the Garrison Commander ordered the authorities of Fuh Tan University to surrender the students who had opened fire on the police. It was not until the morning of March 26 however that a search of the university premises was made by representatives of the police, and needless to say nothing in the way of subversive literature or lethal weapons was discovered, with the exception of three empty automatic pistol shells which were found in a garbage bin.

Seven of the original eight students arrested, together with fourteen additional students and one member of the teaching staff, were held for investigation. The students refused to resume their studies pending the release of those in custody and endeavored to solicit assistance from students of other universities. The situation remained the same through March 28 when the fifteen persons arrested after the rioting were released. Because of the refusal of the students to resume their studies, the University was

declared

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declared closed for the spring holidays commencing March 30; and on the afternoon of March 28 the students held a secret meeting with a view to organizing the "Fuh Tan Students Support Committee".

The SHANGHAI NIPPON (Japanese) expressed the view several days ago that the student agitation against Japanese activities in North China has passed from Kuomintang to communist control, saying that although Fuh Tan University has had a pro-Chiang Kai-shek administration, it has not been able to control the students whose agitation has now taken an anti-Chiang Kai-shek turn. In its issue of March 31 the same Japanese newspaper criticizes the Nanking Government's failure to formulate definite educational policies and enforce school discipline, with the result that situations such as that at Fuh Tan University develop. It blames anti-Japanese education by sentimental officials and educationists and says if China really desires students to have information on Sino-Japanese relations they must be shown the inter-relationships between the two countries. The SHANGHAI EVENING POST AND MERCURY (American) criticizes the police for creating an unwholesome situation through having spies within the student body, for having failed to make a search for weapons and evidence of seditious activities immediately upon the outbreak of the trouble and for "alternate plungings and hesitations".

Respectfully yours,

G. E. Gauss,
 American Consul General.

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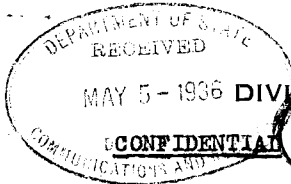
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MBD:MBW *nan*

In quintuplicate to Department by
despatch No. 117 of even date.

Copy to Embassy, Nanking

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DEPARTMENT OF STATE

SECRETARY OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

MAY 4 1936

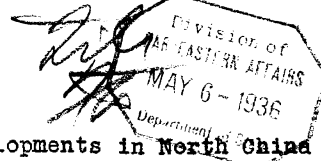
May 2, 1936.

CONFIDENTIAL

NOTED

Subject: The Situation in North China.

S:
 Mr. Secretary.



793.94

During the week in review developments in North China continued to indicate that by direct and indirect action the Japanese are pressing toward the further separation of the Hopei-Chahar régime from the Chinese Government and the extension of Japanese influence in North China. It appears that these related objectives are now being sought through the undermining of the Chinese Government's financial position and control of the customs, through agreements with the Hopei-Chahar Council increasing that body's autonomous status politically, and through strengthening of the Japanese military in North China.

Concrete evidence of the trend of developments during the week is found in (1) the critical situation caused by the extensive smuggling of Japanese goods into North China with the connivance and apparently the encouragement of the Japanese military, (2) the pressure being brought to bear on the Hopei-Chahar Council to enter into an anti-communist agreement with the Japanese directed against the Soviet Union, and (3) plans for the increase of Japanese troops in Hopei Province and the elevation of the rank and status of

Japanese

793.94/7386

F/FG

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Japanese military commanders in Tientsin and Peiping.

The smuggling situation is being used as a most effective weapon for accomplishing the disorganization of Chinese Government control in North China and for furthering the financial independence and customs autonomy of that area. The Embassy at Peiping reports that "the uncurbed activities of the smugglers are now leading to a complete disorganization of trade and to disastrous impairment of customs revenues in North China". (This situation directly affects American interests in two ways: (1) a reduction of the Chinese Government's income from customs revenues will jeopardize the capacity of that Government to meet its outstanding financial obligations to American (and other) interests, and (2) American import trade into North China (notably ⁱⁿ kerosene and gasoline) will be impaired by the influx of smuggled goods.)

Other items of interest received during the week are (1) a report that the inauguration of an autonomous Mongol government under Japanese direction is only awaiting a suitable moment, (2) the statement of a Japanese civilian officer that (in view of recent steps taken by the Nanking Government) Shansi Province will be controlled by the Chinese Government and that this will interfere with Japanese plans for North China, and (3) a press report of a Soviet-Japanese agreement to appoint commissions to deal with frontier questions on the eastern sector of the Soviet-"Manchukuo" border.

JCV
 FE:JCV/VDM:EJL *W.M.N.*

SKIT

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

DOCUMENT FILE

NOTE

SEE 893.101-Tientsin/27 FOR Desp. #365

FROM China (Johnson) DATED Apr. 10, 1936.
 /td// NAME 1-1187 ...

REGARDING: Haiso Chen-ying, Mayor of Tientsin and leading Chinese figure in Sino-Japanese negotiations in North China: Reports reactions to an extravagant birthday party given by this man. He is one of the most influential men in Sung Che-yuan's clique.

fpg

793.94/ 7887

7887

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MM

TELEGRAM RECEIVED

GRAY and SPECIAL GRAY

PEIPING via NR.

1-1336

FROM

Dated May 6, 1936

Rec'd. 7am.

Secretary of State

Washington, D.C.

229, May 6, 11am.

Embassy's 213, April 29, 3pm.

Division of
 FAR EASTERN AFFAIRS
 MAY 6 - 1936
 Department of State

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

793.94

7874

One. According to information obtainable from a Chinese official the conversations at Tientsin between Sung Che Yuan and Japanese military have reached an impasse. Sung wants Northern Chahar and Ying Ju Keng's area returned to him. The Japanese want greater control of railways in Hopei, alleged^{ly}/requesting permission to station Japanese troops at the strategic railway junction Tengtai, south of Peiping, and at Shihkiachwang. They also want to control Nanyuan airfield (at Peiping).

Two. This information is more or less in accord with information obtained from a similar informant in Tientsin by the Consulate General to the effect that the Japanese military are resolved to gain control of the communication in Hopei and Chahar, expand their military forces, gain control of and develop economic and industrial resources, and create an independent North China.

Three. Local officials now state that although Sung has approved construction of the Shihkiachwang-Tsangchow Railway, the National Government has not yet

done

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229, May 6, 11am. from Peiping via NR. -2-

done so and that the chief of the engineering bureau of the proposed railway was appointed by Sung and not by the National Government. Wang Jun Chen left for Japan May 4 apparently in conjunction with the proposed railway. Wang has a Japanese mother, was formerly a department chief of the Peiping-Hankow Railway, and is now simultaneously adviser to Sung, adviser to the South Manchuria Railway, and high adviser to Yin Ju Keng.

Four. Embassy's 217, April 30, 4pm. Lieutenant General Tada has been transferred to the command of the 11th Division in Japan. His successor, Lieutenant General Kanichiro Tashiro, appointed by the Emperor, was formerly Military Attache to China, Chief of Staff of Japanese forces at Shanghai during the fighting of 1932, and subsequently commander of the 11th Division.

By mail to Tokyo.

JOHNSON

RR

140-3

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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 P.R. Foochow/98 FOR #878

FROM Foochow (Burke) DATED April 3, 1936
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report on-, for the Month of March
 by the Foochow Consulate.

FRG.

793.94/889

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(pages 3-8)

B. Relations with other countries:

1. Japan:

a. Reports of Japanese-sponsored autonomous movement in Fukien discredited:

Despite all rumors, press and other reports concerning the grave situation in this Province, there is no evidence in this consular district of a Japanese-inspired or supported independence movement. These unfounded reports are believed to be propaganda of jobless Chinese militarists and politicians, especially leaders of the 1933-34 Fukien Rebellion (former officers of the defunct 19th Route Army) now at Hong Kong and Canton, and of unfriendly Chinese elements, directed against Generalissimo Chiang Kai-shek, and the Nanking Government's representative in Fukien, General CHEN Yi (陳儀), Chairman of the Fukien Provincial Government. It is significant that practically all press and other reports concerning this independence movement are dated at Canton. Cantonese solicitations for Nanking-controlled Fukien require careful examination.¹

b.

¹Consulate's radiogram, dated March 14, 1936, 9 a.m.

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b. CHEN Yi's friendly relations with Japan
attacked:

Enemies of General CHEN Yi are using his friendly relations with the Japanese as a basis for criticising him. In this connection, it might be stated that General CHEN Yi has been friendly with this Consulate, and has demonstrated a desire to protect American interests within his jurisdiction. The following quotations, taken from press reports, published by the British SOUTH CHINA MORNING POST, indicate the insidious nature of the propaganda now being directed against General Chen:

"The Chairman of the Fukien Provincial Government is General CHEN Yi, a graduate of the Tokyo Staff College and former Vice-Minister of War."

"There is some criticism of General CHEN Yi, Chairman of the Fukien Provincial Government, whose wife is a Japanese lady. General Chen recently went to Taihoku, Formosa, to take part, it is said, in a conference of the Japanese Consuls and economic experts."

(A Japanese Consular Conference and a Formosa Exhibition were held in Formosa last fall within a close interval. Chairman Chen attended the Exhibition, but, of course, did not attend the Japanese Consular Conference.)

c. Report of abnormal smuggling of arms, opium,
et cetera into the Foochow Consular District,
disproved:

Page 7 of this Consulate's monthly political report for February, 1936, describes an article which appeared in the February 26, 1936, issue of the CHIU SHIH PAO (求是報), a privately-owned Chinese paper published at Foochow, alleging the large-scale smuggling of arms and ammunition, and of opium and morphine into certain

districts

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districts in southern Fukien. At the end of this article, this Consulate stated that it was making investigations in the premises. Putien (莆田), another name for which is Hingwa (興化), is in the Foochow Consular District. This Consulate addressed a letter to an American missionary residing at Putien, requesting him to report on this alleged smuggling of ammunition and opium in so far as his district was concerned.

The following is this American missionary's reply, dated March 12, 1936, on the subject:

"I have received your letter of inquiry in re the smuggling of arms, morphine etc along this coast. More or less of such smuggling seems to be chronic. But, there had been no talk among the people, that I had heard that would indicate that there was any marked increase in it recently. Neither has subsequent inquiry indicated that there has been an increase. The common talk has been rather that there has been less of it in recent times than formerly."

Another missionary at Putien states in this connection:

"Nothing unusual, say city residents."

The SOUTH CHINA MORNING POST, a British-owned paper published at Hong Kong, in its issue of February 26, 1936, carried the same information as that which appeared in the above-mentioned issue of the CHIU SHIH PAO of February 26, 1936. The SOUTH CHINA MORNING POST's article was dated February 25, 1936.

d. British paper gives publicity to alleged Japanese-sponsored Fukien autonomous movement:

The British-owned SOUTH CHINA MORNING POST was the medium through which this alleged Japanese-sponsored autonomous movement in Fukien was given the most

sensational

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sensational advertisement to western readers. British jealousies of Japanese gains in the Far East are, of course, well known. A loyal British subject who holds an important post in the Chinese Government and who is well known for his loyal and long record of service for the Chinese Government stated to the writer, in this connection, that much of the trouble between the Chinese and Japanese is stirred up by westerners.

The purpose of the recent propaganda campaign regarding the Fukien autonomous movement is believed to be two-fold. One purpose is to lead the world to believe that Japanese aggression has spread to South China, and the other (really the more important of the two) is to lead the world to believe that the allegedly "pro-Japanese" Nanking Government is too weak to cope with the situation.

e. Nanking able to cope with present subversive efforts:

There is no indication at the present writing, in so far as the Foochow Consular District is concerned, that subversive Chinese elements are meeting or will, in the near future, meet with any success in their nefarious efforts to stir up trouble in Fukien. The peace of Fukien would seem to depend upon the ability of the Nanking authorities to cope with these subversive and unfriendly Chinese elements. The present indications are that the Nanking Government is strong enough to cope with the situation, for the time being at least.

f.

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f. General Iwane Matsui visits Foochow:

General Iwane Matsui, a retired Japanese army officer and an advocate of the Great Asia Doctrine, arrived in Foochow from Hong Kong on March 3, 1936. In the course of a speech given to a mixed Chinese and Japanese audience on March 5, 1936, General Matsui is quoted by the MIN Pao, a Japanese-owned paper published in Foochow, as having stated the following:

"The formation of 'Manchukuo' and the East Hopei Autonomous Council (華東自治委員會) are aimed at the check of communism, which is rapidly spreading in the Far East. Turning to the south, China is under the constant menace of Great Britain and the United States. The former has constructed her naval base at Singapore and built up an air force in Hong Kong, and the latter is redoubling her efforts in the armament of the Philippine Islands and the Hawaiian Islands. This constitutes the reason why Japan must insist upon naval parity. It is my belief that there is no cause, other than the China problem, that might lead to a war between Japan and any one of the afore-mentioned countries. Peace in the Far East can be preserved as long as China and Japan remain on friendly terms. The Great Asia Doctrine, however, should not be mis-interpreted as the 'Asiatic Monroe Doctrine'; for we do not reject any Westerner who has sympathy with the 'Pan Asiatic Movement.'"

General Matsui left for Shanghai on March 8, 1936.

No editorial comment was made of his political views.

g. Futsing and Wenchow laborers proceeding to Formosa:

Many Chinese laborers from Futsing (福清), Fukien, and from Wenchow (温州), Chekiang, have come to Foochow of late to take passage for Formosa, where they have been employed as laborers to work in a gold mine and a coal mine. This action on the part of the Taiwan authorities, the MIN Pao declares, forecasts bright prospects of Sino-Japanese economic cooperation in the near future.

h.

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h. Japanese Consul General here visits Shanghai:

Mr. Toyochi Nakamura, Japanese Consul General at Foochow, proceeded to Shanghai by airplane on March 22, 1936, to attend the Japanese Consular Conference there, called by the Japanese Ambassador to China, Mr. Hachiro Arita, who is said to be returning to Japan.

1. Japanese Consul General takes action against illegal Formosan activities:

It is reported that the Japanese Consul General took active measures against Formosans operating gambling houses, during the month under report. No information was received concerning any action taken against Formosans dealing in opium. This question is more involved, as Nanking Government monopoly opium is, to some extent, distributed through Formosans. (See page 6 of this Consulate's monthly political report for February, 1936.)

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Amoy/103 FOR #90

FROM Amoy (Dick) DATED April 4, 1936
 TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Monthly consular report from Amoy for
 the month of March.

FRG.

793.94/7890

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1. Japan

a. Japanese inspired autonomy movement. -

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While the Hongkong and Shanghai press print long articles, mostly emanating from Canton, describing the sensational situation in Amoy and South Fukien created under Japanese auspices there seems to be but little foundation for the news stories. The Japanese deny participation in the movement and allege that they are interested only in the suppression of anti-Japanese propaganda, which privately exists throughout the district,

although

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although the official boycott ceased long ago.

The fact remains, however, that wholesale smuggling from Formosa into the county around Shumcho produces discontent and dissatisfaction among the law abiding people because the activities of the gangsters influence bandits, many of whom are Formosans. A few Chinese call themselves Formosans and thereby assure for themselves a great amount of unwarranted protection.

These elements have formed many secret societies and no doubt intimate that they are fostered and financed by the Japanese. No proof, however, can be obtained.

The villagers, many of whom are armed with smuggled rifles of Formosan origin, are reported to dislike the Japanese and their intrigue. Their feelings are played upon by anti-Japanese propaganda. This fact was illustrated by a missionary just returned from Lung Yen (龍巖) where he read posters stating in prominent characters that thirty Japanese warships had seized away.

Among the criticisms and recriminations it is difficult to arrive at a satisfactory conclusion.

b. Formosan Hospital.

The new hospital, under construction on the waterfront of Kulan su with funds provided by the Formosan Government, will be completed, according to present plans, in September and ready for occupancy

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occupancy in October. The hospital, it is alleged, is intended to care for the growing (10,000 admitted) Formosan population. It will have fifty beds and be equipped with modern appliances mostly of Japanese manufacture, and operating rooms.

Visitors are not permitted to inspect the building but rumor persists that a large concrete reservoir, constructed in the centre, will be used as an armory.

A further rumor circulates that when the hospital is completed the Japanese will occupy Amoy, garrison troops in the Formosan school house on Kulangan, the International Settlement, and that nobody will stop them.

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DOCUMENT FILE

NOTE

SEE 893.00 P.R./111 FOR #138

FROM China (Nanking) (Peck) DATED April 6, 1936
 TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Presentation of credentials by Japanese Ambassador; Departure of new Chinese Ambassador to Japan; Diplomatic discussions at Nanking; Chinese military preparations; Hopei-Chahar Political Affairs Council; Japanese attitude toward the anti-communist campaign in Shansi; Smuggling of Japanese goods in the demilitarized zone.

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793.94/7891

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2. Japan:

a. Central China:

Presentation of credentials by Japanese Ambassador:

Mr. Hashiro Arita, newly appointed Japanese Ambassador
 to China, arrived in Nanking from Shanghai¹⁷ March 5 on a
 Japanese naval vessel¹⁸ and, accompanied by 19 officers of

his

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16. Nanking's despatch to Peiping, March 24, 1936.
 17. See monthly review for February 1936.
 18. Nanking's telegram No. 50, March 5, 1936, par. 2.

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his staff including Major General Sensusuke Isogai (military attaché) and Rear Admiral Osamu Tate (naval attaché), presented his letter of credence March 6. The new Ambassador was recently Minister to Belgium and previously served in consular posts in China and in the Legation at Peking. Two weeks later (March 21) Mr. Writa left Peking to return to Japan, reportedly to accept appointment as Minister for Foreign Affairs.¹⁹

Departure of new Chinese Ambassador to Japan:

Mr. Hsu Shih-ying, newly appointed Chinese Ambassador to Japan¹⁷, sailed for that country March 7 after visiting Peking March 1 and 2 to confer with General Sung Che-yuan.²⁰

Diplomatic discussions at Peking:

The Minister for Foreign Affairs and the new Japanese Ambassador held four lengthy daily conferences²¹ at Peking from March 18 to 19 inclusive; on March 20 the Ambassador talked with General Chiang Kai-shek²¹; the Japanese Military Attaché (Isogai) came to Peking March 25 to call on General Chiang but General Chiang was absent and the officer talked with the Minister for Foreign Affairs and the Minister of Military Administration (General Ho Ying-chin).

Observers anticipated no immediate or definite results from the conversations, partially because of the views expressed previously by both Mr. Writa and General Chiang²²; and it is believed that their talks did not progress concretely toward an adjustment of Sino-Japanese relations or

lay

19. Before leaving China Mr. Writa attended a Japanese consular conference in Shanghai and visited North China and "Manchukuo". He sailed from Pusan, Korea, March 31.
 20. Central News Agency.
 21. Peking's telegram No. 59, March 20, 12 noon.
 22. Peking's telegram No. 50, March 5, 12 noon.

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lay a foundation for future negotiations. Before his arrival in Nanjing March 8/9, Arita was reported to have stated privately that General Chiang Kai-shek had given China's agreement to Mr. Hirota's so-called three points and that the Japanese were determined to hold the Chinese Government to that agreement. General Chang Chun stated privately before the conversations that (1) China had not agreed, and could not agree, to Mr. Hirota's so-called three points; (2) General Chiang Kai-shek in November 1935 had informed the then Japanese Ambassador that China was willing to consider the three points if amplified and defined but General Chiang was speaking personally and not for the Government; and (3) in 1925 when en route to Europe Mr. Wang Chung-hui 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.

A communique issued jointly by the Foreign Office and the Japanese Embassy March 19 after the conclusion of the the Arita-Chang conversations²³ stated that "no definite procedure has been arranged, nor was the scope of the discussions limited to any particular subjects. From such information as became available it appears that the conversations were less in the nature of negotiations than of an exchange of views and that Mr. Arita made no definite proposals, possibly because he (1) was uncertain as to his future assignment and (2) lacked specific instructions based upon whatever positive

policy

23. Nanjing's telegram No. 59, March 20, 2 p.m. Section 2.

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policy may have been adopted in Tokyo as a partial basis for Hirota's press announcement of March 17 which after some delay followed the successful formation of a new cabinet subsequent to the attempted military coup in Tokyo of February 26¹⁷. According to an official of the Foreign Office²⁴, both Mr. Hirota and General Chang Chun "laid their cards on the table so that each Government knew where the other stood". This official stated further that while the Japanese Ambassador had not, as reported in the press, insisted that China accept Mr. Hirota's three point program or that the three points must form the basis of discussion, he had brought up for discussion "concrete measures" which were implied by the three points. In what these measures consisted is not conclusively known; according to unconfirmed reports, which are partially supported by reasonable assumption, Chinese recognition of "Manchukuo" was among them and General Chang Chun is said to have told Mr. Hirota that such recognition would never be granted. Another reliable Chinese source states that during the second conversation (March 17), General Chang Chun insisted that before any friendly settlement could be achieved Japan must appease Chinese public opinion which was much aroused over Japan's disregard of sovereignty as evidenced for example by Japanese smuggling in North China.

At the close of the month important developments in Sino-Japanese relations seemingly continued to await clarification of the situation in Tokyo²⁵ and, according to the above-mentioned official of the Foreign Office, a

Renewal

24. Hankow's telegram No. 67, March 26, 9 a.m., par. 2.
 25. Peking's telegram No. 147, March 24, 8 p.m., par. 4;
 Hankow's telegram No. 67, March 28, 9 a.m., par. 2.

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

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renewal of pressure upon the Chinese Government could in his opinion be expected within two month's time.

Chinese military preparations.

Chinese military preparations continued, presumably for possible eventualities in Sino-Japanese relations in the case General Chiang Kai-shek should in future decide to resist Japanese pressure by force.²⁶ Large bodies of troops were reported moved from Central China northward some destined to the northwest and some to the Lungwei railway area, particularly the vicinity of Hsichow. Construction of a factory for the manufacture of airplane parts except engines which is under construction at Nanchang was reported as progressing with Italian technical assistance toward probable completion in August.²⁷ (It is said that this factory will operate with 100 technical experts from Italy in addition to Chinese personnel and that, with imported engines, it will have a production capacity of fifty planes a month.) Closer personal control over aviation affairs, presumably with a view to increasing the efficiency of this branch of the military service, was assumed by General Chiang through the appointment of Madame Chiang as Secretary General of the Aviation Affairs Commission. This appointment is understood to have at first been considered "secret", but has become generally known and Madame Chiang is reported as having taken active charge of the Commission. The "Military Service Law" providing for two years' military training for all able-bodied men between 18 and 45

promulgated

26. Hanking's political review for February, 1936 (p. 6) and Tsiping's review for the same month (p. 9).

27. Hanking's telegram No. 60, March 21, 9 a.m.

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promulgated June 17, 1933 was ordered enforced March 1, 1936 by a Government mandate dated February 29, 1936²⁸. It was generally believed, however, that actual enforcement of the law would be postponed or undertaken only in a very restricted way.

b. North China

Hopei-Chahar Political Affairs Council:

Relations between the National Government and the Hopei-Chahar Political Affairs Council continued to be clouded by a number of considerations, among them the desire of General Sung Che-yuan to receive an aggregate, from local revenues and a Government subsidy, of Y24,000,000 a month previously received by General Chang Hsueh-liang in 1930 for support of his "Northeastern Army", by the Yen-Feng coalition later that year, subsequently again by General Chang and more recently by General Ho Ying-chin (Minister of Military Administration) when Chairman of the former Peiping Branch Political Council. More than Y22,500,000 is understood to be available to General Sung from local revenues (chiefly salt, the consolidated tax, the wine and tobacco tax, the Peiping-Liaoning Railway²⁹) but he has, it appears, so far been refused a subsidy to make up the difference, presumably because the funds are needed for support of General Chang's forces now in Shensi.

Mr. Hsu Shih-ying, newly appointed Chinese Ambassador to Japan, before leaving for his post visited Peiping March 1 and 2 to confer with General Sung Che-yuan in regard

to Sino-

28. National Government Gazette, No. 1985, March 2, 1936.
 29. Peiping's monthly review for February, 1936.

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to Sino-Japanese issues in North China. During the last week of March General Chiang Kai-shek reportedly met General Lung in Kaifeng, Honan, for the same purpose, the most pressing problem being (it was stated) increasing dissatisfaction with General Lung on the part of Japanese military officers, which might presage an attempt to replace him if a substitute suitable in Japanese eyes could be found. An official of the Foreign Office professed to believe that concrete developments in North China were awaiting clarification of the situation in Tokyo³⁰, his opinion being that renewed Japanese pressure on China could be expected in less than two months.

By notes to the foreign diplomatic missions dated March 14, the Foreign Office repudiated a circular to the missions said to have been issued March 7 by the Foreign Relations Committee of the Hepei-Chahar Political Affairs Council stating that the committee was handling all diplomatic matters for Hepei, Chahar, Peiping and Sientain. The Foreign Office note stated that the duties of the Council's various committees were confined to discussion and study and that the committees had no authority to transact business with foreign officials.

Japanese attitude toward the anti-communist campaign in Shensi:

The movement into Shensi late in February and early March of communist forces from Shensi³¹ gave Japanese military spokesmen a specious opportunity of injecting immediately into Sino-Japanese relations that one of Mr. Hirota's so-called three points which proposed Sino-

Japanese

30. See II, b, Japan, ante.

31. See "Protection of Americans in Shensi against communists", II, a, 1, ante.

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Japanese cooperation against the communists. In addition to expressions published in the press of Japanese disapproval of the assignment of Government troops to Shensi, a threat was received by the National Government early in March from the Japanese military attaché (Major General Kensuke Isogai, that the Japanese would not permit the sending of Central Government troops into Shensi unless the Government agreed to Mr. Hirota's program and even in that case any troops despatched into the province must be withdrawn upon the completion of their mission against the communists³². This threat was discussed at an emergency Cabinet meeting March 6 but Government divisions, reportedly seven in number, were subsequently sent to Shensi (whether with or without consultation with Japanese officials is not known). It was believed in some quarters in Peking that the chief concern of the Japanese military at this time was lest the incursion into Shensi of large bodies of National Government troops might result in the consolidation of the authority of General Chiang Kai-shek in that province at the border of territory which is under Japanese influence through the jurisdiction of the Hpei-Shahar Political Affairs Council.

Smuggling of Japanese goods in the demilitarized zone

The Executive Yuan met March 12 to devise means of stopping the smuggling of Japanese goods into the demilitarized zone and thence to other parts of China, estimated at more than Y200,000,000 in value in 1935,

and

32. Peking's telegram no. 51, March 6, 2 p.m.

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and subsequently ordered into effect a system of cooperation between the railway authorities and the Tientsin Customs under which imported goods may not be shipped from Tientsin unless covered with customs certificates verifying the payment of import duty. (Press reports indicated that this system proved satisfactory as far as rail shipments were concerned, but resulted in the diversion of freight traffic to the highways.) According to a Chinese official, the Japanese military in North China would not permit armed Customs cruisers to operate along the affected coast and, while protests to the Japanese Embassy had elicited replies that the Japanese authorities would cooperate in suppressing the smuggling, an Embassy spokesman informally told the Foreign Office that Japanese civil officials were powerless in the matter. It was reported that Japanese diplomatic officers were attempting in informal conversation to employ the situation as a lever to force reductions in the Chinese import tariff and to hasten the acceptance of the Hirota program, the implication in the latter case being that no action toward prevention of smuggling would be taken by the Japanese pending settlement of the larger question of the acceptance by China of the Hirota desiderata.

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NOTE

SEE 893.00 P.R./112 FOR #347

FROM China (Johnson) DATED April 8, 1936
 TO NAME 1-1127

REGARDING: Sino-Japanese relations: Embassy's monthly report on-, for the month of March, 1936.

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3. Relations with other countries:

1. Japan:

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Developments during March in Sino-Japanese relations were not definitive. The situation continued to admit classification of the internal affairs of both Japan and China. The Japanese authorities presumably waited on (1) stabilization of the Japanese Government which had been shaken by the rebellion of February 26, (2) the report of the new Japanese Ambassador on his conversations with the Chinese Minister for Foreign Affairs and General Chiang Kai-shek, (3) the progress toward autonomy of the Hebei-Shanah Political Council, (4) the arrival of Japanese military officers newly appointed to posts in China, (5) the arrival of additional troops for the enlarged North China Garrison, scheduled to take place in May or

June

2. Hankin's monthly report for March.

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also, and perhaps (6) developments in Kansai Province resulting from the entry into that province in late February of communist forces from Kansai Province and the dispatch into Kansai of forces of the National Government. The Chinese authorities edited on (1) clarification of the Japanese situation, (2) progress of Chinese unity, (3) progress of the international situation, and perhaps (4) the progress of Chinese national defense preparations.

3

a. Mr. Hirota's conversations:

Arriving on March 5 at Hankow and presenting his credentials on March 6, the new Japanese Ambassador to China, Mr. Kichiro Hirota, began on March 10 a series of four conversations with the Chinese Minister for Foreign Affairs, General Wang Ch'ang, which ended on March 11.

It was understood that Sino-Japanese relations were discussed with comparative frankness but that no demands were presented by Mr. Hirota and no agreement reached. According to one Japanese official, whose statement was supported in general by Chinese informants, Mr. Hirota was told that China did not accept Mr. Hirota's so-called three points, that the three points should be more clearly defined by the Japanese, and that China ought to be treated with on a basis of equality. An obstacle to definition of the three points was the alleged divergence of views of the various Japanese leaders concerned with regard to the meaning of the three points.

b. Mr. Hirota's presentation to Foreign Minister:

Mr. Hirota received on March 10 - the day of his

first

3. Chiang's telegram 50, March 21, 2 p.m.

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first conversation with General Chang Ch'un - an un-anticipated order from the Japanese Foreign Office to return to Tokyo. Although it was not announced officially, it was understood that Mr. Arita was recalled to become Minister for Foreign Affairs. He left Hanking on March 20, after a conversation with General Chiang Kai-shek, attended a conference at Shanghai of Japanese diplomatic and consular officers, and proceeded toientsin where on March 25 and 26 he conferred with Japanese military and diplomatic officers and renewed acquaintance with members of the Anfu Clique who had been in office when Mr. Arita was Consul General at Tientsin ten years ago. Mr. Arita left Tientsin on the night of March 26 for Tokyo, visiting Hanking on the way to confer with such officers as General Hiro Dinami, until recently the Commander in Chief of the Kwangtung Army, General Kenkichi Ieda, who is General Dinami's successor, Lieutenant-General Fushizo Hishio, until recently the Chief of Staff of the Kwangtung Army, and Major-General Seishiro Itagaki, his successor. The Japanese press reported that Mr. Arita was informed at Hanking of the China policy of the Kwantung Army.

c. Changes in Japanese personnel affecting China⁴

The recall of Mr. Arita eleven days after the presentation of his credentials gave emphasis to the feeling in China that Mr. Hirota's Cabinet was beset with

difficulties

4. Embassy's telegram 168, April 3, 12 noon.

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difficulties with serious implications for China. Chinese apprehension was not allayed by various transfers which took place among Japanese military officers having connection with Sino-Japanese affairs.

The satisfaction of Chinese at the departure from China of Lieutenant-General Kenji Doihara, the principal Japanese instigator of autonomy in North China, was tempered by the fact that he was succeeded in his capacity as unofficial Japanese negotiator in North China by Major-General Takayoshi Matsunuro, another of the military in-moderates. Major-General Matsunuro was once an adviser to Marshal Feng Yu-hsiang and was the first chief of the Special Military Mission established at Tientsin after its seizure in 1935 by the Japanese. It had been first reported that Major-General Matsunuro would succeed Lieutenant-General Doihara as Chief of the Special Military Mission at Tientsin, but subsequently he was appointed Chief of the Special Mission which he is to establish at Peiping. According to Japanese sources, Major-General Matsunuro will be directly responsible to the Tokyo General Staff, his relationship with the North China Garrison not being clearly defined. The creation of a special mission at Peiping under Major-General Matsunuro may be for the purpose of giving verisimilitude to the Japanese contention that the Kuangtung Army will not in the future interfere in the conduct of Sino-Japanese relations in North China. Such a contention is open to doubt, however, in view of Major-General Matsunuro's close relations with the super-patriotic elements of the Kuangtung Army and in

view

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view of the fact that a number of North China questions have their basis in the Tangku Truce which was concluded by the Kuomintang Army.

Major-General Teishiro Iwagaki, 1st, with Lieutenant-General Ishihara, was in large measure responsible for the seizure of Manchuria, was advanced from the post of Vice Chief of Staff of the Kuomintang Army to that of 1st, his power to alter the course of Indo-Japanese affairs being thus enhanced. As reactionary military element of the Japanese Embassy in China, Major-General Matsuo Isogai, was transferred to the Directorship of the Military Affairs Bureau of the War Ministry, his successor as Military Attaché being Major-General Kikichi Ito, Chief of the China Section of the Foreign General Staff, who participated in the negotiations leading up to the Tangku Truce of May 31, 1933, and who has been active in Indo-Japanese relations since that time, having twice visited China during 1960. According to Japanese civilians, Major-General Ito is less moderate than Major-General Matsuo, indicating that officers of divergent views will continue to direct Japanese military policy in China.

No announcement was made with regard to anticipated changes in the posts of Commander and Chief of Staff, respectively, of the North China Garrison. Some Japanese are of the opinion that Major-General Iwagaki may be promoted to the rank of Lieutenant-General and remain at Pien-tai. A higher rank would enable him the better to restrain Major-General Matsuo with whom he is said not to see eye-to-eye with regard to policy toward China.

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2. Conversations at Hsien-tsin:⁸

Major-General Matsuzuro arrived at Hsien-tsin on March 23 at Hsien-tsin and conversations between him and General Sun, Che-yeon and other Chinese leaders in Hopei Province began almost immediately. Insofar as could be learned, the conversations concerned the topics arising out of the situation created in Shansi by the communist invasion, the situation in Chahar arising out of disunity among the Mongols and ambitions of Japanese and provincial Chinese military leaders, the implications of the alleged existence of a secret Sino-Soviet treaty, and the relations of Yen Su-kang's regime in the demilitarized zone with the Hopei-Chahar Political Council. Although it was unknown what representations Major-General Matsuzuro was making or intended to make and what measures the Japanese military might take to support those representations, it was believed that pressure would not be applied until the authorities at Tokyo had completed their deliberations and that when it was applied it would be for the purpose of obtaining an extension of Japanese influence in North China in preparation for a possible war with Soviet Russia and in preparation for economic penetration.

e. Japanese attitude toward the Shansi situation:

The Japanese military watched with interest the situation created in Shansi Province by the entry during the latter part of February of ten thousand or more communist troops and during March by seven divisions or parts thereof

8. Embassy's telegram 163, April 3, 12 noon.

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thereof of the National Government. In view of the known aversion of the Japanese military to the crossing of the Yellow River northward by forces of the National Government, it was not improbable that the National Government would expect the Japanese that the forces would be withdrawn as soon as the communist troops were disposed of.⁶ The Japanese were probably concerned with the possibilities that (i) communist troops might establish themselves in support of Japan or invade Hsuei, Shan, or Shensi provinces, that (ii) General Chiang Kai-shek might establish his control over Shanai, ousting General Yen Tai-shan, whom the Japanese were probably not abandoned entirely as a possible leader for an autonomous North China state, and that (iii) General Chiang, through suppression of the communist troops, might win General Yen definitely to his side. Any of the possible developments could be serious, detrimental to Japanese plans for the autonomy of the five northern provinces. (Other aspects of the communist situation in Shanai province are described on pages 16 and 17 of this report.)

f. Progress of the Hsuei-Shanai Political Council
Political Situation:

The Hsuei-Shanai Political Council made little progress in the direction which the Japanese military would like to see it develop. General Wang Chao-yuan, Chairman of the Council, apparently continued to be unwilling to break his ties with the National Government and succeeded during March in continuing to follow a middle course.

Footnote

1. General's telegram 21, March 6, 2 p.m.

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Japanese Advisers:⁷

In addition to the two Japanese advisers referred to in the Embassy's report for February as having been assigned to the Hebei-Chahar Political Council, four more arrived in Hebei Province during March. Of these six advisers, two were assigned to the Economic Committee of the Council, one to the Foreign Affairs Committee, two to the as yet unformed Communications Committee, and one to the as yet unformed Industrial Committee.

Economic cooperation in North China:

Sino-Japanese economic and industrial cooperation in North China appeared still to be primarily in a state of investigation. The few developments which occurred during March are discussed below.

Lai-ning through freight-car service:⁸

An agreement was signed on March 5 at Tientsin by the Managing Director of the Lai-ping-Liaison Railway and by an official of the South Manchuria Railway Company for the establishment from May first of through freight-car service on the Lai-ping-Liaison Railway. The conclusion of such an agreement was supposed to have been promised by the Chinese at the time of the signing of the Tangku Truce of May 31, 1933. It was not known that the agreement held any hidden significance, but it was believed that the Japanese military were pleased to have brought into existence yet another written agreement which would bring nearer economic cooperation between North China and Manchukuo. A Japanese official stated that it was expected that a through freight-train service would be established later.

Agreement

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7. Paragraph 3 of Embassy's telegram 135, March 16, 4 p.m.; Embassy's despatch 345, April 5.
 8. Embassy's telegram 135, March 16, 4 p.m.

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Agreement for purchase of Changla salt:

An agreement was reached or was on the point of being reached whereby Japanese will purchase a minimum of 10,000 tons of salt produced by the Changla fields in the Tientsin area from the Chinese Salt Administration. The interruption of the salt supply from Abyssinia was understood to be the immediate reason for Japanese interest in the Changla fields, where there is an accumulation of stock totaling 60,000 tons. One Japanese concerned expressed the opinion, however, that the arrangement was not commercially sound, notwithstanding the saving in transportation expenses, for the reason that the inferiority of the Changla salt limits its use to a glass factory and a soda factory in Tokyo which have the mechanical equipment necessary for preparing such low-grade salt for industrial use.

Smuggling of Japanese goods: customs agreement with Yin Ju-kong:

Chinese, Japanese, and Western observers were in agreement that the smuggling of Japanese goods through that part of northern Hopei Province under the control of Yin Ju-kong's regime was continuing on a scale so large as to be seriously detrimental to merchants who pay on imports the duties prescribed by the Chinese Customs Administration. There existed suspicion that the purpose of these Japanese - primarily the military - responsible for the continued existence of a situation which renders such smuggling possible was the eventual breakdown of the

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9. Tientsin's despatch to Embassy 173, March 27.
 10. Embassy's despatch 322, March 21.
 11. Tientsin's despatch to Embassy 173, March 27;
 Embassy's despatch 361, April 7.

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the Chinese Customs Administration unless the Chinese acceded to Japanese desires for a lowered tariff or for an arrangement with regard to currency in North China. No significant effect was observed following the conclusion of an agreement on March 17 between the Tientsin Customs and the Tientsin-Peking railway and of a similar agreement on March 25 between the Tientsin Customs and Tientsin-Tukow railway whereby the railway companies pledged themselves to refuse to transport foreign goods out of Tientsin without a customs clearance certificate.

It was not unlikely, however, that the Japanese involved in the question of smuggling no longer regarded the entry of goods through Yin Ju-keng's area as being smuggling for the reason that it was generally admitted - though not officially - that Yin Ju-keng had entered into a customs agreement with certain Japanese, whose identity is not publicly known, whereby Yin's representatives were to receive on goods entering his territory a payment equal to 10 to 25 per cent of the tariff fixed by the China Customs Administration. According to one well-informed source, the money so obtained does not reach Yin Ju-keng but is expended by his Japanese advisers in building up an armed force made up of Chinese and undesirable Japanese for the possible eventuality of driving General Song Che-yuan out of Hopei Province. (According to the estimate of the American Military Attaché, the forces under the nominal control of Mr. Yin Ju-keng now consist of five divisions totaling 20,000 men.)

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8. Student Activities:

at Peiping:¹²

The arrests of students in Peiping, which began during the late part of February, continued during March as a result of student activities arising out of their dissatisfaction with the policy of the Chinese authorities toward Japan and stimulated by communist agitators. There were in custody at the end of the month under review more than 100 students, some of whom were arrested on March 21 for participating in a demonstration at Tsinghua National University; in memory of one student known to have died (of pneumonia) while in custody. The demonstrators of March 21 numbered 1,000 and represented various educational institutions of the city.

University authorities attempted with some success to check the student activities by urging that such activities might be made an excuse by Japan for further penetration of Japanese influence. It seemed probable, however, that, were Japanese penetration in North China again to become active, student demonstrations of grave proportions might be expected to take place and further complicate the political situation in North China.

at Shanghai:¹³

As the result of the arrest on March 24 of a number of alleged communist-student-agitators at Fuh Yen University in a suburb of Shanghai, serious disturbances involving students and police took place, several persons being injured and one policeman succumbing to a

CHINA

12. Embassy's telegram 103, April 2, 5 p.m.
 13. Shanghai's dispatch to Embassy 103, March 31.

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gunshot wound. The situation was eased but not clarified by the University's being closed on March 23 for the spring holidays.

h. Devastation in Inner Mongolia¹⁴ and its significance:

According to reports received during March from Mongols and from foreign missionaries resident in Inner Mongolia, the exceptional severity of the past winter caused heavy losses among the live stock of Mongols in Chahar and Suiyuan, the losses in parts of Chahar Province being estimated as high as 80 per cent. As the existence of the Mongols depends on their animals, there was and there will continue to be great suffering among them, as a result of which they will be even less able than heretofore to resist Japanese penetration unless they receive adequate assistance from the National Government or Chinese military leaders of North China, a development which appears to be unlikely.

i. Shanghai Municipal Council election:¹⁵

At the election on March 23 and 24 of members of the Shanghai Municipal Council, the Japanese attempted to increase their representation from two to three members because of their conviction that their increased population in Shanghai warranted increased representation and because of their dissatisfaction with the conduct of affairs by the Council under its preponderant British and American influence. Due to apprehension that the Japanese intend eventually to have paramount influence in Shanghai, the election was sharply divided racially and

the

14. Embassy's telegram 162, April 2, 4 p.m.

15. Shanghai's despatches to Department 74 and 99 of March 16 and 27.

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the British and Americans succeeded in electing their candidates while only two of the three Japanese candidates were elected. The feelings of the Japanese, exacerbated by their failure in the elections, were not improved when it was discovered that one of the ballot boxes containing 323 votes, mostly Japanese, had not been included in the count. As a result of this seeming oversight, the election was declared invalid and a new election was called for April 20 and 21. It was anticipated that, if the Japanese did not withdraw one candidate and thereby render the election unnecessary, the outcome of the April election would be the same as that of the March election. This failure on the part of the Japanese, however, was not regarded as likely to result in any diminution of the supposed determination of the Japanese to attempt in the future to increase their influence in the conduct of affairs in Shanghai.

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NOTE

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FROM Shanghai (Gauss) DATED April 3, 1936
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Consular monthly report for the month of March, 1936.

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b. Relations with Other Countries. Japan.

Anti-Japanese Propaganda. There is no doubt that

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the last few weeks have witnessed a considerable increase
in anti-Japanese agitation. In commenting on this trend,
the SHANGHAI NIPPON (Japanese) states that few Chinese
have ever studied the real reasons for the present situation

but

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but merely shoulder Japan with the blame for all developments since the Manchurian incident of 1931; and asks why the Soviet occupation of Outer Mongolia, Sinkiang, and Shansi is ignored while Japan is assailed as an invader. The local Chinese press has given considerable publicity to alleged disregard on the part of the Japanese for China's sovereign rights in the north, citing the flights over Chinese territory by Japanese military aviators and the wholesale smuggling activities of unruly elements in the Japanese and Korean populations as examples.

Resentment against the Japanese has been increased further as the result of several incidents that have been the subject of considerable comment in the vernacular press. A Chinese laborer died of injuries received in the basement of the uncompleted Mitsubishi Bank Building at the hands of six Japanese fitters, who were subsequently turned over to the Japanese Consular police for such action as was deemed appropriate. It is understood that they have been sent to Nagasaki for trial. A similar case, in which a cotton mill hand allegedly died as a result of injuries inflicted by a Japanese foreman, resulted in agitation and the holding of a memorial meeting in Chapel.*

The celebration of International Women's Day on March 8 was attended by demonstrations in both the International Settlement and the French Concession. The Japanese press criticized the authorities for failure to deal more effectively with anti-Japanese agitation; and the Japanese Consulate

General

*See Despatch No. 55 of March 10, 1935.

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General filed protests against the increase of anti-Japanese activities.

North China Currency. Major General Isogai, Japanese Military Attache, is reported to have told the local correspondent of the New York Times that the next move in the North China situation would be the issue by the Hopei-Chahar Political Council of a separate currency with outside backing (presumably Japanese). The possibility of a development of this kind is regarded with apprehension in high financial circles here, since it is considered that the issue of a separate currency would be a long step toward effecting the actual separation of an important area from the control of the Central Government, and would constitute a serious threat to the success of the recent currency reforms. No mention of this interview has been made thus far in the local press.

Visit of Japanese Ambassador. Mr. Koshiro Arita, Japanese Ambassador to China, who arrived in Shanghai on February 26 and departed for Nanking on March 4, 1936, stated in an interview with a representative of the SHANGHAI EVENING POST AND MERCURY (American) that he favored maintenance of the open door policy and non-interference with the existing interests of other nations in the Far East. He added in reply to direct questions that the era of "double diplomacy" by the War and Foreign Offices had ended, and that the Japanese would insist upon the acceptance by China of Hirota's three points, of which he said he considered the third relating to co-operation in putting down communism to be the most important.

News

Despatch 91 of March 23, 1936.

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News despatches from Tokyo published here on March 11, however, summarized the points as complete cessation of anti-Japanese activities, Chinese recognition of "Manchukuo" and economic cooperation between China, Japan and "Manchukuo", thus relegating the question of opposition to communism to a minor position and omitting any mention of cooperation in this connection. Well informed Chinese in Shanghai continued to feel that recent political developments in Japan would result eventually in a speeding up of the Japanese program in China.

Consular Conference. A Japanese consular conference took place at Shanghai on March 22 and 23 under the leadership of Ambassador Mochiro Arita. The sessions were attended by the Counselor and four other Embassy officials, and the consular representatives at Shanghai, Hankow, Hankow, Tsingtao, Paiman, Foochow and Canton. The several Consuls General made reports regarding conditions in their respective districts. It is understood that the Chinese monetary reforms were the subject of special discussion, particularly with regard to their effect upon Japanese trade and other interests.

Ambassador Arita left Shanghai for Tientsin at four o'clock in the afternoon of Monday March 23, accompanied by Counselor of Embassy Nakasugi, Consul General Nishida, and Mr. T. Hagiwara, Third Secretary.

Interview with Mr. L. G. Samson. Mr. Samson, a British subject who was imprisoned in Japan for seventeen days after the military uprising and then deported, said in speaking of his experience to an officer of this Consulate General that no reason was given for his arrest, that

*Despatch No. 77 of March 13, 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

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that he was not permitted to communicate with his Ambassador or Consul General and that his diaries which were taken from him were not returned. He thinks he was singled out for arrest because his travels and investigations had aroused the suspicions of the military, who he is convinced were responsible for his difficulties. Mr. Samson says he intends to remain in Shanghai for the present in order to press for the return of his diaries and for an apology and indemnity for the indignities suffered.*

General Matsui. General Iwane Matsui, well-known exponent of the Pan-Asia movement, passed through Shanghai recently on his way to Nanking from South China, and returned on March fifteenth for a brief stay during which he called on prominent local people, including Mr. T. V. Soong, Mayor Wu Te-chen, and Dr. H. H. Kung. Before sailing for Japan on March seventeenth he stated in an interview with a representative of the CHINA PRESS (Chinese owned, American incorporated) that China and Japan would have to get down to fundamentals before cooperation would be possible, that Pan-Asianism as founded when Dr. Sun Yat-sen visited Japan forty years ago is the ideology of the Japanese military and must be the basis of Sino-Japanese relations, that it does not mean Japanese domination but a coordination of all forces for the well-being of Asia, and that the movement also does not contemplate the exclusion of the West. He concluded with the statement that the present differences are of recent origin, that there has been fault on both sides, and that a return

to

Despatch No. 85 of March 19, 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

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to close cooperation is necessary.

Reports on Fukien. Rumors regarding Japanese encroachments in Fukien Province continue to circulate in Shanghai, despite official Japanese denials that Japan contemplates supporting any autonomy move in the South. Current reports are to the effect that Japanese and Formosan "ronins" are acting in conjunction with bandits and disaffected politicians to build up their influence under Japanese protection, that organizations have been formed to promote "autonomy" or "self-government", and that vice and smuggling are on the increase. In summing up the situation as reported, the CHINA PRESS states that Fukien is rapidly becoming another Japanese sphere of influence with Formosans acting as advance guards.

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

DOCUMENT FILE

NOTE

SEE 894.00 P.R./100 FOR Desp.#1781

FROM Japan (Grew) DATED Apr. 16, 1936.
 /td NAME 1-1127 ...

REGARDING: Sino-Japanese relations during March, 1936: Reports
 that the only important development in -, was
 the decision to increase the Japanese garrison
 in North China. Particulars.

frg

793.94/7894

7294

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

(b). China.

793.94
 Sino-Japanese relations were somewhat eclipsed by the increased tension in Soviet-Japanese relations and by the internal situation in Japan which arose from the incident of February 26. The only important development in the relations between the two countries was the decision to increase the Japanese garrison in North China. According to the NICHU NICHU of March 12 it is contemplated that about ¥1,000,000 will be spent on the reinforcement of the Japanese garrison in North China. The four-day conversations between Ambassador Hachiro Arita and Foreign Minister Chang Chun appeared to have accomplished very little, judging from the communiqué issued on March 19:

"The talks were intended to pave the way for future negotiations to adjust relations between the two countries. It followed, therefore, that no definite date had been set beforehand, nor any limit set to the topics.

"Freely

* Embassy's despatch No. 1741 of March 18, 1936.

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

- 9 -

"Freely launching on various phases of the Sino-Japanese situation, the conferees have not attempted, however, to come to any special conclusions during the conversations."

Of more interest is the interview given to newspaper correspondents by Major General Rensuke Isogai, Military Attaché to the Japanese Embassy in China, after his conversation with General Sung Che-yuan, Chairman of the Hopei-Chahar Political Council. According to a Domei (news agency) despatch from Peiping dated March 14, the conversation dealt with the relations among China, "Manchukuo", and Japan in North China and with the Chinese Communist invasion of Shensi Province, and Major General Isogai afterwards stated in his interview that he was greatly disappointed with the lack of improvement in general conditions in the North of China since his visit of February, 1935; that he had anticipated real improvements in general conditions in that region as well as in relations among Japan, China, and "Manchukuo" as a result of the establishment of the Hopei-Chahar Political Council; that the Japanese military authorities should firmly determine to arrive at effective measures to improve the situation, which in his opinion they were fully prepared to do; and that General Sung Che-yuan must drastically revise his opinions concerning the general situation in the Far East and the relationship among China, Japan, and "Manchukuo".

As early as March 14 it was reported by the press that Mr. Hachiro Arita, Ambassador to China, would be chosen as the Minister for Foreign Affairs to take the portfolio

held

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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- 10 -

held temporarily by Hirota, the Premier. Mr. Arita left Shanghai for Japan on March 23 and before his departure was reported by Domei of March 21 to have declined to express an opinion as to what extent the Chinese were prepared to cooperate with Japan. In any case, the Japanese newspapers reported that Mr. Arita had been unsuccessful in persuading the Chinese to fall in with Mr. Hirota's three-point policy. This policy was again outlined to the Embassy as follows on March 13:* Cessation of anti-Japanese activities and propaganda; recognition of the fact of "Manchukuo" through regularization of such relations as communications, transit, customs, etc.; and cooperation between Japan and China to combat the expansion of communism in the latter country. Although Premier Hirota told the Ambassador that this program had been accepted in principle by the Chinese Government, reports emanating from China continued to deny that the Nanking Government was in accord with such a policy.

In a word, the gradual advance of Japan into North China seemed to have been held in abeyance during the month.

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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

May 9, 1936.

1936 MAY 11 PM 1 30

Subject: The Situation in North China.

793.94

Mr. Secretary.

The probable course of developments in North China was suggested in information reported by the Embassy at Peiping to the effect that "the Japanese military are resolved to gain control of communications in Hopei and Chahar (Provinces), expand their military forces, gain control of and develop economic and industrial resources, and create an independent North China".

Although Foreign Minister Arita, in his address before the Japanese Diet on May 6, did not refer specifically to North China, he was explicit in his statement that Japan intends to expedite negotiations with the Chinese because of the "obvious and imperious necessity of adjusting Sino-Japanese relations". His language, it would seem, is direct enough to satisfy even the Japanese Army, and there is reason to expect that the Foreign Minister will actively seek to achieve the aim he has enunciated.

In Tientsin, negotiations continued between the Japanese military and the Hopei-Chahar Council. The Japanese military are endeavoring to obtain an agreement which will provide for effective cooperation among Japan, "Manchukuo", 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

- 2 -

China and for the extension of Japanese control over communications. The Hopei-Chahar Council, on the other hand, is seeking Japanese agreement to the consolidation of the Council's authority through the elimination of independent régimes supported by the Japanese in eastern Hopei and in Chahar.

The smuggling situation in North China was the subject of oral representations by the British Ambassador to the Japanese Foreign Minister on May 2. The Foreign Minister replied on May 4 that little could be done at the moment to ameliorate the general situation because of ineffective internal administration by the Chinese Government.

With reference to the "Manchukuo" frontier situation, Foreign Minister Arita expressed before the Japanese Diet the hope that negotiations would afford a solution to the problems but he felt constrained to state that relations between Japan and the Soviet Union are not "altogether felicitous" because Japan cannot remain indifferent to excessive Soviet armaments in the Far East.

The conclusion of a trade arrangement between Germany and "Manchukuo" was reported during the week. There does not seem to be any compelling reason to anticipate that the arrangement will materially affect the present position with regard to the question of non-recognition of "Manchukuo".

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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

FS

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

FROM Nanking

Dated May 12, 1936

Rec'd 9:20 a. m.

Secretary of State
 Washington

DIVISION
 OF EASTERN
 EUROPEAN AFFAIRS
 MAY 20 1936
 DEPARTMENT
 OF STATE

DIVISION
 OF FAR EASTERN
 AFFAIRS
 MAY 12 1936
 DEPARTMENT OF STATE

133, May 12, 4 p. m.

This office's 92, April 16, 5 p. m.

One. An officer of the Embassy has been confiden-
 tially informed by a responsible official of the Foreign
 Office that, (1) reports alleging the conclusion of a
 Sino-Japanese anti-Communist agreement in the North on
 May 6 have been received by the Foreign Office but have
 not been confirmed; (2) the Japanese have been using the
 smuggling situation in the North as a coercive argument
 for the conclusion of such an agreement but Hsiao Chen
 Ying and the other interested Chinese officials have
 been a stumbling block through their insistence that the
 East Hopei regime continue to exist; (3) details of the
 specific Japanese proposals or of the progress of the
 discussions between them and Sung Che Yu and latter's
 associates are not known but the Foreign Office expects
 to have this information soon.

Two. Informant denied that the National Government
 had given up hope of avoiding the conclusion of such an
 agreement

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

FS 2-No. 133, May 12, 4 p. m. from Nanking

agreement and said that, (1) the Chinese Government was considering the imposition of consolidated taxes on smuggled goods as a preventative against smuggling; (2), the Chinese Government has instructed its Ambassador in Washington to approach the Department in regard to the smuggling situation; (3), loss to the customs revenues now amounted to Chinese dollars two million weekly; (4), the Embassy would shortly be furnished reliable statistics and full information concerning smuggling.

Three. Repeated to the Department and Peiping.

HPD

PECK

141-3

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

(CONFIDENTIAL)

P A R A P H R A S E

A telegram (No. 133) of May 12, 1936, from the American Embassy at Nanking, reads substantially as follows:

A responsible Foreign Office official has informed an officer of the Embassy confidentially that (1) the Japanese have been using as a coercive argument for the conclusion of a Sino-Japanese anti-Communist agreement the smuggling situation in North China but interested Chinese officials, including Hsiao Chen-ying have been a stumbling block by insisting on the continued existence of the East Hopei regime; (2) on May 6 the Foreign Office received reports, which have not been confirmed, to the effect that such an agreement had been concluded; (3) the Foreign Office expects soon to have information, which it does not now have, in regard to details of the specific proposals of the Japanese and of the progress of the discussions between the Japanese and Sung Che-yu^{an} and his associates.

The above mentioned Foreign Office official denied that the Nanking Government had lost hope of being able to avoid concluding such an agreement and he stated that (1) the loss weekly to the customs revenues from smuggling amounted to two million dollars Chinese currency; (2) full information and reliable statistics in regard to the matter would soon be supplied to the Embassy; (3) the National Government was considering, as a preventative against smuggling, the imposition of consolidated taxes on smuggled goods; (4) the Chinese Ambassador in Washington had been instructed to approach the Department with regard to the smuggling situation.

783.94/7898
 FE:EGC
 V-12-36

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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

TELEGRAM RECEIVED

FS

1-1336

FROM GRAY & SPECIAL GRAY

Peiping via N. R.

Dated May 13, 1936

Rec'd 7 a. m.

Secretary of State, FAR EASTERN AFFAIRS
 Washington.

Division of
 MAY 13 1936
 Department of State

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

240, May 13, 1 p. m.

Reference paragraph 6 of Embassy's 201, April 20,
 2 p. m.

One. The Consulate General at Tientsin has received confidential information from an American through whose firm the lumber which is being used in the construction at Tientsin of new Japanese barracks was purchased. His information is given in paragraph two.

Two. On a first contract 750,000 feet of lumber was delivered to Japanese contractors. This amount is estimated to be sufficient for the construction of a one story building 40 feet wide and 4000 feet long. The Japanese contractors say that they are under contract with the Japanese garrison at Tientsin to complete the barracks by the end of May, having been told to expect the arrival in June of 5000 troops to be housed in the barracks. A second contract now calls for 300,000 feet, either for the purpose of enlarging the barracks or of constructing an aerodrome.

Three.

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MAY 18 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. Huefsm NARS, Date 12-18-75

FS 2-No. 240, May 13, 1 p. m. from Peiping

Three. The Consul General at Tientsin reported May 5 that the construction work is being carried on rapidly, the walls and a part of the roofs of ten or more buildings nearing completion, and that work is also being done on roads giving access to the barracks.

By mail to Tokyo.

KLP

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

DOCUMENT FILE

NOTE

SEE 893.512/1460 FOR Tel. #130-10am.
 FROM China (Nanking) (Peck) DATED May 11, 1936.
 /tp// NAME 1-1137 ***

REGARDING: Taxes paid by the Yee Tsoong Tobacco Distributors
 (formerly the British-American Tobacco Company)
 in the Hopei, Chahar, Suiyuan and Shansi area: Com-
 pany has received notice that -, will henceforth
 be paid in Tientsin instead of in Shanghai.

fpg

793.94/ 7899

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

7-8
EA

FS

GRAY

Nanking via N. R.

Dated May 11, 1936

Rec'd 7 a. m.

7-8
7/13.94

Secretary of State,
 Washington.

130, May 11, 10 a. m.

One. Secretary Merrell from Peiping, who passed through here last night, states that he was informed en route by Tientsin manager Yee Tsoong Tobacco Distributors (formerly British American Tobacco Company) that company's Tientsin office has received notification May 9 from local Wine and Tobacco and Consolidated Tax Bureau that taxes paid by the company for Hopei, Chahar, Suiyuan and Shansi areas amounting to approximately Chinese dollars 800,000 per month must henceforth be paid in Tientsin instead of in Shanghai.

Repeated to the Department and Peiping, by mail to Tientsin.

893.512/1460

KLP:CSB

PECK

DECLASSIFIED: E.O. 11652, 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

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

Peiping

Dated May 14, 1936.

Rec'd. 6:35 a.m.

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

Secretary of State,
 Washington.

241, May 14, 2 p.m.

Embassy's 240, May 13, 1 p.m.

First Secretary of Japanese Embassy called on me
 this morning under telegraphic instructions to inform me
 confidentially of the approaching increase of strength
 of the North China garrison. He stated that the increase
 will be the minimum needed to cope with the new situation
 which he described as communism in Shansi, underground
 anti-Japanese activities in Hopei and increase in number
 of Japanese residents in Eastern Hopei and along the
 Peiping-Shanhaikwan Railway; that the increase is based
 on treaty rights; that the purpose of the increase was
 to maintain peace in this area for the good of China and
 Japan and other foreign powers; that it was not (repeat
 not) for the purpose of bringing pressure on China,
 encroaching upon Chinese sovereignty or upon interests of
 other powers; that some of the new troops would arrive

tomorrow

793.94/7900

FILED

MAY 18 1936

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DEPT. OF STATE
 FAR EASTERN AFFAIRS
 MAY 14 1936
 Department of State

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

- 2 -

241 from Peiping

tomorrow; that he did not know the percentage of increase.

Repeated to Nanking, by mail to Tokyo.

JOHNSON

KLP

142-2

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. 241) of May 14, 1936, from the American Ambassador at Peiping, reads substantially as follows:

Acting under telegraphic instructions from his Government the First Secretary of the Japanese Embassy informed the American Ambassador on May 14 that the strength of the North China garrison was about to be increased. The increase in the garrison will be the minimum needed to cope with the new situation, the Japanese Secretary stated. He described this situation as increase in the number of Japanese residents in Eastern Hopei and along the Peiping-Shanhaikwan Railway, communism in Shansi, and underground anti-Japanese activities in Hopei Province. He stated also that the increase in the garrison was based on treaty rights; that he did not know the percentage of increase; that some of the new troops would arrive on May 15; that the purpose of the increase was not to bring pressure on China, encroaching upon Chinese sovereignty or upon the interests of other powers but that it was for the purpose of maintaining peace in the area concerned for the good of China, Japan and other foreign powers.

793.94/7900

FE:EGC

V-14-36

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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 O. Gustafson NARS, Date 12-18-75

OFFICE OF ECONOMIC ADVISER
 MAY 19 1936
 DEPARTMENT OF STATE

TELEGRAM RECEIVED

NPL

GRAY & SPECIAL GRAY

1-1336

Peiping via N.R.

FROM

Dated May 15, 1936

Rec'd 7:45 p.m.

Secretary of State
 Washington.

DEPARTMENT OF
 FAR EASTERN AFFAIRS
 MAY 16 1936
 Department of State

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

243, May 15, 3 p.m. 17888

One. Embassy's 229, May 6, 11 a.m. Sung Che

Yuan, who has been in Tientsin since the latter part of March, is expected to return to Peiping within a day or two. Available information indicates that his conversations at Tientsin with Japanese military have not yet resulted in any signed agreement. It is now anticipated that negotiations await the arrival of Tashiro, the new commander of the North China garrison, who has already left Tokyo for Tientsin.

Two. Notwithstanding Sung's continuing delay in entering into the agreement presumably desired by the Japanese military, he continues to increase the autonomy of his regime step by step. Recent developments in this direction are given below:

A. Supposedly as the outcome of Japanese representations, Sung has effected the suspension of all military training in government and private universities and higher schools in Peiping and the

dismissal

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MAY 20 1936

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FILED
 MAY 22 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-

NPL No. 243, May 15, 3 p.m. from Peiping.

dismissal of their military instructors. This training was instituted reputedly as a result of Japanese seizure of Manchuria and the instructors were mostly military men of the National Government.

B. (Reference paragraph three of Embassy's 191, April 16, 3 p.m.) The Communications Committee of the Hopei Chahar Political Council was inaugurated May 14 with Chen Chueh Sheng, Managing Director of the Peiping-Mukden Railway, as Chairman. The committee will allegedly deal with affairs relating to roads, railways, airways, navigation, posts, and telegraphs. Presumably, it will gradually take over functions heretofore of the appropriate ministries at Nanking.

Hsi
 C. General Teng ~~Chang~~^{Hsi}, a Kuominchun leader, was appointed May 15 on Sung's recommendation as President of the Hopei High Court, a post heretofore occupied by a Nanking official. Teng continues to be Chief of Court Martial. (Reference Embassy's 201, April 20, 2 p.m.) Shih Ching Ting has resigned as Chief Counselor because of a difference with Sung over an internal matter. Lu Chung Lin is understood to have gone to Tsinanfu to see Han Fu Chu. General Liu Chi, a Kuominchun leader, arrived May 14 at Peiping from Shanghai. The significance of movements of these generals formerly senior to Sung and notwithstanding the influence

of the

143-2

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

-3-

NPL No. 243, May 15, 3 p.m. from Peiping.

of the views of anti-Japanese Feng Yu Hsiang with respect to the Kuominchun as a unit is still speculative).

D. The Hopei political bank which is under Sung's control has now a note issue reputedly totaling ^{1,000,000} \$1,000,000 REV

Confidence in its notes is allegedly good in Peiping and Tientsin but lacking in the countryside. The Hopei Silver Currency Bureau which is under Sung's control,

REV has issued copper coin notes to an extent of more than ^{500,000} \$500,000. Sung's Hsing Yeh Currency Bureau in Chahar has a note issue of allegedly about \$600,000, including copper certified notes. His Yi Chu money shop in Peiping acts as a clearing house for the notes of the Chahar Bureau. This situation is inimical to the monetary policy of the National Government.

E. The post of Special Inspector of Foreign Affairs for Hopei and Chahar has been abolished by the Nanking Ministry for Foreign Affairs and its duties will be carried out by the Foreign Affairs Committee of the Hopei Chahar Political Council.

Three. The proposed east Hopei Bank of Yin Ju Keng's regime has not (repeat not) yet been organized. A competent informant stated that the Ta Ching Bank, which has its head office in Tientsin, has come to an agreement with Yin's regime whereby the bank has supplied Yin's regime with \$2,000,000 in notes for use in east

143-3

1704
DECLASSIFIED: E.O. 11652, 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-

NPL No. 243, May 15, 3 p.m. from Peiping.

east Hopei in return for an unstated amount of notes
of the Central Government. The stading of the Ta Chung
Bank is allegedly not good and it is believed that there
is littly if any collateral for its note issue.

By mail to Tokyo.

SMS:NPL

JOHNSON

143-4

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

TELEGRAM RECEIVED

FS

1-1836

FROM

GRAY

Nanking via N. R.

Dated May 16, 1936

Rec'd 7 a. m.

Secretary of State,
 Washington.

140, May 16, 10 a. m.

One. A responsible official of the Foreign Office has confirmed to an officer of the Embassy a Central News Agency report dated May 15 to effect that Foreign Office on April 7th made oral representations to Japanese Embassy here against increase in Japanese garrison at Tientsin and that yesterday the Foreign Office instructed Chinese Embassy in Tokyo to make further oral representations in the matter.

Two. To Department and Peiping. By mail to Tokyo,

CSB

PECK

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793.94/7902

FILED
 MAY 19 1936

144-1

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

May 19, 1936.

MEMO:
 MCH:

Peiping's despatch No. 403, April 24, 1936, transmits a Tsinan despatch referring to plans for a meeting of Chiang Kai-shek with Han Fu-chu and Sung Che-yuan and reporting Han Fu-chu's departure for Tsingtao to exchange calls with the Japanese admiral visiting Tsingtao with sixty warships.

not Chiang (Recent telegrams indicate that the meeting above mentioned has not yet taken place.)

JCV.
 FE:JCV:EJL

0707

DECLASSIFIED: E.O. 11652, 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. 403

Peiping, April 24, 1936.

Subject: Movements of General Han Fu-chu.

STRICTLY CONFIDENTIAL

793.94

For Distribution Check		Yes	No
Grade	M		
For	Special H.H.		
To Field In U.S.A.			
O.N.I. - M.I.D.			

in strict confidence
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 O.N.I. AND M.I.D.



793.94/7903

ASSISTANT SECRETARY
 OF STATE
 MAY 18 1936
M

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

MAY 29 1936

FILED

Sir:

I have the honor to refer to the Embassy's telegram No. 181⁷⁸³⁶ of April 11, 5 p.m. and to strictly confidential despatch No. 32⁷⁸⁸⁴ of April 7, 1936, addressed to the Embassy by the Consul at Tsinan, with regard to the movements of General Han Fu-chu and to the possibility of his meeting General Chiang Kai-shek and General Sung Che-yuan, the Chairman of the Hopei

Provincial

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 -

1/ Provincial Government, and to forward a copy of
 despatch No. 33 of April 13, 1936, addressed to
 the Embassy by the Consul at Tsinan, in which it
 is stated that, according to a reliable source,
 Generals Sung Che-yuan and Han Fu-chu have accepted
 General Chiang Kai-shek's invitation to meet him.
 (This meeting has not yet taken place.)

It is also stated in the enclosed despatch that
 General Han had left Tsinan to go to Tsingtao where
 sixty vessels of the Japanese fleet were to arrive on
 April 16. (The naval visit was apparently routine,
 and the vessels are understood to have left Tsingtao
 on April 19.)

Respectfully yours,

Nelson Trusler Johnson
 Nelson Trusler Johnson

Enclosure:

Tsinan's despatch No. 33,
 April 13, 1936.

Original and four copies to Department.
 Copy to Embassy Nanking.

800

LES-SC

4 Carbon Copies

Received

DECLASSIFIED: E.O. 11652, 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. 33

403

AMERICAN CONSULATE,
Tainan, China, April 13, 1936.

Strictly Confidential

Subject: Movements of Han Fu-chu.

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to this office's des-
patch No. 32⁷⁵⁸⁴ of April 7, 1936, concerning a proposed
meeting in the near future between Chiang Kai-shek,
Sung Che-yuan, and Han Fu-chu at either Tainan, Suehow,
or an unnamed third place, and to this office's tele-
gram of April 11, 1936, 2 p.m., reporting that, accord-
ing to the same source, the third place suggested was
Kaifeng, Honan, and that both Sung and Han had accepted
the invitation with the understanding that Lieutenant-
General Hsiung Pin would select for them one of the
three places named and arrange a suitable time. The
same telegram called attention to the fact that accord-
ing to ^{reports in} the local press General Han was to depart on
April 12th for Tsingtao and would exchange calls with
the Admiral of a Japanese fleet of some sixty vessels

due

- 2 -

due to arrive there on April 16th.

That General Han Fu-chu actually started this morning toward Tsingtao as reported in today's issue of an independent local paper, the CH'ENG PAO (誠報), was confirmed by a friendly official of the Kiaochow-Tsinan Railway Administration. The same official telephoned later in the morning to advise this office that he had just been informed telegraphically of General Han's safe arrival at Tsingchow (青州), where he will start a two day inspection tour of Eastern Shantung on his way to Tsingtao.

At noon today Mr. C. J. Eskeline, of the Standard Oil Company in Tsingtao, informed this office that the Tsingtao-Tsinan Express Train, aboard which he was a passenger, had passed General Han's special train at about 7 a.m. a short distance east of Tsinan. General Han's own car seemed to him to be unusually crowded by Han's staff. Mr. Eskeline also remarked that so far as he could recall there had been three visits to Tsingtao by large Japanese fleets during the past six years. He appeared to regard the reported forthcoming visit as a somewhat regular bi-annual feature in the schedule of Japanese naval maneuvers.

The only paper which has as yet forecast an exchange of calls with the Japanese Admiral is the Japanese controlled TSINAN JIH PAO (濟南日報). Today's issue of the independent CHENG PAO merely stated that "General Han while in Tsingtao expects to meet Mayor Shen Hung-lish and other friends." The recognized official paper,

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 MIN KUC JIH PAO (民國日報) did not even announce General Han's impending departure and has not yet mentioned the expected visit of the Japanese fleet.

The copy of this despatch made for the information of the American Consul in Tsingtao has already been sent by express mail as General Han is expected to enter Consul Sokobin's district tomorrow or the next day.

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 and
Chefoo.

800
HHS:KCC

A true copy of
the signed original.
KCC

0712

DECLASSIFIED: E.O. 11652, 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

May 19, 1936.

~~MSM~~
~~MMH~~:

Peiping's despatch No. 396, April 22, 1936, transmits a Tientsin despatch reporting on the construction by the Japanese of buildings intended for either an aerodrome or barracks. The buildings are near the International Race Course in Tientsin. The Race Course is the location of a large air field being constructed by the Japanese military.

(Peiping's telegram No. 240, May 13, reports information from Tientsin to the effect that the building is for barracks to house 5,000 Japanese soldiers and that additional materials have been ordered to construct an aerodrome or to enlarge the barracks.)

JCV
FE:JCV:EJL

DECLASSIFIED: E.O. 11652, 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. 396

Peiping, April 22, 1936.

Subject: Construction Activities at Tientsin
by the Japanese Military.

For Distribution-Check		Yes	No
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For	Word	<input checked="" type="checkbox"/>	
		O N I - M I D	

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

Division of
 FAR EASTERN AFFAIRS
 MAY 19 1936
 Department of State

793.94
 note
 793.7962

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

Sir:

I have the honor to refer to paragraph 6 of the
 Embassy's telegram No. 201 of April 20, 2 p.m., with
 regard to the construction of a building or buildings
 under the supervision of the Japanese military in the
 vicinity of the airfield which was constructed in
 November, 1935, by the Japanese military near the
 International Race Course in Tientsin, the building
 or buildings being intended apparently either for an
 aerodrome or barracks.

Despatches

793.94/7904

FILED
 MAY 21 1936

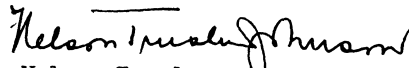
F/FG

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 -

1-2/ Despatches Nos. 189 and 190 of April 15 and 16,
addressed to the Embassy by the Consul General at
Tientsin, on which the information contained in the
paragraph of the telegram mentioned above was based,
are enclosed.

Respectfully yours,


Nelson Trusler Johnson

✓
Enclosures:

1. Despatch No. 189, April
15, 1936, from American
Consulate General, Tientsin;
2. Despatch No. 190, April 16,
1936, from American Con-
sulate General, Tientsin.

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

LES-SC

710

0715

DECLASSIFIED: E.O. 11652, 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. 189.

AMERICAN CONSULATE GENERAL,

Tientsin, China, April 15, 1936.

Subject: Aviation Field and Barracks.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this Consulate General's telegram of November 27, 1935 to the Department and to its despatch, No. 86 of the same date, to the Embassy, reporting the construction of a large air-field on the International Race Course in Tientsin by the Japanese military, and further in that connection to report that Consul Ward proceeded by car this morning to the International Race Course to investigate a report appearing in the PEKING AND TIENTSIN TIMES of this morning's date, a copy of which is enclosed, to the effect that a new Japanese aerodrome was in the process of construction near the Race Course.

It was found that even the roads into the city as close as the 3rd Special Area were crowded with Chinese carts carrying bricks and marked by little Japanese flags. Closer to the Race Course there were numerous

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

- 2 -

numerous evidences of intense activity: in the space of less than half an hour two dozen or more large trucks, nearly all of which bore Japanese flags, passed along the Race Course road laden with bricks, large timbers such as are used in construction, and bags of lime.

There is a branch Chinese police office in the buildings of the International Race Club itself and the officer in charge there informed Consul Ward that the Japanese were constructing a large building or buildings to the north of a considerable tract of land which they had levelled off to use as an air-field; that this construction had been in progress for some twenty days and that in the neighborhood of a thousand Chinese coolies had been working on the project, which is about a mile to the northeast of the Race Club buildings. Upon proceeding to the place indicated Mr. Ward found there what appeared to be a large-scale construction project in its initial stages. A small one storey brick building has already been constructed, apparently to serve as an office for the engineer directing the project, while a large area of ground on both sides of this house is covered with construction materials. A new detour has been constructed over which to bring these building materials and the same intense activity is to be observed on the site as along the road approaching it. Mr. Ward returned toward Tientsin over the newly constructed section of the road and observed large piles of bricks at intervals along it.

There

0717
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 3 -

There were no flags or other markings to indicate by whom this construction work was being done. On the site itself there was only a small sign in English which read, "No admittance except on business", and the only Japanese soldiers in evidence were two cavalrymen who were riding back and forth on the newly constructed road apparently engaged in some sort of exercise involving planting a pennant and picking it up again.

Any additional information obtainable regarding this project will be transmitted promptly.

Respectfully yours,

J. K. Caldwell,
American Consul General.

Enclosure:

1. Copy of newspaper article, as stated.

Original and five copies to Embassy, Peiping.
Copy to Embassy, Nanking.

800
RSW:mhp

A true
the sign
na: mhp

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

Enclosure to despatch No. 189 dated April 15, 1936.
 from J. W. Caldwell, American Consul General at Tien-
 tsin, China, on subject of "Aviation Field and Barracks".

SOURCE: PEKING & TIENTSIN TIMES
 Vol. XXXVII-No. 8832,
 Wednesday, April 15, 1936
 Tientsin, China
 Page 6

JAPANESE ACTIVITY AT EAST ARSENAL.

Constant Flow Of Building
Materials Along Roads.

BARRACKS FOR 10,000 TROOPS RUMOURED.

The roads leading to the East Arsenal have presented unusual activity during the past few days. Hundreds of motor-lorries and carts all bearing the Japanese flag and carrying loads of bricks are converging daily on the site selected for the new Japanese aerodrome, and as a result of the demand for bricks the price has risen substantially during the past week.

Considerable speculation has been aroused by the tremendous quantity of building materials transported by the Japanese military authorities to the Arsenal, and persistent rumours are around that barracks for 10,000 troops will shortly be erected. These rumours are partly substantiated in well-informed quarters who declare that plans have already been approved for a \$400,000 barracks building and that the contract has been awarded to a Japanese firm in Dairen.

0719

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

No. 190.

2
396

AMERICAN CONSULATE GENERAL

Tientsin, China, April 16, 1936.

CONFIDENTIAL

Subject: Japanese Aviation Field and Barracks.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this Consulate General's despatch, No. 189 dated April 15, 1936 on the subject of the construction of an aviation field and barracks by the Japanese on a site near the International Race Course in Tientsin, and further in that connection to enclose a memorandum of a conversation yesterday between a Chinese official and Consul Ward.

Respectfully yours,

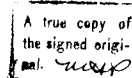
J. K. Caldwell,
American Consul General.

Enclosure:

1. Memorandum, as stated.

Original and five copies to Embassy, Peiping.
Copy to Embassy, Nanking.

800
RSW:mhp



0720

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

Enclosure to despatch No. 190 dated April 16, 1936,
from J. K. Caldwell, American Consul General at Tien-
sin, China, on subject of "Japanese Aviation Field
and Barracks".

AMERICAN CONSULATE GENERAL
Tientsin, China

April 15, 1936

M E M O R A N D U M

CONFIDENTIAL

Subject: Conversation between Consul Ward
and responsible Chinese Government
official with reference to Japanese
construction at International Race
Course in Tientsin.

This afternoon, in the company of Mr. Franklin Liu, the Chinese interpreter of this Consulate General, I called on the Chinese official directly in charge of the area of land upon which the Japanese would now appear to be engaged in the construction of a new barracks or aerodrome, (reported in this Consulate General despatch No. 189, of April 15, 1936), and discussed the situation with him at some length.

He requested that his remarks be kept confidential; that they be considered to be purely informal; and that no reference be made to any information revealed in them in conversation with any one save as might be necessary in a confidential report of the facts. I replied that I desired only to speak in the most informal manner of the matter, and that his remarks would be kept confidential, and that even in that form they would not be attributed to him by name.

He

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

- 2 -

He then stated that the matter had first come to his attention through reports which he had received of a considerable increase in activity near the International Race Course; large quantities of various building materials were said to be being moved out to a point beyond that course. This was about two weeks ago. Upon investigation he discovered that a large scale construction project had been embarked upon on a site covering an area of 4,000 - 5,000 mou, about a mile to the northeast of the International Race Course; that over a thousand Chinese workmen were employed on it; that according to the statements of some of these workmen a building of 700 "chien" was to be built; that it was to be completed in about two months' time; and that it was being constructed under the supervision of about five Japanese who were not soldiers and who were believed to be the engineers and architects in charge of the project; that small groups of Japanese soldiers visited the site from time to time; that Japanese in civilian dress but who were thought to be military officers drove up at frequent intervals in automobiles; and that no accurate information could be discovered as to the type of building which was to be erected or in fact as to the purpose which it was intended to serve. The officer competent to do so had reported upon the situation to the Municipal and Provincial authorities, but had received no intimation as to what steps if any were contemplated in the case.

The informant smiled at the suggestion that perhaps the construction was only intended for some
 industrial

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

- 3 -

industrial purpose, and stated that he feared that the fact that the building was being put up by the Japanese military was beyond question. The greater part of the land which occupies its site had, he stated, been the property of the Peiping-Liaoning Railway, and the northern section of it had been in the hands of various small farmers and other owners, and had been purchased from them when the construction work was about to begin, nominally by the Railway.

The official quoted confirmed the fact that the new road which serves as a detour over which the building supplies are now being taken to the International Race Course was built for that purpose by the Japanese, and also that the small brick structure which has already been built on the site is a temporary one for housing the engineers and other Japanese engaged on the project. He stated that the large areas of clear land surrounding the site and its approaches had been levelled by the Japanese.

Asked whether he believed that this construction work had any connection with the reported enlargement of the Japanese Garrison in North China which was expected in the course of the next two or three months, he replied that in his opinion and in that of his fellow officials, the two were definitely connected. He believed it particularly noteworthy that the work was being carried on so intensively. However, he thought the arrival of added Japanese troops in Tientsin would not necessarily involve the construction of new quarters for them, as he had received information that the Japanese military had made arrangements to take

over

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

over several large buildings in the Japanese concession within the course of the next two months or so, in which the additional soldiery could be amply housed.

He then launched upon a description of the manner in which the Japanese military had possessed themselves of the site at La Li T'ai on which the so-called Hankai aerodrome had subsequently been constructed. (This site is to the south of the present Japanese barracks, and close to Hankai University, due south of Tientsin City and west of the concession). The official responsible for the administration of that area had been approached by the Japanese for his consent to the leveling of the ground for an air-field. That official had refused permission, and had been told in reply that the land would be occupied by force. The next day he despatched a squad of armed police to the site, and found about a hundred Chinese workmen already on it engaged in leveling it. These were dispersed, as were a second group who appeared the next day with several Japanese gendarmes. The Japanese gendarmes did not want to take responsibility for bloodshed, and withdrew also. For six months the project then lay dormant, whereafter the official who had prevented its execution was discharged, a new official appointed, and the same procedure begun all over again. This time, however, it was the Chinese police who finally withdrew, and the air-field was completed, and is, the informant stated with some emphasis, now being used as an air-field,

other

DECLASSIFIED: E.O. 11652, 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 -

other reports to the contrary notwithstanding. He states that Japanese commercial aeroplanes appear to use the field at the International Race Course, while military planes use that at Ta Li T'ai.

The official quoted, who is an intelligent and well-informed man in a position to know whereof he speaks, closed his remarks with the statement that in his opinion the Sino-Japanese situation in North China has again become more tense within the last few weeks and was getting worse as time passed.

Robert S. Ward
American Consul.

A true copy of
the signed original
is on file

0725
DECLASSIFIED: E.O. 11652, 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

Peiping, April 20, 1936.

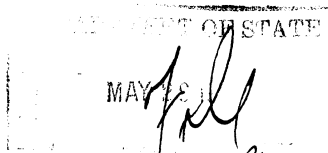
No. 385

Subject: Dr. S. G. Cheng's Views on
Sino-Japanese Relations.

in strict confidence
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O.N.I. AND M.I.D.

STRICTLY CONFIDENTIAL

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Grade	To field		<input checked="" type="checkbox"/>
For	In U.S.A.	<input checked="" type="checkbox"/>	
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The Honorable
The Secretary of State,
Washington, D.C.

Sir:

1/ I have the honor to enclose a copy of a memorandum of a conversation which I had on April 14, 1936, with Dr. S. G. Cheng, who was until recently the Special Delegate of the Ministry for Foreign Affairs for Hopei Province, with regard to Sino-Japanese relations, during which he stated that the Chinese Minister for Foreign Affairs, General Chang Ch'un, regarded Peiping as inevitably lost to China, that he (Dr. Cheng) did not believe that the Japanese would

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JUN 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 C. Gustafson NARS, Date 12-18-75

- 2 -

would occupy Peiping, although they would probably achieve a greater interest in matters in North China, that he believed that the Japanese were anxious for a more active cooperation, that the National Government had an incorrect view of the situation in North China, and that General Chang Ch'un was not prepared to assist General Sung Che-yuan with either money or munitions.

Dr. Cheng has recently been transferred from Hopei to the Provinces of Sikang and Szechwan as Special Delegate, his post in Hopei being given to Mr. Lo Chia-heng who continues to hold the post of Special Delegate of the Ministry of Foreign Affairs for Chahar Province. It is believed that the National Government has given the post to Mr. Lo because he speaks Japanese, which Dr. Cheng does not.

Respectfully yours,


 Nelson Trusler Johnson.

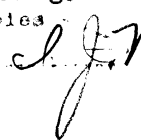
✓
 Enclosure:

- 1/ Copy of memorandum of conversation, April 14, 1936.

710.
 LES/js.

Original and four copies to the Department.
 One copy to American Embassy, Nanking.

4 Carbon Copies

Received 

145-2

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

No. /
 No. 395

Memorandum of Conversation

Peiping, April 14, 1936.

STRICTLY CONFIDENTIAL

Dr. S. G. Cheng and Mr. Johnson.

Subject: Sino-Japanese relations.

Dr. Cheng, Special Delegate of the Ministry of Foreign Affairs, called. In the course of conversation I expressed my regret at his approaching transfer to Chungking. Dr. Cheng stated that he was very sorry to leave Peiping, for two reasons: one was a personal reason, for he had found his work and his associations here very pleasant; the other reason was in the attitude of Nanking which made his departure necessary.

He said that apparently Nanking, and specifically General Chang Chun, the Minister for Foreign Affairs, accepted it as inevitable that Peiping was lost to China. He said that General Chang Chun, who was an old friend of his, seemed quite a different person when he saw him in Nanking; that General Chang had said that he, Dr. Cheng, would thank him for having gotten him out of Peiping, as three months would see the end of Nanking's control in Peiping.

Dr. Cheng stated that he did not agree with General

Chang

1415-3

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

- 2 -

Chang Chun in this. He said he did not believe that the Japanese would occupy Peiping. He thought the Japanese would probably achieve a greater interest in matters in North China, but he did not believe that they would exclude all Chinese control here. He said that the Japanese were anxious for a more active cooperation between Japanese and Chinese on the part of the Chinese; that the Japanese were complaining that the Chinese were not doing anything to improve living conditions in North China and thus make North China a better market for Japanese goods. Dr. Cheng stated that he thought Nanking did not have a correct view of the situation in North China. He said that General Chang was very proud of the fact that he had not put his signature to any agreement with the Japanese. I inferred from the way Dr. Cheng spoke that, in his estimation, an agreement with the Japanese was not such an undesirable thing from the point of view of China.

He stated that General Chang Chun was not prepared to assist General Sung Che-yuan with one penny or with one bullet; that Nanking was leaving the situation entirely in General Sung Che-yuan's hands: if he succeeded in making anything out of it, all well and good; if not, that also was well and good. Nanking would proceed to withdraw all of its men from this area. General Chang was preparing a defensive force which would be used in Shanghai and Nanking, but if conditions got too hot there, then he would withdraw it to Szechwan.

Dr.

DECLASSIFIED: E.O. 11652, 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 -

Dr. Cheng described as peculiar the attitude of Chinese business men and bankers in Shanghai, who, he said, were unwilling to invest money in North China for the development of local resources, but were quite enthusiastic about investments in Szechwan. He said that he thought Chinese business people in Shanghai were Szechwan-crazy.

Nelson Trusler Johnson,
American Ambassador.

NTJ.EA

145-5

DECLASSIFIED: E.O. 11652, 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

May 22, 1936.

~~MSM~~
~~MMH~~:

Shanghai's despatch No. 155, April 24, 1936, reports proceedings in connection with the apprehension of persons suspected of killing a Japanese sailor (Nakayama) in Shanghai last November.

The despatch draws attention to the irregular manner in which the arrest of one of the Chinese was made. The Shanghai municipal police obtained from the Shanghai Special District Court a despatch warrant for the extradition of the accused from Tsingtao to Shanghai. A Japanese member of the International Settlement Police took the warrant to Tsingtao and brought the accused to Shanghai.

The despatch comments that criticism of the procedure is causing the International Settlement Police considerable embarrassment.

JCV
JCV/VDM

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

NO. 155

793.94

AMERICAN CONSULATE GENERAL,

Shanghai, April 24, 1936.

LEGAL ADVISER
MAY 25 1936
DEPARTMENT OF STATE

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DEPARTMENT OF STATE

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1936

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To field			
In U.S.A.			

SUBJECT: The Nakayama Murder Case.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Copy in FE
Division of
FAR EASTERN AFFAIRS
MAY 19 1936
Department of State

SIR:

1/ I have the honor to enclose a copy of a self-explanatory despatch No. 144 of this date from this Consulate General to the American Embassy at Peiping, in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss
C. E. Gauss,
American Consul General.

Enclosure:
DEPARTMENT OF STATE
MAY 26 1936
CEG: LIT
400
In triplicate.

Copy of despatch No. 144 to the Embassy, dated April 24, 1936.

793.94/7906

MAY 27 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 O. Gustafson NARS, Date 12-18-75

144

April 24, 1936.

STRICTLY CONFIDENTIAL.

Subject: The Nakayama Murder Case.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

In connection with the murder at Shanghai on November 19, 1935, of the Japanese sailor Nakayama of the Japanese Naval Landing Force, and the resulting tension in Sino-Japanese relations at this port, I have the honor to report that one Korean and several Chinese (all Cantonese) have recently been arrested and are held in custody on suspicion of complicity in the murder. The Korean is held by the Japanese authorities. Three of the Chinese are in custody in the International Settlement and were recently arraigned in the Shanghai Special District Court, where the hearing was held in camera; a fact which has resulted in considerable speculation and also some press criticism.

I have learned confidentially that the evidence against the Chinese now in custody is, so far, not very substantial, and as it is hoped to make further arrests, it was desired that publicity not be given to

-2-

to the evidence presented at the preliminary hearing of the case. A further reason for the proceedings in camera arises out of the fact that there was some irregularity in the manner of effecting the arrest of one of the accused at Tsingtao and his transfer to Shanghai.

According to confidential information, the Shanghai Municipal Police did not make application for a warrant for the arrest of the accused who was known to be in Tsingtao, but, instead, obtained from the Shanghai Special District Court a despatch warrant for the extradition of the accused from Tsingtao to Shanghai. This despatch warrant was taken to Tsingtao by a Japanese member of the Shanghai Municipal Police of the International Settlement, who applied for the arrest and immediate transfer of the accused to Shanghai in his custody. The Chinese police at Tsingtao felt obliged to effect the arrest but insisted upon sending a representative to accompany the prisoner to Shanghai along with the Japanese police officer. Upon arrival here, this representative of the Tsingtao Bureau of Public Safety is reported to have complained to the Shanghai Special District Court of the irregular proceedings and, subsequently, to have proceeded to Nanking for the same purpose.

I am informed, confidentially, that the Japanese Consul General at Shanghai, being aware of the protest of the Tsingtao police, has communicated with the Japanese Consul General and Secretary of Embassy at Nanking

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

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king with a view to having representations made to the Chinese Government which may negative any attempt to effect the release of the Chinese accused on the technical ground of irregularity in the manner of his arrest and extradition.

It is my understanding that the Japanese section of the Shanghai Municipal Police (International Settlement) were apprehensive that if a request were sent to Tsingtao for the arrest and detention of the accused by the Chinese police there, for later transfer to Shanghai, the Tsingtao authorities, for political reasons, would not have effected such arrest and detention. The irregularity in the procedure followed, and the protest of the Chinese police of Tsingtao on such irregularity is resulting in considerable embarrassment to the Shanghai Municipal (International Settlement) police.

I am told from a source close to the Japanese Consul General that he is satisfied that the murder of the sailor Nakayama was political.

It has been suggested in some quarters that the incident was designed to embarrass Mayor Wu Te-chen of Shanghai and result in his resignation or his removal from office on Japanese demand.

On the other hand, the incident may have been intended to provoke friction between the Chinese and Japanese and serve as an excuse for further Japanese aggression in this part of China.

I am led to believe, however, that the Japanese Consul General at Shanghai has been impressed with the sincerity

DECLASSIFIED: E.O. 11652, 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-

cerity of the Mayor in his efforts to probe the case and effect the arrest and punishment of those responsible for the death of Nakayama.

I am told, further, that the Japanese Consul General is aware that the evidence against those now under arrest is not conclusive and that if, after full examination and hearing, the Court should find it necessary to discharge the accused for lack of evidence, the Japanese authorities may not make difficulty. The hope has been expressed, however, that with the arrest of the accused, who are believed to be implicated in the case, the police may now be able to pursue their investigation further and effect the identification, arrest and conviction of those who actually committed the crime.

The case against the Chinese arrested comes on for further hearing in the Shanghai Special District Court on April 27, 1936.

Respectfully yours,

C. E. Gauss,
American Consul General.

800
CEG:LNF

Single copy to Embassy, Peiping.
Copy to Nanking.
In triplicate to Department.

True copy of
signed original.

0736

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

TELEGRAM RECEIVED

JS

1-1236

FROM Gray

NANKING Via N R

Dated May 18, 1936

Rec'd 9 p.m. *266*

Secretary of State,

Washington, D.C. *W*Division of
FAR EASTERN AFFAIRS

MAY 19 1936

Department of State

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

145, May 18, 3 p.m.

This office's 140, May 16, 10 a.m. *7902*

The informant cited in the telegram under reference has informed an officer of the Embassy that (one) on April 7th the Foreign Office stated to the Japanese Embassy that not only is there no necessity for Japan to increase its garrison in North China but such a step is apparently contrary to usual practice and (two) the latest representations were to the effect that further increase of Japanese forces in North China would tend to intensify the feelings of the Chinese people and would be contradictory to the "non-aggression and non-threatening policy" of the former Minister Hirota.

By mail to Peiping and Tokyo

PECK

JS

793.94/7907

FILED

MAY 22 1936

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0737

DECLASSIFIED: E.O. 11652, 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

SPECIAL GRAY

1-1336

Nanking via N. R.

Dated May 18, 1936

Rec'd 9:10 p. m.

Secretary of State

Washington.

FROM
 MAY 20 1936
 Division of
 FAR EASTERN AFFAIRS
 MAY 19 1936
 Department of State

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

143, May 18, ^{NOON} 1 a. m. (SECTION ONE) *belly*

One. An official of the Foreign Office this morning read to an officer of the Embassy portion of a telegram stated to have just been received from Chinese Ambassador at Washington to effect that in connection with Japanese activities in North China presumably including smuggling and increase of Tientsin Japanese garrison Undersecretary had issued statement to press reaffirming American position in respect to North China developments as set forth in the Secretary's statement of December 5, 1935. Section two follows.

Two. Section one to Department and Peiping, Section two to Peiping by mail.

KLP

PECK

FILED

MAY 22 1936

793.94/7908

F/FG

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

TELEGRAM RECEIVED

D FS

GRAY

1-1336

FROM

Nanking via N. R.

Dated May 18, 1936

Rec'd 9:04 p. m.

Secretary of State,

Washington.

143, May 18, noon. (SECTION TWO).

Three. Same official stated that Foreign Office on May 15 or 16 handed to Japanese Embassy a lengthy note concerning smuggling in North China which is being published in the press and which recapitulates the smuggling activities and previous representations and asks that the Japanese Government take immediate steps to restrain the Japanese Military Authorities from further interference with the principle functions of the customs and to withdraw the protection "hitherto enjoyed ~~by~~ Japanese and Korean smugglers".

Four. We have a translation of this note and if it is not published in the United States and the Department desires to receive the text by radio, instructions to that effect will be appreciated.

Five. Section two to Peiping by mail.

NPL:EMB

PECK

(*) ~~Apparent omission~~

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0739

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

PREPARING OFFICE
*WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
via Naval Radio

Department of State

1936 MAY 20 PM 4 41 May 20, 1936.

AMEMBASSY,

NANKING (China).

34

Your 143, May 18, noon.

One. For your information. Referring to paragraph one of your telegram, the Under Secretary at the press conference May 16 in response to a question ^{whether} ~~asked~~ this Government had ^{taken any steps} ~~been~~ to determine whether Japan's action in strengthening its garrison in North China violated the Boxer Protocol replied that in his opinion the Secretary's public statement made on December 5, 1935, covers the ~~present~~ situation.

Two. A translation of the note referred to in paragraph four of your telegram does not appear to have been published in the United States. It is suggested that you send by naval radio a summary of the note and forward the text by mail. ^{However, should} ~~In the event~~ you consider that the text ^{complete} ~~is~~ would be of interest to the Department at this time, ^{Please} ~~you~~ should send it by naval radio.

793.94/7908

FE
FE:MSM:EJL
Enciphered by

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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793.94/7908

Hall
(u)

MAY 20 1936 PM

0740

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

DEPARTMENT OF STATE
RECEIVED
MAY 19 1936
DIVISION OF
COMMUNICATIONS AND RECORDS

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS
MAY 19 1936

NOTED
MAY 18 1936
May 16, 1936.

CONFIDENTIAL.

Subject: The Situation in North China.
THE UNDER SECRETARY

S:
Mr. Secretary.

MAY 18 1936
DEPARTMENT OF STATE

Confirmation of reports in regard to the increase of Japanese military forces in North China by four or five thousand men was given by the First Secretary of the Japanese Embassy, Peiping, when he called upon the American Ambassador to assure him that the increase in troops was not for the purpose of bringing pressure to bear on China or of encroaching upon the interests of other powers but was needed because of communism in Shansi Province, anti-Japanese activities in North China, and the growth in the Japanese population in Hopei Province. (Note: In view of (1) reports of the retreat of the communists from Shansi, (2) the absence of reports of serious anti-Japanese activity in North China, and (3) the presence in Hopei now of about 2,000 Japanese soldiers for the protection of Japanese residents, the reasons given by the Japanese for the increase of troops are not convincing.)

Yesterday's news despatches report the arrival at Chinwangtao (port north of Tientsin in Hopei Province) of 7,600 Japanese troops, 1,700 of which have already been sent to Tientsin. The despatches comment that, although the

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

- 2 -

the troops are ostensibly replacements, Japan's North China forces will probably be augmented by at least 5,000 men.

The Embassy at Peiping has reported that conversations at Tientsin between the Japanese military and the Hopei-Chahar Council authorities have not yet resulted in any signed agreement. (Note: It is probable that the increase of Japanese troops in North China is partly for the purpose of intimidating the Council authorities and forcing the conclusion of an agreement.) The Embassy comments that, notwithstanding the delay in entering into the agreement presumably desired by the Japanese military, the Chairman of the Hopei-Chahar Council continues to increase the degree of autonomy of his regime.

On May 13 the American Ambassador at Tokyo, under instructions, made an oral approach to the Japanese Vice Minister for Foreign Affairs on the subject of smuggling in North China. The Vice Minister affirmed in reply that smuggling in North and South China is largely due to high import duties and stated that the Japanese Government is carefully studying the situation.

The death on May 12 of Hu Han-min, an "elder statesman" of the Cantonese faction of the National Party, removed a strong opponent of the Nanking Government's policy of non-forceful resistance (by Fabian strategy and tactics) toward Japan. Hu has favored armed resistance. Chinese observers have made the comment that Hu's death will simplify matters in Chinese politics to the advantage of the Nanking Government.

JCV ^{mm/v}
 JCV/REK

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

DOCUMENT FILE

NOTE

SEE 701.9493 Manchuria/14 FOR #388

FROM China (Johnson) DATED Apr. 20, 1936
 TO NAME 1-1127

793.94/ 7910

REGARDING: General Kenichi Ueda, new Commander-in-Chief of the
 Kwantung Army and Japanese Ambassador to Manchukuo:
 encloses copy of despatch No. 246 from Mukden which
 describes - and reports Consul General Ballantine's
 first call on the General.

wb

193.94/ 7910

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

Peking, April 20, 1936.

No. 388

Subject: Description of General Ueda.

The Honorable

The Secretary of State,
Washington, D.C.

Sir:

1/ I have the honor to enclose a copy of despatch
No. 246 of April 13, 1936, addressed to the Embassy
by the Consulate General at Mukden, in which is reported
Consul General Ballantine's first call on General Ken-
ichi Ueda, the new Commander-in-Chief of the Kwantung
Army and Japanese "Ambassador" to "Manchukuo". Mr.
Ballantine describes General Ueda as less transparent
than his predecessor, General Minami, and probably

more

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

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more intelligent. Mr. Ballantine is inclined to believe that General Ueda will make his influence felt to a greater degree than did General Minami.

Respectfully yours,

Nelson Trusler Johnson.

Enclosure:

1/ Copy of despatch No. 946,
April 13, 1936, from Mukden.

800
LAS/js.

Original and four copies to the Department.
Copy to American Embassy, Hanking.

2/ Enclosure
3/ Enclosure
4/ T.S.

ENCLOSURE No. 1
MATCH No. 388

20. 246.

[illegible]

Call on General Voth, and get in list
of the furniture now.

No. 2205-110

2010年12月10日

2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 26

Abstract

152

I have the honor to inform the Embassy that on April 12, I went to Ushinka, to call by appointment upon General Gede, who has recently assumed his duties as Commander in Chief of the Transcarpathian Army and currently resides (temporarily) in Ushinka.

General Ueda seems an unusually favorable impression. While it would be difficult to say what he had a more attractive personality than his predecessor General Minami, the two men are entirely unlike. Minami was a typical soldier, blunt in manner and possessed of a certain guilelessness of tongue. Ueda is more of a cultivated man. From his appearance, in a fifteen minute conference with him, Minami received a fairly good idea of his attitude on questions that were uppermost in the same length of time it was hard for me to form an opinion in regard to General Ueda. Minami gave colorful interviews to the press. Ueda's 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

- 2 -

statements have been reported and made. I should be inclined to think, however, that Gada possesses not only more intelligence but also more force than his predecessor and that he will be his predecessor's better man for the job.

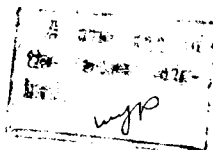
During the interview, I took occasion to express my appreciation for the work of Father Burns. I said that I appreciated the difficult nature of the task of the authorities in view of the character of the country. Burns was taken and that I understood from Colonel Gada that every effort was being made, consistent with Gada's own safety, to expedite his release, for which I was very grateful. General Gada said he could convey my message to Colonel Gada, and gave me his personal assurance that no effort would be spared in the case.

Respectfully yours,

W. J. Cellotina,
American Consul General.

Original and five copies to Embassy, Saigon.
Copy to Embassy, Manila.
Copy to Embassy, Tokyo.
Copy to Consulate General, Hanoi.
Copy to Consulate, Hanoi.

WJC
JCR:ryp



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

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Canton/99 FOR Desp.#112 to Embassy

FROM Canton (Spiker) DATED Apr.7, 1936.
 tb/// NAME 1-1127 ...

REGARDING: Sino-Japanese relations:Developments in -,during
 March,1936:Further denunciation of the Three
 Point Program and Nanking Foreign Policy:Continued
 Alarm over Alleged Japanese Designs on South
 China;

fpg

793.94/
7911

7911

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

1. Relations with the United States:

Nothing to report.

2. Relations with other Countries:

1. Japan:

(a) Further denunciation of the Three Joint Program and Backing Foreign Policy:

The local press continued to give unfavorable publicity to news of the status of negotiations for adjustment of the relations between Japan and the Chinese Government. Northeastern leaders were reported to be increasingly suspicious over Chiang's delay in replying to their telegraphic demand for rejection of Hirota's Three Joint Program. According to the papers, the reply which eventually came consisted merely in an evasive statement that the demand had been referred to the Executive Yuan, and this, coupled with the apparent relaxation of Japanese pressure on the North, was considered evidence that Chiang must have fulfilled Japan at least to the extent of accepting the Three Joint Program in principle.

Leaders of the抗日 (Anti-Japanese) League indulged in further public denunciations of Japan and demand for active resistance. 邹鲁 (Zou Ru) delivered two fiery addresses in which he is reported to have declared that the Tokyo military coup had still further strengthened the hand of the younger military clique and rendered certain Japan's collaboration upon new aggressions in China; that delay in opposing Japanese aggression on the false hope of receiving outside assistance or "utilizing Japan" is fatal; and that the need of the hour is not so much material preparation for war but the inner spirit of resistance and moral courage such as motivated the revolutionary

heroes

1. General's political review for February, 1938.

793-94
(44-2-5)

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

-1-

heroes of 1910. Supplementing his published essay of February 1941 on the Great Asia and Greater East Asia War, Sun Yat-sen also gave out a long statement in the course of which he is quoted as saying:

"In the face of foreign aggression, we are still waiting to be apprised as to when the Government will abandon the non-resistance policy. Since September, 1931, China has been constantly evacuated - first the north-eastern provinces and now, probably, the Yellow River area. At present foreign aggression threatens almost all parts of China and we should realize that no expense of land ceded could appease the greed of the aggressor. If China still holds on to her non-resistance policy, no doubt if she really means to struggle for a permanent existence."

(b) Continued claims over alleged Japanese activities on South China:

Developments over the so-called autonomy movement in South China, alleged Japanese complicity therein and reported Japanese dealings on the neighboring question continued to be given great publicity by the local press, which, as evidence of Japanese ambitions in South China, cited numerous reports of entry into Chinese ports of Japanese warships and unemployed war vessels, Japanese organization of anti-Banking associations, "fighting" Japanese planes over the Fujian southeast, and the landing of a Japanese naval party on the island of Namoa (just off the eastern extremity of Hainan). With respect to the latter incident, it was reported that the Japanese landing party had bribed the islanders to excuse the autonomy cause and distributed fifty rifles among them; and that the incident had evoked prompt action by the Hainan Provincial Government in the way of protest and despatch of troops to the island.

As the month progressed, however, the general tone of the press indicated a feeling that early alarm had

been

1. Reported in 103 of March 13, 1933.

DECLASSIFIED: E.O. 11652, 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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been exaggerated, particularly with respect to actual immediate danger to Kwangtung from the "autonomy movement". So far as could be ascertained, the Kwangtung military was carrying out certain operations in the eastern part of the province which, while attributed to the South Fukien disturbances and probably, in fact, not entirely unrelated to them, are believed by some observers to be part of a precautionary program of maneuvers which Marshal Ch'en has felt advisable from considerations which are more concerned with his own political future than with Japan or the "Fukien Autonomists".

(c) Japanese Consul General Attends Consular Conference at Shanghai:

The local Japanese Consul General attended the conference of Japanese consular officials convened at Shanghai on March 21st by Ambassador Arita. The vernacular press predicted that the conference presaged a more active Japanese policy in South China, commencing at Swatow.

(d) Japanese-Kwangsi Cooperation Again Denied:

With reference to previous reports of Japanese sales to Kwangsi of military equipment, including products of the Mukden Arsenal, and acquisition of mining rights in the province,¹ a prominent and trustworthy local Chinese businessman stated that he believed the rumors of Japanese investments and mining concessions to be without foundation; and that, in his understanding, the transactions which gave rise to such rumors were:

1) the

1. Unnumbered despatch of June 5, 1935.

Despatch No. 2 (Tsinan) of 12/12/35, no. 103 of 3/10/36 and political reviews for past six months.

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

-1-

1) the sale by the Japanese to the Mongol authorities of about \$2,000,000 worth of military equipment which had been originally contracted for by the Nineteenth Route prior to the latter's disbandment; and 2, the sale of a number of airplanes, half of which were second hand and formerly belonging to Marshal Chang Hsueh-shan, through its as a courtesy. In order to learn how to use this equipment, the Mongol authorities had been compelled to accept Japanese military instructors; but, in the opinion of the informant, they are still sincerely anti-Japanese.

(e) Northwest Establishes Direct Contact with Hopedai-Chahar Political Council:

Apparently the Northwest desires to keep in direct touch with Japanese activities and the general situation in North China, independently of Hankin, as it was announced in the press that Hu Han-min has dispatched a representative to Beijing with instructions to get in contact with the Hopedai-Chahar Political Council, and also, a few weeks later, that General Sun Chao-yan had sent a representative to Canton for the purpose of assuring local leaders of the false nature of recent rumors concerning his foreign 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

FE

TELEGRAM RECEIVED

LMS

GRAY

1-1336

FROM

Peiping via N. R.

Dated May 20, 1936

Rec'd 3:20 p. m.

Secretary of State

Washington.

252, May 20, 5 p. m.

One. Embassy's 241, May 14, 2 p. m.

According to the most reliable information obtainable from foreign military observers, there are now 2258 Japanese troops at Tientsin, of which 1200 are new arrivals; 738 at Shanhaikwan, of which 500 are new arrivals; 400 at Tungchow, of which 200 are new arrivals; and 700 at Peiping of which 300 are new; that is, there are now 4,096 at these four places, of which 2200 are new arrivals. More troops are expected to arrive by the end of May. The retiring commander of the North China Garrison informed his foreign military colleagues on May 13 in writing that the increase in strength would be "about more than double in number". The actual number is apparently still a military secret.

Two. Embassy's 217, April 30, 4 p. m. Colonel Mutaguchi who arrived recently and announced that he had succeeded Lieutenant Colonel Hasegawa as Commandant of the Japanese Embassy guard has now been succeeded by

Major

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793.94/7912

FILED
MAY 22 1936

FE

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

LMS 2-No. 252, May 20, 5 p. m., from Peiping.

Major General Masaka ^K Kawabe, who arrived at Peiping, May 16. Kawabe is in command of an infantry brigade which is part of the North China garrison and one regiment of this brigade forms the Embassy guard. Mutaguchi continues in command of that regiment. It is not (repeat not) known what the rest of the brigade consists of nor where it is to be. Kawabe states that he will reside in Peiping, where quarters have been rented for him.

By mail to Tokyo.

JOHNSON

HPD

147-2

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

TELEGRAM RECEIVED

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

FROM

Tokyo

Dated May 23, 1936

Rec'd 2:25 a. m.

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
MAY 23 1936
Department of State

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

793.94
mt
793.0146

111, May 23, 11 a. m.

According to the best information available to the
military attache the Japanese garrison in North China will
be increased to about 4300 officers and men, or to 4675 if
additional field artillery is to be sent. Japanese officers
here deny that an army division is to be organized in North
China.

Repeated to Peiping.

GREW

WWC

793.94/7915

FILED
MAY 26 1936

148-1

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

(CONFIDENTIAL)

P A R A P H R A S E

CONFIDENTIAL

A telegram (No. 111) of May 23, 1936, from the American Ambassador at Tokyo, reads substantially as follows:

The best information which the Military Attaché has been able to obtain is to the effect that the Japanese garrison in North China will be increased to approximately 4300, including officers and men, or, if additional field artillery is to be sent, to 4675. It is denied by Japanese officers in Tokyo that there is to be organized in North China an army division.

793.94/7913

FE:EGC

V-25-36

WY
FE
m. m. N

148-2

0756

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

DOCUMENT FILE

NOTE

SEE 761.93-Outer Mongolia/25 FOR Tel.#148, 9am

FROM China (Nanking) (Peck) DATED May 21, 1936
NAME 1-1127 ***
~~TEX~~

REGARDING: statement of Soviet Ambassador to China that the Soviet
Union intends to build up China as a bulwark against Japan.

dew

793.94/
7914

714

DECLASSIFIED: E.O. 11652, 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

GRAY

FROM

Peiping via N. R.

Dated May 25, 1936

Rec'd 10:30 a.m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 MAY 25 1936
 Department of State

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

259, May 25, noon.

One. Chinese officials continue to deny that General Sung Che Yuan has entered into any important agreement with the Japanese. They claim that the Japanese are asking for permission to station troops at Fengtai, as well as at Changsintien on the Peiping-Hankow Railway. However, the Japanese military have already taken over a large tract of land at Fengtai and are rapidly constructing buildings on it. It is possible that Hsiao Chen Ying has presumed to make an agreement with the Japanese without reference to Sung.

Two. A serious split has allegedly occurred among subordinates of Sung. Sung's division commanders have long disliked Sung's ~~CIVILIAN~~ ~~civil service~~ subordinates who negotiated with the Japanese. This feeling has come to a head with the resignation of General Shih Ching Ting from the post of Chief Counselor of the Hopei-

Chahar

793.94/7915

MAY 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 O. Gustafson NARS, Date 12-18-75

FS 2-No. 259, May 25, from Peiping

Chahar Pacification headquarters. (Reference paragraph two of Embassy's 201/7860 April 20, 2 p. m.; and subdivision C of paragraph three of Embassy's 243, May 15, 3 p. m.) The divisional commanders are favorably disposed toward Shih and partly for this reason Hsiao Chen Ying, Chen Chueh Sheng, and other members of what is now referred to as the Kirin clique brought about Shih's resignation through making misrepresentations to Sung. One official believes that the outcome must be that either (one) Sung will rid himself of these civilians or, (two) the civilians will effect the removal of Sung and act for the Japanese in establishing a regime. This second possibility may have motivated Hsiao in entering into agreements with the Japanese of which Sung is unaware. Sung is said to be attempting now to quiet the dissatisfaction of his military subordinates.

Three. The attitude of these civilians is indicated by Chen Chueh Sheng's interview on May 22 to the United Press correspondent in which he said that the National Government is wholly to blame for the smuggling situation in North China, and by an address made a few days ago to Hopei Province magistrates by Pan Yuan Kuei, Chief of the Department of

144-2 Political

DECLASSIFIED: E.O. 11652, 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 3-No. 259, May 25, from Peiping

Political Affairs of the Hopei Chahar Political Council, the address being primarily a veiled attack on Chiang Kai Sheik.

Four. This so-called Kirin clique is understood not (repeat not) yet formally organized. It allegedly includes General Chin Teh Chun, the Mayor of Peiping, General Men Chih Chun, Chairman of the Reconstruction Committee, and General Fu Chan Kuei, Chief of Staff of the Hopei-Chahar ^{pacification} headquarters, presumably because they fear they could not otherwise hold their jobs.

Five. Reference subdivision D of paragraph two of Embassy's 243, ⁷⁷⁰¹ May 15, 3 p. m., the Hopei-Chahar Political Council issued an order May 23 designating the Hopei Provincial Bank as the sole Bank of issue in Hopei and Chahar. This runs counter to the monetary policy of the National Government.

The Embassy has no (repeat no) information about increase of Japanese forces in addition to that contained in Embassy's 252, ⁷⁷¹² May 20, 5 p. m. Lieutenant General Tashiro, commanding North China garrison, arrived at Tientsin, May 19.

Seven. Many rumors are current and the situation is not (repeat not) clear. Leading educators of Peiping

met

144-3

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

FS 4-No. 259, May 23 from Peiping

met May 22 to discuss the desirability of a public expression of opinion on the situation but did not act because of their feeling that they did not know enough of the facts about the situation.

Eight. According to one report the Japanese are threatening Sung Che Yuan with a new "autonomy movement" if he does not more quickly meet their wishes, the new movement to be an extension of Yin Ju Keng's sphere to include Peiping and Tientsin.

Nine. According to an informed official, Japanese recently visited post offices in Kueihwa and Pao in Suiyuan to investigate the organization and administration of those offices. There are unconfirmed reports of a concentration of Japanese Manchukuo troops in Northern Chahar.

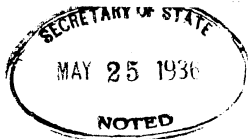
By mail to Tokyo.

HPD

JOHNSON

149-4

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



May 22, 1936.

Subject: The Situation in North China.

Mr. Secretary.



793.94
 1936.92
 During the week in review two developments in North China were of especial interest: (1) Japanese military reenforcements and (2) smuggling.

The augmentation of Japanese military forces in North China continued, with reports indicating that the total strength by the end of May would be approximately 6,000, as compared with the normal strength of 2,000 in that area. (It is believed that the increase in military strength may be explained as primarily a preparation by the Japanese Army for making its will and plans paramount in the Hopei-Chahar area through coercing the Hopei-Chahar Council into "cooperative" agreements and through causing the severance of all effective ties between the Council and the Chinese Government.)

With regard to smuggling, reports indicate that the situation continues to be serious. On May 18, the Embassy at Tokyo received, in reply to an informal approach made by the Ambassador under instruction from the Department, a memorandum from the Japanese Foreign Office which expressed the view that smuggling in China was due to high import duties and ineffectual internal administration. The Embassy reported

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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 -

reported, however, that high Japanese officials are being sent to China to observe the situation. (There are reasonable grounds for anticipating that any amelioration of the smuggling situation which may result from Japanese investigation in North China will be accomplished at the expense of the administrative control of the Chinese Government over the customs in North China.) On May 15 the Chinese Government, in a note to the Japanese Government, protested against the "unwarranted interference to which the Customs Preventive Service has been subjected by the Japanese military".

With reference to representations made by the British and American Governments to the Japanese Foreign Office concerning smuggling, the Tokyo Embassy expressed the interesting opinion that "the Japanese are undoubtedly fearful of facing a united front by the United States and Great Britain but the Chauvinist element would be inclined to object to anything that could be interpreted as 'truckling' to foreign pressure".

JCV
 FE:JCV/VDM

m.m.H.

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

TELEGRAM RECEIVED

FS

1-1336

GRAY & PLAIN

Nanking via N. R.

Dated May 25, 1936

Rec'd 7:35 a. m. 26th

Secretary of State

Washington.

157, May 25, 5 p. m.

One. (GRAY). Embassy has obtained from Foreign Office translation of address on Sino-Japanese relations delivered at weekly memorial service this morning by Minister for Foreign Affairs as follows: (END GRAY).

Two. "In view of our persistent efforts towards cultivating friendly relations with our neighboring countries, need not emphasize here the importance which we attach to the question of cooperation between China and Japan, which besides being neighbors are also united by the ties of racial and cultural affinities. Since the Mukden 'incident' of September, 1931, however, an endless succession of crisis of unprecedented gravity have resulted in the estrangement of the two peoples and increased their suspicions. The present abnormal state of their relations has been a cause of deep concern to farsighted persons in both countries, and it has been

their

F-6

793.94/7917

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FROM
 Division
 FAR EASTERN AFFAIRS
 MAY 26 1936
 Department of State

793.94
 693.94-44

JUN 1 1936
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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

FS 2-No. 157, May 25, 5 p. m. from Nanking

their common desire to restore the friendly feelings
which should exist between the peoples and the govern-
ments of the two countries.

SECTION TWO FOLLOWS.

KLP

PECK

156-2

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

TELEGRAM RECEIVED

FS

PLAIN

1-1230

FROM

Nanking via N. R.

Dated May 25, 1936

Rec'd 11:20 a. m. 26th

Secretary of State,

Washington.

157, May 25, 5 p. m. (SECTION TWO).

Three. "Speaking at the Sixty-Eighth Session of the Imperial Diet held over a year ago, Mr. Koki Hirota, then Foreign Minister in the Japanese Government, enunciated the principle of 'nonaggression and no-menace' towards neighboring countries. Although no clear and concrete measures materialized to give effect to this idea of improving Sino-Japanese relations and no practical results were obtained, his efforts in the case of peace created a deep impression abroad. With the assumption of the premiership by Mr. Hirota about a month ago and the subsequent appointment of Mr. Hachiro Arita to the post of Foreign Minister, there did not seem to be any fundamental change in Japan's foreign policy. At the recent Sixty-Ninth Session of the Imperial Diet, the new Foreign Minister declared that it was Japan's national policy 'to insure the stability of East Asia, contributing thereby to the cause

150 - 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

FS 2-No. 157, May 25, 5 p. m. from Nanking

cause of world peace, and at the same time to promote the happiness and welfare of Nanking by upholding firmly international justice!' In other words, Mr. Arita not only stated what he declared to be the policy of his Government but also expressed the common aspirations of the various peoples in Eastern Asia.

(SECTION THREE FOLLOWS).

RR

PECK

150 - 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

TELEGRAM RECEIVED

FS

1-1336

FROM

PLAIN

Nanking via N. R.

Dated May 25, 1936

Rec'd 7:35 a. m. 26th

Secretary of State,
 Washington.

157, May 25, 5 p. m. (SECTION THREE).

Four. "The situation between China and Japan being what it is today, further failure to achieve a thorough readjustment would not only be detrimental to the interests of the two countries, but concerns the whole question of peace in Eastern Asia. Therefore, immediately after the assumption of my duties as Foreign Minister, I made up my mind to do my best to effect the readjustment of Sino-Japanese relations through diplomatic channels, and I am happy to say that a similar desire seems to exist in Japan. Nevertheless, it is a matter for regret that concrete discussions have not yet started as regards the scope of the desired readjustment and the manner in which it is to be brought about. So far as China is concerned, any problems, the solution of which will redound to the mutual welfare of the two countries and the security of peace in Eastern Asia, are considered as coming within the scope of readjustment, and any

150-5 formulas

DECLASSIFIED: E.O. 11652, 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. 157, May 25, 5 p. m. from Nanking

formulas based on equality and reciprocity as well as mutual respect for sovereign rights are regarded helpful means towards achieving our end. The readjustment, which it is our intention to bring about, should not be confined to any local question, or to any particular issues. It is desired not as a temporary policy to ease the present situation, but with the object of ensuring the peaceful coexistence of the two peoples for generations to come.

(SECTION FOUR FOLLOWS)

HPD

PECK

150-6

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

TELEGRAM RECEIVED

LMS

PLAIN

1-1338

FROM

Nanking via N. R.

Dated May 25, 1936

Rec'd 2:35 p. m., 26th

Secretary of State,
 Washington.

157, May 25, 5 p. m. (SECTION FOUR).

Five. "Nations, as individuals, may become the subjects of deep hatreds and animosities, but, as the Chinese saying goes, no lasting fuel ever lasts a century. The will to restore peace and harmony is bound to triumph, provided it is strong enough. It cannot be denied by seeming obstacles. Such being my firm belief, I consider the task of establishing friendly intercourse between China and Japan an immediate challenge to practical statesmanship in both countries. I appeal to the political foresight of the responsible authorities of both sides, and earnestly hope that they will make a strong effort to remove the cause of hostility and establish a lasting understanding. It is particularly urgent for them to appreciate each other's standpoint and difficulties and to enter promptly into sincere discussions through the proper channels. It does not avail matters to indulge in mutual

150-7

0770

DECLASSIFIED: E.O. 11652, 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. 157, May 25, 5 p. m., Sec. 4, from Nanking.

mutual recriminations, to harp on vague principles,
or to ^{utter} ~~use~~ under threats of coercion or of reprisals.
What is important is to face concrete problems bearing
on the mutual interests of the two countries with an
honest and sincere resolve to find equitable solutions.
{Section five follows}.

PECK

CSB
(*) ~~Apparent omission.~~

gy

150-8

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

TELEGRAM RECEIVED

LMS

PLAIN

1-1336

FROM Nanking via N. R.

Dated May 25, 1936

Rec'd 2:15 p. m., 26th

Secretary of State,
Washington.

157, May 25, 5 p. m. (SECTION FIVE).

Six. "In the furtherance of her national economy, especially in the field of foreign trade, Japan has complained that she is being surrounded by the so-called economic blocs and the artificial barrier of economic nationalism. Now, in view of the intimate economic relations between China and Japan, any true consideration of the latter's economic interests would presuppose a genuine sympathy with China in any situation tending to wreck her economic structure, as well as a desire to see such a situation ameliorated. At present the smuggling in North China has assumed amazing proportions. The flood of contrabands has paralyzed the market and killed the business of legitimate trade, both Chinese and foreign. Apart from the huge loss of revenue, the situation threatens the very foundation of our economic structure. The Customs Preventive Service, on account of the serious obstacles placed in its way, has been powerless to deal with this orgy of smuggling

note
693.94244

150-9

0772

DECLASSIFIED: E.O. 11652, 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. 157, May 25, 5 p. m., Sec. 5, from Nanking.

smuggling, but we believe that, if it is the real
desire of Japan to cooperate with this country, a simple
move on her part will instantly put an end to such a
deplorable situation. (Section six follows).

PECK

CSB

150-10

077

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

TELEGRAM RECEIVED

LMS

1-1336

FROM

PLAIN

Nanking via N. R.

Dated May 25, 1936

Rec'd 2:05 p. m., 26th

Secretary of State,

Washington.

157, May 25, 5 p. m. (SECTION SIX).

Seven. "Japan has frequently professed her concern over the Communist disturbances in certain parts of this country; and such concern is well understood by us inasmuch as the effects of internal agitations in one country are bound to be felt by its neighbors, due to the close interdependence of modern nations. During the last few years the Chinese Government has waged a relentless struggle against the Red menace, and the situation has been pacified to such a large extent that we are confident in the early liquidation of the whole trouble. Under whatever circumstances, China is determined not to relinquish even temporarily her firm hand against the Communists, nor to tolerate within her territory the subversive activities of any organization aiming at the overthrow of the existing political institutions by force. (Seven seven follows)

CSB

PECK

158-11

0774

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

PLAIN

Nanking via N. R.

1-1336

FROM Dated May 25, 1936

Rec'd 2:25 p. m., 26th

Secretary of State,
Washington.

157, May 25, 5 p. m. (SECTION SEVEN).

Eight. "During the last few years the Chinese people have concentrated their efforts on the rebuilding of their country strictly on the basis of self-salvation and self-help. We are confident in our own strength to bring about a national renaissance. We have never contemplated the possibilities of political alliance, nor have we attempted in the least manner to play off distant powers against neighboring countries. The basis of our policy is: live and let live. In other words, we want the right of national existence for ourselves, as well as the establishment of the principle of coexistence and co-prosperity in the comity of nations. While we are making a supreme effort to ensure our own security, we also earnestly desire that all interested powers will jointly strive for the consolidation of peace in Eastern Asia."

Nine. By mail to Peiping and Tokyo. (END
MESSAGE)

CSB

PECK

154-12

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

June 2, 1936.

TO: The Chinese Ambassador.

With the compliments of
the Division of Far Eastern
Affairs.

MMH/REK

(Telegram No. 157, May 25, 5 p. m., from
Nanking. Omitting code, time received,
addressee, number and references of interest
to the Department only.)

150-13

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

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tsingtao/97 FOR #108

FROM Tsingtao (Sokobin) DATED April 6, 1936
TO NAME 1-1127

REGARDING: Sino-Japanese relations during the month of March, 1936.

FRG.

793.94/ 7918

7918

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

- 3 -

II. FOREIGN RELATIONS.

A. Relations with the United States.

Nothing to report.

B. Relations with Japan.

General Itohara visited Tsingtao on March 6, as reported in this consulate's despatch no. 101 of March 9, 1936, file no. 800, subject: General Itohara's Visit in Tsingtao. What passed between him and the Mayor of Tsingtao is unknown. His newspaper interviews were chiefly distinguished for an expression of satisfaction with the progress of the Hopei-Chanhai Political Council. The same note of satisfaction found itself in a newspaper interview which the local Japanese Consul General gave upon his arrival on March 3 from a two week trip to Tsinan, Tientsin, Peiping and Kaigen, from where he returned via the Peiping-Hankow Railway and the Lung Hai Railway through Chengchow and Maichow. The consul general's interview included the following remarks (in translation):

"The North China Autonomy Government daily increases its stability. General Lung Che-yuan expressed a desire for cooperation in defending against the communists; he also expressed a desire for cooperation in economic development (of the region). On the surface at least there was not apparent any boycott against Japanese merchandise in the North China Autonomy Government territory; economic development will advance pari passu with the advance in stability of the (North China Autonomy) Government."

It is of interest to note that the political

power...

DECLASSIFIED: E.O. 11652, 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 -

power of North China was consistently referred to as the North China Autonomy Government (華北自治政府).

Japanese Urge Municipality To Claim Share Of Import Duty Collections.

An attempt on the part of the former Japanese Consul General, Mr. A. Tajiri, who, before returning to Japan, stayed in Tsingtao for six weeks after he had handed over charge, to induce the Mayor of Tsingtao to claim 20% of the net import duty collections in Tsingtao is understood to have caused no little anxiety to the Mayor (see Tsingtao's despatch no. 104 of March 18, 1936, file no. 800, subject: Mayor of Tsingtao shows anxiety over Sino-Japanese Relations). Admiral Chen is a far-sighted and capable politician as well as administrator; as much as he would welcome a share of the import duty collections which would increase the municipality's revenue by more than \$3,000,000, he also realizes the effect such a claim, if successful through the support of the Japanese, would have on the Chinese Maritime Customs and the financial structure of the Chinese Government.

Japanese Merchants Feel Effects Of Smuggling.

The enormous smuggling activities of Japanese and Chinese in North China have resulted finally in complaints by Japanese merchants in Tsingtao. The fact that Tsingtao, a center a considerable distance from

the...

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

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the actual scene of the smuggling, is feeling the effects of the inroads of "duty free" merchandise in dislates the extent of the smuggling operations and the deep penetration of the smuggled merchandise into marts far removed from the landing places. Japanese dealers particularly in rayon have suffered, since the supplies for the great weaving industry at Cheotsun in Shantung have ordinarily been imported through Tsingtao.

Japanese Plans For Increased Cotton Growing In Shan Tung.

One of the interesting items of the month in the sphere of Japanese economic activity in Tsingtao was the report of the importation of 100,000 catties of American type cotton seed from Korea by the local office of the Japanese Cotton Mill Owners' Association in China (see Tsingtao's voluntary report of March 2, 1936, file no. 868.1101, subject: Japanese Cotton Mill Owners' Association In China To Distribute 133,000 Pounds Of Cotton Seed In Shantung Province, China). The TSINGTAO SHIPPO (Japanese) of March 24 further reported that the Japanese Cotton Mill Owners' Association had reached an agreement with Chinese interests for a "Five Year Plan" for the production in China of an adequate supply of cotton for mills in China. The Japanese, it was stated, would "guarantee the purchase of the crops from...

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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 farms who plant cotton under the plan", would render financial assistance in times of natural calamities such as floods, famine, etc., and would establish ginning plants in order to attain uniform qualities of international standards. The Chinese would undertake the promotion of experimental stations and laboratories and a Chinese Cotton Industry Control Committee would formulate the bases for the plan of attaining adequate Chinese cotton supplies for the Japanese mills by 1940. Of the 100,000 catties of seed recently imported, 15,000 catties were distributed to a Chinese experimental farm at Kaomi (高密), 80 miles west of Tsingtao; 10,000 catties to a Japanese farm at Lin Ch'ing (臨清), 14,900 catties to organizations at Tsinan, while 58,800 catties were placed at Chang Tien (張店) on the Tsingtao-Tsinan Railway, 176 miles west of Tsingtao.

Cotton production in Shantung and Japanese interest therein are not new, but it would appear that the Japanese mills in China are determined more than ever to develop in Shantung a source of great, if not entirely adequate, supplies of raw cotton for their own purposes.

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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/107 FOR #143

FROM Hankow (Josselyn) DATED April 8, 1936
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations during month of March, 1936.

FRG.

793.94/7919

7919

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

1. Japan

193.94
a. Consular conference in Shanghai

Mr. Y. Miura, Japanese Consul General in Hankow, attended the conference of Japanese consular officers from Central and South China, which was held in Shanghai March 22-23 under the chairmanship of the new Japanese Ambassador, Mr. Arita.

b. Press comment on Sino-Japanese relations

The reliable Chinese press in Hankow has for sometime carefully refrained from commenting on Sino-Japanese relations. It may be worth noting that the WUHAN DAILY NEWS, one of the oldest and best of the local vernacular papers, broke this silence on March 20 with a long editorial on the situation in North China, which it described as the key to the Sino-Japanese question. While the tone of the editorial was restrained, it discussed frankly recent events in the north and Japanese encroachments on Chinese sovereignty, and deplored the deliberate misrepresentation

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

Political Report
 March 1936
 Hankow, China

- 4 -

representation of the Communist situation in the Japanese press. It said bluntly that the Shansi troops were unable to prevent the Communists from crossing the Yellow River into Shansi because the threat of the "Manchukuo" army obliged them to keep their positions on the Suiyuan border and suggested that if Japan were really sympathetic with China's efforts to combat the Communists she would withdraw the "Manchukuo" troops, so that concerted action might be taken by the Chinese troops against the Communists.

There has been a change in the editorship of the HANKOW HERALD, Hankow's only Chinese-owned newspaper published in English, Mr. Y. C. Chao having resigned in order to take up an official position in Nanking (the HERALD is believed to be subsidized by the Central Government). The new editor, Mr. Chin-jen Chen, is a returned student from the United States, where he studied at the School of Journalism of the University of Missouri, and a former professor at Yenching University, Peiping. Since he has been in charge the paper has become much more outspoken, its editorial comment ranging widely over the field of international affairs and touching frequently on Sino-Japanese relations, about which he writes with surprising frankness.

The CENTRAL CHINA POST (British), which has been notorious as an apologist of Japan, has shown itself of late only a luke-warm advocate. The cooling of its enthusiasm dates from the violent outbursts in the Japanese press against Sir Frederick Leith-Ross and British policy in China.

c. Japanese

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

FILED IN THE CONFIDENTIAL FILE

Political Report
March 1936
Hankow, China

- 5 -

c. Japanese monks in Hankow

It is confidentially reported that a considerable number of Japanese Buddhist monks have come to Hankow where they consort with local priests and are suspected of espionage. The local authorities are investigating.

078F

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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

FS

1-1336

FROM

GRAY

Peiping via N. R.

Dated May 28, 1936

Rec'd 6:24 a. m.

793.94

Secretary of State,
 Washington.

Div. of
 FAR EASTERN AFFAIRS
 MAY 28 1936
 Department of State

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

264, May 28, noon.

7913-

Reference paragraph one of Embassy's 259, May 25,
 noon.

One. According to information supplied by a
 reliable visitor to Fengtai, which is the junction of
 the three important railways of North China, the Japanese
 have taken over two pieces of property near the railway
 station at Fengtai without payment to the owners, are
 occupying some brick buildings about 650 feet east of the
 station, are making additions to them which approximately
 quadruple their capacity, and are constructing at a point
 some 650 feet south of the station some buildings on a
 plot of land which they have enclosed in barbed wire and
 which is about 20 acres in extent.

Two. This informant also visited Changsintien,
 the first station south of Fengtai on the Peiping-Hankow
 Railway, and states that the Japanese have occupied a piece
 of ground about 12 or 15 acres in extent and have begun

the

151-1

793.94/7920

FILED
 JUN 2 - 1936

F/FG

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

FS 2-No. 264, May 28, noon from Peiping

the erection of buildings thereon.

By mail to Tokyo.

RR:VWC

JOHNSON

151-2

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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. Mukden/101 FOR #243 to Embassy

FROM Mukden (Ballantine) DATED April 8, 1936
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations during month of March, 1936.

FRG.

793.94/7921

7121

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

B. Relations with Japan:

1. Effects of Tokyo Coup:

793.94
(484-8)

The Tokyo military coup in the February and the subsequent Japanese cabinet changes had two important local effects during March: an almost complete change in the high-ranking personnel of the Kwantung Army, and the arrest in Tokyo of some 100 Japanese civilians. Little information was obtainable concerning the arrests, except that it was rumored that the authorities suspected the arrested persons of prior knowledge of, and perhaps complicity in, the events of Tokyo's "Bloody Wednesday". It seemed probable that these arrests had no connection with the arrests of Koreans in Chung-pingtao reported in my despatch No. 264 of March 12.

2. Army Personnel Changes:

On March 3 General Kenkichi Ueda, member of the Supreme War Council, was appointed Commander of the Kwantung Army and Ambassador to "Manchukuo" and was formally installed in office by the Emperor, with Premier Okada in attendance. It was simultaneously announced that General Kinami was transferred to the General Staff at Tokyo, and appointed a member of the Supreme War Council. General Ueda arrived in Hsinking and presented his credentials to Kang-Te at the end of the month.

During the latter part of March Lt. General Mishio, Chief of Staff of the Kwantung Army, was transferred to

Tokyo

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Tokyo as Vice Chief of the General Staff, and Major General Itazaki was promoted from Vice Chief to Chief of Staff of the Kwantung Army. Major General Imamura was appointed Vice Chief of Staff of the Kwantung Army, and concurrently Military Attache at Helsinki. Lt. General Doihara was transferred to the commandship of the First Division at Tokyo and his previous post as Chief of the Lukden Special Military Mission was filled by Major General Niura. General Niura, commander of the Independent Railway Guard at Lukden, was replaced by Major General Konobe.

As a result of these transfers, the month was largely occupied with official farewells and welcomes, and the press was filled with eulogistic accounts of the work accomplished by the outgoing officials and biographical sketches of the new incumbents. As could have been predicted, Lt. General Doihara's farewell speeches were the most colorful and touching. The General stated in one press interview that "there is not a single pebble or blade of grass here (in Lukden) which is not dear to me". The General's never-failing sense of humor asserted itself ⁱⁿ reminiscences of the days following the Lukden incident; he recalled his temporary appointment as Mayor of Lukden, and remarked "I still cannot refrain from smiling when I recall that an army officer on the active list like myself was made mayor of a big city".

The assignment of General Ueda as the principal Japanese official in Manchuria received more than customary approval from local Japanese circles. The press especially commended his service as commander of the Japanese forces during the Shanghai "war" of 1932, and stated that his service as Assistant Chief of the General Staff at the time of the Manchurian incident and subsequently as commander of the garrison in Korea had thoroughly acquainted him with Manchurian problems. A Kwantung Army spokesman in Helsinki described him as the "best man that could have been found for the job"; the spokesman gave an interesting indication of the attitude of the "younger" officers in Manchuria toward army discipline when he added that

since

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

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since the task of the Kwantung Army is to defend the first line of the frontier, "there can be no change in its traditional policy regardless of who is in command".

The net result of the transfers seems to be a strengthening of the "positive" group of officers in the Kwantung Army. General Ueda has since his appointment stated on several occasions that an increase in the Kwantung Army was imperative for "Manchukuo's" national defense, a demand which has been echoed by General Nishio at Tokyo. General Ueda also expressed to the press his dissatisfaction at the unwillingness of Japanese investors to invest in "Manchukuo", and his hope that they will in the future show less hesitation in extending financial support to Hsinking. The promotion of Itagaki, who is regarded by most observers as one of the "young" officers most responsible for the Manchurian incident and the establishment of "Manchukuo", and as a "one-man brain trust" at Kwantung Army Headquarters, indicates Tokyo's approval of his "forward" policies.

The fact that the army authorities in Tokyo were willing to make, and publicly announce, such an important appointment as Ueda's, under an outgoing and temporary cabinet and prior to Hirota's formation of the present cabinet, would appear to indicate the complete confidence of the army in its freedom from civilian control.

3. Extrality and Taxation Rights:

Although the press continued to name July 1 as the date for the transfer of taxation rights, and alleged that an agreement between "Manchukuo" and Japan for the transfer was now being drafted at Hsinking and would be signed in May, there were few concrete develop-

ments

- 7 -

ments during the month, the question apparently being left in abeyance until the new 'administration' was installed in Hsinking.

4. Policies of the South Manchuria Railway Company:

Shortly after the announcement of General Minami's transfer to Tokyo, President Matsuoka of the South Manchuria Railway Company went to Hsinking to confer with him. General Minami announced after the interview that Matsuoka would not resign, as had been rumored in the local press; Matsuoka announced that he expected no changes in South Manchuria Railway policy after General Ueda's assumption of office.

According to Tokyo despatches, the Manchurian Affairs Bureau has granted the Company permission to sell to the general public part of the shares it now holds of some 29 of its subsidiaries, including the Manchuria Cotton Company, the Mammo Woolen Manufacturing Company and the Toa Tobacco Company. The despatches stated that the Company hoped to raise Yen 14,000,000 from these sales, and planned to place them on the market "as soon as the political situation in Japan quieters down". Mr. Sasaki, Director of the Company and apparently its principal liaison officer with Tokyo bankers, spent the latter half of March in Tokyo endeavoring to raise new funds for the Company. According to newspaper accounts of the budget for the fiscal year ending March 31, 1937, which has been approved by the Finance Ministry, a considerable retrenchment in the company's program is contemplated: only Yen 49,767,000 will be spent on new railways, as compared with Yen 114,000,000 during the past year, and an increase in net profit of some Yen

3,000,000

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

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3,000,000 is estimated. While this retrenchment is partially explained by the completion of most of new railway construction program, it is probable that pressure from the bankers was also an important factor. Mr. Sasaki's task in raising funds should be considerably lightened by the publication of this budget, and by an announcement of Finance Minister Baba that he was considering a plan under which the Deposits Bureau of the Finance Ministry would accept South Manchuria Railway debentures. Mr. Baba stated, according to the JAPAN ADVANTAGE, that the Company was at present actually providing most of the funds for new enterprises in Manchuria which had been nominally subscribed by the "Manchukuo" Government, as well as furnishing the funds definitely allotted to it, and that as long as the Company was bearing alone all the financial burdens "incidental to the carrying out of national policies", it was entitled to national support.

C. Relations with China:

1. Visits of Doihara and Arita:

Lt. Gen. Doihara paid a farewell visit to Manchuria during the latter part of March before assuming his new duties in Tokyo, during the course of which he expressed his views of the North China situation to the local press. He declared that North China was "gradually becoming stabilized", and that both the East Hopei Autonomous Government and the Hopei-Chahar Political Council had become financially independent; that the future of the Council depended entirely on the "kind of guidance it receives in the future." He stated that the amalgamation of the five provinces of North China could not be realized

immediately,

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

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immediately, but that "the situation is gradually moving in that direction". Mr. Arita, outgoing Ambassador to China, also visited Manchuria en route to his new post as Foreign Minister, but confined his public remarks to innocuous generalities.

2. Through Freight Traffic Agreement:

According to the MANCHURIA DAILY NEWS, representatives of the South Manchuria Railway Company, the "Kantoku" State Railways, and the Peiping-Shanhaikwan Railway signed an agreement at Tientsin on March 8 providing for the inauguration on May 1 of through freight traffic between Manchuria and North China. It will be recalled that since 1931 freight shipped by rail between these two areas has been transhipped at Shanhaikwan between freight cars of the respective rail lines, and the resulting handling and breakage costs have almost prohibited such traffic. Under the new agreement, freight cars will be exchanged between the lines without reloading, and through freight will be handled by 12 stations on the South Manchuria Railway lines, 50 stations on the State Railways, and 10 stations on the Peiping-Shanhaikwan line. The collection of customs duties at Shanhaikwan will be entrusted to the Oriental Tourist Bureau, which now handles through passenger traffic between North China and Manchuria. The agreement is apparently of indefinite duration, but may be abrogated by any of the parties on six months' notice.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 19, 1936.

~~SECRET~~
 RCM:

Peiping's despatch No. 575, July 13, 1936, reports remarks made to the American Ambassador by Mr. Suma, First Secretary of the Japanese Embassy at Nanking, which may be briefly summarized as follows:

Mr. Suma said (1) that the situation in North China was very serious, (2) that he had protested the seizure of Japanese vessels by Chinese customs patrol boats, (3) that the Chinese were still talking platitudes and that their promises meant nothing, (4) that Nanking was being made into an armed camp against Japan, and (5) that anti-Japanese demonstrations and activities in south China could only portend difficulties in the future. The Ambassador remarks appropriately at the conclusion of the memorandum that he "gathered generally that Mr. Suma felt very pessimistic as to the future of Sino-Japanese relations."

JCV.
 JCV/VDM

121-1

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

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JS

TELEGRAM RECEIVED

PEIPING Via N.R.

Dated May 29, 1936

1-1226

FROM

Rec'd 8:10 p.m.

Secretary of State,

Washington, D.C.

JUN 1 1936

267, May 29, 4 p.m.

One. The present trend in Sino-Japanese relations is indicated by the following developments:

(a) Evidence accumulates that the civilians or so-called Mirin group of Sung Che Yuan's regime (reference paragraphs two, three, and four of Embassy's 259, May 25, noon) intend to force Sung to break completely with the National Government. Noncompliance would supposedly result in departure of Sung and his army from Northern Hopei. Compliance might possibly result in creation of disturbances by Sung's military subordinates.

(b) The Japanese authorities in North China apparently have no (repeat no) intention of rendering that assistance which is necessary for checking smuggling by Japanese nationals.

(c) The press reported May 28, that the National Government had "rejected" the Japanese reply to its representations with regard to the increase of Japanese forces in North China (Nanking's 145, May 18, 3 p.m.) and had instructed the Chinese Ambassador in Tokyo to make further representations. The report states that the Chinese deny the Japanese allegations of "instability in North China"

793.94/7922

FILED

JUN 3 - 1936

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152-1

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

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From Peiping, May 29 #267

China," an assertion which can and may be met by the instigation by the Japanese of fresh disturbances in Hopei. Rumors of possible fresh "autonomous" movements continue to circulate in Tientsin.

(d) There are indications that oppressive measures by Japanese against so-called anti-Japanese-Chinese in Peiping are being renewed.

(e) Students of Tientsin and Peiping are again becoming restless. 2,000 students demonstrated yesterday in Tientsin and later decided at a mass meeting to strike for three days. The immediate cause of the activity is said to be the increase of Japanese forces in North China and a secondary cause commemoration of the Shanghai May 30 incident. One student leader stated in private conversation that one purpose is to render support to Sung in his present differences with Hsiao Chen Ying. Students in Peiping are to meet tonight to decide whether to strike for three days.

By mail to Tokyo.

JOHNSON

EMB JS

152-2

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

Handwritten mark

TELEGRAM RECEIVED

NPL 1-1336 FROM GRAY
Tientsin via N.R.
Dated May 30, 1936
Rec'd 12:30 p.m.

Secretary of State,
Washington.

Handwritten initials
DIVISION OF
FAR EASTERN AFFAIRS
JUN 1 - 1936
Department of State

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

793.94

May 30, 8 p.m.

I am reliably informed that shortly after 8 p.m. yesterday explosion occurred beyond third special area under Japanese troop train from Tangku which was not damaged or delayed. Japanese military authorities reported to be taking serious view of incident, which some attributed to students. Reports of this incident on the heels of student demonstrations and Japanese garrison increase have caused very tense situation here.

Nankai University and Middle School and Peiyang University reported under police occupation, ingress and egress prohibited and telephone cut. Nevertheless student agitation continues; meetings reported held this morning in all schools and colleges in Tientsin; reported to be propagandizing police; no arrests reported.

Undesirable Japanese reported concentrating here; over 100 reported first special area in which many Americans and Europeans.

153-1

For

793.94/7923

FILED
JUN 3 - 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

NPL Page 2-- May 30, 8 p.m., from Tientsin.

For some days rumors have been current of impending Japanese demands, removal of Sung and of other changes of all the important Chinese officials in North China.

Japanese troops arriving last night apparently about 1250. Japanese military and consular officers now state North China garrison after increase will not exceed ~~12,000~~ 6,000

/ By mail to Peiping and Nanking.

RR

CALDWELL

153-2

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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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1-1336

FROM

GRAY AND SPECIAL GRAY

Peiping via N. R.

Dated June 1, 1936

Rec'd 6:30 a. m.

Secretary of State,
 Washington.

271, June 1, 11 a. m.

Reference section (e) of Embassy's 267, May 29, 4 p. m.

Student of Yenching, Tsinghua, and the National University of Peiping and of five middle schools at Peiping went on strike May 30 for five days. Groups of strikers of Yen-ching University began to tour the countryside to explain the political situation. Students of the Normal University at Peiping declared a three-day strike. The primary motive of these student activities is opposition to Japanese aggression. There is a danger that such activities may result in an incident or may be made use of by unscrupulous persons to precipitate a situation inimical to China's sovereignty in Hopei Province.

By mail to Tokyo.

KLP

JOHNSON

154-1

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793.94/7924

FILED
 JUN 3 - 1936

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

FILE NO. <u>79294/7925</u>		DATE DUE <u>7/5/3</u>	
DATE OF DOC. <u>1936</u>	DOC. NO.	SECURITY CLASS.	DATE CHARGED <u>4/7</u>
TO/FROM		ENCLOSURES	
CHARGE TO <u>Office</u>		OFFICE SYMBOL <u>Ly</u>	
Form DS-933a (9-1-51) 16-60667-1 GPO DEPARTMENT OF STATE			

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
 June 16, 1936.

~~MEMO~~
~~LETTER~~
~~SHEET~~

Shanghai's despatch No. 164,
 April 27, 1936, transmits a translation
 of an article by Dr. Hu Shih entitled
 "The Prerequisites to a Readjustment
 of Sino-Japanese Relations."

Briefly the article may be
 summarized as follows:

Dr. Hu Shih defines "readjustment
 of Sino-Japanese relations" as meaning
 the removal of present hostility with
 a view to approaching a state in which
 cooperation and rapprochement may
 materialize. Dr. Hu Shih states that
 Hirota's "Three Principles" cannot be
 "prerequisites" to a readjustment of
 relations because (1) China is un-
 willing to stand alone at the present
 juncture and therefore cannot abandon
 her policy of "using foreigners to
 restrain foreigners", (2) the people
 will not permit the government to
 recognize the pseudo state of "Manchu-
 kuo", and (3) the people will not
 permit the borrowing of Japanese
 assistance to combat communism. He
 states that agreement to the "three
 principles" would promote hostility
 rather than readjustment.

Dr.

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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

- 2 -

Dr. Hu Shih states that readjustment can only be accomplished through the elimination of Chinese hostility toward Japan and suggests (1) abrogation of the Tangku Truce, the Ho-Umetzu agreement and the East Chahar agreement, (2) Japanese waiver of the right to station troops inside the Great Wall, (3) suppression of autonomous movements in North China and Fukien, (4) relinquishment of extraterritoriality, and (5) the unification of diplomacy through declaring all agreements null and void which are not signed by the proper diplomatic representatives of both countries.

If the Japanese consider a one-sided submission of China as the basis for a readjustment of Sino-Japanese relations, *he states,* then "we can only prepare ourselves for the preformance of a tragedy in which two peoples descending from the same stock and using similar languages will slaughter each other".

The Consulate General remarks on the fact that the return of Manchuria to China is not made a condition for readjustment and explains that Dr. Hu Shih possibly did not wish to request the unattainable. (NOTE: He seems to have mentioned several "unattainables" in the points he makes so the inclusion of "Manchukuo" would not have made his case any more impractical than it is.)

JCV
 JCV/VDM

0801

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. 164

AMERICAN CONSULATE GENERAL

Shanghai, China, April 27, 1936.

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

793.94

Mr. Tolson	Mr. Clegg	Mr. Glavin	Mr. Ladd	Mr. Nichols	Mr. Rosen	Mr. Tracy	Mr. Carson	Mr. Egan	Mr. Gurnea	Mr. Hendon	Mr. Jones	Mr. Quinn	Mr. Nease	Mr. Gandy
M Huntton										ONI-MID				

SUBJECT: "The Prerequisites to a Readjustment of Sino-Japanese Relations" by Hu Shih.

RECEIVED
DEPARTMENT OF STATE
JUN 1 1936

HONORABLE ASSISTANT SECRETARY OF STATE
THE SECRETARY OF STATE
WASHINGTON

Coly in FE
Division of FAR EASTERN AFFAIRS
JUN 2 - 1936
Department of State

I have the honor to enclose herewith, as of possible interest to the Department, a translation of an article by Dr. Hu Shih, the well known Chinese intellectual and educationist, which appeared in the April 13th issue of the TA KUNG PAO, one of the oldest and most influential Chinese newspapers.

The article is characterized by uncompromising frankness and forcefulness of expression. It indicates in an unequivocal manner that Dr. Hu Shih believes that no "rapprochement" or "readjustment" is possible until the numerous causes for the growing hostility of the Chinese are eradicated and there is substituted genuine friendship in place of the Japanese policy of the mailed fist. In this connection he refers to Mr. Hirota's "three points" and states plainly that their implementation would serve only to aggravate Chinese feelings. Dr. Hu Shih constantly reiterates his

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his belief that the removal of causes for the existent spirit of hostility is essential to the readjustment of Sino-Japanese relations and cites the following as the prerequisites to any lasting betterment of relations:

- "(1) Abrogation of the Tangku Truce Agreement and abolition of the demilitarized zones;
- (2) Declaration that the so-called "Ho Ying-chin-Umetsu Agreement is null and void;
- (3) Automatic waiver by the Japanese Government of the right to quarter troops in the vicinity of the Peiping-Tientsin Railway as provided for in the 1901 Treaty of Peace as well as in the documents annexed thereto and withdrawal of all Japanese troops inside the Great Wall subsequent to the removal of the Japanese Embassy to Nanking with a view to setting an example to the other signatories to the 1901 Treaty of Peace;
- (4) Abrogation of the East Chahar Agreement of June, 1935, and withdrawal of "Manchoukuo" troops from Chahar;
- (5) Suppression of all activities connected with the attempt to set up spurious autonomies in all provinces of North China and in Fukien;
- (6) Automatic relinquishment by the Japanese Government of consular jurisdiction in China with a view to inducing all countries in America and Europe to do likewise;
- (7) Unification of diplomacy, i.e., declaration by the Japanese Government that all documents which are not signed by the proper diplomatic and plenipotentiary representatives of both countries are null and void."

It is perhaps surprising that the rendition of "Manchukuo" is not mentioned, but possibly Dr. Hu Shih felt that to mention Manchuria was to mention the unattainable. It is also interesting to note that Dr. Hu Shih advocates the waiver by the Japanese Government of the right granted by treaty to quarter troops in the vicinity of the Peiping-Tientsin Railway and

suggests

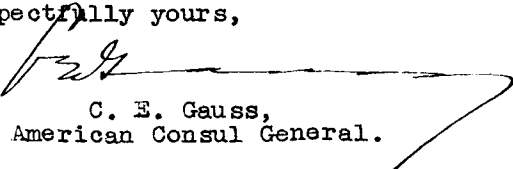
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suggests that all Japanese troops inside the Great Wall be withdrawn, thus setting an example to the other foreign powers. He similarly advocates the abolition of extra-territoriality.

The article is clear and forceful and is of more than passing interest not only because it comes from the pen of one of China's most influential scholars but also because it is undoubtedly representative of the feeling of the majority of educated Chinese.

Respectfully yours,


C. E. Gauss,
American Consul General.

✓
Enclosure:

1/- Copy in translation of article
by Dr. Hu Shih.

800
EFS:NHW

In quintuplicate
Copy to Embassy, Peiping
Copy to Embassy, Nanking

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Enclosure No. 1 to despatch No. 164 of C. E. Gauss,
 American Consul General at Shanghai, China, dated
 April 27, 1936, on the subject: "The Prerequisites to
 a Readjustment of Sino-Japanese Relations" by Hu Shih.

Copy

A Word to the Japanese Nation.

Half a year ago, in my article entitled "Respectful Advice to the Japanese Nation", I pointed out that the real question confronting us today was not a question of "Sino-Japanese Rapprochement" but the question of "how the enmity between China and Japan might be removed". Unless the feeling of animosity is removed, all talk about "intimate or good relations" are insults in the mouth of Japanese and hypocrisies in the mouth of Chinese.

In these few months, another new slogan which is pleasing to the ear has sprung into existence. It is "Readjust Sino-Japanese Relations" and originated with M. Hirota, the Japanese Minister of Foreign Affairs, and has become a most popular phrase with the fourth estate in the space of a few months.

Experience teaches me that before I discuss any particular subject I should understand the terminology used in connection with it. This is why I have been constantly inquiring about the real sense of the phrase "readjustment of Sino-Japanese Relations".

While disappointed at our inability to find a correct explanation in newspapers or in the published conversations between the government leaders of both countries, I wish to suggest a definition of the phrase "readjustment of the Sino-Japanese relations" from the Chinese people's standpoint. It is as follows:

"Sino-Japanese relations require a readjustment because of the fact that the situation created in the past four or five years is a situation of hostility or, in plain words, a situation wherein Chinese are made to feel hatred against Japan because of the latter's unrestricted aggressions and intolerable excesses toward China. As long as this hostile feeling remains unabated, it is impossible to effect a readjustment of Sino-Japanese relations or to talk of cooperation and rapprochement. Consequently, the phrase "readjustment of Sino-Japanese relations" can mean nothing other than the necessity for a removal of the present situation of hostility with a view to the gradual approach to a state in which cooperation and rapprochement may materialize in no distant future."

I believe that this definition will meet with the approval of a majority of the Chinese people at least.

Unfortunately, when he began to shout the slogan for a readjustment of Sino-Japanese relations, Mr. Hirota,

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the Minister of Foreign Affairs (now the Premier) of Japan, suddenly called upon Chiang Tso-pin, then Chinese Ambassador to Tokyo, to recommend to the Chinese Government that the latter agree to Hirota's "three principles". This is to say that, in Hirota's mind, these three principles constitute the "prerequisites" to a readjustment of Sino-Japanese relations. As promulgated by our Wai Chiao Pu on January 22, 1936, the three "prerequisites" are:

1. China must unconditionally abandon the policy of using foreigners to restrain foreigners;
2. China must respect the de facto existence of "Manchoukuo";
3. China and Japan must enter into negotiations for the adoption of effective measures to prevent the spread of communism in the vicinity of North China.

There is really no need of our reconsidering these three principles in which China has never acquiesced as was officially announced by the Wai Chiao Pu on January 22, 1936, but, since a Tokyo despatch which appeared lately in all newspapers again indicates that Japan is going to use them as the basis for the readjustment of the Sino-Japanese relations (see DOMEI'S telegram from Tokyo of April 4) and since the Japanese War Ministry, because of the intrusion of communists into Shansi, has been clamoring for the institution of joint defense measures against the communists (which is one of the three principles just referred to), it behooves us to express our attitude in all frankness from the Chinese people's point of view.

Sincerely, we wish to tell the Japanese Government and people that Hirota's three principles are not the prerequisites to a readjustment of Sino-Japanese relations but conditions calculated to enhance the animosity between China and Japan. These principles may be refuted thus:

1. The policy of "using foreigners to restrain foreigners" is the act of guarding against a hostile state or a number of hostile states by the establishment of cordial relations with a friendly state or a number of friendly states, which every independent nation can do in the exercise of its right of self-defense. Although China is not as yet in a position to talk of coming in contact with one state against another, we are at liberty to choose our allies. All states are our friends which are best disposed and least dangerous to China and, conversely, they are our enemies which do the most harm and offer the greatest indignity to her. If Japan desires to be China's friend, she ought to make every possible exertion to cause the Chinese people to recognize her as a friendly state with pleasure and in good faith. However strongly Japan may eulogize her "glorious isolation", China is unwilling to stand alone at the present juncture.

2. As

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2. As regards the recognition of the factual existence of "Manchoukuo", it should be understood that, under the mailed fist of the past few years, we have done all that could be accomplished. Every thing which exceeds the limit of practicability is that which the government dares not do because the people's psychology does not suffer it to be done by the government. The creation of "Manchoukuo" being an important factor in the animosity between China and Japan, it is natural that this animosity will increase if China is compelled to recognize the existence of this pseudo state.

3. The Chinese people as a whole will never tolerate joint defense against communists no matter from what motive this proposal may be made. Although a government may resort to force in the suppression of domestic attempts to overthrow it, yet the people will cease to be patient when it comes to the borrowing of such force from an alien state for this putting down of internal disturbances. Japan did help the late Anfu regime with material force but the assistance rendered simply lowered that government in the estimation of the people and precipitated its downfall. The present slogan of the Japanese military for "joint defense against communists in North China" is liable not only to add to the hatred of the Chinese people against Japan but also to minimize the antipathy of the general public to communists.

It is for the above reasons that we wish frankly to tell the Japanese government and people that these three principles of Hirota's are far from being acceptable as the prerequisites to a readjustment of Sino-Japanese relations. To advance such principles is simply to prove that the Japanese Government is totally ignorant of the only conceivable meaning of the readjustment of the relations between China and Japan.

In order to readjust Sino-Japanese relations, it is necessary to accept as a basic principle the plan for elimination of the state of hostility between these two nations. We concur in the opinion that the hostility brought about in the past few years is too deep-seated to be removed overnight. During these few years, Japan has been forcing the Chinese Government to suppress all anti-Japanese actions and speeches. It may be said that the Chinese Government has succeeded in doing away with all anti-Japanese activities which it is within its power to suppress. While the Chinese people can neither boycott Japanese goods nor issue anti-Japanese manifestoes nowadays, every clear-sighted person discerns the fact that, instead of decreasing, this hostility assumes larger proportions from day to day. Why? Because the key to the problem of removing the hostility is not in the hands of the Chinese Government and people but in the hands of the Japanese Government and the Japanese Ministry of War. Japan's refusal to make use of the key in her possession does not mean "withdrawal of the fuel from the bottom of the boiler" but "addition of oil to the flames" insofar as this unhappy state of hostility is concerned.

From

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From the Chinese people's standpoint, we now desire to bring forward in all frankness what we consider to be the prerequisites to a readjustment of Sino-Japanese relations. We strongly believe that Japan must do the following things first if the leaders of the Japanese government sincerely wish to effect a readjustment of the relations between China and Japan:

- (1) Abrogation of the Tangku Truce Agreement and abolition of the demilitarized zones;
- (2) Declaration that the so-called "Ho Ying-chin-Umetsu Agreement is null and void;
- (3) Automatic waiver by the Japanese government of the right to quarter troops in the vicinity of the Peiping-Tientsin Railway as provided for in the 1901 Treaty of Peace as well as in the documents annexed thereto and withdrawal of all Japanese troops inside the Great Wall subsequent to the removal of the Japanese Embassy to Nanking with a view to setting an example to the other signatories to the 1901 Treaty of Peace;
- (4) Abrogation of the East Chahar Agreement of June, 1935, and withdrawal of "Manchoukuo" troops from Chahar;
- (5) Suppression of all activities connected with the attempt to set up spurious autonomies in all provinces of North China and in Fukien;
- (6) Automatic relinquishment by the Japanese government of consular jurisdiction in China with a view to inducing all countries in America and Europe to do likewise.
- (7) Unification of diplomacy, i.e., declaration by the Japanese Government that all documents which are not signed by the proper diplomatic and plenipotentiary representatives of both countries are null and void.

We believe that these are the prerequisites to a readjustment of the Sino-Japanese relations. Although they do not suffice to work out a fundamental solution of the Sino-Japanese problems, it is our conviction that these conditions will open a new path and usher in a new era in the history of Sino-Japanese relations. Negatively, they will not cause Sino-Japanese relations to go from bad to worse. Positively, they will do away with considerable enmity and pave the way for the establishment of new relations between China and Japan.

If Japanese statesmen do not as yet realize the tendency of the relations between our respective countries to grow worse from day to day, if the Japanese government and people are still unwilling to make any effort to "withdraw the fuel from the bottom of the boiler" and if the Japanese government and the Japanese Ministry of War

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are still dreaming about the one-sided submission of China as the basis for a readjustment of Sino-Japanese relations, then we shall be convinced that there is no way of readjusting the relations between our respective countries. In this event, we can only prepare ourselves for the performance of a tragedy in which two peoples descending from the same stock and using similar languages will slaughter each other.

Translated from TA KUNG PAO
of April 12, 1936.

Trans Tg
Seen by EFD

Copied by NHW
Compared with MB *MB*

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 16, 1936.

~~MMH:~~
~~MMH:~~

Shanghai's despatch No. 175, May 1, 1936, reports concerning the recent Shanghai municipal election and related matters.

The Secretary of the Shanghai Municipal Council being unable to give a satisfactory explanation to the Consular Body of the irregularities in "vote counting" at the election, a committee was appointed. The committee found that the "responsibility for the failure to make a complete count of the ballots must be shared" by the two scrutineers and officials of the Council, and suggested new election rules and a definition of responsibilities and duties of Council officers in election proceedings. This report was received critically in Shanghai, particularly by the Japanese, and the NORTH CHINA DAILY NEWS (British) commented editorially that "go-as-you-please methods are out of place in public administration, even when decorated by zeal".

The Chinese have availed themselves of this period of interest in the Municipal Council to request that Chinese membership on the Council be increased from five seats to nine.

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

NO. 175

AMERICAN CONSULATE GENERAL,

Shanghai, China, May 1, 1936.

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SUBJECT:

Sino-Japanese Relations: Investigation of Municipal Election: Chinese Rate-payers Meeting, Demand for Increased Representation on Shanghai Municipal Council.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

COPIES SENT TO
O.N.I. AND M.I.D.
Division of
FAR EASTERN AFFAIRS
JUN 2 - 1936
Department of State

1/

I have the honor to enclose a copy of a self-explanatory despatch of today's date, with enclosures, from this Consulate General to the American Embassy at Peiping in regard to the subject above mentioned.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

1/- Copy of Shanghai Consulate General despatch No. 163 with enclosures.

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EFS MB

In Quintuplicate.

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

no. 163

May 1, 1936.

Subject: Sino-Japanese Relations: Investigation
 of Municipal Election: Chinese Rate-
 payers Meeting, Demand for Increased
 Representation on Shanghai Municipal
 Council.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

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I have the honor to refer to my despatch No. 99
 of March 27, 1936, regarding the invalidation of the
 Shanghai Municipal Council election due to a blunder
 in the counting of the votes. As was indicated in
 the despatch referred to, the Consular Body declared
 the election invalid by a unanimous vote and called
 for a new election on April 20 and 21, 1936.

In connection with the miscounting of the ballots
 and the reason therefor, it will be observed from the
 minutes of the special meeting of the Consular Body held
 on March 26 (Senior Consul's circular No. 71-G-V a copy
 1/ of which is enclosed) that the Secretary General of the
 Shanghai Municipal Council was called in during the
 meeting and endeavored to answer the criticisms directed
 against the Council for its failure to prevent such an
 inexcusable occurrence and to explain the degree of
responsibility

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responsibility attaching to employees of the Council who were present when the votes were counted by the scrutineers. The Secretary General was not able to give any lucid explanation but promised to have an exhaustive inquiry made concerning all phases of the case. A committee was accordingly appointed composed of one American, one British and one Japanese, who were charged with the duty of investigating the miscount of the ballot.

The committee's findings, after adoption by the Shanghai Municipal Council, were issued for publication on April 8 and were quoted in full by THE NORTH CHINA DAILY NEWS (British) in its issue of April 9, 1936, a 2/ copy of which is enclosed. It will be noted that the committee found that the "responsibility for the failure to make a complete count of the ballots must be shared by the two scrutineers, Messrs. A. J. Welch and G. Boolsen, the Secretary of the Council, Mr. J. R. Jones, and the Deputy Treasurer, Mr. V. H. Bourne." The committee also recommended that the Council instruct officers to draw up new rules for elections and for the counting of votes, and that there also be appointed a committee to investigate and define the responsibilities and duties of the senior officers of the Council participating in election proceedings.

Although the committee's report is voluminous and exhaustive in some respects, it failed to satisfy the very natural desire of the ratepayers to be fully informed regarding the actual circumstances surrounding

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the miscount and the reason therefor. This point is given attention by THE NORTH CHINA DAILY NEWS in an editorial entitled "All Zeal" appearing in the April 3/ tenth issue, a copy of which is enclosed. The editorial in question also calls attention to the fact that while it is admitted in the report of the investigating committee that the scrutineers were never formally advised of their duties under the Land Regulations, they are blamed for not having acquainted themselves with their duties. Following this criticism the editorial proceeds more openly to take the Council to task and states:

"The disclosures will cause some astonishment in that they show how - in all good faith and out of an excess of zeal - Council officials virtually usurped the functions of the scrutineers.

The matter has this serious aspect: as the resolution of 1925 showed, the Ratepayers were anxious, as far as the Regulations permitted, to preserve the secrecy of the ballot. It was clearly with that end in view that the scrutineers were alone charged with the count. Remembering that the voting papers have to be signed, it is disturbing to learn that so many persons other than the scrutineers, albeit officials bound to secrecy, had the opportunity of knowing the individual voter's choice. The Report very properly recommends that in future the scrutineers should be assisted in the count by outside professional aid. Incidentally the inquiry has brought to light an important gap in the Council's general administrative procedure. The duties of its senior officials are not defined. That gap is recommended for repair."

The editorial concludes with the apposite remark that "Co-as-you-please methods are out of place in public administration, even when decorated by zeal."

The local Japanese papers have been very outspoken in their criticism of the Shanghai Municipal Council and have been vigorously pressing for the institution of administrative reforms, while the Japanese Residents'

Association

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Association at its twenty-ninth regular meeting went on record as being of the opinion "that the present organization of the Shanghai Municipal Council and the system of municipal elections should be fundamentally reformed." A resolution was passed during the meeting entrusting the Association with the task of realizing such reforms. It is not unlikely, therefore, that the Japanese will stress the subject of municipal reforms from time to time and utilize this point to advantage when opportunity presents itself. For the moment, however, the Japanese community appears to be satisfied with the victory gained in inducing the issuance of a declaration by the Consular Body invalidating the original election.

The contretemps which caused the investigation almost completely overshadowed other developments which were not as spectacular as anticipated due to the fact that the Japanese did not force a reelection but withdrew one of their candidates. The composition of the Council, therefore, remains unchanged, there being as heretofore five British, two American, two Japanese and five Chinese Councilors. However, the desire of the Chinese for increased representation on the Council was again expressed during the course of the annual meeting of the Chinese ratepayers held on April 15, and it will be noted 4/ from the enclosed editorial appearing in THE SHANGHAI TIMES (British) of April 20 that the association adopted a resolution calling for an increase of four more Chinese Councilors on the Shanghai Municipal Council "to show closer Sino-foreign cooperation." The full text of the resolution

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resolution reads as follows:

"That the Government be petitioned and the S.M.C. be empowered to start negotiations with the Powers concerned to assign four more seats for Chinese councillors beginning 1937 to show closer Sino-foreign cooperation."

Other resolutions, as will be observed from the

- 5/ enclosed news item, included opposition to the new telephone tariff, strict enforcement of the provisions of the Land Regulations regarding the collection of house taxes, and the abolition of the municipal orchestra.

As pointed out by the editorial mentioned, it is believed that the resolution regarding increased representation is an aspiration rather than an actual expectation, although Chinese insistence upon greater control of the Settlement and more extensive participation in the actual work of administration will undoubtedly increase in intensity each year.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosures:

- 1/- Senior Consul's circular
No. 71-G-V.
- 2/- Article from THE NORTH CHINA
DAILY NEWS of April 9, 1936.
- 3/- Editorial from THE NORTH CHINA
DAILY NEWS of April 10, 1936.
- 4/- Editorial from THE SHANGHAI TIMES
of April 20, 1936.
- 5/- Article from THE NORTH CHINA
DAILY NEWS of April 19, 1936.

800
EFL:MB

In quintuplicate to Department by
despatch No. 175 of even date.

In quintuplicate to Department by
despatch No. 175 of even date. 1

Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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Encl #1

(CIRCULAR NO. 71-G-V.)

SUBJECT: CORRECTED MINUTES OF SPECIAL MEETING
OF THE CONSULAR BODY, MARCH 26, 1936.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE FOR THEIR INFORMATION THE CORRECTED MINUTES OF THE SPECIAL MEETING OF THE CONSULAR BODY ON MARCH 26, 1936, COMMENCING AT 2:30 P.M. AT THE COMMITTEE ROOM OF THE SHANGHAI MUNICIPAL COUNCIL BUILDING.

 Present:

Consul General for Norway & S. C.	-N. Aall, Esquire,
Consul General for Great Britain	-Sir John Brenan, K.C.M.G.,
Consul General for Switzerland	-E. Lardy, Esquire,
Consul General for Japan	-I. Ishii, Esquire,
Consul General for Italy	-Comm. L. Neyrone,
Consul General for Portugal	-Dr. A. J. Alves,
Consul General for Brazil	-M. de Castello Branco, Esquire,
Consul General for Denmark	-P. Scheel, Esquire,
Consul General for the Netherlands	-G. W. Boissevain, Esquire,
Consul General for France	-M. Baudez, Esquire,
Consul General for U.S.A.	-M. B. Davis, Esquire, representing Mr. C. E. Gauss.
Acting Consul General for Belgium	-J. Delvaux de Fenffe, Esquire,
Acting Consul General for Sweden	-A. H. von Hartmansdorff, Esquire,
Vice Consul for Spain	-M. J. de Larracoechea, Esquire, representing Mr. E. V. Ferrer

and, by invitation during the meeting,

Secretary-General of Council -S. Fessenden, Esquire.

At the request of the Senior Consul, the Secretary read the letter dated March 26 from the Chairman of Council to the Senior Consul, copies of which were on the table. (See circular 60-M-XII) The Senior Consul explained that this letter had caused him to convene the meeting.

Responding to the invitation of the Senior Consul to address the meeting the Consul General for Japan stated that, as intimated in the Council's letter referred to, he held the opinion that the election of March 23/24 was invalid and therefore it followed naturally that a re-election should take place. He thought it was quite evident, from the legal and logical standpoint, that the election was invalid. In every country, elections of this kind are governed by strict regulations which must be rigidly observed, and of course the same rigid observance of the prescribed procedure should obtain with the municipal elections in the International Settlement. In the recent election 323 votes had been left uncounted and were not discovered until the morning of the following day, (March 25). The scrutineers ended their functions on the evening of March 24, 1936, after they had certified to their count, and they could not legally resume their functions thereafter. Thus the amendment of the count by a recount the next day was invalid. It was a general practice the world over to guard the ballots very carefully so as to preserve their secrecy, but in this case the ballot box containing the uncounted ballots was left unguarded all night and no one could say with certainty that it had not been tampered with. He therefore wished to propose that the Heads of Consulates concerned declare the election of March

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23/24 invalid and order a re-election, which he hoped would be conducted strictly to the letter and spirit of the pertinent Land Regulations.

The Consul General for Great Britain observed that it was quite clear that a grave and altogether unexcusable mistake had been made by those in charge of the election and much as he regretted the necessity for a new election which would cause those concerned a great deal of trouble, he thought nevertheless that his Japanese colleague's arguments must have full weight and consideration. If therefore the Consul General for Japan desired a new election he would raise no objection.

The Consul General for France pointed out that Land Regulation XVIII provides that "Immediately upon the close of the poll two scrutineers appointed by the Council shall without delay proceed to open the box or boxes, examine the voting lists, and declare the names of the nine Rate-payers who have the greatest number of votes."

The Consul General for Switzerland concurred in the remarks of his British colleague adding that the mistake would have been discovered if proper checks had been made and expressing the opinion that additional safeguards against similar occurrences in the future should be made.

The Consul General for Denmark raised a point concerning "control" against irregularities in the voting. He stated that when presenting himself at the polls he had declared that he was the Consul General for Denmark and had been at once allowed to vote without demand of identification. It seemed to him, therefore, that anyone falsely representing himself to be somebody else could vote without difficulty.

The Consul General for Great Britain remarked that the Land Regulations allowed only two scrutineers for the election and provided that the poll remain open only for six hours on each of two consecutive days. Hence with these limitations it would be impossible to verify the identification of perhaps 3,000 voters. If identification papers were demanded many voters who had not brought them would go away and not return.

The Consul General for Japan said he would like the question of the election to be settled before other issues were discussed. In his opinion if a new election was decided upon, it should start at the beginning including new nominations.

At this stage it was decided to ask Mr. Fessenden, Secretary-General of the Council, to attend the meeting. Mr. Fessenden responded.

Regarding the opinion of the Consul General for Japan on new nominations, Mr. Fessenden said he had given the matter careful consideration and had come to the conclusion that if a new election was ordered, it would have to start de novo in order to obviate any question which might arise regarding the previous election. New nominations would have to be put in, changes being made in the names of the previous nominees if it was so desired. In other words it would be an original election. The Council had not been previously faced with a situation of this kind and therefore there was no precedent to fall back upon. Never-

theless

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theless he thought that would be the correct legal position.

With regard to the question of "control" raised by the Consul General for Denmark, Mr. Fessenden explained that the scrutineers were provided with a list of persons entitled to vote and as each ratepayer presented himself at the poll and announced his identity he was given a ballot paper and his name then checked on the list. The voter was required to sign the ballot paper, so that if another person claiming the same identity presented himself, an investigation would be instituted immediately which would determine the matter and obviate deception. In all the years of the Council's existence no irregularity of this kind had come to light. As regards the possibility of a ratepayer voting at both polling stations, there was an officer at each station in constant touch on the telephone, and as a vote was made at one station it was immediately communicated through this medium to the other station and checked on the list. It was in his opinion a physical impossibility, with the limited time and number of scrutineers, to examine identification paper of all ratepayers, but most of these were known to the scrutineers or to the municipal employees assisting them.

Answering a query on the reason for burning the ballot papers after the count, Mr. Fessenden said that a resolution adopted at the ratepayers meeting in 1926 made it mandatory for the Council to see that the ballots were burnt immediately after the count had been made and certified to. The design was to preserve the secrecy of the ballot.

The Consul General for Great Britain said that a personal interest should have been taken by responsible officers of the Council in seeing that really efficient arrangements had been made to ensure against error. The mistake really was inexcusable. Mr. Fessenden replied that he agreed. Continuing he said he had not yet been able to find out how this mishap occurred. The Land Regulations provided that the Council should appoint two scrutineers whose duty it was to open the ballot boxes after the poll, count the votes and certify the names of the 9 persons elected. However the practice had grown up during many years whereby a certain number of Council employees, perhaps the Secretary or his representatives and one or two persons expert in the elections, like Mr. V.H. Bourne, assisted the scrutineers when their help was asked for. The purpose of the Land Regulations in appointing two scrutineers was to take the election entirely out of the hands of the Council, so that if any question arose the Council could not be called to account. He had personally kept aloof from the election proceedings, and had only attended once, by special permission of the scrutineers, to acquaint himself with the procedure. It had always been considered the duty of the Council's Secretary to place himself at the disposal of the scrutineers and give them any required assistance. There were quite a number of men in the room besides the scrutineers when the counting took place but he did not know the reason therefor, unless it was to give any necessary help.

The Consul General for Great Britain asked who was the officer in charge. Mr. Fessenden replied that technically speaking the two scrutineers were in charge, but as stated they were assisted by a number of municipal employees. The employees were, among other things, familiar with the details

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 Land Regulations and could advise on the correct way of marking the ballot papers (concerning which many mistakes had been made) and other questions which might arise.

In answering the Consul General for Japan, Mr. Fessenden said that if doubts arose concerning the validity of a vote, the scrutineers would probably refer the matter to the Council's Secretary, although the former would remain the final judges in the matter. Continuing he remarked that the resolution of ratepayers meeting in 1925, which made it mandatory for the Council to see that the ballots were burnt immediately after the count, specifically provided that the Secretary "as the Returning Officer" of the Council should carry out this duty. However he wished to point out that the resolution referred to could not legally make the Secretary the "Returning Officer" in the sense in which that term was used in England and which would clothe the Secretary with authority to be in charge of the election, as the Land Regulations expressly provided for two scrutineers and defined their duties, which in effect placed them in charge, and no resolution of the ratepayers could supercede the Land Regulations.

The Consul General for Great Britain said that as it appeared a responsible officer of the Council was present during the election and count to give assistance and advice, if he had given instructions to remove the ballot boxes after the count, as seemed likely, should it not also have been his duty to see that the boxes were empty before ordering their removal?

Mr. Fessenden replied that it had not been the practice of the Secretary to be there all the time, as he was frequently away attending to his regular duties, but there was always other employees of the Council present. He had not ascertained who had actually ordered the removal of the boxes, but he proposed making an exhaustive enquiry concerning all phases of the mishap.

The Consul General for Japan said that every precaution should have been taken by the Council to avoid such a grave mistake. He felt there was no excuse for what had happened. Mr. Fessenden agreed, but repeated that under the Land Regulations the Council, strictly speaking, had nothing to do with the election proceedings. It was the only time that such a thing had occurred. The Consul General for Japan rejoined that the fact remained that employees of the Council were present and assisted in the proceedings.

The Consul General for Great Britain observed that while it was not the duty of Council employees to count the vote, it was the duty, in his opinion, for a responsible officer of the Council (since it was the practice to have one present) to see that the ballot boxes were completely emptied. He enquired if any attempt had been made to reconcile the count of votes with the number of ballot papers issued? Mr. Fessenden replied that he could not say but, as previously stated, he would make a thorough investigation.

On a discussion as to who was present at the voting in the Hongkew Police Station, it was mentioned that among others, Mr. Ibusuki, Japanese Assistant Secretary of the Council was in attendance. This caused the Consul General

for

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for Japan to remark that Mr. Ibusuki was present only as an observer and had no power to interfere in the proceedings.

The Consul General for the Netherlands enquired if two different scrutineers would be appointed in the event of a new election. Mr. Fessenden replied that he thought it would be better to have new scrutineers.

The Consul General for Japan said he had heard that Mr. Jones, Secretary of the Council, had kept the keys to the ballot boxes. Mr. Fessenden answered that he believed Mr. Jones had unlocked the boxes. Thereupon the Consul General for Japan remarked that it would appear from the provision of the pertinent Land Regulation that the scrutineers should be the ones to unlock the boxes. Apparently the letter and spirit of the regulation had not been followed. Mr. Fessenden agreed that a strict observance of the regulation would entail the unlocking of the ballot boxes by the scrutineers, but whether or not they or their assistants performed the physical act of doing so and of taking the ballots out of the boxes he could not say.

The Senior Consul enquired if it would be necessary to alter the date of the ratepayers meeting (April 15) in the event of a new election. Mr. Fessenden replied that it would not be necessary to do so as there was nothing in the Land Regulations which stipulated that the election must be held before the ratepayers meeting. Moreover that meeting was attended by the old Council and not the incoming one.

Mr. Fessenden then retired from the meeting.

The Senior Consul then put to the meeting the proposal of the Consul General for Japan that the election of March 23/24 be declared invalid and a new election be ordered. The proposal was carried unanimously.

At the request of the Senior Consul, the Secretary then read the following proposed notification:

"Owing to an error whereby 323 votes were not included in the declaration of the Election of Members of Council made by the scrutineers and published as a Municipal Notification dated March 24, 1936, the said election is hereby declared invalid.

"Therefore, we, the undersigned, have decided to call for a new election and in pursuance of the provisions of Article IX of the Land Regulations for the Foreign Settlement of Shanghai hereby give notice that Monday and Tuesday, April 20 and 21, are fixed for the election of Councillors for the municipal year 1936."

This notification was agreed to by the meeting and was subsequently signed by all present. The Senior Consul remarking that it would be transmitted as soon as possible to the Council with a covering letter.

The meeting then terminated.

E. A. Long,
 Secretary, Consular Body.

Circulated: April 8, 1936.

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

Enclosure No. 2 to despatch No. 163 of C. B. Gauss,
American Consul General at Shanghai, China, dated
May 1, 1936, on the subject: "Sino-Japanese Relations:
Investigation of Municipal Election: Chinese Rate-
payers Meeting, Demand for Increased Representation on
Shanghai Municipal Council."

SOURCE: THE NORTH CHINA DAILY NEWS
(British), April 9, 1936.

REPORT ISSUED ON RECENT ELECTION MISCOUNT

Responsibility Assessed to Two Scrutineers and Two
Council Officials

CHANGE IN ELECTION PROCEDURE

New Council Urged to Devise New Rules: Committee
to Study Duties of Senior Council Officers

THE report of the Election Investigation Committee, composed
of Messrs. J. W. Carney, V. St. J. Killery and T. Yamamoto,
which was appointed to investigate the miscount of the ballots
at the recent Municipal election, was issued for publication last
night after its adoption by the Shanghai Municipal Council.

The Committee finds that the responsibility for the failure
to make a complete count of the ballots must be shared by the
two Scrutineers, Messrs. A. J. Welch and G. Boelsen, the Secretary
of the Council, Mr. J. R. Jones and the Deputy Treasurer (Revenue)
Mr. V. H. Bourne.

While thus assessing the responsibility, the Committee recom-
mends that the new Council instruct officers to draw up new rules
for the election and counting of votes, and also appoint a com-
mittee to investigate and define the responsibilities and duties
of senior officials of the Council. Important suggestions regarding
election procedure are made by the Investigation Committee for
the guidance of the new Council's efforts.

In accordance with your request
to the Committee appointed by you
to investigate into the causes of the
miscounting of ballots in the recent
polling for the election of Councillors
to assess responsibility with regard
to various persons concerned, and
to submit recommendations regarding
possible improvements in the election
machinery, we herewith submit the
following report:-

The Committee consisting of Messrs.
J. W. Carney, V. St. J. Killery and
T. Yamamoto met on March 30, 31
April 1, 2, and 3 and conducted an
exhaustive examination into the
entire election machinery. We heard
the testimony of the following:-
Scrutineers: Mr. A. J. Welch and Mr.
G. Boelsen; Members of the Council
Staff: Messrs. J. R. Jones (Secre-
tary) V. H. Bourne, (Deputy Treas-
urer—Revenue), Middleton, Comery
Ibuka, Beasley and Kline. All
were present during the counting of
the votes, the Secretary being pre-
sent at the opening, the closing, and
at intervals throughout.

We have made a thorough enquiry
into past procedure, the procedure
during this recent election, and later
on in this report recommendations
will be submitted covering future
procedure.

Rules Covering the Annual Election of Councillors

The rules covering the annual
election of Councillors are based on
the Land Regulations, Clause XVIII,
which reads in part as follows:-

On the day appointed for the elec-
tion, should the number of Ratepayers
proposed for election as Councillors
exceed nine, two officers appointed by
the existing Council for the purpose
shall attend at the place appointed
for the election, to receive the votes of the
Ratepayers. These officers shall be
provided with a list of all the Rate-
payers duly qualified to vote, and shall

REPORT ISSUED ON RECENT ELECTION MISCOUNT

(Continued from page 9)

I do not think there is much for me
to say on the Resolution which has been
laid before you. The Council quite
sympathize with the object of the Re-
solution. We do not require to see these
names, and, in fact, as far as I can as-
ertain, no Councillor has ever seen
them. The proposal entirely accords
with the practice, which obtains, and
has obtained for several years. There-
fore I see no special object in the Re-
solution, to which, however, we do not
offer any opposition. It is impossible,
without an amendment of the Land Re-
gulations, to have a secret ballot, be-
cause for some reason which no one
knows, the Land Regulations require
these ballots to be signed, and the
Council have no alternative but to carry
out that procedure.

The substance of this Resolution
was incorporated in the Standing
Orders of the Council (No. 48) in the
following terms:-

On the occasion of a Municipal elec-
tion the Scrutineers having certified the
number of regular votes polled by can-
didates the Secretary as the Council's
Returning Officer shall immediately
make public the results so certified.
Thereafter all signed voting papers shall
be destroyed, access to these having
been restricted to the Secretary (or his
delegates) and the Scrutineers who on
each occasion shall be pledged to
"secrecy."

This Standing Order was never
regarded by the Council or its senior
officials of the Secretariat as in any
way affecting the duties or powers
of the Scrutineers as defined in Land
Regulation XVIII.

In this connection it should be
noted that the phrase "the Secretary
as the Council's Returning Officer"
was used by the Ratepayers who in-
troduced the Resolution at the Rate-
payers' Meeting of 1925 in a descrip-
tive sense as the Council has never
appointed a Returning Officer in the
sense the term is used in Great Brit-
tain, and the duties of the Secretary
under the Resolution and Standing
Order No. 48 have in the past always
been restricted to the mere duty of
seeing to it that the voting papers
were promptly destroyed after the
Scrutineers had finished their count-
ing and certifying the result.

It may also be pointed out that no
resolution or standing order of the
Council can in any way alter the
status, duties, prerogatives or powers
of the Scrutineers under Land Re-
gulation XVIII.

Election Procedure

A brief explanation of the present
procedure may be of interest. The
ballot boxes are sealed by the Secre-
tary before they are turned over to
the election officers on the morning
of the election. When the poll ends
at 3 p.m. on the first day they are
returned by the officers and locked
in the Council's strong room over-
night. On the following day they
are again turned over to the election
officers prior to 10 a.m. and after
the polling is finished they
are again returned by the offi-
cers to the Council Chamber and
turned over to the scrutineers, who
examine and break the seals and
count the vote. After the vote is
counted, the scrutineers sign a state-
ment indicating the number of votes
cast for each candidate, and the num-
ber of irregular votes. This statement
is then handed to the Secretary who
signs same and issues it as an official
Council Notification. In accordance
with the resolution passed at a Rate-
payers' Meeting in 1925 the voting
papers are then burnt by the Secre-
tary.

assist the Scrutineers to make the
count.
His assistance at the count has
undoubtedly been necessary under
past procedure in order that the
count might be completed in a reason-
able period of time. It has, however,
in the course of years tended to
obscure the full extent of the
responsibilities of the Scrutineers, and
has resulted in practice in his ac-
cepting some responsibility for the
direction of the count.
The Committee therefore finds that
he must share the responsibility for
the failure on this occasion, although
it finds that he acted entirely in ac-
cordance with long established
practice.

The Secretary

The Secretary's duties under the
Land Regulations are confined, as the
representative of the Council, to the
notification of the two Council officials
appointed to conduct the election and
the two Scrutineers to count the votes.
An additional duty was laid upon
him by the Resolution of the Rate-
payers' Meeting in 1925 already
quoted, to undertake the destruction
of the voting papers.

In practice the Secretary has under-
taken certain other responsibilities.
He has sealed the empty ballot boxes
before the election, has received the
Scrutineers, handed them the keys
and finally published the result of the
votes.

So far as the records show, the
Secretary has not, on any occasion,
instructed the Scrutineers in their
duties or in his letter of appointment
referred to the Land Regulations
where their duties are defined.

In the opinion of the Committee
the necessary reference to the Land
Regulations should be made in the
future in any letter of appointment
sent in the name of the Council to
the Scrutineers or other officials ap-
pointed in connection with the elec-
tion.

No duty is laid upon the Secretary
which necessitates his attendance
during the count. It is only neces-
sary for him to be present before
the count to receive the Scrutineers
and to hand over to them the keys,
and again after the count, to receive
the result. Nevertheless, it has been
the practice for the Secretary, for
many years, to come in to the count-
ing chamber at intervals during the
process of the count for short periods.
Since 1933 it has been the practice
of the Secretary to attend for longer
periods and this year the Committee
finds that he was present during the
count for more protracted periods
than in previous years.

While the Committee accepts his
statement that he only had the in-
tention of assisting, it finds that
his more protracted stay in
the counting chamber upon this
occasion, with his status undefined,
was, in view of the presence of an-
other senior official of the Council,
both officers being accompanied by
assistants, largely responsible for the
lack of direction to which reference
has already been made. It therefore
finds that he must share responsibil-
ity for the failure on this occasion.

All other officials present were
either assistants to the Secretary or
to the Deputy Treasurer (Revenue)
and were asked to attend by one of
these two officials. No specific duties
were assigned to them, but they
were instructed to assist as and when
required.

lot boxes before the election, which
should be undertaken in the presence
of the two Council officials appointed
for the conduct of the election and
one other senior Council officer.

(d) The care of the keys of the
ballot boxes which should be retained
by the Secretary in a sealed envelope
and handed over in the sealed en-
velope to the scrutineers when the
ballot boxes are finally delivered to
them after the close of the election.

(Note: The seals should be inspec-
ted by the Secretary in the presence
of the scrutineers to satisfy himself
that they have not been tampered
with.)

(e) The receipt of the final result
of the election from the scrutineers
after the count has been completed
and its publication.

(f) The destruction of the voting
papers after the count has been com-
pleted in accordance with the Resolu-
tion of the Ratepayers in 1925.

The Committee recommends that
the Secretary should not be present
in the room at any time during the
count but should remain close at
hand in order that the scrutineers
may consult him, if they so wish,
and in order that he may receive
from them the final result and re-
ceive the voting papers for destruc-
tion after the count has been com-
pleted.

Duties of the Council Officers Appointed to Conduct the Election

2. A clear definition of the respon-
sibilities and duties of the Council
Officers appointed to conduct the
election.

This should provide for:-
(a) The preparation of the voting
lists.

(b) The issue of voting passes to
all voters on the list published in
the Municipal Gazette.

N. B. This proposal is referred to
again later in this report.

(c) The presence of these two
officers at the sealing of the ballot
boxes.

(d) The arrangements at the poll-
ing booths.

(e) The provision at the polling
booths, on the days of the election,
of voting papers bearing the official
stamp of the Council and numbered
in sequence.

(f) The safe custody of the ballot
boxes and their final delivery to the
scrutineers immediately after the
close of the election.

(g) The provision to the scru-
utineers, immediately after the elec-
tion and before the boxes are opened,
of the total number of voting papers
issued.

Duties of the Scrutineers

3. A clear definition of the res-
ponsibilities and duties of the scru-
utineers.

This should provide for:-
(a) The receipt of the ballot boxes
sealed and locked from the officers
of the Council responsible for the
conduct of the election.

(b) The receipt from these two
Council officials of the total number
of voting papers issued.

(c) The receipt of the keys in a
sealed envelope from the Secretary.

(d) The opening of the boxes and
the counting of the total number of
voting papers contained in them,
which total number should be checked
against the number of voting papers
issued, before proceeding to count the

should make such other provisions
as may seem desirable in the interest
of the community.

Voting Passes

It considers it essential in order to
avoid fraud and in order to minimise
the risk of another miscount that
properly stamped and numbered
voting papers should be issued to
voters at the polling booths. In
making this recommendation the
Committee realises that the number
of voting papers issued may not ex-
actly agree with the number of voting
papers in the ballot boxes received
by the scrutineers. Certain voters
may complete voting papers but not
put them into the boxes. Such pro-
vision should be made at the polling
booths as may be deemed advisable
to restrict this practice as far as
possible. There can be no certainty,
however, that it will be entirely
eliminated.

In recommending that voting passes
should be sent out to voters on the
voting list before the election, the
Committee have in mind the con-
venience of the public and the wish
to avoid congestion as far as possible
at the polling booth and in return for

each pass a numbered voting paper
should be issued.

These voters whose name does not
appear in the voting list published
in the Municipal Gazette but who,
nevertheless, have qualified for a vote
before the election should produce
their credentials to an Enquiry Office
which should be close to, but not in
the polling booth. At this Enquiry
Office if their right to a vote is
proved, they should receive a voting
pass or passes, which they should then
present in the polling booth and
receive in return for each pass a
numbered voting paper.

In making this recommendation the
Committee realises that it is not
possible entirely to eliminate voting
by substitutes, but every check pos-
sible should be kept upon this
practice.

Senior Officials' Duties

In the course of the investigation
the Committee finds that the existing
definitions of the duties and respon-
sibilities of the senior officials of the
Council interrogated in connection
with this investigation are not clearly
laid down. Although, therefore, its
recommendation does not come within
the terms of reference in connection
with the investigation, it recommends
that the incoming Council should
appoint a committee to investigate
and define clearly the duties and
responsibilities of all senior officials
of the Council.

Voting List

The Committee recommends that
the incoming Council should consider
whether it is practical legally to fix
a date, at a reasonable time before
the election, after which no new voter
may qualify. If such limitation can
be effected the voting list issued in
the Municipal Gazette can be regard-
ed as the final register of voters and

the work of the officials responsible
for the conduct of the elections can
be considerably simplified.

Further the Committee recommends
that the words "As the Council's
Returning Officer" be deleted from
Standing Order No. 48 of the Council,
its Committees and Commissions.

Conclusion

In conclusion the Committee finds
that responsibility for the failure to
make a complete count on the occa-
sion of the last election must be
shared by the two scrutineers, the

Secretary of the Council and the
Deputy Treasurer (Revenue).

It recommends that the Incoming
Council instruct Officers of the Coun-
cil to draw up new rules within the
scope of the Land Regulations, both
for the conduct of the election, and
for the counting of the votes in ac-
cordance with the proposals made in this
report.

It recommends that the words "As
the Council's Returning Officer" be
deleted from Standing Order No. 48
of the Standing Orders Relating to

the Council, its Committees and
Commissions.

Finally it recommends that the
Incoming Council appoint a Com-
mittee to investigate and define the
responsibilities and duties of senior
officials of the Council.

Purchase by the United States
Government of a maximum of 2,500,-
000 bushels of Washington, Oregon
and Idaho wheat has been approved
by the U.S. Secretary of Agriculture,
Mr. Henry A. Wallace.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By Mr. O. J. [unclear], NARS, Date 12-18-75

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CHIAOTUNG'S 40th ANNIVERSARY

Laboratories and Buildings
Open to Public

DR. FERGUSON RECALLS OLD TIMES

A large group of officials, friends, and well-wishers visited the Chiaotung University, 1954 Avenue Haig, yesterday, on the occasion of the 40th anniversary of the founding of the institution. Everything was thrown open for public inspection for two days. Interesting models, charts, pictures, and other records of the University, including its colleges Tangshan and Peiping, are being exhibited, giving a vivid account of the expansion of the Chinese Government institution devoted to high technical education.

Among the models shown various rooms are a representative set of looms in a weaving room, testing laboratory equipped with instruments and machinery from England, France, Germany, and the United States.

and Chow Kuang-cheng the Shanghai Commercial & Savings Bank prize and Mr. Yao Chuan-chia the Pan CI prize.

Gen. Wu To-chien, the Mayor, congratulated the university authorities on their endeavours, pointing out that the 40 years' advancement was not accidental. He laid stress on the need of scientific and technical knowledge for the development of the country and the importance of the institution to the country.

First President Speaks

Dr. J. C. Ferguson, the first President of the institution, said the anniversary called to mind the memory of Sheng Hsuan-huai, who was responsible for the founding of the school. He was a man of many talents and a great leader.

The new rules of procedure should be made provision for all the above and the election.

The Committee recommends that the new rules of procedure should be made provision for all the above and the election.

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The Deputy Treasurer (Revenue) (Revenue) has been appointed to the position of Deputy Treasurer (Revenue) (Revenue) and will be responsible for the financial affairs of the institution.

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(Continued on page 13)

The Council raised no opposition to this Resolution and the then Secretary General, made the following brief statement with regard to the Council's attitude toward this Resolution.

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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. 163 of U. S. Consul,
 American Consul General at Shanghai, China, dated
 May 1, 1938, on the subject: Sino-Japanese Relations:
 Investigation of Municipal Election: Chinese Rate-
 payers Meeting, Demand for Increased Representation on
 Shanghai Municipal Council.

(British), April 18, 1938.

Editorial.

ALL ZEAL

The three investigators find that the miscount in the recent Municipal Election arose from inadvertence. Their report would have better met public requirements if it had given a detailed account of the actual circumstances in which the inadvertence occurred, although in certain respects it has clearly indicated where the blame lies. With this limitation, it fixes responsibility and prescribes certain procedure, within the framework of the Land Regulations, for the future conduct of elections. It also makes an important recommendation for defining the responsibilities and duties of all the senior officials of the Council, as, in the course of the inquiry, it was evidently shown that such definition did not exist. It is human to err. Human error, without any suggestion of bad faith, led to a situation in which, apparently, each person present at the counting of votes thought that a necessary part of the precautionary procedure had been seen to by the other. "Too many cooks spoilt the broth." As Midshipman Easy would have recognized, this was due to zeal rather than to slackness. The report traces the various steps by which this situation had been created. To begin with, the non-official scrutineers who should have been acquainted with their powers and obligations under the Land Regulations, were never officially advised on that point when annually appointed by the Council. Although the Land Regulations clearly differentiated between the responsibilities of officials at the polling booths and the scrutineers' exclusive obligation to open and count the ballot, the practice of associating officials with the counting of votes had somehow become established. To these irregularities was added this year—as "possibly once or twice in the past"—the actual opening of the ballot by the Secretary whose attendance at the count the report finds to have been derived from no duty laid on him by the Land Regulations. It was all zeal, of course, but the cumulation of departures from prescribed procedure, including the presence of a number of officials, seems to have created an atmosphere of excitement which mainly contributed to the unfortunate omission of those 323 votes and, although creditable to the fluttering emotions of a young ladies' seminary on breaking up day, was quite out of place in the austere precincts of an election chamber.

It is easy to be wise after the event, but it certainly is surprising to find that, in the conduct of the elections, so many variations of the procedure plainly prescribed by the Land Regulations were allowed in the course of years to develop. In an election to which unprecedented

astonishment in that they show how—in all good faith and out of an excess of zeal—Council officials virtually usurped the functions of the scrutineers.

The matter has this serious aspect: as the resolution of 1925 showed, the Ratepayers were anxious, as far as the Regulations permitted, to preserve the secrecy of the ballot. It was clearly with that end in view that the scrutineers were alone charged with the count. Remembering that the voting papers have to be signed, it is disturbing to learn that so many persons other than the scrutineers, albeit officials bound to secrecy, had the opportunity of knowing the individual voter's choice. The Report very properly recommends that in future the scrutineers should be assisted in the count by outside professional aid. Incidentally the inquiry has brought to light an important gap in the Council's general administrative procedure. The duties of its senior officials are not defined. That gap is recommended for repair. The contretemps which has produced this inquiry will actually have conferred a benefit on the Settlement if the proposals of the Committee are carried into effect, for thereby the efficiency of the election procedure will be secured. There will be no second election, for the Japanese community—having enforced its contention that the election was invalid—has nominated only two candidates. Mr. Toshi Go, with characteristic public spirit, has withdrawn. Thus Mr. T. Urabe whose defeat in the invalid election was generally regretted, will continue to serve on the Council. The incoming Council will be charged with the duty of seeing that the Committee's proposals are adopted. The Report has been formally approved by the present Council. Thus a tragi-comedy of errors receives appropriate record. Provided prompt amends are made for the unjustified aspersions cast on the conduct of the scrutineers, it may safely be dismissed to oblivion—on one condition: that its lessons are heeded. Go-as-you-please methods are out of place in public administration, even when decorated by zeal.

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

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It is easy to be wise after the event, but it certainly is surprising to find that, in the conduct of the elections, so many variations of the procedure plainly prescribed by the Land Regulations were allowed in the course of years to develop. In an election to which unprecedented public attention had been drawn this was specially regrettable. It tended to diminish the necessary precision for the important process of counting. The Report is extraordinarily inconsistent on one point. It specifically admits that the scrutineers were never formally advised of their duties under the Land Regulations. Yet it blames them for not having made themselves acquainted with their duties. It is true that the bevy of officials should not have been present at the count but they were there and, whatever the Committee may say, it appears grossly unfair to associate the scrutineers with what was plainly an official blunder—as the Report really admits. It is exceedingly unlikely that the scrutineers will accept this public rebuke. Indeed it is already known that Mr. G. Boelsen has registered a protest and a demand for the publication of the statement made by him to the Committee. He will have strong support from all lovers of fairplay and proper conduct of administrative affairs. The Report's reference to "extenuating circumstances" will not be received by the scrutineers with much gratitude. They may be forgiven if they regard it as the addition of insult to injury. The stricture passed on the Deputy Treasurer takes note that he "acted entirely in accordance with long-established practice." The error arose from lack of direction and "largely responsible" for that deficiency was the Secretary, whose statement that his intention was only to "assist" the Committee accept. Quite properly the report makes no criticism of other officials, whose attendance arose directly out of the orders of their respective seniors present. The disclosures will cause some

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

Enclosure No. 4 to despatch No. 163 of C. J. Gauss,
 American Consul General at Shanghai, China, dated
 May 1, 1936, on the subject: "Sino-Japanese Relations:
 Investigation of Municipal Election: Chinese Rate-
 payers Meeting, Demand for Increased Representation on
 Shanghai Municipal Council."

(British), April 20, 1936.

Editorial.

Shanghai, Monday, April 20, 1936

OPINIONS OF CHINESE RATEPAYERS

The annual meeting of the Chinese Ratepayers' Association is nearly always productive of interesting demands or suggestions, and the resumed meeting which was held on Saturday proved no exception to the rule. The Association performs the very useful function of making vocal, in a centralized way, the ideas of the Chinese of the Settlement, and although there is always a tendency to suggest changes which are premature to the practical exigencies of the day there is also a disposition frankly to recognize the fact that much of what is asked for represents aspirations rather than actual expectations. It is in this category that one has to put the demand, voted this year, for an increase of four more Chinese Councillors on the Shanghai Municipal Council "to show closer Sino-foreign co-operation." The resolution adopted took the form of agreeing that a petition be made to the Nanking Government to this end, and that the S.M.C. be empowered to start negotiations with the Powers concerned to assign four more seats to Chinese Councillors as from next year, and to this method of approach there can be no exception taken. What can be argued, however, is the wisdom of so largely increasing Chinese representation at this juncture. It has to be recognized that in the course of time there must be more and more Chinese control of the Settlement and more and more Chinese participation in the actual work of departmental administration, but to make Chinese representation equal to all the foreign representation at one fell swoop and without a great deal of educational preparation would be a dangerous thing to do and would be likely greatly to increase the difficulties of administration instead of reducing them. There are many other problems connected with the S.M.C. in addition to the one concerning Chinese participation, and it is not unlikely that gradual changes will be seen in the course of the years immediately ahead, and it would be to the production of friction and difficulty if the present wholesale demand of the Chinese Ratepayers' Association were conceded. It seems to us that we have reached a stage when further serious consideration should be given in an atmosphere of co-operation by all parties concerned to some of the suggestions which were made by Mr. Justice Feetham in his very-much-shelved Report, and that the Chinese, in the prospect of more representation, could be induced to collaborate in the greatly-needed task of overhauling the Council's constitution, its powers, and its manner of

appreciating the new system of charging. It is difficult to understand why the Chinese Ratepayers' Association should have voted in favour of the immediate abolition of the Ricscha Board and the reorganization of the Pullers' Mutual Aid Association, because at the beginning of this month, when trouble arose between the Council and the ricscha owners over the question of reducing the hire charge there was a very encouraging demonstration of Chinese public opinion in favour of making the owners conform to the Council's requirements. It has been through the work of the Ricscha Board that so many of the reforms have been carried out, and, although one recognizes that the cost of the Board is not light, it would be a great mistake, we think, to abolish the Department at this stage. In time to come when further reforms have been achieved and when the ricscha business is on a better basis it will become desirable to transfer the functions of the Board to the Police, but that time has not yet arrived. The P.M.A.A. might be in need of some reorganization, but one fears that the reorganization which the Chinese Ratepayers' Association has in mind is too closely linked with the ideas of the ricscha owners, and one has to regret that the Association has been led to identify itself in this regard with a far too grasping vested interest. It has been pleasing to learn that the S.M.C. has agreed to go into further conference with the ricscha owners sometime this week for the purpose of seeing if a satisfactory end can be reached on what has become known as the "ricscha war," but there will be great disappointment if the Council shows any tendency to give way on its programme of ricscha betterment and the improvement of the lot of the ricscha pullers. Little need be said on the other resolutions adopted by the Ratepayers' Association, except to agree that it would be a good thing if all Council regulations now in force were translated into Chinese and published in book form for distribution among ratepayers. That would possibly be an expensive undertaking but it would be all to the good in promoting Chinese understanding of the Council's rulings and requirements.

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

the League, but this is a most difficult one for the year could not be a satisfactory one. I am not sure that the authors of the report could not have been more specific in their recommendations.

wholesale demand of the Chinese Ratepayers' Association were conceded. It seems to us that we have reached a stage when further serious consideration should be given in an atmosphere of co-operation by all parties concerned to some of the suggestions which were made by Mr. Justice Feetham in his very-much-shelved Report, and that the Chinese, in the prospect of more representation, could be induced to collaborate in the greatly-needed task of overhauling the Council's constitution, its powers, and its manner of functioning. There are so many important questions held up for want of agreement that every effort should be made to find common ground—an effort in which there will have to be a lessened display of that jealousy and those fears which have been the greatest hindering factors hitherto. It will be interesting to see what the Chinese Ratepayers' resolution leads to in the way of action, but it should not be ignored as an opportunity to raise even larger issues.

One cannot sympathize with the decision made on Saturday that efforts be continued with other public organizations to carry on opposition to the new telephone tariff, because that is a decided issue which must be given the period of time agreed upon for trial. The new message rate appears to be working out fairly well, although heavy users are paying a great deal more and the most satisfactory feature is that the Company has had an exceedingly busy time in installing new telephones all over the city, which is proof that the majority of people, and especially the small users, are

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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. 162 of U. S. Consul,
 American Consul General at Shanghai, China, dated
 May 1, 1936, on the subject: "Sino-Japanese Relations:
 Investigation of Municipal Election: Chinese Rate-
 payers Meeting, Demand for Increased Representation on
 Shanghai Municipal Council."

WIRE: CHINA DAILY NEWS
 (British), April 19, 1936.

Chinese Seek 4 Additional Council Seats

Ratepayers Demand Action on
 Orchestra and Rickshaws

ASSOCIATION'S NAME TO BE CHANGED

A demand for an increase of four more Chinese councillors, the abolition of the Municipal Orchestra and the Rickshaw Board and the re-organization of the Pullers' Mutual Aid Association were among the resolutions passed at the resumed meeting of the Chinese Ratepayers Association held in the Bankers Club, Hongkong Road, yesterday afternoon.

Mr. Wang Shao-lai presided and more than 60 out of 81 delegates attended. Mr. Tseu Yih-zan was elected as the sixth committeeman, the other five being Messrs. K. H. Ling, Chu Wen-chi, Hsu Siao-chu, Yue Hwa-lung and Chen Chi-chen. Mr. Eugene Kiang, one of the five Chinese councillors re-elected for the ensuing year, tendered his resignation on grounds of pressure of business but this was rejected by the assembly.

The Resolutions

The resolutions adopted were:

That the Government be petitioned and the S.M.C. be empowered to start negotiations with the Powers concerned to assign four more seats for Chinese councillors beginning 1937 to show closer Sino-foreign co-operation.

That efforts be continued with other public organizations in opposition to the new telephone tariff.

That the S.M.C. be asked to enforce strictly the Yangkingpang Land Regulations, i.e., the maximum house tax to be collected be according to the ratio of 20 to 1, and that the S.M.C. be urged to follow the taxation measures of the Shanghai City Government.

That the S.M.C. be asked to translate all regulations into Chinese and compile them in a book for distribution among the ratepayers.

That the S.M.C. be asked why the Association's proposal last year that the Municipal Orchestra be abolished was not carried out, and that the Council be further asked to abolish the Rickshaw Board and re-organize the Pullers' Mutual Aid Association.

That the S.M.C. be asked why the Association's decision last year that the Council's annual report and budget, in Chinese and English, be sent to the Association before April 1 has not been carried out.

Term of Office

That the term of office of Chinese councillors and committeemen be one year, and three out of the five councillors and four out of the seven committeemen, including the land commissioner, be re-elected at the second annual meeting; (If the remaining two councillors and three committeemen are also re-elected, they may continue office for another year).

That the name of the Association be changed into the International

0830

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

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That the name of the Association be changed into the International Settlement Chinese Ratepayers' Association.

The executive committee of the Association will meet to-morrow. The members elected yesterday were: Messrs. Wang Shao-lai, L. T. Yuan, Hsu Chi-ching, Liu Chun-ying, S. Y. Sung, Fang Chao-peh, Yue Chuan-ting, Li Wen-chieh, Wang Yen-soong, Yih Chia-shing, King Chu-siang, K. T. Chu, Yue Chun-yi, Wang Man-yuan, Chang Ih-chen, C. Y. Wang, Hsia Chun-fu, Wang Lung-chang, Tsao Tse-kung, Chang Tien-peh, Y. C. Yu, C. S. Chang, King Shun-hsiang, Chen Kiu-feng, Hu Shu-chi, Chu Yang-wu and Ho Yuan-ming.

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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. 422

Peiping, May 1, 1936.

Subject: Japanese Proposal for Free
 Residence in North China.

CONFIDENTIAL

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

For Distribution Check		File	✓
Grade	✓	In C.A.	✓
Mr.		O.N.I. - M.I.D.	

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 AND RECORDS

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 Division of
 FAR EASTERN AFFAIRS
 JUN 2 - 1936
 Department of State

793.54/7927

DEPARTMENT OF STATE
 A-C/C
 JUN 1 1936
 ASSISTANT SECRETARY
 OF STATE

The Honorable

The Secretary of State,
 Washington, D. C.

Sir:

I have the honor to refer to paragraph 2 of
 my telegram No. 213/7274 of April 29, 3 p.m., reporting
 that Japanese advisers had suggested to the Foreign
 Affairs Committee of the Hopei-Chahar Political Coun-
 cil that Japanese nationals be granted the privilege
 of free residence in North China, and to enclose a
 copy of a memorandum of the conversation which I had
 on April 26, 1936, with Dr. Chiang Mon-lin, Chancellor
 of the National University of Peking, and which was

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JUN 1 - 1936

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

- 2 -

the basis of the telegraphic report.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson

Enclosure 

Copy of memorandum of
conversation, April 26,
1936.

Original and four copies to Department.
Copy to Embassy Nanking.

710

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Received *EP*

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

Memorandum of Conversation

Peiping, April 26, 1936.

Dr. Chiang Monlin and Mr. Johnson.

Subject: Sino-Japanese relations.

Dr. Chiang Monlin, President of Peita University, told me in conversation to-day that Japanese advisers to the local authorities had advised that Japanese and Koreans be granted the privilege of free residence in North China. He said that this matter had been discussed by the Foreign Affairs Commission of the local Government, and that all of the members of this Commission except the Chairman had rejected it; but that the Chairman, who was an old Kuomintang man and a member of the Kwangsi clique of the Kuomintang, was in favor of the proposal and had referred it to General Sung Che-yuan for a decision. He said that it was feared that if the permission were given for such settlement of course the Japanese would bring in police and Japanese courts and North China would be another Chientao region.

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

TELEGRAM RECEIVED

KLP

GRAY

1-1236

FROM

Pelping via N. R.

Dated June 2, 1936.

Rec'd. 10:30 a.m.

Secretary of State,
Washington.

276, June 2, 5 p.m.

Embassy's 252, May 20, 5 p.m. /7912

One. The American Military Attache is of the opinion that the numerical strength of the Japanese North China garrison will be approximately 6,000 after the completion of replacements June 3rd.

Two. Two unrelated and unofficial Japanese sources have expressed the opinion that the total strength will be slightly more than 8,000.

Three. There are believed to be about 800 Japanese troops at Tungchow. According to a reliable informant the barracks under construction at Fengtai will be completed this week and will have space for 6 to 1,800 men.

To Tokyo by mail.

WVC

JOHNSON

RR

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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

GRAY

Peiping via N. R.

Dated June 2, 1936

Rec'd 1:50 p. m.

Secretary of State,
 Washington,

Division of
 FAR EASTERN AFFAIRS

JUN 2 - 1936

Department of State

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

275, June 2, 4 p. m.

7922

Reference section A Embassy's 267, May 29, 4 p. m.

One. A crisis of some sort has apparently occurred during the last few days in the relations of those persons in Sung Che Yuan's regime in favor of the independence of Hopei and Chahar in accordance with Japanese desires and those persons opposed to this program.

Two. Sung and his subordinates conferred recently at Peiping throughout an entire night. It is said that during the meeting Hsiao Chen Ying, Mayor of Tientsin, and General Chang Tzu Chung, chairman of Chahar almost came to blows. Subsequently Hsiao Chen Ying submitted his resignation as mayor. Hsiao is now understood to have withdrawn his resignation and that particular crisis has passed.

Three. The press reported that Hsiao's resignation was the result of Japanese dissatisfaction with the transfer by Hsiao of General Liu Yu Shu from the directorship of the Bureau of Public Safety of Tientsin to that of Public Works,

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JUN 4 - 1936

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

FS 2-No. 275, June 2, 4 p. m. from Peiping

Works. There have been reports during recent months that the Japanese military are dissatisfied but fear Hsiao because he is too clever and too ambitious.

Four. A report in Tientsin is that Hsiao withdrew his resignation following a settlement of his difficulties with the Japanese. A report in Peiping is that those Sung's military subordinates (presumably General Chang Tzu Chung) increasingly opposed to the policy of continual submission to Japanese representations which is followed by Hsiao and others of the so-called Kirin clique insisted that Hsiao should not (repeat not) give way to Japanese pressure in this instance. If the latter report is authentic it will presumably increase the dissatisfaction of the Japanese military with Sung's regime.

Five. Following the submission of Hsiao's resignation there were reports in Tientsin that his successor as Mayor would be Yin Ju Keng, Shih Yu Gan or possibly the chairman of Chahar who is regarded by some observers as growing in importance.

Six. The obscurity of the situation is increased by the fact that Chen Chung Fu, chairman of the Foreign Relations Committee of the Hopei-Chahar Political Council, has allegedly left Peiping and that his place has been
 taken

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

FS 3-No. 275, June 2, 4 p. m. from Peiping

taken at least temporarily by Chen Chueh Sheng the
pro-Japanese managing director of the Peiping-Mukden
Railway who is said to be the present favorite of the
Japanese among the subordinates of Sung Che Yuan.

By mail to Tokyo.

KLP

JOHNSON

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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

DEPARTMENT OF STATE
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JUN 1 1936

DIVISION OF FAR EASTERN AFFAIRS

Division of
FAR EASTERN AFFAIRS
JUN 1 - 1936
May 29, 1936.

Subject: The Situation in North China.

S:
Mr. Secretary.

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During the week in review and for several weeks past official and press reports have indicated a quickened tempo in the Japanese-instigated movement toward the separation of the Hopei-Chahar area from the control of the Chinese Government, and recent events seem to warrant a tentative forecast that this movement, which has been developing over a period of three years, will become definitive within the reasonably near future.

The Japanese military has endeavored to destroy the authority of the Chinese Government in North China while strengthening its own position in that area. The region controlled by the East Hopei autonomous régime, a Japanese puppet, is being used as a base for the extensive smuggling of Japanese goods into North China. The Hopei-Chahar Political Council, over which the Chinese Government has maintained a semblance of control, has been encouraged, if not coerced, by the Japanese to withhold national revenues, and in the fields of finance, banking, and communications to act independently. The Council now appears to be under great pressure to enter

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

- 2 -

enter into an agreement with the Japanese Army, which ostensibly would provide for cooperation against communism, but which in practice would probably result in "cooperation" of a more far reaching nature and form the basis for a final severance of relations with the Chinese Government. Japanese advisers are attached to the Council; and Japanese companies, including the semi-official South Manchuria Railway Company, are laying plans for the commercial and economic exploitation of that area.

Although reports indicate that the total number of Japanese troops to be stationed in North China will not exceed 6,000, hurried large scale preparations being made by the Japanese military to provide quarters for soldiers at Tientsin and at several points near Peiping suggest that further increases will be made and, considered in connection with the recent elevation in the rank and status of Japanese commanders in North China, give the impression that a substantial Japanese Army establishment is to be set up in North China.

It is not anticipated that developments in the Hopei-Chahar area, even though complete separation from the Chinese Government be the outcome, will at once cause general hostilities between China and Japan, -- although reports indicate that Chinese students may cause disturbances and

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

- 3 -

it is possible that disaffection among Chinese provincial troops stationed in Hopei may cause local clashes.

Japanese military leaders have made clear their conception of an autonomous North China to include Hopei, Chahar, Shantung, Shansi, and Suiyuan Provinces. Should the Hopei-Chahar situation be settled to their satisfaction in the near future, it may be expected that they will next direct active attention to Suiyuan and Shansi -- where Chinese Government authority is tenuous and local administration is weak -- with a view to uniting the four provinces under a single autonomous administration. Active resistance on the part of the Chinese Government to such a development is not considered likely. The future of Shantung is highly problematical. Ruled by a strong military governor (Han Fu-chu), who shows evidence of being opposed to domination either by the Chinese Government or by the Japanese Army, Shantung may possibly form a "buffer" between a Japanese-controlled North China and the Chinese Government.

Recent developments in North China do not present to the American Government a new situation or problems which call for action at this time. However, the Japanese appear determined to attain their objective of an autonomous North China and to combat with armed force if necessary any attempt at interference with the attainment of that objective.

Under

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

- 4 -

Under these circumstances, it is believed that the American Government should continue to observe closely the attitude taken and the course of action pursued by the British Government; should be inclined where possible to adopt a similar attitude and to take action parallel with or in support of the British action; should be cautious about the making of statements to the press; and in connection both with action which may be taken and with statements which may be made should base its position on treaty provisions and principles or prescriptions of international law.

init

JCV m.m.d. hdm
FE:JCV:SKH/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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
June 4, 1936.

~~MEM:~~
~~MEM:~~

Tientsin's despatches of April 28 and 29, and May 2, 5 and 9, 1936, contain information and opinions on the "Political Situation in North China" obtained from Chinese contacts in Tientsin.

Despatch of April 28: General Sung Che-yuan is being pressed by the Japanese to sign an agreement whereby Japanese troops may engage in the suppression of communists and bandits and three Japanese aerodromes may be established in strategic points in North China. The Japanese also desire permission to establish control over Fengtai.

General Feng Yu-hsiang enjoys the confidence of General Chiang Kai-shek and may be put in power in Shantung. Central Government troops entered Shansi just in time to prevent the despatch of Japanese through Hopel to assist General Sung in safeguarding the provincial borders.

Despatch of April 29: An informal arrangement has been reached between the Japanese military and General Sung whereby the latter is to be supplied 200,000 rifles and 120 pieces of light artillery. The

Chinese

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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 -

Chinese informant stated that his information was unconfirmed.

Despatch of May 2: The agreement between Sung Che-yuan and the Japanese has not yet been signed but substantial agreement on all essential points has been reached.

Despatch of May 5: The Japanese are becoming exasperated with the slowness with which General Sung Che-yuan is permitting the realization of their alleged aims in Huapei (North China) and have determined upon his elimination. Either General Shih Yu-san or Yin Ju-keng will be chosen to succeed Sung.

Despatch of May 9: The negotiations between Sung and the Japanese has not resulted in an agreement. The Nanking Government has taken a determined stand against further concession to the Japanese and General Sung is giving way as slowly as possible.

JCV
JCV/VDM

0844

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. ---

in strict confidence
COPIES SENT TO
O.N.I. AND M.I.D.

AMERICAN CONSULATE GENERAL

Tientsin, China, April 28, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

793.94

RECEIVED
DEPARTMENT OF STATE
5

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

9:22 PM
JUN 2 1936

I have the honor to transmit herewith a copy
of my despatch No. 195 of today's date, addressed
to the Embassy, on the subject of Political Situ-
ation in North China.

Respectfully yours,

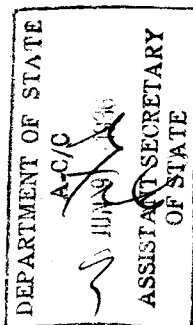
David C. Berger
David C. Berger
American Consul.

Enclosure:

1. To Embassy, No. 195, April 28, 1936.

800
RSW:HK

In quintuplicate to Department.



4-10-36
Received



793.94/7931

FILED
JUN 10 1936

F/HG

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

NO. 195

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

Enclosure No.	in Despatch
No.	Dated <u>Apr. 28/1936</u>
From the American Consulate General	
at Tientsin, China.	

AMERICAN CONSULATE GENERAL
Tientsin, China,
April 28, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to the second paragraph of this Consulate General's telegram to the Department of April 24, 12:00 noon, and, further in connection with the negotiations which are now proceeding between the authorities of the Hopei-Chahar Political Council and representatives of the Japanese military in Tientsin, to report that information given to Consul Ward in the strictest confidence last night indicates that those negotiations are moving rapidly toward the consummation of an informal but very important written agreement between the Japanese military and General Sung Che-yuan.

The informant, a Chinese official who has been a personal friend of Consul Ward for over a year, and who is almost certainly in a position to know

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 general outline of these negotiations and perhaps the most intimate details of them, has only recently evinced any disposition to be communicative and is an untried source of information, and might conceivably have some ulterior motive in making the statements which are being quoted here. It is Mr. Ward's impression that the information which he has seen fit to supply is either very reliable or almost altogether worthless. It should be noted that he is not the informant mentioned in the telegram under reference.

The informant states that the Japanese are pressing for the signing of an agreement by General Sung whereby they may be permitted to bring troops into Hopei and Chahar for the suppression of communists and bandits; that they intend it to include an article permitting the establishment of at least three Japanese aerodromes in strategic points in North China; and that they seek Chinese assent, apart from the written agreement, to the establishment of Japanese military control over Fengtai, the communications plexus close to Peiping.

Some agreement along these general lines will be effected within the next three days, the informant believes. He states that General Sung is not in favor of signing such a pact, but that he is both stupid and selfish, and completely under the influence of Hsiao Chen-ying and Ch'en Chueh-sheng, the Mayor of Tientsin and the Managing Director of the Pei-Ning Railway

DECLASSIFIED: E.O. 11652, 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-

Railway respectively, who are both definitely with the Japanese in their desire to bring North China completely under Japanese domination.

The informant referred to certain recent reports in the English language and vernacular press of Tientsin, and stated that the actual negotiations had advanced further than the newspaper reports referred to had indicated.

General Chiang Kai-shek is, the informant stated, opposed to the concessions which it is feared the Hopei-Chahar Provincial Council may soon be prevailed upon to make, but he hopes to avoid any open breach for as long a time as possible. The informant further stated that General Chiang now places the greatest confidence in General Feng Yu-hsiang, and may in the near future attempt to put him in power in the Province of Shantung, but that Feng has not been considered for the post of Chairman of Shansi, although General Yen Hsi-shan has proved himself very weak in the present situation in that Province and will be replaced. He stated that the movement into Shansi of Central Government troops following the recent Communist incursion into that Province occurred just in time to prevent the despatch through Hopei of Japanese troops for the ostensible object of assisting General Sung to safeguard his borders.

Respectfully yours,

David C. Berger,
American Consul.

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

-4-

800
RSW:HK

Five copies to Department under cover of Despatch
No. ---, dated April 28, 1936.
Copy to Embassy, Nanking.

A true copy of
the signed original.
MB

0849

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. ---

in strict confidence
COPIES SENT TO
O.N.I. AND M.I.D.

AMERICAN CONSULATE GENERAL

Tientsin, China, April 29, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

For Distribution Check		Yes	No
Grade	MM	✓	✓
For	ward	✓	✓
HONORABLE		O.N.I.-M.I.D.	

THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON.



I have the honor to transmit herewith a copy of my despatch No. 200 of today's date, addressed to the Embassy, Peiping, entitled "Political Situation in North China".

Respectfully yours,

David C. Berger
David C. Berger,
American Consul.

Enclosure:

1. Copy of despatch No. 200, dated April 29, 1936, to Embassy, Peiping.

Original and four copies to Department.

DEPARTMENT OF STATE	800
A-C/C	RSW:HK
JUN 9 1936	ORIGINAL
ASSISTANT SECRETARY OF STATE	

JUN 10 1936

FILED

F/FG

793.94/7502

793.94

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

No. 200

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin, China,

April 29, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's strictly confidential despatch No. 195, ¹⁷⁹² of April 28, 1936, and further in connection with the information therein set forth, to report that, according to a statement made today to Consul Ward by a local official, a secret and informal arrangement has been reached between the Japanese military and General Sung Che-yuan whereby the latter is to be supplied with 200,000 rifles and 120 pieces of light artillery. These supplies are to be landed at Tangku, and to be moved from there to Tientsin. The informant warned Mr. Ward that he was not in a position definitely to confirm the details of this alleged deal, but he expects to know accurately in two or three days.

The informant further stated that the "Agreement for Joint Defense Against Communism" had definitely
 not

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

-2-

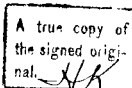
not yet been signed.

Respectfully yours,

David C. Berger,
American Consul.

800
RSW:HK

Five copies to Department under cover of
unnumbered despatch dated April 29, 1936.
Copy to Embassy, Nanking.



0852

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

in strict confidence
 COPIES SENT TO
 O.N.I. AND M.I.D.

No. ---

AMERICAN CONSULATE GENERAL

Tientsin, China, May 2, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

793.94

For Mr. Tolson	✓
For Mr. E.A. Tamm	✓
For Mr. Clegg	✓
For Mr. Glavin	✓
For Mr. Ladd	✓
For Mr. Nichols	✓
For Mr. Rosen	✓
For Mr. Tracy	✓
For Mr. Carson	✓
For Mr. Coffey	✓
For Mr. Hendon	✓
For Mr. Jones	✓
For Mr. Quinn	✓
For Mr. Nease	✓
For Mr. Gurnea	✓
For Mr. Harbo	✓
For Mr. Mohr	✓
For Mr. Winterrowd	✓
For Mr. Tele. Room	✓
For Mr. Holloman	✓
For Mr. Nease	✓
For Mr. Gurnea	✓
For Mr. Harbo	✓
For Mr. Mohr	✓
For Mr. Winterrowd	✓
For Mr. Tele. Room	✓
For Mr. Holloman	✓

THE HONORABLE *Ward* *ON I - MID*
 THE SECRETARY OF STATE

WASHINGTON.

copy TE
 Division of
 FAR EASTERN AFFAIRS
 JUN 3 - 1936
 Department of State

RECEIVED
 DEPARTMENT OF STATE

JUN 2 1936
 JUN 2 1936

I have the honor to transmit herewith a copy
 of my despatch No. 201 of today's date, addressed
 to the Embassy, Peiping, on the subject of "Political
 Situation in North China".

Respectfully yours,

David C. Sarger
 David C. Sarger,
 American Consul.

Enclosure:
 1. Copy of despatch No. 201,
 to Embassy, Peiping.

800
 RSW:HK

In quadruplicate to Department.

DEPARTMENT OF STATE
 A-C/C
 JUN 9 1936
 ASSISTANT SECRETARY
 OF STATE

4 *L. J. H.*

FILED
 JUN 10 1936

793.94/7933

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.201

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin, China, May 2, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's strictly confidential despatch No. 200, dated April 29, 1936, and further in that connection to report that, according to Mr. Ward's informant, the Agreement for Joint Defense Against Communism which is being negotiated between General Sung Che-yuan, Ch'en Chung-fu, Hsiao Chen-ying, and Ch'en Chueh-sheng for the Chinese and General Matsumoto and certain of his aides for the Japanese, has not yet been signed, although substantial agreement on all essential points has been reached.

According to the same source, the outline of the terms of the alleged agreement which appeared in the May 1 (yesterday's) issue of the NORTH CHINA STAR, and which purports to have reached the press through student sources, is not an accurate statement

and

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

-2-

and does not contain the actual terms of the agreement. Although the individual responsible for this confidential dementi was positive of what he said, he was not in a position to reveal the true terms of the now famous but apparently still non-existent pact.

No confirmation has as yet been possible of the alleged purchase by General Sung of certain rifles and small artillery pieces from Japan, which were to have been landed at Tangku at an early date, (referred to in this Consulate General's despatch No. 200 to the Embassy), but Consul Ward was yesterday informed that, through the good offices of the Japanese military, General Sung received a large shipment of rifle cartridges on April 29.

Respectfully yours,

David C. Berger,
 American Consul.

800
 RSW:HK

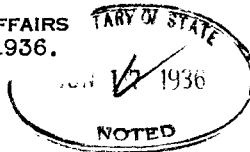
Five copies to Department under cover of
 unnumbered despatch dated May 2, 1936.
 Copy to Embassy, Nanking.

A true copy of
 the signed original.
 JKR

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
 June 5, 1936.



It is believed that you will wish to read in its entirety the accompanying despatch from the Consulate General at Tientsin which contains an interesting report of Japanese plans for the independence and control of North China as decided upon at a conference of Japanese military officers in Tientsin on April 25-26. In the light of recent events in China, it is felt that a large degree of credence can be given the report.

reported to L. H. Brown
 Briefly the plans decided upon at the Japanese conference included:

(1) Expansion of Japanese military forces in North China to reach a total of 10,000 men by August (recent reinforcements have increased the number from two to five or six thousand) and an increase in the number of friendly Chinese troops under Japanese influence by about 30,000 (reports indicate that there are now about 50,000 such troops in the East Hopei autonomous area under Japanese control).

(2) Control and improvement of rail, water and highway communications in North China under Japanese supervision.

(3) Control and development of economic

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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 -

economic and industrial activities in North China by Japanese banks and companies.

(4) Creation of an independent North China through the expulsion of Chinese troops in Hopei and Chahar (not to include the "friendly" Chinese troops under Japanese influence as they probably would be used to take the place of the expelled troops) and through promoting the closest possible relations with the Southwestern (Cantonese) authorities in order to weaken the Chinese Government and make impossible interference by Chiang Kai-shek in the establishment of an independent North China.

51649

JCV
 JCV/VDM
 m.m./d.

0857

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

in strict confidence
COPIES SENT TO
O.N.I. AND M.I.D.

No. ---

AMERICAN CONSULATE GENERAL

Tientsin, China, May 2, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Japanese Military Conference in Tientsin.

THE UNDER SECRETARY
JUN 1 1936
DEPARTMENT OF STATE

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RECEIVED
DEPARTMENT OF STATE

THE HONORABLE *Wad* *ONI-MIP*
THE SECRETARY OF STATE
WASHINGTON.

Division of
FAR EASTERN AFFAIRS
JUN 3 - 1936
Department of State

SIR:

I have the honor to transmit herewith a copy of my despatch No. 202 of today's date, addressed to the Embassy, Peiping, on the subject of "Japanese Military Conference in Tientsin".

Respectfully yours,

David C. Berger
David C. Berger,
American Consul.

Enclosure:

1. Copy of despatch No. 202, to Embassy, Peiping.

800
RSW:HK

In quintuplicate to Department.

700.04/7934

JUN 19 1936
C. L. M. D.

F/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

NO. 202

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin, China, May 2, 1936.

STRICTLY CONFIDENTIAL

SUBJECT: Japanese Military Conference in Tientsin.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's strictly confidential despatches Nos. 7931 - 7933 - 7935 195, 200 and 201, of April 28, 29, and today (May 2) and, in confirmation of reports appearing in the local English language and vernacular press, to report that a conference of Japanese military officers in North China was held in Tientsin on April 25 and 26. It was presided over by Colonel T. Nagami, Chief of Staff of the Tientsin Garrison, and attended by Major H. Hamada, Assistant Military Attache at Peiping, Major T. Imai, Major Ohmoto, Special Officer at Kalgan, Lt. Colonel Wachi, Special Officer at Taiyuanfu, Shansi, Major Hayama, said to be Special Officer at Paot'ou, Suiyuan, and Lt. Colonel Ishino, Special Officer at Tsinan, Shantung. Major General Matsumoro was also reported to have attended the conference.

Information

-2-

Information given in strict confidence yesterday to Consul Ward of this office indicates that at this conference the Japanese military in North China resolved to:

- ✓ (1) Expand the (Japanese) military forces in North China;
- ✓ (2) Gain control of the communications of Hopei and Chahar Provinces;
- ✓ (3) Gain control of and develop the economic and industrial resources of North China;
- ✓ (4) Create an independent sovereignty in North China.

To effect the first objective set forth above it was agreed that the Japanese troops in North China should be expanded to number 10,000 men before the coming August, and that, also before that time, about three times that number of friendly Chinese forces - Chinese troops under Japanese influence - should be added to the Chinese forces already in this Province.

To bring about the control of communications in Hopei and Chahar - the second objective - it was agreed that

- a. the Peiping-Changte section of the Peiping-Hankow Railway,
- b. the Tientsin-Tsinanfu section of the Tientsin-Pukow railway,
Shan-chow?
- c. the Peiping-Yukuan section of the Peiping-Liaoning Railway, and
- d. the whole line of the Peiping-Suiyuan Railway

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

-3-

should be freed from the control of the Ministry of Railways at Nanking.

Also in connection with the accomplishment of the second objective, it was decided to press for the rapid construction of the Tsingchow-Shinkai-chuang Railway. Funds of the South Manchurian Railway Company should be made available for this purpose, it being understood that the S.M.R. would control the line after its completion. The construction of modern highways connecting all important cities and towns in the Provinces of Hopei and Chahar should be rushed, and upon their completion a system of bus lines should be put into operation connecting those cities, these bus-lines to be run by the South Manchurian Railway Company or a subsidiary.

Further provision was said to have been that the inland navigation on the five rivers of Hopei Province should be placed under the control of the "Autonomous Government of East Hopei". The informant offered no explanation of this apparently illogical provision.

Toward the third objective - control of the economic and industrial resources of North China - it was decided that the Yokohama Specie Bank, and the Bank Union of Japan, should be assisted to gain effective control of the financial and economic situation in North China, while steps should be

taken

DECLASSIFIED: E.O. 11652, 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-

taken to force the cotton weaving and spinning factories of the two provinces into the hands of the San Ching, San Lin, and Ta Tsang Companies of Japan.

To reach the fourth objective - the creation of an independent sovereignty in North China - two lines of action were determined upon: first, to expel all Northeastern troops from Hopei and Chahar, and second, to work for the establishment of the closest possible relations with the authorities of South-west China in order to so weaken General Chiang K'ai-shek as to make it impossible for the Central Government to prevent the establishment of a completely independent state in North China.

The Embassy will understand that the foregoing statement, which purports to be a summary of the proceedings of the Japanese Military Conference at Tientsin, is quite possibly wholly fictitious and may have been given to Consul Ward with a view to his reporting it in detail as facts reliably reported to him. It is, however, Mr. Ward's opinion that if this very circumstantial account is not in all its essentials true - and it may well be so - it possesses in the present political situation in North China so striking a quality of verisimilitude, as to make it in effect the shadow of the truth, if not the truth itself.

Respectfully yours,

David C. Berger,
 American Consul.

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

800
RSW:HK

Five copies to Department under cover of
unnumbered despatch dated May 2, 1936.
Copy to Embassy, Nanking.

A true copy of
the signed original.
JK

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

No. --

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

any FE
 Division of
 FAR EASTERN AFFAIRS

JUN 3 - 1936

Department of State

AMERICAN CONSULATE GENERAL

Tientsin, China, May 5, 1936.

CONFIDENTIAL

SUBJECT: Political Situation in North China.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

I have the honor to transmit herewith a copy
 of my despatch No. 203 of today's date, addressed
 to the Embassy, Peiping, on the subject of
 "Political Situation in North China".

Respectfully yours,

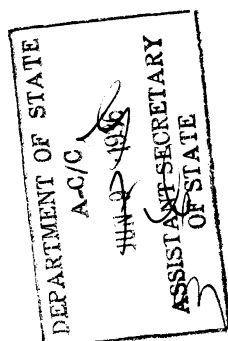
David C. Berger
 David C. Berger,
 American Consul.

Enclosure:

1. Copy of despatch No. 203,
 to Embassy, Peiping.

800
 RSW:HK

In quintuplicate to Department.



4 Carbon Copies
 Received

JUN 10 1936

FILED

F/FG

793.94/7935

793.94

RECEIVED
 DEPARTMENT OF STATE

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

NO203

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin, China, May 5, 1936.

CONFIDENTIAL

SUBJECT: Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate
 General's strictly confidential despatch No. 202,
 dated May 2, 1936, and further in connection with
 the present political situation in North China, to
 report that according to information supplied to
 Consul ward through Chinese official sources here,
 the Japanese military authorities are becoming ex-
 asperated with the slowness with which General
 Sung Che-yuan is permitting the realization of
 their alleged aims in Huapei*, and have determined
 upon

* 华北, literally, "North China". The term designates the area of North China bounded on the south and west by the Yellow River, (generally including all of Shantung) and on the north by the Great wall. It originated in Japan, where it is said that in university courses on the political geography of 支那 (Chih Na-China) this country is divided into Huapei, Huachung (华中 - Central China), Hua Nan (华南 - South China), and Hua Hsi (华西 - Western China). The present very wide use of this terminology is believed to be a significant expression of the extent to which Japanese political aims in China have already been achieved: witness the allegedly Japanese-directed agitation in Fukien and Kwangtung for "Autonomy" for "Huanan", and the recurrent references to the possibility of the establishment of a "Huapeikuo" in North China.

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

-2-

upon his elimination.

Mr. Ward's informants, who are close enough to the more Japanophile of the higher local officials to be in a position to estimate more or less accurately the temper of the Japanese military, state that General Tada desires to place General Shih Yu-san in General Sung's place, while a second faction, headed by another high ranking Japanese officer, believes that Yin Ju-kong, the present self-appointed "Governor" of the "Autonomous Government of East Hopei", should be given the post. The plan of this latter group is to procure Yin's appointment to the Chairmanship of the Hopei Provincial Government or to the Tientsin Mayoralty as one of the arrangements incidental to the settlement of North China issues which is now being negotiated. He would then be progressively advanced until General Sung, shorn of even the appearance of power, could be removed entirely from the stage of North China politics.

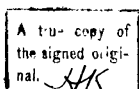
While both of the informants referred to accept General Sung's eventual elimination as inevitable, neither expects it to occur for another six months.

Respectfully yours,

David C. Berger,
 American Consul.

800
 RSW:HK

Five copies to Department under cover of
 unnumbered despatch dated May 5, 1936.
 Copy to Embassy, Nanking.



086F

DECLASSIFIED: E.O. 11652, 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. ---

For Distribution Check
11
Ward
5/11/1936

AMERICAN CONSULATE GENERAL

Tientsin, China, May 5, 1936.

1936
793.7962

SUBJECT: Japanese Aviation Field and Barracks
at Tientsin.

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

THE HONORABLE
THE SECRETARY OF STATE
WASHINGTON.

Division of
FAR EASTERN AFFAIRS
JUN 3 - 1936
Department of State

RECEIVED
DEPARTMENT OF STATE

1 27
PM
2
JUN 3 1936

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE

I have the honor to transmit herewith a copy
of my despatch No. 205 of today's date, addressed
to the Embassy, Peiping, on the subject of "Japan-
ese Aviation Field and Barracks at Tientsin".

Respectfully yours,

David C. Berger
David C. Berger,
American Consul.

Enclosure:
1. Copy of despatch No. 205,
to Embassy, Peiping.

800
RSW:HK

In quintuplicate to Department.

793.94/7936

FILED
JUN 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

No. 205

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin, China, May 5, 1936.

SUBJECT: Japanese Aviation Field and Barracks at Tientsin.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's despatches No. ¹⁹⁰⁴189 of April 15 and No. ¹⁹⁰⁴190 of April 16, 1936, concerning the construction of a Japanese aviation field and barracks on a site near the International Race Course in Tientsin, and to report that another visit to that site today revealed that work is being carried on there at the same intensive pace, and that such progress has been made as to make it appear probable that the barracks will be ready for occupancy in the course of another thirty or forty days. The walls and a part of the roofs of ten or more buildings have already been completed. These structures are of one story, and are being built in the shape of a rectangle, surrounding an inner court into which a newly-constructed road leads.

Work is also being carried forward on the roads
 giving

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

-2-

giving access to the barracks, and another and shorter road connecting them with the surfaced road to the present airfield at the International Race Club is being laid.

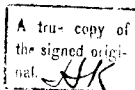
It is believed worthy of note that the aviation field and barracks are situated near the old East Arsenal which is used as a barracks by the French troops and is across the river and some three miles distant from the Japanese Concession.

Respectfully yours,

David C. Berger,
American Consul.

800
RSW:HK

Five copies to Department under cover of unnumbered despatch dated May 5, 1936.
Copy to Embassy, Nanking.



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
June 4, 1936.

~~MMH:~~
~~MMH:~~

Tientsin's despatch of May 8, 1936, encloses a memorandum setting forth remarks made by a local American lumber man to the effect that the Japanese were building barracks in Tientsin to accommodate 5,000 troops and that construction of a three million dollar cotton mill in Tientsin was planned by the Japanese. The lumber man stated that he was glad the Japanese were going to take over North China.

JCV
JCV/VDM

0870

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

No. ---.

793.94
 note
 893.7962

AMERICAN CONSULATE GENERAL

Tientsin, China, May 8, 1936.

CONFIDENTIAL

SUBJECT: Japanese Barracks and Aerodrome
at Tientsin.

For Distribution-Check		Yes	No
Grade	For	To field In U.S.A.	<input checked="" type="checkbox"/>
	Ward	ONI - MID	<input checked="" type="checkbox"/>

THE HONORABLE

THE SECRETARY OF STATE

RECEIVED
 DEPARTMENT OF STATE
 JUN 2 5 PM 1 51

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

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

Division of
 FAR EASTERN AFFAIRS
 JUN 3 - 1936
 Department of State

I have the honor to transmit herewith a copy
 of my despatch No. 210 of today's date, addressed
 to the Embassy, Peiping, on the subject "Japanese
 Barracks and Aerodrome at Tientsin."

Respectfully yours,

David C. Berger
 David C. Berger,
 American Consul

DEPARTMENT OF STATE
 A-C/C
 JUN 9 1936
 ASSISTANT SECRETARY
 OF STATE

Enclosure:

1. Copy of despatch No. 210
 to the Embassy, Peiping.

Original and four copies to the Department.

800
 RSW:mhp

4
 Original

793.94/7937

FILED
 JUN 10 1936

F/FG

0 8 7 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

No. 210.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 8, 1936.

CONFIDENTIAL

Subject: Japanese Barracks and Aerodrome
at Tientsin.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this Consulate
General's despatch No. 205/⁷⁹³⁶ dated May 6, 1936, con-
cerning the construction, on a site near the Inter-
national Race Course in Tientsin, of Japanese mili-
tary barracks and an aerodrome, and further in that
connection to transmit a copy of a confidential
1/- memorandum covering a conversation between a local
American lumber merchant and Consul Ward of this
office on certain phases of the construction pro-
ject reported upon in the despatch under reference.

Respectfully yours,

David C. Berger,
American Consul.

Enclosure:

1. Copy of confidential memorandum,
as stated.

Copy to Embassy, Nanking.

Five copies sent to Department by despatch No. ---
dated May 8, 1936.

800
RSW:mhp

A true copy of
the signed origi-
nal. *May 9*

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

Enclosure to despatch No. 210 of David C. Berger,
 American Consul, Tientsin, China, dated May 8, 1936,
 to the Embassy, Peiping, entitled "Japanese Barracks
 and Aerodrome at Tientsin."

American Consulate General,

Tientsin, China, May 6, 1936.

CONFIDENTIAL

M E M O R A N D U M

Subject: Conversation with a local American
lumber merchant with reference to
the Japanese barracks now under
construction.

This morning I called by appointment on a local American business man in the lumber trade here to investigate a report* that the lumber being used in the construction of the new Japanese barracks near the International Race Course in Tientsin had been purchased through his firm.

The individual in question confirmed this report and told me confidentially that he had already delivered 750,000 feet on his first contract with the Fukusho Company, who were the contractors on the project, and that he had just made a second contract for an additional 300,000 feet, all of which is to be used for construction work on the site in question. He stated that he had calculated that the lumber delivered on the first contract was sufficient to construct a one-story building 40 feet wide and 4,000 feet long.

He could not say for what purpose the additional

300,000

*Brought to my attention by Vice Consul Lincoln C. Reynolds of this Consulate General.

087

DECLASSIFIED: E.O. 11652, 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 -

300,000 feet was being purchased but he supposed that the contractors had either been ordered to enlarge their original plans for the barracks or that the construction of an aerodrome was contemplated. This second contract must be completed within three weeks my informant stated. He said that the Japanese in the Fukusho firm with whom he had dealt had told him that they were under contract with the Japanese military garrison in Tientsin to complete work on the barracks by the end of May and that they had been told to expect the arrival in June of 5,000 Japanese troops who were to be housed in the barracks.

The informant stated that because of the shortage in time the buildings were being put up in a very wasteful manner and in the cheapest and flimsiest way. He does not believe that they can stand for more than two years and he says that the contractors themselves state that the barracks are only temporary ones.

He further stated that the Fukusho Company was expected to be commissioned to build the large Japanese cotton mill which is to be erected in the Fourth Special Area on the site next to the Texaco installation and that they intend, if they do get the contract, to build a \$3,000,000 plant.

My informant then went on to say that he personally was strongly in favor of Japanese domination in North China. His views, he said, might not be the same as those of other business men here but he had

lived

DECLASSIFIED: E.O. 11652, 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 -

lived in China for thirty years and knew the Chinese were incapable of governing themselves and that complete Japanese control of North China would greatly stimulate trade. He gave as an instance of the superiority of Japanese management the cotton mill which is to be constructed in the Fourth Special Area and to which reference has already been made. "You can believe that when they get that mill up they will run a real mill," he said. In contrast to that, he stated, was the Yu Yuan Cotton Mill, a big plant which was now idle because the treasurer had absconded with all the money. Five years after the Japanese come they will have a road 80 feet wide from Tientsin to Mukden, he believes; there will be no bandits, and North China will be safe for life, property and business. He had been, he said, in the Far East when Korea was taken by the Japanese. That country was a stink-hole of iniquity before the Japanese came and now every little rice mill throughout the land has an electric motor. When they came the Koreans who did not like it were stood up against the wall until they learned better than to be so critical and now they have a marvelous country. It will be the same in North China, my informant alleges.

Robert B. Ward,
 American Consul.

A true copy of
 the signed original.
Ward

0875

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

in confidence
COPIES SENT TO
O.N.I. AND M.I.D.
June

No. ----.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 9, 1936.

CONFIDENTIAL

SUBJECT: Political Situation in North China.

For Distribution-Check		Yes	No
Grade	<i>VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
For	<i>W.O.I.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
To field In U.S.A.		<input checked="" type="checkbox"/>	<input type="checkbox"/>

W.O.I. C N + H I P

RECEIVED
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

FILE
Division of
FID EASTERN AFFAIRS
JUN 3 - 1936
Department of State

JUN 2 PM 1:16
1936 JUN 2

I have the honor to transmit herewith a copy
1/- of my despatch No. 211 of today's date, addressed
to the Embassy, Peiping, on the subject "Political
Situation in North China."

Respectfully yours,

David C. Berger
David C. Berger,
American Consul.

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

Enclosure:

1. Copy of despatch No. 211,
to the Embassy, Peiping.

800
RSW:mhp

4 carbon copies
Received *2-7-36*

793.94/7933

FILED
JUN 10 1936

F/FG

No. 211.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 9, 1936.

CONFIDENTIAL

Subject: Political situation in North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

ir:

I have the honor to refer to this Consulate General's confidential despatch No. 203, dated May 5, 1936, concerning the negotiations reported to be in progress between the ranking officers of the Japanese military establishment in North China and the authorities of the Hopei-Chahar Political Council, and further in that connection, to report that according to a statement made last night to Consul Ward by an official in the Tientsin Municipal Government, the negotiations referred to have not resulted in an agreement.

The informant quoted alleges that the Nanking Government has taken a very determined stand against any further concessions to the Japanese in North China. He alluded to the presence of 20,000 Central Government troops in Shensi, to the fact that the control of that province had to all intents and purposes passed into the hands of General Chiang Kai-shek, and

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

- 2 -

and to the extensive preparations which it was reported here in Tientsin that Chiang was making - apparently for war - and stated that these considerations could not but have some effect on the course of the negotiations and the attitude of the Chinese participating in them, if not of the Japanese.

The informant quoted a phrase which has appeared in much of the student and other anti-Japanese literature which has been circulated in North China during the last six months, to the effect that all Chinese should turn the muzzles of their rifles outward. He believes that this propaganda has had some effect and does represent a considerable sentiment among Chinese.

General Sung Che-yuan himself has not completely "sold out" to the Japanese, according to the informant. The General holds his position dear and hopes to retain it, and is inclined to overestimate the value of money, but he remains nevertheless a Chinese at heart, the official quoted believes, and is giving way before the Japanese as slowly as possible.

It has therefore not so far been possible, the informant continued, for the two sides in the present negotiations to reach any agreement.

The attention of the Embassy is respectfully invited to the fact that the views set forth above are those of an apparently sincere and patriotic Chinese and may therefore reflect rather his own character than the actual facts, but they are believed to be of some value insofar as they are the statement

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 an official who is at least in a position to say
whether the negotiations to which he referred have
as yet resulted in an agreement.

Respectfully yours,

David C. Berger,
American Consul.

Copy to Embassy, Nanking.
Five copies sent to Department by despatch No. ---
dated May 9, 1936.

800
RCW:mhp

A true copy of
the signed origi-
nal. WFO

0879

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

TELEGRAM RECEIVED

*file
rgc.*

FS

1-1330

FROM

GRAY & SPECIAL GRAY

Hankow via N. R.

Dated June 3, 1936

Rec'd 11:10 a. m.

Secretary of State

Washington.

Division of
 FAR EASTERN AFFAIRS
 JUN 3 - 1936
 Department of State

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

793.94

163, June 3, 9 a. m.

One. An officer of the Embassy was informed late yesterday by a responsible official of the Foreign Office that (a) the Japanese were apparently not (repeat not) intending to make a serious issue of the alleged bombing on the railway near Chungliangchen May 29 and, (b) the bombing was still a mystery which had not been solved even in such details as time of occurrence since it had been reported by Japanese only and Japanese military had proceeded to the scene thereby preventing investigation by others.

Two. He stated that (a) Sung Che Yuan and Hsiao Chen Ying had recently been on point of quitting under Japanese pressure which had been exerted to that end for some time; (b) Hsiao had pleased the Japanese for long but it was impossible for any one, even a character such as Hsiao, to please them forever and he was now definitely out of their good graces; (c) there was a probability that Sung would be forced by the Japanese from control of the

Hopei

793.94/7939

FILED

JUN 5 - 1936

F/FG

*WB
12-16-37*

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

FS 2-No. 163, June 3, 9 a. m. from Nanking

Hopei-Chahar Council either by direct pressure or by pressure upon Hsiao whose "resignation" would result in Sung's "resignation"; (d) it was definitely expected the Japanese military would move soon in this direction and trouble would ensue as a result only of ~~any~~ overt action on the part of the Japanese; (e) the National Government was doing what it could to maintain the status quo. While he did not mention what steps in last connection were being taken by the Government we learn from another reliable official source that ^{as} (f) a temporary makeshift the Government is increasing its financial "support" of Sung and Hsiao in order to keep their loyalty for a little longer and to encourage them to continue resisting Japanese pressure.

WB
12-16-37

WB
12/16/57

Three. Informant confirmed first two sentences of paragraph one (c) of Peiping's ^{793.94/7822} 287, May 29, 4 p. m. and said that all formal discussions concerning increase of Japanese garrisons in North China were being conducted at Tokyo but were quite useless as there was no hope of persuading the Japanese to abandon their position.

Four. Referring to Suma's statement to Kobe press May 30 (carried by Reuter) that he had told Chiang Kai Shek the situation in China was such that China must choose

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

FS 3-No. 163, June 3, 9 a. m. from Nanking

choose between mutual interdependence with Japan or war, informant said Suma had not (repeat not) made any such remark to Chiang and the Japanese Embassy officials in Shanghai, with exception of the Military Attache, deprecated Suma's press statement which was the most audacious ever made by a diplomatic secretary and was in the nature of both a bluff and an attempt by Suma to curry favor with the Japanese military.

Five. No student ^{Agreement} ~~agitation~~ in Nanking has been reported.

Six. To Department and Peiping, by mail to Tokyo.

HPD

PECK

(*) Apparent omissions

WAB
12-16-37

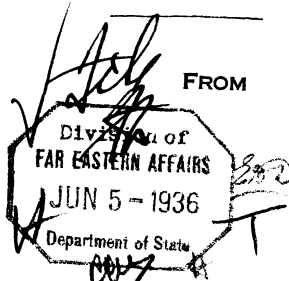
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

TELEGRAM RECEIVED

1-1386

FROM

FS



SPECIAL GRAY

Nanking via N. R.

Dated June 4, 1936

Rec'd 8:05 p. m.

793.94

Secretary of State,
 Washington.

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

166, June 4, noon.

One. We are confidentially informed by official of the Foreign Office that: (One). Japanese dissatisfaction with Sung Che Yuan recently brought forth an offer from Chiang Kai Shek to appoint Wu Pei Fu in his stead. (Two). This proposal was rejected and countered by a request for the appointment of Anfu Party leader and former President, Tsao Kun. (Three). Chiang countered this by replying that appointment of Tsao Kun would necessitate stationing of National Government troops in Hopei, since Tsao Kun lacked troops of his own. (Four). The question therefore remains unsettled.

Two. To Department and Peiping.

S:SI MECC

PECK

FILED
 JUN 8 - 1936

793.94/7940

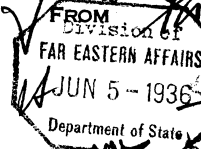
F/FG

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

TELEGRAM RECEIVED

MP

1-1386

GRAY AND SPECIAL
GRAY

Nanking via N.R.
 Dated June 4, 1936
 Rec'd 6:35 p.m.

Secretary of State,
 Washington.

165, June 4, 11 a.m.

One. National Government officials, including Vice Minister for Foreign Affairs deny any declaration or threat of war against Nanking by the southwest as reported by Domei from Canton, June 2, although it is true Southwest Executive Committee and Political Council on June 2, despatched a joint telegram to the National Government (A) protesting against increase in Japanese North China garrisons; (B) denouncing Japanese aggression; (C) expressing fear that Peiping and Tientsin are going the way of Manchuria; (D) pledging full support if the National Government resists the Japanese with armed force, (E) urging the National Government to "lead the nation in a fight against the aggressors".

Two. We are informed by one Chinese official in the confidence of high National Government leaders that the Domei report that National Government troops were massing on the Kwangsi and Kwangtung borders as a threat against those two provinces was designed as a smoke

screen

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

793.94/7941

FILED
 JUN 8 - 1936

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793.94
 893.00

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

MP

2-No.165 From Nanking June 4, 11 a.m.

screen for an autonomous movement in Southern Fukien which was now crystalizing, with Japanese assistance, as the result of activities of Formosans and certain "rebel" Chinese. He said that the concentration of National Government troops in areas bordering Kwangsi and Kwangtung was primarily motivated by this autonomous movement, presumably with a view to (A) suppressing it or; (B) preventing its spread into Hunan and Kweichow whose loyalty has at times been open to some question. (Domei's statement of troop movements, which he confirmed as being correct in general outline, was that fourteen divisions are concentrated in Kiangsi, five divisions are (?) in Hunan on the Kwangsi-Kwangtung border, and further units are being rushed from Chekiang to Southern Fukien, the total numbering 350,000 not including air reserves said to have been concentrated in Kweichow although within Hengchow, Hunan).

Three. The stationing of troops on the Kwangsi border for the purpose of action in Southern Fukien is difficult to understand and he ^{said} ~~stated~~ in this connection ^{that though} ~~the~~ troop movements might also act indirectly to persuade the Southwestern leaders to adopt Nanking's point of view concerning (?) which had been ^{reiterated} ~~regulated~~ informally by the delegation of Nanking officials sent to attend funeral rites for the late Hu Han Min. The desiderata in this connection

155-2

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

MP

3-No.165 From Nanking June 4, 11 a.m.

connection were reported by Domei as "demands" of Chiang Kai Shek: (A) abolition of Southwestern Political Council and Executive Committee; (B) placing of all Southwestern administrative organs under control of Nanking Executive Yuan; (C) incorporation of Southwestern troops into the National Government military organization; (D) unification of currency; (E) remittance to Nanking of National taxes; (F) appointment ^{by} ~~at~~ Nanking of all high military and civil officials in the Southwest. According to the informants these were not demands but "suggestions" and the joint telegram sent June 2 by the Southwestern Political Council and Executive Committee was part of the process of bargaining between the Southwest and Nanking in connection therewith.

Four. To Department, Peiping, Canton. By mail to Tokyo.

PECK

HPD

155-3

0881

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

TELEGRAM RECEIVED

BC

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

Peiping

Dated June 4, 1936

Received 5:54 AM

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
JUN 5 - 1936
Department of State

*Paraphrased copies of Section 1
of confidence*
COPIES SENT TO
O.N.I. AND M.I.D.

282 June 4, 3 p.m.

Embassy's 275, June 2, 4 p.m. / 7929

One. The Chinese mentioned in Embassy's despatch
No. 118, / 7589 December 6, 1935, returned from Nanking a few
days ago and has since then been conversing with local
leaders. Information obtained from him this morning is
contained in paragraphs two to seven inclusive of this
telegram. Section two follows.

JOHNSON

KLP

Independence of Hopei and Chahar

793.94/7942

FILED
JUN 8 - 1936

156-1

793.94
with
893.00

0 8 8 7

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

TELEGRAM RECEIVED

FS

1-1226

FROM

SPECIAL GRAY

Peiping via N. R.

Dated June 4, 1936

Rec'd 9:03 p. m.

Secretary of State,
Washington.

282, June 4, 3 p. m. (BEGINNING SECTION TWO).

Two. The crisis of last week in Sung's regime had to do with the question of the independence of Hopei and Chahar from the National Government. Sung Che Yuan had made up his mind to declare independence. As a result of the strong opposition of Sung's military subordinates, Sung was forced to change his mind and decided against independence.

Three. Although Hsiao Chen Ying is pro-Japanese he is opposed to independence. The so-called Kirin group is on the side of the military subordinates in this question.

Four. However, the traitor group is in favor of independence and its strength comes from having the support of the Japanese. The three chief traitors are Pan Yu Kuei (an Anhwei man), Chen Chueh Sheng, (a Kwangtung man) and Chen Chung Fuch (a Kwangsi man). Of these three, Pan Yu Kuei is now the most important.

Five.

156-2

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

FS 2-W. 282, June 4, 3 p. m. from Peiping

Five. Hsiao Chen Ying's opposition to independence was the reason why the Japanese attempted to force his resignation as mayor of Tientsin. (Hsiao returned to Peiping last night and local officials doubt that he will resume his duties in Tientsin.)

sp Six. As Sung has ^{definitely} ~~already~~ decided against independence, the next move is apparently to be made by the Japanese. This may take the form of subversive activities which will make it difficult for Sung to remain here. If Sung has to fight, his policy will probably be to retreat while fighting in the direction of Honan.

Seven. Chen Chung Fu (paragraph 6 of above-mentioned telegram) has gone to Canton. (He left Peiping May 27.) His purpose was to inform Canton that Sung would declare independence and to attempt to obtain a simultaneous declaration of Southwestern independence. Chen may have influenced the Southwest in its manifesto of June 2 demanding war with Japan. Sung, however, will not declare independence.

KLP:WWC

JOHNSON

156-3

0 8 8 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

CONFIDENTIAL

P A R A P H R A S E

CONFIDENTIAL

Section one of a telegram (No. 282) of June 4, 1936,
from the American Ambassador at Peiping, reads sub-
stantially as follows:

Information obtained from a reliable Chinese well
known in educational circles in Peiping who returned a
few days ago from Nanking and since then has been talking
with leaders in Peiping is contained in section two of
this telegram.

egc.
FE:EGC:EJL

FE

6/5/36

156-4

0890

DECLASSIFIED: E.O. 11652, 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 be-
 fore being communicated
 to anyone. (A)

Secretary of State,
 Washington.

167, June 5, 10 a. m.

Cabinet official informed me confidentially June 4,
 6 p. m., that Kwangtung does not wish to oppose the
 National Government actively but that Kwangsi is exerting
 great pressure to that end. Informant stated that Kwangsi
 is being supplied by Japan with munitions on liberal terms
 and with advisers. Object of Japan is to create dis-
 union in China and destroy ability of the National Govern-
 ment to resist Japanese domination. Informant conceded
 the possibility that the two Kwangsi leaders, while
 accepting Japanese assistance in opposing Nanking, may
 have secret intention of using this military aid ultimately
 against Japan itself. (I infer he foresaw possibility the
 Chinese Government might accept Kwangsi challenge to lead
 nation against Japan.) He said Japanese tactics are ex-
 emplified by recent disclosures to the government by Fu
 Tso Yi, provincial chairman of Suiyuan, of secret offers
 made to him by Japanese military who promised munitions
 and money in exchange for openly declaring independence or
 secretly

FROM Nanking
 Dated June 5, 1936

Rec'd 3:56 a. m.
 Division of
 FAR EASTERN AFFAIRS

JUN 5 - 1936
 Department of State

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

793.94/7945

FILED

793.94
 note
 793.00

157-1

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

TELEGRAM RECEIVED

FS No. 167¹⁹⁶⁰, June 5, 10 a ~~FROM~~ from Nanking

secretly arranging to permit Japanese military dispositions in Suiyuan in preparation for future domination of Mongolia and Japanese hostilities with the Soviet Union. If second course were adopted Fu would be allowed to issue violently anti-Japanese manifestoes. Informant implied that the Kwangsi manifesto demanding that the Chinese Government fight Japan accordingly did not necessarily irritate the Japanese. Informant felt that Fukien is a danger spot of Japanese intrigue and was greatly depressed by the impossibility of foreseeing where Japan's next attack would be. He insisted Japan does not want to deal any mortal blow to China nor goad China into open war but wants rather to wear down China's powers of resistance through continual undermining.

WTC:KLP

PECK

157-2

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

PARAPHRASE

A telegram dated June 5, 1936, from the American Embassy at Nanking reads substantially as follows:

At 6 p.m., on June 4, the Counselor of the American Embassy at Nanking was confidentially informed by an official of the Cabinet that it is not the desire of Kwangtung actively to oppose the National Government but that great pressure is being exerted to that end by Kwangsi. According to the Counselor's informant Japan is furnishing Kwangsi with advisers and with munitions on liberal terms. Japan's aim is to bring about dissension in China and to undermine the National Government's ability to withstand the domination of Japan. The informant admitted that there is a possibility that the two leaders in Kwangsi, although accepting the aid of the Japanese in opposing the National Government, may secretly intend the use of this military assistance eventually against Japan. (The Counselor states that he infers that the informant foresaw the possibility that the challenge of Kwangsi to be the leader of the nation in opposing Japan might be accepted by the Chinese Government.) The informant said that an example of the tactics of the Japanese is the disclosure recently made by the provincial chairman of Suiyuan, Fu Tso Yi, to the government, of offers made secretly to him by the Japanese military. Money and munitions were promised by the military in return for an open declaration of independence or a secret arrangement to allow
 military

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

- 2 -

military dispositions by the Japanese in Suiyuan as a step toward domination in the future of Mongolia and hostilities between the Soviet Union and Japan. Should the second course be adopted the issuance by Fu of violent anti-Japanese manifestoes would be permitted. It was implied by the informant that the Japanese were not necessarily annoyed by the manifesto from Kwangsi which demanded that Japan be fought by the Chinese Government. It was felt by the informant that a danger spot of intrigue by the Japanese is Fukien and he was very much depressed by not being able to foresee where the next attack by Japan would be. He maintained that Japan does not wish to give any mortal blow to China nor to force China into an open war but desires rather, by continuous undermining, to wear down the resistive powers of China.

REK
FE:REK

157-4
huta
FE
mm/ld

DECLASSIFIED: E.O. 11652, 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

157-6

A telegram dated June 5, 1936, from the American Embassy at Peking reads substantially as follows:

At Peking, on June 4, the Counselor of the American Embassy at Peking was confidentially informed by an official of the Cabinet that it is not the desire of Kwangtung actively to oppose the National Government but that great pressure is being exerted to that end by Kwangsi. According to the Counselor's informant Japan is furnishing Kwangsi with advisers and with munitions on liberal terms. Japan's aim is to bring about dissension in China and to undermine the National Government's ability to withstand the domination of Japan. The informant admitted that there is a possibility that the two leaders in Kwangsi, although accepting the aid of the Japanese in opposing the National Government, may secretly intend the use of this military assistance eventually against Japan. (The Counselor states that he infers that the informant foresaw the possibility that the challenge of Kwangsi to be the leader of the nation in opposing Japan might be accepted by the Chinese Government.) The informant said that an example of the tactics of the Japanese is the disclosure recently made by the provincial chairman of Suiyuan, Hu Tso Yi, to the government, of offers made secretly to him by the Japanese military. Money and munitions were promised by the military in return for an open declaration of independence or a secret arrangement to allow

157-6 military

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

- 2 -

military dispositions by the Japanese in Suiyuan as a step toward domination in the future of Mongolia and hostilities between the Soviet Union and Japan. Should the second course be adopted the issuance by Ku of violent anti-Japanese manifestoes would be permitted. It was implied by the informant that the Japanese were not necessarily annoyed by the manifesto from Kwangsi which demanded that Japan be fought by the Chinese Government. It was felt by the informant that a danger spot of intrigue by the Japanese is Fukien and he was very much depressed by not being able to foresee where the next attack by Japan would be. He maintained that Japan does not wish to give any mortal blow to China nor to force China into an open war but desires rather, by continuous undermining, to wear down the resistive powers of China.

157-6

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

TELEGRAM RECEIVED

MP

GRAY AND SPECIAL GRAY

Peiping via N.R.

Dated June 4, 1936

Rec'd 9:30 p.m.

1-1320

FROM

Division

FAR EASTERN AFFAIRS

JUN 5 - 1936

Department of State

Secretary of State,

Washington.

284, June 4, 5 p.m.

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

One. The following telegram was received last night from the Consul at Tsingtao.

"The local Japanese community continues to be greatly agitated by an incident involving Chinese and Japanese which occurred here May 29. Demands are being made on Chinese authorities. In present state of Japanese mind this incident may well be the incipient stage of serious difficulties".

Two. The Consul reported in a despatch of June 2 that the incident is alleged to be the beating by two Chinese students of a 9 year old Japanese girl at the play ground of the Japanese first primary school; that according to a Chinese official a probably slight assault had been made as the two students were provoked by the girl's throwing sand at them; that the Executive Committee of the Tsingtao Japanese Residents' Association met on May 30 to discuss the incident and subsequently requested the Japanese Consul General to present certain demands to the

793.94/7944

JUN 5 - 1936

FILED

79394

DECLASSIFIED: E.O. 11652, 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

MP

2-No.284 From Peiping June 4, 5 p.m.

FROM
 Tsingtao Chinese authorities; that it is understood the Japanese Consul General has taken the matter up with the Chinese authorities and has made certain representations; that the Japanese are apparently extremely dissatisfied with the Chinese view that the affair is a children's quarrel; that the Japanese appear determined to maintain the contention that the assault is a direct result of the present Chinese system of education which inculcates anti-Japanese spirit among the Chinese school children; and that there was nothing to indicate at the time of the writing of the despatch that the Chinese would not be able to arrive at a satisfactory settlement of the case provided the Japanese do not pursue their contention of an anti-Japanese spirit of the Chinese schools.

By mail to Tientsin.

JOHNSON

KLP

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 9, 1936

~~M. M. H.~~

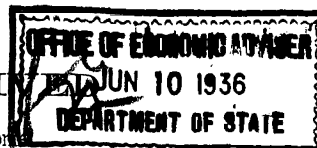
~~S. R. H.~~

It may be well to
 make this enquiry of London
 but I shall be surprised
 if the Italian report of
 a projected British loan to
 China is based on fact.

rcu

DECLASSIFIED: E.O. 11652, 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



FE
WLE
SA

MJD

Room

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

FROM

Dated June 8, 1936.

Rec'd. 6:57 a. m.

JUN 11 1936

Secretary of State,
Washington.



Telegram to London
rec'd

190, June 8, 10 a. m.

Italian editorial comment on the Sino-Japanese situation is wholly impartial as regards the respective merits of Nanking, Canton and Tokyo. By implication, however, it takes a stand against Japan in deploring the paralysis of European diplomacy in the Far East as a result of European division over the Ethiopian affair and in urging Europe to get together before its prestige in the Far East definitely disappears. Virginio Gayda, the Government spokesman, describes in a tone of benevolent comprehension Japan's program and expansion in China, the hesitation of the Nanking Government to provoke war and the nationalist (not, he insists, Communist) spirit of the Canton Government and then says that it had from the beginning been obvious that England's exaggerated concentration on the Ethiopian affair would work to the detriment of British and general European interests in China. He believes that England now, however, shows signs of abandoning her recent ambiguous policy in the Far East,

793.94/7945

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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- #198, June 8, 10 a. m. from Rome.

Far East, noting that the projected loan of 1,200,000 pounds to China seems to signify a definite anti-Japanese stand and remarks that this coincides with diminished tension in Europe. The new movement of return to European solidarity, he says, is the direct result of realization of the damage done by the quarrel over Ethiopia and while it comes late in the day it may still be in time to save at least some of Europe's threatened positions in world affairs.

The American attitude, as reported by the United Press, is referred to in news despatches but there is no comment. Editorials, however, frequently couple the Pan American movement and the Far East situation as equal indications of Europe's waning prestige. (End Gray)

CONFIDENTIAL. Members of the Japanese Embassy here profess that no immediate importance should be ascribed to the recent warlike declaration on the part of the Canton Government.

KIRK

KLF

0901

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

Hunter College of the City of New York

Park Avenue and Sixty-eighth Street

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

Sir:

RECEIVED
DEPT OF STATE
JUN 8 AM 9 51

DIVISION OF
COMMUNICATIONS
AND RECORDS

June 8, 1936
Division of
FAR EAST AFFAIRS
JUN 8 1936
Department of State

June 8, 1936

June 12 1936

Ans'd

I have six relatives, all American citizens, who are actively engaged in teaching in Yenching University, Peiping, China. This University is headed by Dr. Leighton Stuart, also an American citizen. It is located about 10 miles from Peiping, and within shooting range of the invading Japanese.

file
E.P.C.

793.94/7946

I trust that the United States Government, through your offices, is keeping a close watch over the events in the Orient and will, in the event of further Japanese aggression, either take action to protect American citizens or to see that they evacuate the territory.

Very sincerely yours,

Roberts Rugh
Roberts Rugh

793.94

FILED
JUN 15 1936

FD

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

June 12 1936

In reply refer to
FE 793.94/7946.

Mr. Roberts Rugh,

Hunter College of the City of New York,
Park Avenue and Sixty-eighth Street,
New York, New York.

Sir:

The receipt is acknowledged of your letter of June 8, 1936, with regard to the safety of certain of your relatives who are teachers at Yenching University, Peiping.

Information now available to the Department does not give ground for anxiety concerning the present safety of Americans in and near Peiping. You may be assured that American representatives in China are watching developments in that country closely with a view to affording protection to American citizens there if the situation should warrant such action. Our diplomatic and consular officers in China have standing instructions under which they advise, whenever in their opinion conditions justify such action, American citizens

793.94/7946

DECLASSIFIED: E.O. 11652, 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 -

citizens to withdraw from endangered areas.

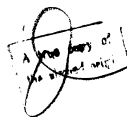
Very truly yours,

For the Secretary of State:

M. M. Hamilton
 Maxwell M. Hamilton,
 Acting Chief,
 Division of Far Eastern Affairs.

eqc.
 FE:EGC:REK
 6/12/36

FE



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

TELEGRAM RECEIVED

MED

FROM

GRAY

PEIPING VIA N.R.

Dated June 9, 1936

Received 11:07 a.m.

Secretary of State
 Washington

Div. of
 FAR EASTERN AFFAIRS
 JUN 9 - 1936
 Department of State

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

295, June 9, 4 p.m.

Embassy's 284, June 4, 5 p.m. / 7744

Consul at Tsingtau reports in despatch 127, June 5,
 that a settlement of incident of May 29, was reported
 as follows: (one) apology by Mayor to Japanese Consul
 General; (two) apology by Chinese student ^{assailant} ~~assaulting~~
 and parent to victim, her parents, and her school
 principal; (three) reprimand of Tsingtau director of
 Education, dismissal of school principal, and ex-
 pulsion of assailant from school; (four) payment of
 solatium; and (five) assurance that the Municipal
 Government will adhere to principle of maintaining
 friendly ^{Sino-} ~~Japanese~~ relations, particularly in
 educational ^{spheres} ~~regulations~~, so as to prevent recurrence.

By mail to Tokyo.

JOHNSON

HPD

793.94/7947

Sfu

FILED
 JUN 12 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

TELEGRAM RECEIVED

1-1336

FROM

FS

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

75
WE

DEPARTMENT OF WESTERN EUROPEAN AFFAIRS
JUN 16 1936
DEPARTMENT OF STATE
Paris

Dated June 12, 1936

Rec'd 6:08 a. m.

Secretary of State,
Washington.

489, June 12, 10 a. m.

STRICTLY CONFIDENTIAL.

Following is reported as of possible interest to the Far Eastern Division. An officer of the Embassy in conversation with an officer of Chinese Embassy here who is an old friend was informed that Koo was under instructions to sound out the representatives of the principally interested powers at Geneva as to their reaction should the National Government be forced by the action of Canton to go to war with Japan. The informant expressed firm conviction that the National Government would fight Japan rather than engage in civil war with Canton and said that every effort was now being made to restrain Canton until the reaction of the interested powers could be ascertained.

Repeated to Geneva.

WTC:HPD

WILSON

158-1

793.94/7948

FILED
JUN 18 1936

F/FG

793.94
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893.00

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

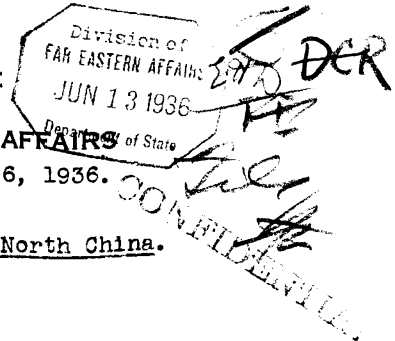
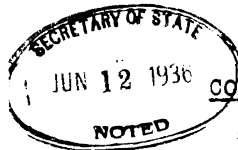
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

June 6, 1936.

Subject: The Situation in North China.



Mr. Secretary.

793.94
 Developments in Sino-Japanese relations during the week in review, although not conclusive, indicated that Japanese demands for the independence of Hopei and Chahar from the Chinese Government may be expected to precipitate a crisis in North China in the near future. Press and official reports from South China described moves on the part of the Southwestern (Cantonese) authorities calculated to embarrass the Chinese (Nanking) Government in its present difficult position vis-à-vis Japan.

Official reports indicate that the arrival of Japanese reenforcements and student demonstrations in North China have created a tense situation. According to the Embassy at Peiping, serious dissension has arisen among the Chinese leaders in the Hopei-Chahar Council over the urgent question of yielding to Japanese pressure for a declaration of autonomy by the Council. Those officials opposed to autonomy appear to have persuaded the Chairman of the Council (Sung Che-yuan) not to declare autonomy. The Embassy states that "the next move is apparently to be made by the Japanese" and that this move "may take the form

793.94/7949

FILED
 JUN 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 -

form of subversive activities which will make it difficult for Sung (and his troops) to remain" in North China.

(Should Sung be forced to retire from Hopei it is probable that "friendly" Chinese troops under Japanese control now stationed in the East Hopei autonomous area will replace Sung's troops.)

Of interest in connection with the North China situation is the denial by the British Embassy, in response to an official Japanese charge, that a British soldier had killed a Japanese in Peiping on May 26. A secretary of the British Embassy informed the American Embassy that the Japanese Embassy had been insolent and aggressive in handling the affair.

Although the recent action and motives of the Southwestern authorities are obscure, reports seem to indicate (1) that the Southwest has urged the Chinese (Nanking) Government to resist with force Japanese aggression in North China, (2) that there is some possibility of an independence movement in South China, and (3) that the mobilization of the Southwestern troops, whether for the purpose of coercing Chiang Kai-shek into fighting Japan or simply for the purpose of invading territory now controlled by Chiang, in effect may be expected to embarrass the Nanking Government in its present difficult position vis-à-vis Japan. Whether or not the Japanese have a hand in these developments is not known but it is understood that the authorities of Kwangsi Province, who are reported 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

- 3 -

to be taking the lead in recent developments, are being supplied with munitions and military advisers by Japan.

It is to be noted that a large portion of the lurid press reports from South China are from Japanese sources and may be interpreted as inspired by a desire to give an impression of a state of confusion in Chinese politics and to weaken the position of the Chinese Government. The Southwestern authorities are probably motivated by (1) animosity toward Chiang Kai-shek and the Nanking Government and (2) hostility toward Japan; and their present attitude is a result of these two motives. It is possible that Canton's attitude and action may either (a) force the Nanking Government to resort to military means to resist Japanese aggression or (b) result in civil warfare between Nanking and Canton. However, at this moment, it would be unwarrantable to predict that either of these possible developments will eventuate.

S. K. P.

JCV: 321/4
FE:JCV:MMH/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

MED

1-1330

GRAY AND SPECIAL GRAY

FROM

PEIPING VIA N.R.

Dated June 12, 1936

RECEIVED 2 p.m.

Secretary of State,
Washington

Division of
FAR EASTERN AFFAIRS
JUN 13 1936
Department of State

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

301, June 12, 3 p.m.

Embassy's 282, June 4, 3 p.m. / 7942

One. The situation in North China is again becoming tense. Sino-Japanese conversations are in progress in Tientsin. Lieutenant General Sugiyama, Vice Chief of the General Staff at Tokyo until March of this year, and Lieutenant Colonel Tanaka, representative of Lieutenant General Itagaki, Vice Chief of Staff of the Kwantung army, arrived at Tientsin June 11. (Sugiyama's visit was originally scheduled to take place early this year. Reference paragraph 3 of Embassy's 21, January 16, 4 p.m.) Kuwashima, Director of the Bureau of Asiatic Affairs of the Japanese Foreign Office, also arrived at Tientsin yesterday.

Two. It is understood that these officers will visit Sung Che Yuan at Peiping within a day or two.

Three. Chinese observers believe that Japanese pressure on Sung is being increased for the purpose

of causing

793.94/7950

FILED
JUN 15 1936

F/F/G

159-1

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

MED - 2 - #301, June 12, 3 p.m. from Peiping

of causing him to sign an agreement of significant scope. These observers are of the opinion that the Japanese are not (repeat not) pressing at present for the complete independence of the regime but for an autonomy and for a regularization of Japanese relations with the regime.

Four. Japanese reports indicate that the Japanese military continue to contend that the situation in North China is still unsatisfactory because of the ^{threat} ~~(?)~~ of communism, anti-Japanese activities, Chinese attitude toward smuggling, and slow rate of progress in carrying out economic schemes of advantage to the Japanese.

Five. The uncertainty existing at present with regard to the relations of the National Government and the Southwest is regarded as weakening Sung's power to resist Japanese pressure.

Six. The attitude of Sung toward the situation in the South appears to be one of merely watching developments. Representatives of the National Government have visited him during the past few days and he has received, according to a reliable source, two telegrams from Pai Chung Hsi severely critical of Chiang Kai Shek. Some of Sung's civilian subordinates

are

159-2

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

MED - 3 - #3301, June 12, 3 p.m. from Peiping

are understood to be in sympathy with the Southwest but it is not (repeat not) known to what end they may attempt to influence Sung.

Seven. The attitude of Sung's military subordinates is equally doubtful. They are understood to contemplate armed resistance to the Japanese at some time. Such resistance, however, seems to be doubtful, notwithstanding a report to the effect that Han Fu Chu has recently informed Sung that he will support the latter in armed resistance.

Eight. These subordinates are presumably displeased that their efforts to prevent Hsiao Chen Ying's resignation from the Mayorship of Tientsin under Japanese pressure have failed. Hsiao is now (in?) ^{kills} to the western (?), and it seems to be definite that he will not resume his duties as Mayor. It is reported that he has resigned from his other offices also.

Nine. Chi Hsieh Yuan is now rumored as a possible successor to Hsiao as Mayor. Chi was military Governor of Kiangsu at one time and is said to be an enemy of Chiang Kai Shek. Chi is understood to have been participating in the recent Sino-Japanese conversations at Tientsin. It is reliably reported that the Japanese have handed the Chinese authorities a list

159-3 of nineteen

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

MED - 4 - #301, June 12, 3 p.m. from Peiping

of nineteen Chinese whom they do not (repeat not)
wish to become Mayor of Tientsin.

Ten. The bombing incident of May 29 near
Tientsin has not yet been made use of by the
Japanese so far as known.

By mail to Tokyo.

JOHNSON

KLP:HPD

159-4

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRUY

Rome

Dated June 13, 1936

Rec'd 9:35 a. m.

Secretary of State

Washington.

209, June 13, 11 a. m.

My 198, June 8, 10 a. m.

The STAMPA publishes an interview with the Japanese Ambassador to Rome in which the Ambassador said that Japan did not desire aggression but demanded a right to live. She was ready for war if the need arose but did not seek war as a matter of prestige. He spoke at length of the internal disorder in China which reacted against neighboring states, adding "I admit that a number of things in solving Japanese relations must be corrected to eliminate the present abnormal situation; but the best remedy will always be the reestablishment of order in the interior of China by the Chinese themselves". He also referred to the danger of Communism saying that while the internal organization of any country was not Japan's business she was prepared for radical action if any possibility of contagion arose. The leaders of the Japanese army did not desire war for war's sake but naturally

DIVISION OF WESTERN
EUROPEAN AFFAIRS

JUN 16 1936

DEPARTMENT OF STATE

DIVISION OF
FAR EASTERN AFFAIRS
JUN 13 1936
Department of State

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793.94/7951

JUN 18 1936

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

FS 2-No. 209, June 13, 11 a. m. from Rome

naturally regarded surgical methods as the surest and quickest cure of the ill. "On the other hand, we diplomats have a medical mission: we must seek to identify the causes of the malady and cure them with mild means. But even the most prudent doctor may occasionally be forced to agree that a surgical operation is indispensable."

Since my telegram under reference there have been only two articles of any importance on the Far East. The TRIBUNA says the situation in China is one phase of the Anglo-Japanese duel and only in that way can many aspects of the situation be explained. A former Italian Minister to China expresses more or less the same view in the MESSAGGERO but finds England's policy hampered by the position of her dominions, especially Australia which would be relieved to see Japan kept busy in China. He adds that the United States, France, Holland and England herself might, under a certain aspect, be similarly relieved in view of their respective interests in the Philippines, Indo-China, in the Dutch Indies, and in Hong Kong, Singapore and the Sunda Islands. As to the United States, he says that her investments in China are only about one sixth those of Great Britain, her investments in Japan almost secure her investments

in

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

FS 3-No. 209, June 13, 11 a. m. from Rome

in China and her exports to Japan secure those in China; the Americans being a practical people, they are rather skeptical towards any proposal for a united anti-Japanese front with England. He concludes, however, that when an international dispute becomes acute one is at the mercy of the slightest incident.

KLP

KIRK

0916

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

For Distribution Check			
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Ward.		ONI-MP	

No. ---.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 20, 1936.

CONFIDENTIAL

SUBJECT: Increase in Japanese Garrison in North China.

793.94
note
293.0146

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Division of
FAR EASTERN AFFAIRS
JUN 16 1936
Department of State

5
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DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to enclose a copy of my despatch No. 221 to the Embassy, Peiping, dated May 20, 1936, entitled "Increase in Japanese Garrison in North China."

Respectfully yours,

David C. Berger
David C. Berger,
American Consul.

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

Enclosure:

1/- Copy of despatch No. 221
to the Embassy, Peiping.

Original and four copies to Department of State.

800
RSW:mhp

4 copies
Received

FILED
JUN 18 1936

F/FG

0917

DECLASSIFIED: E.O. 11652, 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. 221.

AMERICAN CONSULATE GENERAL,

Tientsin, China, May 20, 1936.

CONFIDENTIAL.

Subject: Increase in Japanese Garrison in
North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peking.

Sir:

I have the honor to refer to this Consulate
General's strictly confidential despatch No. 202, ¹⁷⁹³⁴
dated May 2, 1936, and in confirmation of reports
which have appeared in a local and vernacular press
to inform the Embassy that on the nights of May
14-15 and 15-16, in each case between 12 midnight
and 1 o'clock a.m., two contingents of Japanese
troops arrived in Tientsin and marched directly
from the station to the Japanese barracks at Hai-
kwangssu in which barracks they are apparently
being quartered.

This Consulate General has not yet come into
possession of a reliable statement of the number
of these troops but it is believed that the two
detachments numbered more than a thousand.

An officer attached to this Consulate General
was in the Japanese Concession on the night of May

15-16

DECLASSIFIED: E.O. 11652, 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 -

15-16, and received at that time what purported to be a reliable report that two thousand Japanese soldiers were proceeding through the Japanese Concession to the barracks at Hailwangssu. He proceeded by car to the reported line of march, but although the large Japanese arc-lamps marking the way for the incoming contingent were still flooding with light the street over which the soldiers had just passed, he arrived too late to see the actual troops themselves.

Certain Chinese in Tientsin, who would probably be in a position to know, state that there are two hotels in the Japanese Concession which are being used as quarters for part of these troops. No confirmation of this statement has been possible, however.

An officer of this Consulate General has made two visits since Friday, May 18, to the new Japanese barracks* which are under construction beyond the International Race Course to the east of Tientsin, and has satisfied himself that no Japanese troops are as yet quartered in those barracks, which are still uncompleted - glass window panes, et cetera, being still lacking.

Reliable information, which has just become available to this Consulate General, indicates that the movement of relatively large contingents of

Japanese

See also this Consulate General's despatches Nos. 188, 190, 205, and 210, dated April 18, 16, May 5 and 8, 1936, respectively.

0919

DECLASSIFIED: E.O. 11652, 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 -

Japanese troops into Tientsin may be complemented by a gradual infiltration of smaller groups. The unheralded arrival of over 60 Japanese soldiers at the Tientsin East station on the four o'clock train yesterday afternoon from Hanhaiwan may be an instance of such a tendency. They marched directly to the Japanese Concession from the station. Fifteen Japanese officers arrived on an earlier train yesterday afternoon.

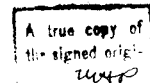
Further information on Japanese troop movements in North China will be transmitted to the Embassy promptly upon its receipt by the Consulate General.

Respectfully yours,

David C. Berger,
American Consul.

Copy to Embassy, Nanking.
Five copies sent to Department by despatch No. ---
dated May 20, 1936.

SCC
ASW:mhp



0921

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

For Distribution-Check		Yes	No
Grade	111		<input checked="" type="checkbox"/>
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In U.S.A.			

No. ---

AMERICAN CONSULATE GENERAL

Tientsin, China, May 21, 1936.

SUBJECT: Arrival of Lieutenant General Tashiro,
Commander of the Japanese North China
Garrison, in Tientsin.

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

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

Division of
 FAR EASTERN AFFAIRS
 JUN 1 6 1936
 Department of State

SIR:

I have the honor to transmit herewith a copy
 of my despatch No. 225 of today's date, addressed to
 the Embassy, on the subject of, "Arrival of Lieutenant
 General Tashiro, Commander of the Japanese North China
 Garrison, in Tientsin".

Respectfully yours,

David C. Berger
 David C. Berger
 American Consul

Enclosure:

1. To Embassy, dated May 21, 1936.

800
 RSW:sfa

Original and four copies to Department.

RECEIVED
 DEPARTMENT OF STATE
 JUN 15 1936
 A-C/C
 ASSISTANT SECRETARY
 OF STATE

1936 JUN 15 PM 12 24
 DIVISION OF
 FAR EASTERN AFFAIRS
 JUN 15 1936

793.94/7953

FILED
 JUN 22 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. 225

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

1. Despatch
May 21, 1936
 American Consulate General
 at Tientsin, China.

AMERICAN CONSULATE GENERAL

Tientsin, China, May 21, 1936.

SUBJECT:

Arrival of Lieutenant General Tashiro,
Commander of the Japanese North China
Garrison, in Tientsin.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's despatch No. 221, dated May 20, 1936, concerning the increase in the number of Japanese soldiers to be garrisoned in Tientsin, and, as a matter of record, and in confirmation of accounts appearing in the local vernacular and English-language press of yesterday, to report that at four o'clock on the afternoon of May 19, Lieutenant General Tashiro, the Imperially-appointed commander of the Japanese North China Garrison, arrived at the Japanese bund in Tientsin. He had come up from Tangku in an armored motor-launch, and was greeted at the bund by a salute of nineteen guns. A large crowd had gathered to meet him, Hsiao Chen-ying, the Mayor of Tientsin, and Ch'en Chueh-sheng, the Managing-Director of the Peiping-

Liaoning

DECLASSIFIED: E.O. 11652, 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 -

Liaoning Railway, being the leading Chinese officials present. Both the Bureau of Public Safety of the Tientsin Municipality and the Municipality itself supplied large Chinese bands, which struck up in unison the Japanese national anthem as soon as the sound of the salute-firing had died away. At the conclusion of a brief welcoming ceremony, the Lieutenant General proceeded on horseback to the official residence of the commander of the garrison.

Respectfully yours,

David C. Berger,
 American Consul.

800
 RSW:sfa

Copy to Embassy, Nanking.
 Five copies to the Department under cover of
 unnumbered despatch dated May 21, 1936.

A true copy of
 the signed origi-
 nal. SPC

DECLASSIFIED: E.O. 11652, 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. 469

Peiping, May 21, 1936.

Subject: Strength of Japanese Forces and
Position of Major General Kawabe.

793.94
note
893.0146

For Distribution Check		Yes	No
Grade	To file in U.S.A.		<input checked="" type="checkbox"/>
For			
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1936 JUN 15 PM 1 29

DIVISION OF
COMMUNICATIONS
AND RECORDS

2/CONF
Division of
FAR EASTERN AFFAIRS
JUN 16 1936
Department of State

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

Sir:

I have the honor to refer to my telegram No. 252/7912 of May 20, 5 p.m., with regard to the increase in the strength of Japanese forces in North China and the position of Major General Masakazu (Shozo) Kawabe, new Commandant of the Japanese Embassy Guard and commander of an infantry brigade, and to forward a copy of a communication of May 17, 1936, addressed to me by Lieutenant Colonel A. A. Vandegrift, Commandant of the American Embassy Guard, enclosing a

copy

793.94/7934

JUN 18 1936

FILED

F/FG

1/

0924

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

- 2 -

copy in translation of a communication of May 13, 1936,
from the retiring Commander of the Japanese North China
Garrison, Lieutenant General Hayao Tada, with regard to
the increase of military strength and the position of
Major General Kawabe.

The obscurities of Lieutenant General Tada's letter
were somewhat clarified in the above-mentioned telegram.

Respectfully yours,



Nelson Trusler Johnson

Enclosure:

Lt. Colonel Vandegrift's
communication of May 17,
1936, with its enclosure.

701

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

LES-SC

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

ENCLOSURE NO. 1
469

CORRECT COPY
SC

UNITED STATES MARINE CORPS
HEADQUARTERS
MARINE DETACHMENT, AMERICAN EMBASSY
PEIPING, CHINA 17 May, 1936.

In replying
refer to No.
GCT/rjc

The Honorable Nelson T. Johnson,
American Ambassador,
American Embassy,
Peiping, China.

Dear Mr. Johnson:

I have the honor to transmit herewith a
copy of a letter received from Lieutenant General H. Tada,
Commanding the Japanese Troops in North China, dated 13 May,
1936.

I have the honor, Sir,
to be,
Your obedient servant,

(Signed) A. A. Vandegrift
A. A. Vandegrift
Lieutenant Colonel, U.S. Marine Corps,
Commandant American Embassy Guard.

Enclosure:

(Translation)

Tientsin, May 13th, 1936.

Sir,

I have the honor to inform you that, taking the advantage of our trooping season, it has been decided to increase the strength of the Japanese Army forces stationed in China about more than double in number and the newly despatched Japanese contingents are expected to disembark at C.W.T. or Tangku from the middle of May till the end of the present month and that although the Commander of our infantry troops in Peking was formerly in charge of the protection of the Japanese Embassy there the General Officer Commanding the Japanese Infantry Brigade now arriving in China will take the above responsibility in future.

Major General Shozo Kawabe, Commander of the afore-said Brigade, will arrive at Peking on May 16th, 1936, and I shall be grateful if you will be good enough, after his arrival there, to extend your friendship to the above officer.

As to further particulars, General Kawabe will be instructed some time in future to arrange with other Foreign Commandants concerned in his capacity of the senior

092F
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

Commandant of the Foreign Legation Guards in Peking
for necessary subjects.

I have the honor to be,

Sir,

Your obedient servant,

(Sd.) H. Tada, Lt. General,

Commanding.

CERTIFIED A TRUE COPY:

G. C. Thomas

G. C. Thomas,
Captain, U.S. Marine Corps.

DECLASSIFIED: E.O. 11652, 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. 476

Peiping, May 22, 1936.

Subject: Conversation with Mr. T. Hagiwara
on Sino-Japanese Relations.

CONFIDENTIAL

193.94

SEARCHED	INDEXED
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JUN 1 1936	
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1936 JUN 15 PM 1 40

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COMMUNICATIONS
AND RECORDS

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Division of
FAR EASTERN AFFAIRS
JUN 16 1936
Department of State

ASSISTANT
SECRETARY
OF STATE

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

Sir:

I have the honor to enclose a copy of a memorandum of a conversation between Mr. T. Hagiwara, Third Secretary of the Japanese Embassy at Shanghai, and a member of my staff in regard to certain phases of the present day Sino-Japanese relations and the Japanese incident of February 26, 1936.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson

Enclosure:

FILED
JUN 22 1936

193.94/7935

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

- 2 -

Enclosure:

- 1/ Copy of memorandum of conversation,
May 18, 1936, Shanghai, between Mr.
T. Hagiwara and Mr. Cecil B. Lyon.

Original and 4 copies to the Department.
Copy to American Embassy, Nanking.

710

CBL/rd

4-1000
Received 11

2

0925

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

1
476

MEMORANDUM OF CONVERSATION

Shanghai, May 18, 1936.

Present: Mr. T. Hagiwara, Third Secretary of
the Japanese Embassy, Shanghai;

Mr. Cecil B. Lyon.

In conversation with Mr. Hagiwara I informed him that while in Tokyo a newspaper man had advised me to build a bomb-proof shelter in my house in Peiping. He laughed and said he did not think it would be necessary but added that one never knew what the Japanese army was going to do. I said that I should think they would be afraid of some of the young hot-headed chauvinists creating a situation which would result in war. He admitted that this was true, but he said that the internal situation in Japan was so serious that it required considerable attention. He then talked of the incident of February 26, 1936, and said that while he sincerely believed that the motives of the young soldiers were pure, certain other army officers in power attempted to use the situation to their own advantage. In other words, certain high army officers, and in this connection he later stated that he was referring to General Mazaki, while they were not connected with the incident when it started, nevertheless when they found that the insurrectionists held certain government buildings, etcetera, endeavored to take advantage of that situation to further their own ambitions. Mr. Hagiwara said that he understood that General Mazaki is now under arrest. I asked him whether or not he felt that the opinion expressed by the insurrectionists was held by other members

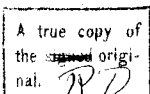
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 2 -

members of the Japanese army. He said that he thought to a large extent it was and that the same opinion was held to a large extent by the masses throughout Japan, particularly the farmers whose situation is desperate. He said that he hoped the other powers would realize the very unfortunate situation in which Japan is at present, for, as he said, there is no use pretending that the situation is under control, or trying to explain away what has occurred. I asked him his opinions of smuggling and he laughed and replied, "Are not we the most favored smuggling nation?" When I told him that my wife had taken a house at Chinwangtao for the summer, he replied that we should find living there very cheap.

Referring to Mr. Kawagoe, Mr. Hagisara said that some of the reasons for his appointment were the delicate manner in which he had dealt with the army in Tientsin, the fact that his entire career had been spent in China and that he spoke excellent Chinese.

CBL/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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 461

Peiping, May 19, 1936.

Subject: Alleged Sino-Japanese agreement with
regard to communism in North China.

CONFIDENTIAL

confidence
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J.N.I. AND M.I.D.

For Distribution-Check		Yes	No
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DEPARTMENT OF STATE

1936 JUN 15 PM 1 17

DIVISION OF
COMMUNICATIONS
AND RECORDS



793.94/7956

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

Sir:

I have the honor to enclose a copy of a confi-
1/ dential despatch of May 13, 1936, addressed to me by
the Counselor of Embassy at Nanking, in which he re-
fers to his telegram to the Department No. 133, May 12, 4 p.m., reporting a statement made by a responsible
official of the Ministry of Foreign Affairs to the ef-
fect that reports had been received that a Sino-Japa-
nese agreement with regard to communism had been

concluded

F/FG

FILED
JUN 18 1936

- 2 -

concluded on May 6 in North China, and in which he states that, according to that official, the agreement provides for (1) the stationing of Japanese troops along the three main railways in Hopei and Chahar, (2) the appointment of Japanese advisers to all political organs in North China, (3) an independent financial administration in North China, (4) an educational commission in North China, (5) the abolition of the East Hopei Anti-Communist Autonomous Government but the retention of Yin Ju-keng, and (6) the appointment of General Shih Yu-san as Chief Counselor of the Hopei-Chahar Political Affairs Council, in place of General Shih Ching-t'ing. (In regard to the sixth point, the informant presumably referred to the post of Chief Counselor of the Hopei-Chahar Pacification Headquarters, from which General Shih Ching-t'ing resigned recently as the result of a primarily personal difference with General Sung Che-yuan and to which was subsequently appointed General Chang Yao-t'ing, a subordinate of General Sung Che-yuan and the Chief of Staff of the 29th Army.)

As reported in my telegram to the Department No. /7901
243 of May 15, 3 p.m., available information in Peiping indicates that no agreement has yet been signed by the Japanese and General Sung Che-yuan or other members of the Hopei-Chahar Political Council.

The alleged provisions, however, are of interest as being perhaps indicative of what the Japanese military in North China are pressing General Sung Che-yuan

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

- 3 -

to agree to.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson

✓
Enclosure:

Nanking's despatch of
May 13, 1936.

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

710

LES-SC

4 carbon
Received EP

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

Nanking, May 13, 1936.

CONFIDENTIAL.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this office's telegram No. 133, May 12, 4 p.m. to the Department of State, concerning the reported conclusion of a Sino-Japanese "anti-communist agreement" in North China and the smuggling situation in that area.

Inquiry of the Chinese official mentioned in the telegram was made on the basis of information received from a local American resident who is intimately associated with Chinese in educational circles, to the effect he had heard that the conclusion of such an agreement had been reported by the Peiping office of the Control Yuan. According to this report the agreement was concluded on May 8, 1936, and the terms provided for: (1) the stationing of Japanese troops along the three main railways in Hopel and Chahar, i.e., the Peiping-Suiyuan, Peiping-Hankow and

Tientsin

DECLASSIFIED: E.O. 11652, 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 -

Tientsin-Pukow lines; (2) the appointment of Japanese advisers to all political organs in North China; (3) the setting up in North China of a financial administration which would be independent of the National Government; (4) the setting up of an educational commission to examine and revise primary and middle school text-books; (5) the abolition of the East Hopei regime, but not the elimination of Mr. Yin Ju-keng, who would continue to administer the East Hopei area; and (6) the appointment of General Chih Yu-san as chief counselor to the Hopei-Chahar Political Affairs Council in place of Mr. Shih Ching-ting.

This is but one of several stories concerning alleged Sino-Japanese negotiations in Tientsin and Peiping which have reached Nanking and may be of interest as indicating, in general, the character of such reports.

Respectfully yours,

Willys R. Peck,
 Counselor of Embassy.

Original and five copies to Peiping.

800.

GAjr:MM

A copy of
 the signed original
 is in the file

mmmm

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

DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS

June 22, 1936.

~~EHD:~~

~~MDH:~~

~~SKH~~

Tokyo's 1865 of May 28, 1936, in regard to Sino-Japanese relations, discusses a rumor to the effect that in the not distant future Japan would present an ultimatum to China which would precipitate war. The evidence cited by the Embassy in support of this rumor is unconvincing, with the exception of Suma's statement, already reported to the Department, that China must choose between interdependence with Japan or war.

I do not think you will benefit by reading this despatch.

*For this is the man who, some
 hours ago, circulated the
 rumor that the Anglo-Japanese
 793.94/7957 is to be released.*

WY
 WTR/DLY

0937

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

No. 1865.

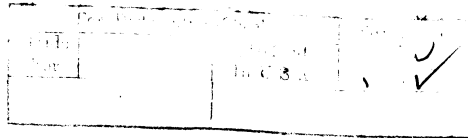
AMERICAN EMBASSY
Tokyo, May 28, 1936.

SUBJECT: SINO-JAPANESE RELATIONS.

RECEIVED
DEPARTMENT OF STATE

1936 JUN 15 PM 1 12

DIVISION OF
COMMUNICATIONS
AND RECORDS



STRICTLY CONFIDENTIAL

file etc.



793.94

793.94/7957

The Honorable
The Secretary of State,
Washington.

Sir:

Some three or four weeks ago the Embassy received a report that Mr. Jan Fabius, a correspondent in Tokyo for several newspapers in the Netherlands, was circulating a rumor to the effect that in the not distant future Japan would present a note, more or less in the nature of an ultimatum, to China; that China would be unable to accept this note or ultimatum; and that the result would be armed conflict between the two countries.

The

JUN 23 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

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The context of the note or ultimatum was not given, but it was stated that it would be presented either in June or September of this year. As Mr. Fabius has a reputation for disseminating unreliable rumors, the Embassy was not inclined to credit this report, but nevertheless has been endeavoring quietly to obtain information either confirming or denying the rumor. It must be admitted that so far the evidence tends to confirm the rumor.

The following is an excerpt from a memorandum prepared by the Shanghai office of the Standard-Vacuum Oil Company, dated April 30, 1936, on the subject of the smuggling in North China:

"All these activities (smuggling) are directed with the one motive in view of embarrassing the Chinese Customs at Tientsin and to cut their revenues to practically nothing. At the same time these factors are serving to curtail greatly that part of the income which normally goes into the treasuries of the northern officials, a factor which is forcing them to bow further to Japanese influence and demands. Reports are prevalent throughout North China at the present time that some major political development is due to occur about June 1st, and it seems evident that a separate autonomous government will be declared under Japanese sponsorship at some date in the not too distant future. It also seems quite evident that a revision on duty schedules in Tientsin will come about at that time. This feature is causing us some concern at the present time."

In the course of a recent conversation on the general subject of travel conditions in China during the coming summer, the wife of the Counselor of the Chinese Embassy in Tokyo stated that she thought that it would be safe to plan to travel in China in June of this year; she was doubtful about the advisability of planning to travel there

in

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

- 3 -

in July or August; and advised the making of plans for a trip to China in September, because, as she said, "If anything is going to happen, it will have happened by that time". Upon being questioned as to the possibility of armed conflict with Japan, she stated definitely that the Chinese Government was "preparing as fast as possible" to resist further Japanese encroachments, but added that China was not yet ready to resist. (In this connection see Nanking's telegram to the Department, No. ^{893-00/13478} 110, April 29, 9 a.m.) She scouted the idea, however, of a war between Japan and Soviet Russia this year or in the near future.

The Embassy has received no intimation from any Japanese source that a new step is being planned in or with regard to China in the near future. With the severe repression of news and rumors under the martial law still obtaining in Tokyo, however, it is quite possible that reports of contemplated action would not reach the Embassy. The only official indication of new or renewed Japanese action in China is that implied in the decision to increase the Japanese garrison in North China to over double its previous strength (see the Embassy's ^{793-94/7913} telegram No. 111, May 23, 11 a.m.). In this connection there is enclosed a memorandum prepared by the Assistant Military Attaché of the Embassy, giving details of the forthcoming increase of the garrison.

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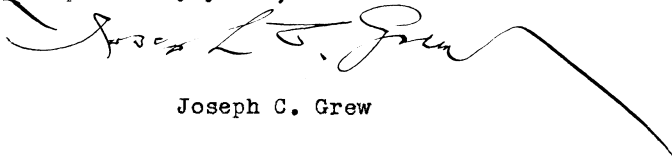
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
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- 4 -

The Embassy will continue to watch for indications of an impending clash between China and Japan and will report such developments as occur by mail or telegraph.

Respectfully yours,



Joseph C. Grew

Enclosure: Memorandum from the Assistant Military Attaché entitled "Increase in the North China Garrison".

710.

ERD:r

Copy to Embassy, Peiping
 Copy to Embassy, Moscow

P. S. May 30, 1936. This morning, after the above despatch had been typed and signed, the ADVERTISER published the enclosed article, quoting Mr. Yaichiro Suma, the Japanese Consul General at Nanking, as having stated, on landing at Kobe yesterday, that he had told General Chiang Kai-shek that "China must choose between mutual interdependence with Japan or war with Japan". The Embassy has endeavored to check the authenticity of this reported interview with Mr. Suma, but Domei, from whom the ADVERTISER obtained the story, states that the story came in that form from the Domei representative in Kobe, who is believed to be reliable. I imagine that we shall hear more of Suma's statement.

R

3 Carbon Copies
 12-18-75
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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 conversation with the British Ambassador this morning, Sir Robert Clive told me that towards the end of April Mr. Suma had said to the British Commercial Counselor in Shanghai, appropos of the question of smuggling, that the Japanese authorities in China would offer no assistance to improve this situation because the smuggling was a political not an economic issue and they considered it a perfectly reasonable method of exerting pressure on the Chinese Government to reduce the Chinese customs duties. Mr. Suma added that the incident of February 26 in Tokyo had served to consolidate and strengthen the determination of the Japanese army to proceed in China with a firm hand and that no improvement in the situation could be expected until the five northern provinces had become independent of Nanking. Mr. Suma said that the Chinese military preparations were absurd and a pure waste of money and that these preparations increased the risk of some "incident" which might take place at any time and result in open conflict.

The British Ambassador brought this conversation to the attention of the Minister for Foreign Affairs in Tokyo who said that there was no ground whatever for Mr. Suma's statement concerning the attitude of the Japanese Government towards the smuggling situation and as he considers Mr. Arita a strong man with definite opinions of his own, Sir Robert Clive thinks it quite possible

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

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possible that Mr. Suma had been recalled to Tokyo
as a result of his, Sir Robert Clive's, report of
the conversation described above.

[Handwritten signature]

3
Received *FR*

0946

DECLASSIFIED: E.O. 11652, 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. 1865 of May 28, 1936 from the
Embassy at Tokyo.

COPY.

May 23, 1936.

Increase in the North China Garrison.

1. The increase in the strength of the Japanese North China Garrison has been the subject of speculation for some time. As early as December 14th, this office forwarded a report based on a conversation with the War Office Liaison Officer who said that additional officers for the staff were sent to Tientsin because "of illness from overwork" among Headquarters officers. He further stated that "No increase in the strength of enlisted men (other than some small increase in military police) is contemplated".

2. On February 8 another report was forwarded which also was based on a conversation with the source mentioned above. This report gave the proposed organization of the North China Garrison as follows:

- a. One Infantry Brigade of Two Infantry Regiments. (Peace strength of Brigade about 3200 Officers and men)
- b. One field Artillery Battalion of Two Batteries. (Peace strength of battalion about 325 Officers and men)
- c. One Company (or platoon) of Engineers. (Peace strength of Company about 130 Officers and men)
- d. One Troop (or platoon) of Cavalry (Peace strength of Troop about 125 Officers and men)

3. On February 20th Imperial sanction was given for the replacement of all or part of the North China

Garrison

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

- 2 -

Garrison by "units" of the 5th Division which seemed to indicate that organizations would be sent instead of groups or unattached men.

4. The press announced that replacements from the 5th Division for the North China Garrison sailed from Ujina about April 8th and reached Tientsin and Peiping April 13th which was confirmed by the Military Attaché at Peiping who stated additionally that about 250 men were sent to Peiping and on the 18th about the same number left Peiping for Tangku for embarkation to Japan. The disposition of the other men are unknown.

5. Reports of Construction in Tientsin:

The following is an extract from a report received from the Military Attaché in Peiping dated April 24, 1936:

Construction of a large Japanese aerodrome, and military barracks reported capable of quartering over 10,000 troops, is being rushed to completion on the plain approximately one mile northeast of the International Race Course at Tientsin. This land has been cleared off and marked for the landing field, two miles of good road have been constructed connecting with the road to the race track. Metal sheeting, brick and other building materials have been hauled there and 1300 workmen are engaged under Japanese foremen. Chinese workmen state that the project must be finished in two months which substantiates rumors that the North China Garrison is to be materially increased in June when the annual replacements are made. Most recent of these rumors set the future strength at 10,000. A large part of the land being used is believed to be the property of the Peiping-Mukden Railway, while the contract for the construction work is said to be with a Japanese firm in Dairen.

A Japanese military barracks is also being constructed just north of Shihchiao near Kupeikow. Several hundred coolies from nearby villages have been recruited to do the work which is well under way and expected to be completed shortly. According to reports, this barracks will have 300 squad rooms and cost \$190,000 to construct.

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6. The Tokyo Asahi of May 16th stated that "the first contingent of Japanese replacements to be stationed in Peiping" arrived there on May 15th. This is interpreted as meaning the first arrival of troops under the new reorganization program though no mention of the number of the men or the place from which they were sent was made in the press dispatch.

7. The formal announcement of the increase in the North China Garrison was not published until May 15th by the War Office.

8. Conclusion:

The War Office Liaison Officer has consistently maintained that the North China Garrison, which before reorganization, was a composite Infantry and Artillery unit (strength estimated at about 2000) with the main force at Tientsin and Peiping (Embassy guards) and detachments along the railroad from Shanhaikwan and Peiping, would be increased in strength and reorganized as a "separate brigade" as outlined in par. 2 above.

In an interview at the War Office today he confirmed previous statements but said that it had been decided to increase the strength of the artillery to a regiment of two battalions of two batteries each or a total of 650 men.

The artillery will be two batteries of 75 mm. horse drawn and two batteries of 105 mm. howitzers. He further stated that the Air Corps wanted to maintain a separate organization at Tientsin but that it was probable that "only a small detachment of planes from the Kwantung Army" would

be

0946

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

- 4 -

be stationed in North China. Regarding the method of replacement the Liaison Officer said that replacements would come not only from the 5th Division but "from most divisions in Japan" and that headquarters groups would be organized in one division and that the men would probably come from another. He expected the organization to be completed late in June. Conversations with other Japanese officers indicate that small detachments of military police and communications personnel, confirmed by the Liaison Officer, would be added to the force at the same time. All Japanese officers, including the War Office Liaison Officer, emphatically deny the rumor that a division will be organized in North China.

It is the opinion of this office therefore that the North China Garrison will be increased in strength to about 4300 officers and men. The organization will be as shown in par. 2 with the possible addition of two more batteries of field artillery and small detachments of military police and communications personnel. In the event the field artillery regiment is organized with the normal complement of three battalions instead of two, the total strength would then be about 4675 officers and men.

For and in the absence of the
Military Attaché
(Signed) John Weckerling
Captain, Infantry(DOL),
Asst., Military Attaché

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

THE JAPAN ADVERTISER
 May 30, 1936.

CHINA MUST MAKE CHOICE, SAYS SUMA

Interdependence With Japan or
 War, Alternative Put Up to
 Chiang, He Asserts

NANKING INTENT DOUBTED

Chinese Should Recognize New
 Situation, Declares Consul-
 General, Returning Home

The situation is now such that China must choose between mutual interdependence with Japan or war with Japan. Mr. Yakichiro Suma, Japanese consul-general at Nanking, was quoted by Domei as declaring as he landed at Kobe yesterday afternoon from the N. Y. K. liner Taiyo Maru en route to report to Tokyo.

He has definitely stated this alternative to General Chiang Kai-shek, he added.

"For Japan to retreat one step would mean a general retreat," he said. "Japan must advance straight ahead with its immutable convictions."

Mr. Suma arrived at 4:30 o'clock yesterday afternoon and went immediately to Osaka, where he registered at the Hotel New Osaka. He was scheduled to board the Tsubame for Tokyo at 1 o'clock this afternoon.

Chinese Intentions Doubted

In the capital his mission was said to be to report to the Government on the latest developments in China preliminary to the departure of Mr. Shigeru Kawagoe to take up his post as Ambassador to China. Interviewed on the ship, Mr. Suma was quoted by Domei as follows:

"With the establishment of the new Chiang Kai-shek regime, General Chiang and Foreign Minister Chang Chun expressed their wish to co-operate with Japan on every occasion. Foreign Minister Chang also emphasized this in his speech on May 23.

"The Chinese, however, have failed to indicate any concrete plan for the regulation of Sino-Japanese relations, and they have shown no real intention of doing so, despite its vital importance. While declaring their intention of seeking a fundamental regulation of relations with Japan, they are attacking Japan over the so-called smuggling question, and expressing unjustified opposition to the increase in the strength of the Japanese garrison in North China.

"We regret this very much because such an attitude gives a false impression to the people. The situation in China is such that General Chiang and Foreign Minister Chang must come to an important decision. They must forget the past and give the Chinese people a proper grasp of the changes that have taken place in the situation. It is to be regretted that they are far from having such a grasp of the situation.

Interdependence or War

"The policy of Japan is based on the immutable conviction that the two countries must be brought closer together, not by abstract assurances of goodwill but by the actual inevitableness of interdependence between China and Japan. The situation is such that China now must choose between mutual interdependence with Japan or war with Japan. I have definitely stated this to General Chiang. The theory of a homogenous policy toward China, however, ignores the racial characteristics of the Chinese. In dealing with them, one must go slow, frankly and persistently impressing on them our true intentions.

"The final definitive decision of the Chinese has not been expressed because they are waiting to take advantage of the slightest opening when there are world fluctuations. A positive policy is required to dispel all uncertainty concerning Sino-Japanese interdependence.

"The problem of lowering the Chinese tariff is at present a difficult one. The enforcement of the law against smuggling itself is difficult, and there is fear that it would come to nothing. The new currency policy is working with unexpected smoothness. The fusion of the Southwestern faction with Nanking is not likely to result in anything momentous. At any rate, for Japan to retreat one step would mean a general retreat. Japan must advance straight ahead with its immutable convictions."

Date Set

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

SUBJECT OR FILE NO. 113,941/7958		DATE DUE	
DATE OF DOC.	DOC. NO.	SECURITY CLASS.	DATE CHARGED 4-4-52
TO/FROM		ENCLOSURES	
CHARGE TO <i>Quill</i> (Signature)		OFFICE SYMBOL 3X	

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

June 18, 1936.

WAD
MMH
 Nanking's despatch No. 159, May 9, 1936, encloses an English translation of an address made by General Feng Yu-hsiang at the supper meeting of the Methodist Fellowship, Nanking.

General Feng defined Christianity as a religion of protest or revolt. He observed, with reference to the educational backwardness of China's great masses, that whereas educated foreign soldiers may hesitate in the face of danger "Chinese soldiers on the contrary, are ignorant of dangers ahead and will bravely run forward as soon as they are ordered to assume the offensive."

In referring to Dr. Sun Yat-sen, General Feng stated that "I am positive that Dr. Sun has been the only one in the world who thoroughly understands the principles of our (the Christian) religion."

In conclusion, General Feng expressed the hope that "we shall strive to restore the glory of our race and the territorial entity of our country" bearing in mind that "our Lord once said that He could be killed physically but not spiritually."

(The address is short and may be read in its entirety with interest.)
 JWJCV/VDM

0945

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, May 9, 1936.

No.159.

Subject: General Feng's Christian Beliefs and the Japanese.

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DEPARTMENT OF STATE

1936 JUN 15 PM 1 40

DEPARTMENT OF STATE
A-C/O
JUN 10 1936
ASSISTANT SECRETARY
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copy FE
Division of
FAR EASTERN AFFAIRS
JUN 16 1936
Department of State

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

Sir:

General Feng Yu-hsiang, once named "The Christian General", is so well-known abroad that the enclosed synopsis of an address recently delivered by him at a social gathering held by American missionaries and the Chinese associates in Nanking has interest. It has been variously reported that General Feng abandoned Christianity for Communism and for Confucianism, but I inquired of the Mayor of Nanking recently whether General Feng is still a Christian and the Mayor assured me that he still is.

General

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JUN 24 1936

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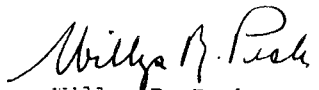
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

General Feng's remarks, as reported in the enclosure, show that his Christianity is militant and practical and strongly reenforces his nationalistic spirit as a Chinese patriot, especially his antagonism to the Japanese. He urges his fellow Chinese Christians to "shoulder the responsibility of restoring the well-being of the Chinese race and of removing the bondage of entire mankind".

Respectfully yours,

For the Ambassador:


Willys R. Peck,
Counselor of Embassy.

Enclosure: 

1. As stated.

Original and four copies to the Department
Copy to Peiping.

WRP/MCL

DECLASSIFIED: E.O. 11652, 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.

Speech of General Feng Yu-hsiang at the Monthly
 Supper Meeting of the Methodist Fellowship on
 May 2, 1936.

Trans. Hsi.

Christianity is also known as the Protestant religion. It is the religion to "protest" (kang yi 抗議), as interpreted in a good sense, or to "revolt" (tao ko 倒戈), as is the expression used by people accusing it. This religion is to protest or revolt against the Catholicism, since the Catholic Fathers of old days were treating the people cruelly. The new religion teaches doctrines of love, sincerity and peace.

A daughter of one of my American friends recently returned to Peiping from Hangchow. She wrote me a letter while passing through Nanking saying "How shall I address you? May I call you uncle?" I felt very much ashamed in reading her letter. In my reply, I stated the following:

"I am not at all qualified now to be your uncle. Your country, the United States, is rich and strong, while my country, China, having a population of 450 million, has been suffering from aggressions by a nation of only 60 million people. Just wait for a certain number of years when China and the United States are equally rich and strong, if I am still alive, you may then call me 'uncle'."

During the Great War, the Central Powers enrolled one-half and the Allies one-third of their population to serve in the rank, making a total of 60 million. China at present has a population of 450 million, including

presumably

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

- 2 -

presumably 50% female. If one-half of the men are enrolled, we shall have 112.5 million people available for conscription. This approximate figure is nearly twice as much as the total number of Europeans engaged in the Great War. Even if we take one from three, there are 80 to 90 million people available which number still exceeds that of the Great War participants. Although foreign nations, with their advanced science, are able to manufacture by machinery and electric power everything they need, they have no way to manufacture anything having the same physical strength and wisdom as a human being.

We can not deny that even though China has a large population we are far behind other nations in education, as most of our countrymen are uneducated. However, because of their very education the foreign soldiers, upon receiving orders to attack their enemy, may hesitate to abide by such orders if they feel that the enemy's machine-guns will be fatal to themselves and that they ought first to use field guns in the rear. Chinese soldiers, on the contrary, are ignorant of dangers ahead and will bravely run forward as soon as they are ordered to assume the offensive.

Once I met a foreign friend talking with me about peace. I told him that foreign Powers are accorded equal treatment by one another, while the Chinese have not been pardoned even when they have knelt down before others. Under these conditions there is no way to speak of peace. Certain foreigners have been stigmatizing the Chinese as inferior to the dogs in other countries. Though we are not willing to be insulted, this statement is more or less

true,

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- 3 -

true, especially in the case of the Chinese residing abroad.

The real spirit of Christianity rests on the term "opposition". When Dr. Sun Yat-sen was traveling in foreign countries, he was given the title "rebel", as he opposed the Ching regime. He was once questioned whether he was a Christian. He boldly answered in the affirmative and added that he was striving for freedom and equality for China and for entire mankind on the basis of his own doctrine of "love and sincerity" and with the spirit of our Lord, Jesus Christ, "love to all". I am positive that Dr. Sun has been the only one in the world who thoroughly understands the principles of our religion.

We should shoulder the responsibility of restoring the well-being of the Chinese race and of removing the bondage of entire mankind. I remember our Lord once said that He could be killed physically, but not spiritually. It is my hope that on the basis of these words we shall strive to restore the glory of our race and the territorial entity of our country. The airplanes and guns of our enemy may be very fierce, but if we disregard our sacrifice, we are sure to win the final victory.

Note: The above is a synopsis of an item appearing in the TA HUA EVENING POST, a Nanking daily, of May 3, 1936. An attendant at the meeting who listened to the speech of General Feng confirmed the truth of the item and added that General Feng also wrote a poem reading in translation as follows:

China

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- 4 -

China has been outraged by the Japanese

The latter invaded and occupied the
 Four East Provinces

Thirty million countrymen are being treated
 as slaves

Looking at one-another, tears fill
 their eyes.

We should follow the example of Tsai Ting-kai,
 our elder brother

Also that of Robert Short the late American
 martyr

Thus our life wont be purposeless

Nor will it be without value.

Hsi

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

Nanking May 9, 1936.

No. 189.

Subject: General Feng's Christian Beliefs and
the Japanese.

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

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General

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- 2 -

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Respectfully yours,

For the Ambassador:

Willis R. Peck,
Counselor of Embassy.

Enclosure:

1. As stated.

Original and four copies to the Department
Copy to Peking.

WRP/WOL

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

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Trans. Asi.

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"I am not at all qualified now to be your uncle.
 Your country, the United States, is rich and strong,
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- 3 -

presumably 50% female. If one-half of the men are enrolled, we shall have 112.5 million people available for conscription. This approximate figure is nearly twice as much as the total number of Europeans engaged in the Great War. Even if we take one from three, there are 66 to 69 million people available which number still exceeds that of the Great War participants. Although foreign nations, with their advanced science, are able to manufacture by machinery and electric power everything they need, they have no way to manufacture anything having the same physical strength and wisdom as a human being.

We can not deny that even though China has a large population we are far behind other nations in education, as most of our countrymen are uneducated. However, because of their very education the foreign soldiers, upon receiving orders to attack their enemy, may hesitate to abide by such orders if they feel that the enemy's machine-guns will be fatal to themselves and that they ought first to use field guns in the rear. Chinese soldiers, on the contrary, are ignorant of dangers ahead and will bravely run forward as soon as they are ordered to assume the offensive.

Once I met a foreign friend talking with me about peace. I told him that foreign powers are accorded equal treatment by one another, while the Chinese have not been pardoned even when they have knelt down before others. Under these conditions there is no way to speak of peace. Certain foreigners have been stigmatizing the Chinese as inferior to the dogs in other countries. Though we are not willing to be insulted, this statement is more or less

true.

- 3 -

true, especially in the case of the Chinese residing abroad.

The real spirit of Christianity rests on the term "up side down". When Mr. Sun Yat-sen was traveling in foreign countries, he was given the title "rebel", as he opposed the existing regime. He was once questioned whether he was a Christian. He replied, answered in the affirmative and added that he was striving for freedom and equality for China and for entire mankind on that basis. His own doctrine of "Love and sincerity, and with the spirit of our Lord, Jesus Christ, love to all." It is positive that Mr. Sun has been the only one in this world who thoroughly understands the principles of our religion.

We should consider the responsibility of restoring the well-being of the Chinese nation and of removing the burden of entire mankind. Remember our Lord once said that he could be killed physically, but not spiritually. It is my hope that on the basis of these words we shall strive to restore the glory of our race and the territorial unity of our country. The airplanes and guns of our enemy may be very fierce, but if we disregard our sacrifice, we are sure to win the final victory.

Note: The above is a synopsis of an item appearing in the Ta Kung Pao newspaper, a Chinese daily, of May 3, 1966. An attendant at the meeting who listened to the speech of General Song confirmed the truth of the item and added that General Song also wrote a poem reading in translation as follows

China

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

- 4 -

China has been entrained by the Japanese

The latter invaded and occupied the
 four last provinces

Thirty million countrymen are being treated
 as slaves

Looking at one another they fill
 their eyes.

We should follow the example of Tsai Ling-kai,
 our elder brother

also that of Robert Short the late American
 martyr

Thus our life won't be purposeless

nor will it be without value.

Wai

0961

DECLASSIFIED: E.O. 11652, 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. 456

Peiping, May 16, 1936.

Subject: Movements of General Han Fu-chu.

793.94

For Distribution Check		Yes	No
Grade	11		
For	Sun C. H.		
	011-141D		

RECEIVED
DEPARTMENT OF STATE

1936 JUN 15 PM 1 20

DIVISION OF
COMMUNICATIONS
AND RECORDS

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

Division of
FAR EASTERN AFFAIRS
JUN 16 1936
Department of State

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE

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

793.94/7959

793.94/7903

JUN 22 1936

FILED

1/

I have the honor to refer to my despatch No.
403 of April 24, 1936, forwarding a copy of despatch
No. 33 of April 13, 1936, addressed to the Embassy by
the Consul at Tsinan, in which it was stated that, ac-
cording to a reliable source, Generals Sung Che-yuan
and Han Fu-chu had accepted an invitation of General
Chiang Kai-shek to meet him, and to enclose a copy
of despatch No. 36 of May 7, 1936, addressed to the
Embassy by the Consul at Tsinan, in which it is reported

that,

F/FG

0962

DECLASSIFIED: E.O. 11652, 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 -

that, although General Han Fu-chu was about to visit in the vicinity of the Lung-hai Railway - a fact which might lead observers to believe that a visit between him and General Chiang Kai-shek was intended -, it was unlikely that a meeting between them would take place at this time.

Respectfully yours,


Nelson Trusler Johnson

Enclosure:

✓ Tsinan's despatch No. 36,
May 7, 1936.

8CC

LES-SC

Original and four copies to Department.
Copy to Embassy Nanking.

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. 36

ENCLOSURE NO. 1
TO DESPATCH NO. 456

AMERICAN CONSULATE,
Tsinan, China, May 7, 1936.

Subject: Movements of Han Fu-chu.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to refer to this office's despatch No. 33 of April 13, 1936, and to report that General Han Fu-chu left Tsinan by special train at 6 A. M. on May 5th allegedly for another of his regular inspection tours of outlying sections and after a short stop at Taian to select a site on Taishan for the erection of a reservoir and monument "in commemoration of the heroes of the Luanchow incident" desired by General Feng Yu-hsiang, Han went to Yenchow yesterday morning and arrived in Tsining today. He has announced through the official newspaper that, after inspecting the students of twelve normal schools now assembled in Tsining for training in rural service, he intends to proceed tomorrow to inspect the people of the rural districts of Hotseh, Tsochshien, and Wuch'eng who have been assembled for mass training and are the first graduates of

Han's

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

- 2 -

Han's Rural Training course.

The fact that Tsoehsien is within 90 li of Liuho E. Station on the Lunghai Railway and that Han has accounted in advance to the public for his absence from Tsinan for over a week might lead one to the conclusion that the conference proposed by Chiang Kai-shek was about to take place, were it not for the fact that Chiang Kai-shek has set Sunday May 10th for a personal conference with the Commissioners of Education and Civil Affairs and the Inspectors of the three Special Administrative Areas of Shantung Province and that these men are known to be leaving tomorrow for Nanking. Such a conference would appear to be an anticlimax if held immediately after a conference with Han himself and would hardly seem likely to precede on Sunday a meeting with Han on Monday or Tuesday. Furthermore, this office has been advised in the strictest confidence by one of General Han's closest advisers that the real cause for his choice of the present week for his inspection trip was to avoid possible embarrassment arising out of probable criticism by Canton of the text of the draft constitution published by the National Government on May 5th. Han's relations with Canton and with Sung Che-yuan are such that he wishes to be out of Tsinan during the early stages of any argument which may arise with Chiang Kai-shek over the draft constitution, in order to avoid the necessity of committing himself on any point at issue.

A report from this office's original informant,

stating

DECLASSIFIED: E.O. 11652, 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 -

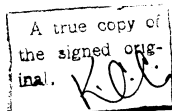
stating that Han departed on his present inspection trip almost immediately after receiving word from Nanking, sent upon Chiang's arrival there on the evening of the 4th, to the effect that the date for Chiang to come north could not be set just yet, would also lend credence to the belief that despite its locale this trip is probably not to include a conference with Chiang and may well be fully accounted for by its announced purpose of inspection and the desire of Han to be in a place difficult for representatives of Canton, Sung Che-yuan, and Chiang Kai-shek to reach during the next few days. If any information is later received which tends to contradict this conclusion, the Embassy will be promptly informed.

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 and
 Chefoo.

800
 HHS: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

No. ---

in confidence
 COPIES SENT TO
 U.N.I. AND M.I.D.
gmk

AMERICAN CONSULATE GENERAL

Tientsin, China, May 20, 1936.

CONFIDENTIAL

SUBJECT: Present Political Situation in North China.

For Distribution Check		Yes	No
Grade	For	In U.S.A.	
	<i>11</i>	<i>Ward</i>	<i>ONI-NID</i>

RECEIVED
 DEPARTMENT OF STATE
 1936 JUN 15 PM 12 06

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

IR:

I have the honor to transmit herewith a copy

of my despatch No. 220 of today's date, addressed

to the Embassy, Peiping, on the subject of "Present
 Political Situation in North China".

Respectfully yours,

David C. Berger
 David C. Berger
 American Consul

Enclosure:

1. To Embassy, Peiping, dated May 20, 1936.

800
 RSW:HK

Original and four copies to Department.



FILED
 JUN 22 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. 220

THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Tientsin China, May 20, 1936.

CONFIDENTIAL

SUBJECT: Present Political Situation in North China.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to refer to this Consulate General's confidential despatch No. 211 of May 9, 1936, on the subject of the present political situation in North China, and further in that connection to report that according to information given to Consul Ward in confidence this morning by an officer of the Tientsin Municipal Government who has in the past proved a reliable source of information, the Japanese military plan to execute a coup sometime within the next month which will in effect place the city of Tientsin within the area controlled by the so-called "East Hopei Anti-Communist Autonomous Government". 7938

The official quoted is an intelligent individual of considerable political perspicuity who has been quite close to several of the more Japanophile officials of the present regime in North China for several months past,

1968

DECLASSIFIED: E.O. 11652, 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-

past, and although he could not disclose the source of his own information, he himself obviously believes that the change which he predicted to Mr. Ward will take place. He stated that as a result of it Tientsin will pass much more definitely under Japanese control than it is now and that the borders and powers of the "East Hopei Anti-Communist Autonomous Government" will be considerably extended.

Mr. Ward's informant stated that neither he nor his associates had any precise knowledge of the number of Japanese soldiers that were being brought into Tientsin but he believes that the increase in the garrison has only begun.

He stated that he had positive information that it was planned to station 1,500 soldiers in Tungchow, the present capital of the East Hopei region.

In the course of the general conversation which followed the informant gave repeated expression to a conviction that grave events are taking form in North China and of his feeling of apathy and hopelessness over their issue.

Respectfully yours,

David C. Berger,
American Consul.

800
RSW:HK

Five copies to Department under cover of
unnumbered despatch dated May 20, 1936.
Copy to Embassy, Nanking.

A true copy of
the signed original
AK

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

DOCUMENT FILE

NOTE

SEE 693.94244/45 FOR # 169

FROM Shanghai (Gauss) DATED April 30, 1936.
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations.

Transmits copy of Despatch No. 159 to Embassy with enclosure
(copy of interview of Counselor of Japanese Embassy by
correspondent of MANCHESTER GUARDIAN regarding smuggling
in North China) and -

J

793.94/ 7961

7961

DECLASSIFIED: E.O. 11652, 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.Shanghai/91 FOR Desp.#184

FROM Shanghai (Gauss) DATED May 7, 1936.
TPH/ NAME 1-1127

REGARDING: Sino-Japanese relations: The Nakayama Murder case:
Statement of the newly arrived Japanese Military
Attache in regard to relations between the two
countries.

fpg

793.94/7962

7962

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

b. Relations with Other Countries. Japan.

793.94
The Nakayama Murder Case: The arrest of three
 Cantonese men, a Korean and two Chinese women in con-
 nection with the murder of Japanese Warrant Officer
 Nakayama, who was shot and killed in Shanghai on November
 ninth last, aroused much interest. The manner in which
 the arrest of one Chinese was effected, the fact that
the

*Despatches No. 150 of April 25 and No. 151
 of April 28, 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

-4-

the first two hearings were in camera and that the most profound silence was maintained by the authorities concerned, resulted in much speculation and gave rise to the belief that important political disclosures were imminent. However, the records of the first two sessions do not indicate that any information of a political nature was revealed.

It is understood from a reliable source that the Shanghai Municipal Police believe that a good circumstantial case exists against at least one of the suspects but no formal charges were preferred against those arrested in either the first or second hearings, inasmuch as the Police desired more time in which to prepare their case. A remand was, therefore, requested and granted in the session held in camera on April 27th. The next session was scheduled for May 1st.

The secrecy surrounding the first two hearings and the refusal of the authorities to give out any information whatever to the newspapers naturally aroused the local press. In consequence the papers indulged in speculations that were somewhat sensational and became editorially critical. It is understood, however, that the decision to hold the first two hearings in camera resulted from the incomplete and wholly circumstantial nature of the prosecution's case, and secondly from the fact that there was some irregularity in the manner of effecting the arrest of one suspect at Tsingtao and transferring him to Shanghai. In this latter connection it may be stated that the Shanghai Municipal Police did not make application in Tsingtao for a warrant for the arrest of this suspect but obtained from the Shanghai Special District Court an order for his extradition

DECLASSIFIED: E.O. 11652, 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-

extradition to Shanghai. A Japanese detective from the Shanghai Municipal Police force proceeded to Tsingtao where he applied for the arrest of the man under suspicion. In this connection it is rumored that the Chinese police at Tsingtao were subjected to pressure from the Japanese. At any rate it is known that the Tsingtao police lodged a complaint with the Shanghai Special District Court and with the authorities at Nanking against the irregular manner in which the suspect was transferred to Shanghai. It is also reported that General Han Fu-chu, Chairman of the Shantung Provincial Government, has instituted inquiries regarding this phase of the case. However, it appears unlikely that the Chinese will make an issue of this point unless it is known to them that the arrested man is in possession of information that might prove of an incriminating or embarrassing nature. On the contrary it seems probable that the Chinese authorities are anxious to have the perpetrators of the crime brought to justice and thus remove a possible pretext for Japanese aggression in this part of China.*

Arrival of New Japanese Military Attache Major General Seiichi Kita, newly appointed Japanese Military Attache, arrived in Shanghai on April 21st. He was not very communicative to press representatives in this city on landing and confined himself to a brief statement to the effect that he would continue the policy of his predecessor, Major General Rensuke Isogai. However, in a lengthy statement made at Kobe on April 19th to the Japanese news agency, Domei, he is reported to have

stated

*Despatch No. 144 of April 24, 1936.

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

-6-

stated, inter alia, that Japan's three point policy toward China is "firmly established and will not be changed." He added that since Japan's withdrawal from the League of Nations "Japan has no alternative but to maintain the peace of the Orient and to secure cooperation with China. The so-called three point program is but an affirmation of these principles which must be clearly understood by China." However, following a formal visit to Nanking, General Kita issued a statement to the press which expressed less certainty regarding the speedy implementing of Japan's policy and which indicated a realization of the difficulties which militate against the desired "rapprochement."

Of interest is the fact that General Kita's statements are at variance with those recently expressed by the Counselor of the Japanese Embassy. This diplomat stated that in his opinion Japan's policy, following the recent coup in Tokyo, had not yet been definitely formulated and that no decision would be reached until after the extraordinary session of the Japanese Diet which is scheduled to convene in May. This is typical of the confusion which appears to characterize the pronouncements made by Japanese officials concerning Japan's policies. However, it is possible that although these policies are not clearly defined in the minds of Japan's diplomats, there exists no such uncertainty where her militarists are concerned for the army appears to proceed with its program in North China and Inner Mongolia with measured certitude.*

3. Internal

*Despatch No. 159 of April 30, 1936.

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

DOCUMENT FILE

NOTE

SEE 893.515/1096 FOR Desp. #437

FROM China Johnson DATED May 8, 1936

7611 NAME 1-1127 ...

REGARDING: Sino-Japanese relations in general; possibility of war between China and Japan: Substance of conversation between Ambassador Johnson and Sir Frederick Leith-Ross on these subjects.

fpg

793.94/7963

7963

0976

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

DOCUMENT FILE

NOTE

SEE 761.94/906 FOR 4- (4222 to Emb.)

FROM Tientsin (Berger) DATED May 20, 1936
~~TO~~ NAME 1-1127 ***

REGARDING: an interview granted by General Yen Hsi-shan to the North China correspondent of the NEW YORK TIMES. Memorandum on -. The General stated that a war between Japan and the Soviet Union is inevitable, and that when it comes China will ally itself with the latter.

dew

793.94/7964

7964

0977

DECLASSIFIED: E.O. 11652, 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. ---

AMERICAN CONSULATE GENERAL

Tientsin, China, May 20, 1936.

CONFIDENTIAL

SUBJECT: Transmitting a copy of a memorandum on
an interview granted an American news-
paper reporter by General Yen Hsi-shan.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to transmit herewith a copy of my despatch No. 222 of today's date, addressed to the Embassy, Peking, on the subject of "Transmitting a copy of a memorandum on an interview granted an American newspaper reporter by General Yen Hsi-shan."

Respectfully yours,

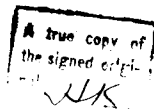
David C. Berger,
American Consul.

Enclosure:

1. Copy of despatch No. 222, dated May 20, 1936, to Embassy, Peking.

Original and four copies to Department.

DCW:HR
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

NO. 1000 THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL
 Peking, China, on 08, 1958.

SUBJECT: Transmitting a copy of a memorandum on
an interview granted an American news-
paper reporter by General Yen Hsi-shan.

The Honorable

Nelson Francis Johnson,
 American Ambassador,
 Peking.

Sir:

I have the honor to enclose herewith, as of
 great interest, a copy of a memorandum on an
 interview granted an American newspaper reporter
 by General Yen Hsi-shan.

Respectfully yours,

John L. Berger,
 American Consul.

Enclosure:

1. Copy of the memorandum dated May
 10, 1958, on an interview
 granted an American news-
 paper reporter by General
 Yen Hsi-shan.

cc
 to file

Five copies to Department under cover of
 unnumbered letter dated May 10, 1958.
 Copy to Mr. Casey, Working.

A true copy of
 the signed original
 [Signature]

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

Enclosure to despatch No. 1000, dated May 20, 1956, from the American Consul to General, Peking, on the subject of transmitting a copy of a memorandum on an interview granted an American newspaper reporter by General Yen Hui-shan.

Peking, China, May 10, 1956.

CONFIDENTIAL

Subject: Interview granted American newspaper reporter by General Yen Hui-shan.

The North China correspondent of the New York Times called at the Communist General this morning, and in the course of his conversation informed me that while he was in Peking during the three week interval he had had an interview with General Yen Hui-shan, on the occasion of which the General had asked him to keep everything that had been said strictly confidential. He left the General's headquarters the following day, and in the meantime stated this request, and the circumstances under which he was asked to keep the story in confidence, to the other members of his staff as of possible interest. The gist of the interview was, as the correspondent recalls them, as follows:

"The war between Russia and Japan is inevitable. It will represent the great military struggle between the 'right' - the conservative forces - and the 'left' - the forces favoring the revolution and the overthrow of capitalism - on the continent of Asia. The Japanese armies will move into Russia at two points, one from northeastern 'Manchuria' across the Maritime Provinces, and the other through northern Sinkiang (7). At both these points natural salients of non-Russian territory reach far into Soviet Asia, and both will serve as important bases of attack. The outcome of the war will depend upon the strength of the internal movements in the respective states.

General Yen Hui-shan is still intensely loyal to the Russian Government,

and

and has not and will not conclude any agreement with the Japanese giving them North China. The Japanese say, however, that a large part of North China is their physical possession and it was drive to our hands out.

such a step would, however, be a very serious blunder on the part of the Japanese, since it would force them into the kind of conflict.

I have no official information of the existence of a pact of mutual assistance between the Japanese Government and Soviet Russia, but if the Japanese attack North China in force soon or agree to will make direct immediately, and will will do her bit in aiding Russia in war with Japan.

On the other hand, the United States has a long and close relationship with Japan, which is a major ally in the Pacific. The United States has a large number of military bases in Japan, and Japan has a large number of military bases in the United States. This relationship is based on mutual interests and mutual respect. The United States and Japan are both members of the United Nations, and they both support the principles of the United Nations Charter. They are both committed to the maintenance of international peace and security, and they are both committed to the promotion of human rights and democracy. The United States and Japan are also both committed to the development of a peaceful and prosperous world. This relationship is a model of international cooperation and mutual respect.

"I am not going to say anything more about this matter." "I am not going to say anything more about this matter."

It is apparent from the above that the Government has been advised by its own intelligence agencies that there is a serious threat to the national security of the United States from the activities of certain individuals who are engaged in espionage and sabotage against the Government. It is also apparent that the Government has taken steps to protect itself against such threats.

[illegible]

A true copy of
the original
C/K

DECLASSIFIED: E.O. 11652, 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 693.94244/75 FOR Despatch # 219

FROM Shanghai (Gauss) DATED May 22, 1936
TO NAME 1-1127 ...

REGARDING: Japan's reaction to charges of connivance in smuggling activities.

dt

793.94 / 7965

7965

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

792.94

DOCUMENT FILE

NOTE

SEE 893.00/13508 FOR Tel#-, 10pm

FROM Canton (Spiker) DATED May 31, 1936
 TO NAME 1-1127 ***

REGARDING: Blowing up of railway bridge near Tientsin, May 29, has
 led to general local belief that Japan is once more
 following its formula of creating a major incident in
 the North whenever Nanking appears on the eve of possible
 rapproachment with the Southwest.

PRG.

792.94/7966

7700

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13509 FOR Tel#., 4pm

FROM Canton (Spiker) DATED June 1, 1936
 TO NAME 1-1127 ...

REGARDING: Hu Han Min's will: Against proposed rapprochement of South-
 west and Nanking.

Machinations of Japanese, reportedly resulted in the docu-
 ment alleged to be-,

FRG.

793.94/7967

7967

DECLASSIFIED: E.O. 11652, 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

KLP

Canton

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

Dated June 1, 1936.

Rec'd. 2:35 p.m.

NOTE
793.00/13509

Secretary of State,
 Washington.

June 1, 4 p.m.

Following supplements paragraph one of my June 1,
 10 a.m. There are persistent local reports that Japanese
 machinations using Kwangsi leaders as dupes or willing
 tools against Chiang resulted in the document alleged to
 be Hu's will which document lends support to Japanese
 so called anti-communistic activities in North China and
 at the same time denounces Chiang as a dictator: the anti-
 Japanese item in the document serving as a screen. This
 telegram has been sent to the Department and the Embassy.

893.00/13509

SPIKER

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13511 FOR Tel#., 6pm

FROM Canton (Spiker) DATED June 3, 1936
 TO NAME 1-1127 ...

REGARDING: Local situation tense: great secrecy prevails.

Chief among current rumors has Marshal Chen, under pressure
 from Kwangsi leaders, joining in manifesto addressed to
 Nanking, demanding that Nanking lead in fighting Japan.

FRG.

793.94/7968

0986

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

FE
EA

MED

GRAY

CANTON VIA N.R.

Dated June 3, 1936

Received 2:20 p.m.

NOTE
893.515
793.74

Secretary of State,

Washington

June 3, 6 p.m.

Referring to my telegram of June 1, 3 p.m., local situation tense. Canton currency today depreciated further paying 83% premium for Hong Kong dollars. Canton seething with rumors chief among which is one to the effect that Marshal Chen under pressure from Kwangsi leaders reluctantly agreed to participate in manifesto addressed to Nanking yesterday demanding that Nanking lead in fighting Japan and that Chen has now agreed to join with Kwangsi in declaring independence from Nanking, an autonomous group in Fukien allegedly having agreed to join in such movement. Great secrecy prevails in all official quarters. Further report will be made as soon as more definite information is procurable.

893.515 / 1

SPIKER

CSB

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

792.94

DOCUMENT FILE

NOTE

SEE 893.00/13517 FOR Tel#-, Noon

FROM Canton (Spiker) DATED June 6, 1936
 TO NAME 1-1127 ...

REGARDING: Mobilization of the Southwest against Japan with Japanese aggression at its height, leaving no choice but to rise and offer armed resistance; Publication of manifesto and resolution in local press, recommending preparations for-

FRG.

792.94/7969

DECLASSIFIED: E.O. 11652, 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

FS

GRAY

Canton via N. R.

Dated June 6, 1936

Rec'd 11 p. m.

NOTE
 193.74
 873.515

Secretary of State,
 Washington.

June 6, noon.

Referring to my telegram of June 5, 5 p. m., and previous communications, local government controlled press today published mandates addressed by Marshals Chen and Li, Pai Chung Hsi and senior officers of the First and Fourth group armies. The manifesto is addressed to the Kuomintang Central Executive Committee, the National Government, the Military Affairs Commission, the South-Executive Committee and Southwest west/Political Council and states that Japan's aggression is now at its height, that the two armies have no choice but to rise and offer armed resistance; that their commanders and officers accordingly (*) and crave that they be given orders to proceed north under a new standard and face the enemy; that they are "of one heart and mind in this proclamation of the inexorable attitude."

8/13/61
 1/27/77

Two. Newspapers further publish following resolution adopted at joint meeting yesterday of the Southwest Executive Committee and Southwest Political Council, Marshals Chen and Li and other high military and civil officials

DECLASSIFIED: E.O. 11652, 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-June 6, noon from Canton

officials participating: "Resolved that instructions be issued to the First and the Fourth group armies; that preparations should be made for mobilization against the Japanese; and that the armies shall be renamed the Chinese revolutionary anti-Japan National Salvation Army". It is reported that beginning this morning military units in Canton started wearing brassards bearing new designation.

Three. Source of information quoted in first sentence of my telegram of June 5, 5 p. m. today insisted that Kwangtung and Kwangsi forces actually moving northward through Southern Hunan. No local confirmation of this report obtainable. Source further (?) alleged that Hunan and Yunnan have signified intention to join Southwest in present movement.

Four. Local exchange late yesterday depreciated to 204 for Hong Kong dollar then suddenly rose to 177 and has since remained steady.

Five. Other details follow by land wire.

HPD

SPIKER

(*) Apparent omission

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

DOCUMENT FILE

NOTE

SEE 893.00/13519 FOR Tel#294, Noon

FROM China (Johnson) DATED June 9, 1936
TO NAME 1-1127 ***

REGARDING: Rumors of rupture between Nanking and the Southwest.
Situation tense; indications of serious trouble within
following week. Trouble within the ranks of Southwest
and Japanese intrigue.

FRG.

793.94/7970

DECLASSIFIED: E.O. 11652, 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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NOTE
 793.94

ES

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

Peiping

Dated June 9, 1936

Rec'd 5:08 a. m.

Secretary of State,

Washington.

294, June 9, noon.

STRICTLY CONFIDENTIAL.

Chen reports June 6, 4 p. m., that, according to
 an informant heretofore reliable, Chen Chi Wang is really
 pro-Manchu; that the suddenness of Pai Chung Hsi's
 action has caused Chen to terrorize especially as he be-
 lieves Japanese money has been paid through Pai to cer-
 tain of Chen's subordinates for the purpose of causing
 mutiny; that lack of a responsible civilian leader renders
 the situation more grave; that Chen has sent as commander
 of Kwangtung troops on the Fukien border, a former subor-
 dinate of General Chang Fa Kuei (who is in command of
 National Government forces, as bandit suppression com-
 missioner of the Fukien Chekiang Anhwei Kwangsi borders);
 that this will permit Chang to enter Kwangtung to assist
 in eliminating Pai; and that the situation is extremely
 dangerous due to Japanese backing of Kwangsi and Japanese
 intrigue in Kwangtung forces.

893.80/13519

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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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FS 2-No. 294, June 9, noon from Peiping

Two. The Consul General definitely knows that certain usually well-informed Chinese are preparing to remove from Canton in the belief that there will be serious trouble within the next week and that the actions of certain government organs indicate a similar apprehension. Paraphrase to Tokyo by mail.

HPD

JOHNSON

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

DOCUMENT FILE

NOTE

SEE 893.00/13523 FOR Tel#-. 3pm

FROM Canton (Spiker) DATED June 9, 1936.
 TO NAME 1-1127 ***

REGARDING: Northern expedition of Southwest troops and accompanying
 provocative actions deemed reason enough for Japan to
 take such steps as expediency demands: Foregoing formally
 communicated to Nanking Government by the Japanese Charge
 d'Affairs on June 6th, according to press.

FRG.

793.94/ 7971

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

73

*893.00
 72-13
 793.94*

MP

GRAY

Canton via N.R.

Dated June 9, 1936

Rec'd 11:59 p.m.

Secretary of State,

Washington.

June 9, 3 p.m.

13517(5)

Referring to my telegram of June 6, 4 p.m.

In an interview given to a foreign press correspondent June 7th by Marshals Chen and Li they admitted that they had moved their troops across the Hunan border some days ago but justified movement as natural gesture to demonstrate their readiness to fight Japan. Denying rumors of their intended war against Nanking as malicious rumors spread by Japanese sources, they stated emphatically that "Chinese will never fight Chinese"; that what they seek is a friendly understanding with Nanking which will permit employment of common basic policies but no acceptance of a dictatorship and "no common government" and that if such an understanding can be secured, combined anti-Japanese action, Communist suppression and adoption of the national currency will be easily arranged.

*893.00
 13517*

Two. Hong Kong, Chinese and foreign press on June 6 give prominence to Nanking press report that Japanese Charge d'Affaires on June 6 formally notified Nanking Government that, whether or not authorized by Nanking,

received

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

MP

2-From Canton June 9, 3 p.m.

recent actions of the Southwest are provocative and that Japan reserves the right to take such steps as she sees fit, including the despatch of Japanese warships to Canton if situation warranted. I am reliably informed two Japanese destroyers arrived Hong Kong today. One on station here as usual. Above press report was not published in Canton newspapers which are strictly censored. Marshal Li backed alleged Japanese threat with bitter anti-Japanese speech before Southwest Political Council yesterday morning. Text of speech as published by government controlled news service contains following statements: "we should not wait to see Nanking move. If Nanking moves to resist Japan, well and good, for we want cooperation in resistance. If not, we ourselves must rise to resist because this is real our last chance of life". "We urge that every drop of our soldiers' blood be shed on a foreign foe and that every rifle be aimed at the Japanese imperialist. Therefore this northern expedition is really a people's revolutionary expedition for saving our country and your last chance of life. It is not a civil war. It cannot and must not be".

Three. Yesterday delegation of Canton students signed petition Marshal Li for immediate mobilization of troops to fight Japan, freedom of speech in anti-Japanese campaign and cancellation of examination and military training

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

MP

3-From Canton June 9, 3 p.m.

training system imposed by Marshal Chen following last student outbreak here. Li reported to have agreed to the first two requests but hedged on the last, placing responsibility on Kwangtung Department of Education. A large student patriotic demonstration is scheduled for June 13th under the care the Nanking authorities. The latter have suddenly decreed that school examinations, only recently set forward to June 20th, must be completed and the schools evacuated by June 12th, apparently with the motive of insuring completion of examinations and disbandment of students before the latter get out of hand.

Four. Direct report from Wuchow Kwangsi to this office under date of June 6th reported commandeering of motor boats and all public busses to assist in steady movement of troops northward through city to Kweilin area. Also reported that late that night numerous air craft flew over the city and that Kwangsi currency had depreciated to point where Hong Kong dollar sold for three dollars local currency. Report on June 7th from the same source stated that Kwangsi Government had issued orders that death penalty be visited on persons refusing to accept Kwangsi currency. City allegedly flooded with sensational rumors emanating from non-Chinese nationals.

Five.

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

MP

4-From Canton June 9, 3 p.m.

Five. Report just received from recent arrival from Northeastern Kwangtung to the effect that there was fighting on June 5th and 6th at Chenping, Taipu and Pingtsun in that area between pro-Nanking and anti-Nanking units of the Kwangtung forces. Commissioner Chen Wei Chou, brother of Marshal Chen, is rushing his well equipped salt troops to area named. Forces of Chang Fa Kwei reported as massed on nearby Fukien border. It is definitively known that there are heavy troop movements from this area to Eastern Kwangtung where all busses are being stopped and subjected to thorough search. There is sign of great activity on the part of local military airplanes.

Sent to the Department, Peiping, Hankow and Shanghai.

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

DOCUMENT FILE

NOTE

SEE 893.00/13522 FOR Tel#173, 11am

FROM China (Nanking) (Peck) DATED June 9, 1936
TO NAME 1-1127 ...

REGARDING: Military activities of the Southwest: Nanking-Southwest rupture.

Allegations of Japanese intrigue in Kwangsi, combined with fact that Kwangsi has, for some time, possessed arms including planes furnished by Japanese seems to produce the illogicality of an anti-Japanese expedition furthered by Japanese assistance.

FRG.

793.94/7972

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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

Gray

Nanking via N. R.

Dated June 9, 1936

Rec'd 10:30 p. m.

Secretary of State,

Washington.

175, June 9, 11 a. m.

This office's 165, June 4, 11 a. m.

One. Situation in Southwest and in respect to relations between Southwest and Nanking continues obscure. Definite information as to progress of events is lacking. Denials by both sides that civil war threatens appear in direct contradiction to military activities at least on part of the Southwest. Allegations of Japanese intrigue in Kwangsi, combined with fact that Kwangsi has for some time possessed arms including planes furnished by Japanese seems to produce the illogicality of an anti-Japanese expedition furthered by Japanese assistance.

Two. Following reports current here are credible:

(1). Considerable number of National Government troops have been stationed along Kwangtung-Kwangsi borders probably for more than two months, in Kiangsi and Hunan and Fukien;

(2), A schism has been developing between Kwangtung military who have desired to maintain the status quo for selfish material reasons and Kwangsi military leaders who have

note
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FS 2- No. 173, June 9, 11 a. m. from Nanking

have,

(a) felt threatened by proximity of National Government dictation and possibility that Chen Chi Tang might come to terms with Nanking, which possibility was increased by death of Hu Han Min;

(b), growing self-confident by reason of their improved military resources which have been the result of long and arduous effort assisted by Japanese supplies and training at least in aviation;

(c), been subject for many months to pressure to break openly with Nanking exerted by Japanese military officers and possibly accompanied by Japanese loans or bribes;

(5), Pai Chung Shi and Li Tsung Jen engineered the June 2 declaration of the Southwest Political Council and executive committee taking by surprise Chen Chi Tang who has joined with them temporarily for the sake of expediency;

(4), following the declaration, Kwangsi and probably Kwangtung troops moved toward the Hunan border;

(5), discussions have since been proceeding by telegraph and through personal representatives between National Government's southwestern leaders.

Three. These circumstances make it appear that the

proposed

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

FS 3-No. 173, June 9, 11 a. m. from Nanking

Proposed northern anti-Japanese expedition is a threat against Nanking being employed in the process of bargaining and that the Domei report of a Southwestern declaration of war against Nanking was a premature report of an intended act held in reserve for later use in bargaining if necessary. Possible explanations of the apparently contradictory developments in respect to the part which alleged Japanese intrigue has played are of:

(a), Kwangsi's anti-Japanese actions are with the consent of or by arrangement with the Japanese whose purpose is served if civil war breaks out;

(b), Kwangsi has obtained as much assistance as possible from the Japanese and has now no compunction in turning against the Japanese the weapons which Japanese have provided;

(c), lacking means or desire to pay the Japanese for assistance rendered, a "declaration of war" against Japan furnishes a convenient device to avoid payment. (The explanation under (a) seems the most credible.)

Four. A peaceful settlement is not unlikely. Chiang Kai Shek yesterday suggested calling the second plenary session of the Central Executive Committee which, if convened, can take steps such as postponement of enforcement

of

1002

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

FS 4-11a. 173, June 9, 11 a. m. from Nanking

of constitution which may plan to meet part way
presumable dissatisfaction of Southwest with Chiang's
dictatorship and the dissatisfaction which southwestern
leaders are believed to feel with the constitution as a
document devised in the proclaimed draft form legalizing
that dictatorship by making Chiang president of the
Republic. Meanwhile, discussions may lead to solution
of specific pending issues including questions of finance
and distribution important government posts.

Five. By mail to Peiping and Tokyo.

WVC

PECK

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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 893.00/13531 FOR Tel#177, 2am

FROM China (Nanking) (Peck) DATED June 11, 1936
 TO NAME 1-1127 ***

REGARDING: Northern expedition of the southern troops: Civil war or anti-Japanese gesture?
 Convening of second plenary session of the fifth central executive and supervisory committee, July 10: Expected that an appeal will be made to southwestern leaders to participate with an ostensible view to adopting a common policy towards Japan, the Southwest and the National Government.

793.94/7973

DECLASSIFIED: E.O. 11652, 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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FS

GRAY & SPECIAL GRAY

Nanking via N. R.

Dated June 11, 1936

Rec'd 8:45 p. m.

Secretary of State,
 Washington.

177, June 11, 9 a. m.

My 176, June 10, 1 p. m.

/13526

One. Standing Committee of the Central Executive Committee yesterday set July 10 for convening of plenary session and it is expected that an appeal will shortly be made to Southwestern leaders to participate with an ostensible view to adopting a common policy towards Japan, the Southwest and the National Government. A delegation of important leaders may be sent to Canton to make the appeal, and Kung is being mentioned in this connection.

Two. We learn from reliable official sources that press reports of the incursion of Kwangsi troops into Southern Hunan are in part true and Kwangsi troops have gone north behind Lingling (Yungchow) South Central Hunan and others at least to Chenhsien (Chen Chow) South-eastern Hunan. The first body is reported to have passed through Lingling June 8 and to number 2000. Reports that

two

NOTE
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893.00 / 13531

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

FS 2-No. 177, June 11, 9 a. m. from Nanking

two bodies have converged at and occupied Hengyang
 (Hengchow) have not been confirmed.

Three. Reports concerning any National Government
 plans for stopping the advance of Southwestern troops
 northward are conflicting. The official report from
 official sources is that the first government line be
 just south of Changsha.

893.20
 Four. Prior to the present internal crisis some
 twelve members of Italian air mission were transferred
 from Nanchang to Nanking and several planes were brought
 here. A foreign pilot attached to Chiang Kai Shek head-
 quarters has stated that the Italian instructors are to
 be replaced by Americans, twenty-two of whom have been
 engaged in the United States including two army reserve
 officers. (Selection was probably made by Holbrook
 formerly in Hangchow school.) Reliably reported that
 Chiang Kai Shek "has asked the National Aviation Cor-
 poration to remove its headquarters from Shanghai to
 Chengtu and it is understood that the corporation is
 still negotiating with his representatives concerning
 this request.

Five. Repeated to Department and Peiping, paragraphs
 two and three repeated to Hankow.

KLP

PECK

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

762.94

DOCUMENT FILE

NOTE

SEE 893.00/13534 FOR Tel#179. 10am

FROM China (Nanking) (Peck) DATED June 12, 1936
TO NAME 1-1127 ...

REGARDING: Northern expedition of the southern forces: termed a political move "under the guise of a pretended anti-Japanese expedition", by the Japanese Military Attache, General Kita in conversation with Financial Minister Kung. The latter warned that, pretended or not, it might fan widespread anti-Japanese feeling.

FRG.

793.94/7974

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

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NOTE
7-9-94

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

NANKING
Dated June 12, 1936
Rec'd 4:23 a. m.

Secretary of State,
Washington.

179, June 12, 10 a. m.
STRICTLY CONFIDENTIAL.

The Minister of Finance informed me confidentially
yesterday that he received a visit from General Kita,
Japanese Military Attache, a few days ago and the
Military Attache with evident satisfaction inquired
how Kung liked the latest political maneuver of the
Southwest under the disguise of a pretended anti-Japanese
expedition. Kung asked how he knew the anti-Japanese
character of the move was only a pretended (*) and the
Military Attache said evasively that the Japanese had
means of knowing this. Kung warned that even if the
anti-Japanese aspect were only pretended, nevertheless
it might fan widespread anti-Japanese feeling in China
into activity and thus imperil Japanese subjects scattered
throughout China.

Repeated to Peiping.

HPD

PECK

(*) Omission

893.00/13534

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

DOCUMENT FILE

NOTE

793.94 / 7975

SEE 702.9493/101 FOR Despatch #464

FROM China (Johnson) DATED May 15, 1936
 TO NAME 1-1127 ***

REGARDING:

Murder of Japanese constable at Swatow:
 Renewal of tension arising out of - reported; copy of
 despatch #117 of May 4 to Embassy from Swatow enclosed.

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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. 464

Peiping, May 15, 1936.

Subject: Murder at Swatow of Japanese
constable.

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to enclose a copy of despatch
No. 117 of May 4, 1936, addressed to the Embassy by
the Consulate at Swatow, with regard to a renewal of
tension at Swatow arising out of the murder on January
21, 1936, at Swatow, of a Japanese constable attached
to the Japanese Consulate. According to this despatch,
the Japanese Consul demanded on May 1 of the Mayor of
Swatow a satisfactory settlement of the case by 6:00
p.m. of May 2, the demands being the taking of effective

measures

1015

DECLASSIFIED: E.O. 11652, 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 -

measures to apprehend the murderer and the payment of \$10,000 to the family of the deceased as a voluntary contribution.

2-3/ Copies of preceding despatches with regard to this subject (Nos. 103 of January 25 and 104 of February 1), addressed to the Embassy by the Consulate at Swatow, are also enclosed for the files of the Department.

Respectfully yours,

Nelson Trusler Johnson

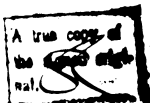
Enclosures:

1. Despatch No. 117, May 4, 1936, from Swatow;
2. Despatch No. 103, January 25, 1936, from Swatow;
3. Despatch No. 104, February 1, 1936, from Swatow.

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Original and two copies to Department.
Copy to Embassy Hanking.



No. 117.

AMERICAN CONSULATE

CONFIDENTIAL.

Swatow, China, May 4, 1936.

SUBJECT: Tension at Swatow.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Beiping.

Sir:

In order to forestall possible exaggerated reports in English or Chinese newspapers, I have been asked to report that on May 1st, following several days of negotiations with the Mayor of Swatow, the Japanese Consul at this port secured a satisfactory settlement by May 2, 6:00 P.M., of the case of last January involving the death of a Japanese consular assistant to duty at his consulate. I was told orally by a responsible Chinese official that the Japanese Consul demanded that the Chinese authorities take effective measures to apprehend the alleged murderer and that the sum of \$10,000 be paid to the family of the deceased as a voluntary contribution or act of grace. These demands were made verbally to the Mayor's Office and were said not to be included in the written ultimatum sent on May 1st, in which direct action was threatened.

On Saturday morning, May 3, 1936, Counselor to the Mayor's Office, called on me in his personal capacity to advise me of the demands made and to report that the local Chinese authorities intended to impose martial law after six o'clock on Saturday night.

After a conference with Commander W. H. Richardson, U.S.N., commanding the U. S. S. ALBATROSS, I called on the British Consul,

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

-2-

Consul, Mr. R. S. Pratt, and together with the French Consul, Mr. Pierre Schide, we jointly called on Mr. C. Harada, the Japanese Consul, to ascertain from him to what extent, if any, the safety of our nationals might be affected by his ultimatum to the Chinese authorities in the event that they failed to comply with his wishes. He explained carefully that we were not interested in the dispute per se, but only as their safety might be endangered. Mr. Harada explained that he was dissatisfied with the procrastination on the part of the Chinese in reaching any agreement with him as to the amount to be paid to the family of the deceased as an act of grace in which the present mayor and his predecessors had engaged in principle, the fact that he was still home was evidence of the failure of the local bureau of public safety to push the investigation into the death of his daughter more expeditiously. He therefore intended to place the local Chinese authorities on notice that in appropriate instances when he considered such action necessary, he would call upon his consular force to come forward in order to afford protection to Japanese nationals. At the same time, he indicated that he did not contemplate any further action until that point in time even in case he did not receive a 'satisfactory reply' from the Chinese authorities, and he added that he really did not expect to receive such a 'reply'.

Mr. Harada was careful to explain that the visit of Admiral Maeda of the Japanese Navy, who was scheduled to arrive on Saturday afternoon, was merely a coincidence and was not associated with his negotiations with the local authorities in this case. This visit was described by him as a tour of inspection of the port of Swatow, and that in a few days Admiral Maeda would proceed to Amoy and Foochow for the same purpose.

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

-3-

purpose.

Mr. Harada professed surprise when we told him that the Saitama authorities contemplated imposing martial law in consequence of the situation he was reported to have sent them.

Indicated that they appeared to be unduly alarmed about the situation, since it could not be satisfactorily adjusted locally. The case would be taken up with the Provincial authorities in Saitama.

Mr. Harada said that the Saitama authorities were apprehensive that the Japanese might place on shore a large party ashore, and that the question of resistance or non-resistance in such an event had been referred to them. It was rumored also that individual troops were being raised from neighboring towns.

When Mr. Pratt and myself took the precaution of informing our nationals that the Saitama authorities intended to impose martial law tomorrow, we stated that we did not think it probable for them to be abroad in Saitama after dark. This opinion was conveyed orally and was generally heeded.

This morning I was told that the Saitama authorities had complied in full with Japanese demands for \$10,000 and paid or promised on Saturday night, and have been ordered to send in this report. As we were in Saitama, the Japanese office on Saturday afternoon, as I mentioned, said that they could get the Japanese authorities, but they did not know where they were. This bluff seems to have been a success.

If further information is obtained on this subject, it will be contained in my political advice for my. 1972.

Respectfully yours,

Frederick A. Minks,
 American Consul.

800.
 M.H.

Conley

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Copies sent:

Original and three copies
to American Embassy, Leipzig
by regular mail.
Duplicate to Leipzig, air mail.
Copy to Embassy, Hankow, air mail.
Copy to U. S. C. Sacramento.
Copy to Canton.

Copy to Confidential files, Canton.

DECLASSIFIED: E.O. 11652, 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. 103

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464

AMERICAN CONSULATE

Swatow, China, January 25, 1936.

STRICTLY CONFIDENTIAL.

Subject: Alleged Murder of Japanese Policeman.

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping.

Sir:

I have the honor to confirm my telegram of January 22, 2 P.M., reporting the alleged murder of a Japanese policeman attached to the Japanese Consulate at Swatow. The basic facts in the case as reported to me by Mr. C. N. Mok, Municipal Councillor of Swatow, are as follows:

About noon on January 21, 1936, a small Japanese boy found a Japanese policeman attached to the Japanese Consulate lying in the street, apparently unconscious. He summoned a Chinese policeman who had the Japanese conveyed to the Japanese Hospital on Hialat Road. There, artificial respiration was tried without success, and shortly after the man's admission to the Hospital it was ascertained that he was dead. It was then declared that he had been pierced by two revolver bullets, which were said to have been removed by a Japanese physician attached to the Hospital.

The 'accident' to the Japanese policeman was immediately reported to the Japanese Consul, C. Harada, who in turn promptly notified the Mayor's Office. Mr. Mok discussed the case briefly with Mr. Harada and they

mutually

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

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mutually agreed upon a post-mortem autopsy to be made by a disinterested physician, Dr. W. H. Orth of the English Presbyterian Mission.

Meanwhile, the Chinese Commissioner of Public Safety ordered an investigation into the circumstances of the man's death. From which it appeared that the man was en route from his home to the Japanese Consulate. No traces of blood could be found at the spot where the man fell or anywhere in that vicinity. None of the neighbors had heard any shots fired at the time when the man was supposed to have been shot. There was very little blood on the man's clothing, which it is alleged by the Chinese authorities, did not appear to be penetrated by the bullets.

The two bullets, said to have been extracted from the man's body, were exhibited by the Japanese, and the incisions were plainly visible, but it was impossible to probe through the bullet tracks. In view of these and certain other very mysterious circumstances and the fact that no complete autopsy was permitted, Dr. Orth declined to commit himself in writing as to the cause of death.

The Chinese authorities are sceptical that death was caused by revolver shots as alleged by the Japanese but they have no plausible, well-developed theory as to the cause of death.

The Japanese Consul notified the local authorities that he requested the presence of the Japanese cruiser Shiratsuyu, Vice Admiral Masagaya commanding, in addition to two destroyers of the 13th Division then in port, to deal with this case. He has demanded that the murderer or

murderers

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murderers of the slain man be found, and has threatened that unless satisfactory steps are taken by them, demands in writing will be filed. In other words, the local Chinese authorities are very apprehensive that the Japanese intend to make a major issue out of this incident,

The incident has been reported in some detail in order that the Embassy may understand the basic facts as it has been possible to obtain them from the local Chinese authorities and indirectly from Mr. Worth of the English Presbyterian Mission, since it appears not unlikely that Chinese apprehensions are well-founded and that the Japanese may use the issue for ulterior purposes. At present, there does not appear to be any danger of immediate, drastic action on the part of the Japanese, but should it become apparent that such action is contemplated, appropriate steps will be taken to protect American interests.

Respectfully yours,

Frederick W. Linke,
 American Consul.

Copies sent:

- 5 to Embassy, Beijing
 (Original by air mail).
- 1 to Embassy, Nanking
 (by air mail).
- 1 to Canton.
- 1 to Files.

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

ENCLOSURE NO. 3 464

No. 104.

AMERICAN CONSULATE,

Swatow, China, February 1, 1936.

CONFIDENTIAL.

Subject: Further developments regarding alleged
 murder of Japanese Policeman at Swatow.

The Honorable

Nelson Frusler Johnson,
 American Ambassador,
 Peiping.

Sir:

With reference to my confidential Despatch No. 103 of January 25, 1936, entitled "Alleged murder of Japanese Policeman", I have the honor to report that on January 28, 1936, I received a call from Mr. Chang Ching-hui, Superintendent of Customs at Swatow in the course of which he stated that he had arrived at this port from Canton on the previous day accompanied by General Teng Lung-kuan, Garrison Commander for the Chao-mei District, and Major General Myuhai Ogisu, Chief of Staff of the Formosan Army.

Mr. Chang stated that during the previous week, General Ogisu had called on Marshal Chen Chi-t'ang at Canton and had volunteered his services as a mediator to solve the dispute in Swatow regarding the alleged murder of the Japanese consular policeman and had requested the Marshal to designate some representative to confer with him in the hope that an amicable settlement might be reached. The Provincial authorities agreed to accept General Ogisu's offer of mediation and appointed Mr. Chang Ching-hui to act in this capacity.

UN

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On arrival at Swatow on Monday, January 27th, Mr. Cheng and the Municipal authorities at Swatow went over the case in detail with General Ogisu. The latter suggested that the Japanese policeman may have been killed by Communists. This view was strongly contested by Mr. Cheng who considered it not only improbable in view of the careful maintenance of law and order in Swatow, but also dangerous since were the Japanese persuaded that the alleged murder was perpetrated by Communists, they might be encouraged to take 'drastic steps' for the 'protection of their nationals'. Mr. Cheng thought he succeeded in persuading the self-constituted Japanese mediator of the implausibility of this theory after which the latter adopted a very non-committal attitude. After six hours in Swatow, Major General Ogisu left the port for Formosa via Amoy on the KANKITUNG MARU with his efforts at mediation apparently unfruitful.

On Wednesday, January 29th, the Swatow Municipal authorities gave a tiffin party to the Japanese officers on naval vessels then in port, (thought to include Vice Admiral Hasegawa) and to Japanese consular officials. It is understood that this function was social in character.

Subsequently, conversations have been going on between Mr. O. Harada, the Japanese Consul, and Mr. Li Yuan-he, Mayor of Swatow, to settle this case. Meanwhile, another incident has arisen to complicate the situation. A wealthy Chinese retained the services of a Formosan Chinese physician to attend him in a serious illness. After several calls by the alleged physician, the man died and malpractice is suspected. The alleged physician,

of

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of course, is not registered with the Municipal authorities and his qualifications to practice are seriously questioned. (He is said to have left the Chinese unattended while under an anaesthetic). In a sense this case may counter-balance the alleged murder of the Japanese policeman whose body, to say the least, seems to have been subjected to 'manipulation' by the Japanese to substantiate their theory of death by gun-shot. I have been authoritatively informed that in the hour while the Japanese claimed the body was being X-rayed certain minor but significant changes were made in its condition, or were not previously noted such as the suturing of a punctured wound on the left breast. In view of the very careful examination previously made, it seems quite improbable that such an obvious fact could have been unnoticed.

This morning Mr. Cheng told us that when this case first arose, the Japanese consular authorities at Swatow requested that no publicity be given to the incident, but the Chinese discovered that Japanese propaganda was being circulated about it. The SOUTH CHINA MORNING POST of Hongkong dated January 29th gives the Chinese version of the case as reported in the CANTON GAZETTE from a radio broadcast made by Colonel Leung Chiek-wai, Counsellor to the Kwangtung Provincial Government on January 27th. This account together with a translation from the HAN KIU YAT PO quoted by the POST is enclosed. These accounts give substantially the same details included in my first despatch on this subject.

A copy of the certificate given to the Municipal authorities of Swatow by Dr. M. M. North, M.B., Ch.B., Edin., of the English Presbyterian Mission, following his inspection of the body of the deceased Japanese is also enclosed. He also furnished a more

detailed,

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detailed, but equally non-committal certificate in which he described the clothing and wounds sustained by the deceased, but in which he also refrained from expressing an opinion as to the severity of the wounds, their connection or otherwise with the death of the man, or the cause of death. An autopsy is now impossible because of the prompt cremation of the body by the Japanese.

This morning, two additional Japanese destroyers called at this port and three more are expected to arrive on February 2nd. The vessels now in port are:

U.S.N.'s Cruiser YUBARI	arrived January 23th.
U.S.N.'s Destroyer AKAHARA	arrived January 20th.
" " JAVEL	arrived January 20th.
" " HAKKA	arrived February 1st.
" " AKAHARA	arrived February 1st.

The Hongkong press reports that three demands have been made by the Japanese to the Mayor of Canton: that the murderer or murderers be apprehended and executed, that an apology be made for the incident, and that assurances be given that there will be no repetition of the case. It has not been possible to verify this report, nor how far the Japanese may be prepared to carry this issue. No ultimatum with a time-limit seems to have been filed with the Chinese authorities as yet.

Provided the Japanese do not intend to make a major issue out of this incident, this case will probably be placed eventually in the not-forgotten dossier of 'unsettled cases' to be extracted by the Japanese when it suits their purposes to excuse drastic action against the Kwangtung authorities or to establish a Japanese-controlled or 'autonomous government for Eastern Kwangtung'. Despatch No. 92 of January 13, 1936, from the

Consulate

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Consulate General at Canton indicates that such an idea is not beyond the realm of possibility. Should such a proposal be contemplated, it is my personal but considered opinion that Swatow will certainly be included in any 'sphere of influence' or 'autonomous government' which the Japanese may create along the southeastern coast. This may be accomplished in as short a time as two years and seems quite certain in five years, provided no formidable obstacle is interposed to check Japanese aspirations along this coast.

The Chinese may be expected to present a bolder front to the Japanese than could have been expected were there good reason to think that the deceased constable was actually killed by a Chinese, for which there now seems to be no direct evidence. In any case, the Chinese authorities are apprehensive that the Japanese are seriously contemplating a Japanese-controlled or 'autonomous' regime in this district, if not at present, at least in the not far distant future, and that the Japanese are piling up incidents to serve that purpose. It is to be hoped that this incident will be closed amicably.

Since I have typed this despatch personally, the Chinese characters for Chinese proper names have been omitted. All officials named except Colonel C. W. Leung are included in the List of Chinese Names attached to my Despatch No. 104 of January 4, 1936, "Political Review for December, 1935, and Annual Summary".

At 5:00 o'clock this afternoon, I was informed through the American Pilot at Swatow that three more Japanese man-of-war are expected to arrive at Swatow on February 2nd,

but

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Since I have typed this despatch personally, the Chinese characters for Chinese proper names have been omitted. All officials named except Colonel C. C. Loung are included in the List of Chinese Names attached to my Despatch No. 102 of January 4, 1936, "Political Review for December, 1935, and Annual Summary".

At 5:00 o'clock this afternoon, I was informed through the American Pilot at Swatow that three more Japanese men-of-war are expected to arrive at Swatow on February 2nd,

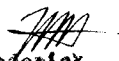
but

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but that two Japanese destroyers seem to be weighing anchor for departure tonight. Japanese intentions with respect to this case are by no means clear, but developments will be carefully watched and reported. There appears to be no immediate cause for concern in regard to the safety of American interests.

Respectfully yours,


 Frederick W. Hinkle,
 American Consul.

600.
 FWH

Original to Embassy, Peiping, (airmail).
 Duplicate to Embassy, Nanking, (airmail).
 Four copies to Embassy, Peiping. (regular mail)
 Copy to Consulate General, Canton. (regular mail)

Enclosures:

Articles from SOUTH CHINA MORNING POST,
 dated January 29, 1936.
 Certificate of Dr. H. R. Werth.

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

Enclosure No. 1 to Despatch No. 104 of February 1, 1936,
entitled "Further developments regarding alleged murder
of Japanese policeman at Swatow."

REPORT FROM THE JAPANESE CONSUL, HONG KONG,
Dated January 29, 1936.

MURDER.

JAPANESE REFUGEE POLI-MURDER AND ASSASSINATION

TWO MEDICAL WITNESSES.

Canton's official version of the recent murder of the
Japanese policeman at Swatow by unknown persons was broadcast
on Monday night by Colonel C. W. Leung, Counsellor of the
Provincial Government. Colonel Leung recently accompanied
Marshal Chen Chai-tong during the General's visit to Hongkong.

The CANTON Gazette's version of Colonel Leung's talk is
printed below:

"On Monday, 21, 12.20 in the afternoon, a
Chinese policeman on duty in the neighborhood of
Leung Ho Street and the head of the Fifth Police
Section of Swatow saw a passer-by falling. The
policeman at once rushed to the spot and when he
discovered that the victim was a Japanese he ran
to a nearby house, occupied by Japanese nationalists
and called a Japanese to his help.

"After they had sent this sick man to the
Japanese hospital, the policeman ran back to the
Fifth Police Station to make an emergency report.
A police officer was immediately sent to this hos-
pital to make inquiry. Upon his arrival the
officer was told that the patient had died, but
the officer was not allowed to see the dead man.
Subsequently the Chief of Police of the Fifth
Police Station himself went to the Japanese hos-
pital. He was led to the second floor by a
Japanese doctor and, after waiting for about
five minutes, he was allowed to go into the oper-
ating room where the Director of the hospital and
two members of the Japanese Consulate were also
present. This police officer was then informed
by the Director that the Japanese consular con-
stable, Masumi Isambata, had died of bullet wounds,
and was shown the two bullets alleged to have been
taken from the upper part of the victim's body.
At the same moment the Director also pointed out
to him the supposed bullet wound on the victim,
which had been already sewn up.

Post mortem refused

Report of this incident was accordingly

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made to the Mayor by the commissioner of the Swatow Public Safety Bureau. At 2 p.m. the Japanese Consul himself called on the Mayor, stating the case as follows: A Japanese constable of the Japanese Consulate fell on a street at 12.30 this afternoon; and when the victim was sent to the Japanese hospital it was at first thought that he had suffered from apoplexy. Thus the doctor decided to resort to artificial respiration. But after unbuttoning his clothes, a bullet wound was discovered in the victim's body, therefore an operation was immediately performed, and the bullet was taken out, but unfortunately the constable died later. The Japanese Consul concluded with a demand for the arrest of the murderer.

Then the Mayor promptly sent the councillors from his office together with Dr. Wang, Director of the Swatow Municipal Hospital and Dr. North, a British doctor of the English Presbyterian Mission Hospital, to the Japanese hospital to examine the case. When they were in the hospital the Mayor's councillor asked for an autopsy on the constable's body with Doctor North (the British doctor) as a neutral witness, so as to establish the facts in relation to the constable's death. Doctor North said that unless a post-mortem examination was held he could not certify the cause of death. The request of the Chinese officials was flatly refused by the Director of the Japanese hospital. The corpse of the Japanese constable was cremated in the afternoon of the following day, which was on January 22, 1938.

"The other fact shown in the police record that prior to the killing of the Japanese constable on the street no firing was heard by either the policeman who rushed to his help, or by any of the residents in that neighborhood and also no blood traces were found on the spot.

"In connection with this case the Japanese cruiser Isokawa arrived at Swatow on January 23 under the pretext 'for the protection of the Japanese nationals.'

SWATOW TENSION

Canton, Jan. 23.

"The Swatow incident has caused much concern among the authorities here.

"Although no official statement has been issued it is understood that instructions for dealing with the Japanese have been sent to Chinese municipal authority at Swatow.

According

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"According to news from Swatow a spokesman of the Swatow Municipal Government has made a statement. He pointed out that there are many uncertainties about the incident. The Japanese allegation that the victim was shot dead by gunmen is denied. No blood ~~was~~ stain was found on the spot immediately after the incident. The victim had been sick for a few days and on sick leave when he met his death. It is also reported that substance like white lather came from the mouth of the victim after he had collapsed from other sickness. Thirdly, the victim had no Chinese acquaintances.

"It is understood that further negotiations are going on between the Japanese Consul and the Chinese Municipal authority.

"General Tang Lung-kwong, Commander 9th Division Army, and who recently returned here from Swatow, is now returning there on the 30th. inst."

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Enclosure No. 2 to Despatch No. 104 of February 1, 1936,
 entitled "Further developments regarding alleged murder
 of Japanese policeman at Swatow".

(COPY)

ANGELUS PRESBYTERIAN MISSION

HOSPITAL

SWATOW.

January 21, 1936.

"I certify on soul and conscience that I have this day inspected the body of an adult male at the Japanese Hospital and have examined certain articles of clothing said to have been worn by him at the time of death. I found four small punctured wounds and two incised wounds on the body. I was not permitted to make an autopsy and therefore am not in a position to express any opinion as to the cause of the wounds, their severity, their connection or otherwise with the man's death, or the cause of death.

Signed Harold R. North, M.B., Ch.B., M.D.

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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 893.00/13537 FOR Tel#181. 1pm

FROM China (Nanking) (Peck) DATED June 12, 1936
 TO NAME 1-1127 ...

REGARDING: Northern expedition of southern troops, giving rise to question, Civil war or anti-Japanese gesture?
 Japanese expected to take advantage of China's preoccupation with internal affairs to take some decided step in North China toward consolidation of Japanese authority there.

FRG.

793.94/ 7976

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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 SPECIAL GRAY

NANKING VIA N.R.

Dated June 12, 1936

RECEIVED 1:35 p.m.

Secretary of State,

Washington

181, June 12, 1 p.m.

CONFIDENTIAL. A fear amounting to conviction is encountered among Chinese here that the Japanese will shortly take advantage of the country's preoccupation with affairs in South China to take some decided step in North China toward consolidation of Japanese authority there. Kita, Japanese military attache, is reliably reported to have stated this morning that he does not anticipate major military developments between Southwestern forces and the government troops but rather expects that Kwangtung will leave the coalition and that upon this fighting will take place between Kwangtung and Kwangsi. He seemed to see a humorous aspect to the anti-Japanese expedition, see my telegram number 179, June 12, 10 a.m.

Repeated to Peiping.

PECK

CSB

note
793.96

893.00 / 135-37

1031

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

DOCUMENT FILE

NOTE

SEE 893.00/13535 FOR Tel#- 4pm

FROM Canton (Spiker) DATED June 12, 1936
TO NAME 1--1127 ***

REGARDING: Southwest's rejoinder to Nanking's telegraphic request for
unity in crisis.

Denying that northern expedition is anything but anti-Japanese,
urges that Nanking discontinue warlike acts against own
people and join against Japan.

FRG.

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

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GRAY

Canton via N.R.

Dated June 12, 1936

Rec'd 10:32 a. m.

Secretary of State,
 Washington.

June 12, 4 p. m.

Referring to my telegram of June 11, 10 p. m.,
 and to Nanking's telegram of June 10, 9 a. m., South-
 west Political Council has made strong rejoinder to
 Nanking's telegram of June 9th. Southwest denies it
 is starting civil war, accuses Nanking of warlike acts
 against its own people rather than against the Japanese
 and urges that operations against Japan begin without
 delay. In second message Southwest requests Nanking
 indicate route to be followed by Southwest troops, that
 concentration points be (*), and that Nanking adequately
 and continually supply Southwest anti-^(*)forces with the
 money, food and munitions.

Two. Canton remains quiet but apprehensive.

Sent to the Department, Peiping, Nanking, Hankow.

KLP

SPIKER

(*) Apparent omissions

will
 793.98

893.00/13535

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

79294

DOCUMENT FILE

NOTE

SEE 893.00/13541 FOR Tel #185, 3pm

FROM China (Nanking) (Peck) DATED June 13, 1936
 TO NAME 1-1127

REGARDING: Northern expedition of the Kwangtung-Kwangsi forces expected to
 be a long drawn out affair, having been instigated by the
 Japanese. This according to the Chinese Minister of War.

FRG.

793.34/7978

7978

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

FE

sms

GRAY AND SPECIAL GRAY

Nanking via N R

Dated June 13, 1936

Rec'd 3:35 p.m.

Secretary of State,
 Washington.

185, June 13, 3 p.m.

Our 184, June 13, 11 a.m.

The Minister of War has told me that since the Japanese are instigating the present northward march of the Kwangtung Kwangsi forces, the conflict will be a long one. I suggested that the end would come in two weeks and he said he feared two months would not be sufficient. However, he foresaw that Kwangtung and Kwangsi would split and themselves come to blows.

Repeated to Department and Peiping.

PECK

sms

npl

NOTE
 793.94

793.00/13541

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

DOCUMENT FILE

NOTE

SEE 893.00/13543 FOR Tel#-, 5pm

FROM Canton (Spiker) DATED June 13, 1936
 TO NAME 1-1127

REGARDING: So-called anti-Japanese parade of June 13th at Canton.
 Voluntary halting of the advance of the northern expedition
 explained as evidence of the anti-Japanese character of
 the expedition.

FRG.

793.04/7979

7979

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

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sms

GRAY

Canton via N R

Dated June 13, 1936

Rec'd 5:20 p.m.

Secretary of State,
 Washington.

June 13, 5 p.m. /13535

Referring to my telegram of June 12, 4 p.m., so-called anti-Japanese parade was participated in this morning by about 25,000 marchers, led by large body of Chen's troops and policed by numerous other troops along the line of march. There were no untoward incidents. Not more than 300 younger students were in line, the bulk of the procession consisting of apathetic farmers, mechanics, and other laborers, augmented by employees of tea houses and shops as well as hundreds of beggars and loafers who were herded into service early this morning. Parade as a precaution was rather farcical self-defense apparently designed to prevent any real demonstration of anti-Japanese sentiment, yet make it possible to say that anti-Japanese demonstration had been held. Anti-Japanese pamphlets were distributed to onlookers who showed little,

8/13. 8. 0 /13535

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sms 2 - From Canton, June 13, 5 p.m.

little, if any, interest (#) mummery. Anti-Japanese posters which were posted after nightfall last night had been removed from all the main thoroughfares by this morning while prepared paper banners bearing inscription "Down with Dictator Chiang" were destroyed prior to parade. Parade was routed so as to avoid passing foreign concessions on Shamshen.

Two. Government controlled local press this morning contained statement from General Yu Han Hou to the effect that his troops and those of other Kwangtung commanders await orders from the Nanking Government, never having had intention to proceed other than under such orders. Comments on the foregoing follow in my telegram of June 13, 7 p.m.

Three. Local reports confirm earlier Hankow reports of withdrawal without fighting of Southwest forces southwesterly from Chiyang and southward from Leiyang due to the advance of Nanking troops southward from Hengchow.

Four. Canton remains quiet. U.S.S. MINDANAO, three British gunboats, and one Japanese destroyer in harbor. ✓

Five. Sent to the Department, Peiping, Nanking, Hankow, and Shanghai.

SPIKER

(#) Apparent omission.
 sms npl

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

DOCUMENT FILE

NOTE

SEE 893.00/13544 FOR Tel#-, 7pm

FROM Canton (Spiker) DATED June 13, 1936
 TO NAME 1-1127 ...

REGARDING:

Halting of the advance of the northern expedition and the retreat to the borders of Kwangsi and Kwangtung to be followed by demand that Nanking take offensive action against Japan. Contention is that the Southwest forces never had intention of fighting Nanking but, by action, sought to crystalize public opinion against Japanese aggression.

FRG.

793.94/ 7980

77.0

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

FE

NPL

SPECIAL GRAY

Canton via N.R.

Dated June 13, 1936

Rec'd 11:05 p.m.

Secretary of State,

Washington.

June 13, 7 p.m.

ONE. Yu believed to be only mouthpiece of Marshal Chen who is thus enabled to maintain that pro-Nanking attitude of certain of his division commanders requires that he proceed with caution in assisting in Hunan operations, Nanking reported to be greatly incensed by Chen's lukewarm support. Chen today stated to foreign press correspondent that Southwest forces after retreating to Kwangsi Kwangtung border will insist on Chiang taking offensive against Japan and that if he refuses Southwest forces will again advance northward. It would appear that Chen believes that Chiang intends to crush Southwest opposition and that he, Chen, through Yu Han Mou is preparing to leave for Nanking. Situation is considered very serious.

Two. Local official who for past week has kept himself incommunicado on various pretexts has very unconvincingly informed me that Southwest thrust will aid (?) sole purpose of enlisting Ho Chien in addition to Mukden's crusade and so influence certain sympathetic

but

NOTE
793.94

293.60/13544

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

NPL 2---June 13, 7 p.m. from Canton

but hesitant northern provinces; and that Southwest
 forces have never had intention of fighting Nanking
 ✓ but by action seek to crystalize public opinion; that
 they will retreat from any Nanking advance until
 Kwangsi Kwangtung borders are reached and will then
 fight purely defensive action; that Chiang will dig
 his political grave by attacking Southwest patriots,
 etc. My informant also stated that with such develop-
 ments, independence movement here will be revived in ✓
 response to "popular demand."

Three. Sent to the Department, Peiping, Nanking,
 Hankow and Shanghai.

NPL

SPIKER

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R./113 FOR Desp.#436

FROM China (Johnson) DATED May 7, 1936.

/TP/

NAME

1-1187

...

REGARDING: Sino-Japanese relations: Increasing tension in
 Hopei Province: Sino-Japanese conversations at
 Tientsin; other outstanding developments in
 relations between the two countries during the
 month of April, 1936: Reports regarding --

fpg

793.94/ 7981

7761

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

- 1 -

II. Foreign relations:

A. Relations with the United States:

Nothing to report.

B. Relations with other countries:

1. Japan:

a. Increasing tension in Hsuei Province:

793.94
(44-13)

It became evident during April that new and definitive developments in the relations of the Japanese military and General Wang Chue-yuan's regime in Hsuei Province were beginning and that an end had come to that period of suspended activity which had existed during the first three months of the year. Tension increased, enhanced by the secrecy which obscured all developments, including conversations at level between Chinese and Japanese, a conference in Hsuei of Japanese military, Chinese in Japan, military, and civilian in North China, the appointment of a new Japanese Ambassador to China, the presence in Hsuei Province of Japanese officers formerly senior to General Wang Chue-yuan, the attitude of Japanese and Chinese authorities toward smuggling in Hsuei, the evidences of economic cooperation in Hsuei.

b. Sino-Japanese conversations at Hsuei:

General Wang Chue-yuan, Chairman of the Hsuei-Province Council, a last the entire Council, in Hsuei, having gone to a free riding to the latter part of April and returned into conversation with Major General Wang Chue-yuan.

113

1. Development of Hsuei's relations with Japan, 1971, 1972, 1973.

Major General Iatsushiro was not, however, General Sun's only protagonist in the conversations. Major General Iatsushiro moved back and forth between the two main central axes, establishing on April 10 his official office of the North China Garrison, a form of which he continues the work of 11 student consular missions. General Sun, presumably conversed also with Major General Iida (promoted to be Lieutenant General on April 10), Commander of the 10th China Garrison, and with Colonel Nagami, who had attended since the early part of April on Major General Iida's representative the annual meeting of League of Japanese Colonizers. General Sun was assisted by his civilian subordinates, General Iaino Shiro-jiro, the type of Manchurian, and General Iaino Shiro-jiro, the managing director of the 10th China Garrison. General Iaino Shiro-jiro, Chairman of the League of Japanese Colonizers, and General Iaino Shiro-jiro, also assisted. (Doing an equivalent of General Iaino Shiro-jiro, a Manchurian province man, must have as an objective - in connection with Japanese Colonizers - the separation of North China from the National Government controlled by Japanese. At this time, he assisted by subordinates of doubtful character, the nature of the enterprise General Sun is not appearing to be suspicious.

... illustrative information with regard to the substance of the conversation was a few lines, as it is understood that the Japanese concerned were conversing exclusively for an agreement for joint action, including the intention that the Chinese Government will invade the Republic of China in the event of a Japanese invasion of the Republic of China.

5001

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

- 3 -

Hopai and the recovery of northern Chahar which had been lost to General Lung in part through Japanese machinations. Presumably the question of control of smuggling of Japanese goods in Hopai Province was also discussed as it is regarded as a powerful coercive argument on the Japanese side. That the Japanese would abandon so useful an instrument of penetration and penetration as Yin's regime before General Lung's regime capitulated to Japanese desires or would abandon their plans with regard to autonomy in Inner Mongolia, which includes northern Chahar, seemed highly improbable, as did also any real cooperation on the part of the Japanese to smother smuggling until their objectives are attained. It appeared to be inevitable that General Lung would have to come to an understanding with regard to Communism and the so-called restrictions involved or else remove himself from the scene. As far as could be learned, however, no agreement resulted arising from these conversations. General Lung's position in China seemed to be a very difficult one to maintain at the Japanese viewpoint.

Details of the so-called anti-communist pact were not known. It was presumed that the Japanese purpose was to prepare strategically against possible Soviet activities in connection with Japan's relations, to separate General Lung's regime further from the national government, and to facilitate Japanese penetration in North China. It seemed not unlikely that the pact might lead to or result in an increase in communication facilities in Hopai and Chahar Provinces, an increase in Japanese investment in these facilities, development of economic relations between Japan and China, and general development.

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3.135

2. The right of Barry's telephone #3, 11 01, 000

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

- 1 -

generals had any significance with regard to the future of
 (4) Manchuria as a unit was a matter of a conclusion.)

3. Indications of Japanese action:
conference at Mantain; changes in the
military establishment; appointment of
Gen. Sawada as Ambassador:

It seemed evident that the developments of the Japanese military concerned with North China had ceased during April in strength and in unity.

Unity was presumably enhanced by the conference at Mantain on April 16 and 17 at which Japanese military officers stationed in North China heard the report of General Yamaguchi, Chief of Staff of the North China Garrison, following his return from the recent conference at Tokyo of Japanese commanders which he had attended as the representative of the Commander of the North China Garrison. The impression was gained that the views of the Japanese military policy in Tokyo and of the military situation in China had achieved a degree of unity or at least a compromise.

Unity of command in North China was aided by the ending of the post-war period in which North China was raised speculative by the error, by the fact that the office was raised to that of a military command. At the same time a military council, composed of a number of generals previously, was provided. It thus means the authority of the military command in China Garrison vis-a-vis other military commands in North China affairs was increased. The Japanese is Lieutenant General Sanjuro Tashiro, formerly Japanese military attaché

of

3. Japanese release 17, April 17, 4 p.m.

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

- 2 -

of the Japanese Embassy in China, later Chief of Staff
 of the Japanese forces in Shanghai during the fighting of
 1937, and subsequently Commander of the 11th Division in
 Japan. His predecessor, Major General (now Lieutenant
 General) Iida was appointed to succeed him as Commander
 of the 11th Division.

The impending increase of the strength of the forces
 of the Japanese did not make plans for the future nor was
 authoritative information with regard to the increase of forces
 obtainable, statements in respect thereto varying from the
 denial of the Japanese Assistant Military Attache to the
 fact that there would be any, to the fact that a Japanese division of-
 ficial that the present strength would be doubled, to that
 of a Chinese official that the total number would be 1,000.

That the Japanese forces in Shanghai were being
 significantly augmented was indicated by the appointment of
 a Major General (now Lieutenant General) as Commander,
 by the initiation of a construction program for barracks and
 other structures at various points along the waterfront
 and at various points of air attack, and by the construction
 of a new air base at a point on a road near the waterfront.
 The initiation of construction of barracks at various points,
 the construction of a new air base at a point on a road near
 the waterfront, and the construction of a new air base at a
 point on a road near the waterfront, all indicated that the
 Japanese were planning for a significant increase in their
 forces in Shanghai. The change in
 status will bring to the Japanese a new level of rank,
 and it is expected that Major General Iida, who arrived
 in Shanghai on 10 June 1937, will be promoted to Major General (in

and

4. The Japanese Navy Log for Shanghai, 1937, p. 15.

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

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command of the brigade), a colonel - instead of a lieutenant colonel as previously - (in command of the Embassy Guard), and two lieutenant colonels, while an assistant of Major General Matsuzono is a major and the local assistant military attaché continues to be a major.)

In the opinion of Japanese, the military changes outlined above will have importance not only from the viewpoint of internal military administration but also from the viewpoint of convincing the Chinese population of the fixed determination of the Japanese military to obtain their base in China.

The growing strength of the Japanese military in China-Japanese relations was also due to changes in the appointment of the head of command in the Japanese General of the 1st Division, Major General Matsuzono. His appointment was regarded as having been made primarily because of his being a former graduate of the Japanese military, although the available number of Japanese military of Japanese diplomats available in all the foreign posts may have played a part in his selection.

6. Growth of the Non-Communist Political Council

Notwithstanding the fact that the 1967-68 period was a successful period of alliance with Japanese demands of primary importance, there were certain developments which indicated a tendency - perhaps a growing tendency - toward greater autonomy on the part of the Taipei-Shanghai Political Council.

5. January 1970, p. 117, p. 118, p. 119.

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

The Reconstruction Committee:

The Reconstruction Committee of the Kowloon-Shanghai official Council was finally inaugurated on April 20, the chairman being General Chen Chih-chung, a member of the Council and a former divisional commander under Marshal Peng De-huang. According to the chairman, the duties of the Committee were to be highway construction, river conservancy, mining, and agricultural works. It was presumed that work initiated by this committee would be done along lines acceptable to the Japanese. It was also presumed that, due both to the Chinese policy of delay and to lack of funds, no important work would be initiated in the near future by the committee.

Supervision of cultural institutions:

In pursuance of General Chen's plan, of having his men either take over control of or be in control of the institutions in or near Kowloon and the New Territories, the Government, General Chen's division, the Japanese, and General Chen's men, all in the name of the Japanese, have appointed a Japanese official as assistant superintendent, responsible for the management of the institutions and the Japanese. It is claimed by a subordinate of General Chen that the Japanese appointments was only to enable General Chen's men to keep a watch over the institutions, and to be able to prevent property from being removed from the institutions. The Japanese officials have no attempt to interfere with the running of the institutions.

Reference

- 6. Paragraph 1 of Embassy's cable to SAC, April 21, 1972.
- 7. Paragraph 2 of Embassy's cable to SAC, April 21, 1972.

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- 2 -

Influence over the press:

Changes took place in regard to one of the most independent leading Chinese dailies of North China, indicating the existing danger to that medium of freedom of expression which has hitherto been possible.

The Shan Hai Pao, published at Tientsin, opened on July 1 a branch office at Shanghai for publication of a Shanghai edition, allegedly in preparation for the time when publication in Tientsin of a paper of this character by the Shan Hai Pao will have become impossible. The action was apparently the direct outcome of the banning of the paper for several days earlier in the year by the censorship board causing publication of an editorial distasteful to the official newspaper.

The Shan Hai Pao, published at Tientsin, is a newspaper of reputation, and known over a wide area by the official newspaper official council, the paper's staff consisting of it is now the headquarters of the council.

The pro-Japanese Shan Hai Pao (Shan Hai Pao's office), established in December in Tientsin, is controlled through over during April by the pro-Japanese political council, its manager now being the Japanese-speaking secretary of the Foreign Affairs Committee of the Council. The pro-Japanese character of the paper has not undergone any change as a result.

possible railway construction:

Nothing was heard during April of the progress of the decision of the Economic Committee of the pro-Japanese political council on March 31 to urge the Ministry of Railways at Nanking to issue a permit for the construction of a private narrow-

gauge

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CONFIDENTIAL

... Committee of the Soviet Union official noted that

WISCONSIN

- [illegible]

Japanese nationals be admitted the privilege of free residence in North China. Only the chairman of the committee, Mr. Chen Chun-fu, was in favor of the suggestion; as it was opposed to the views of Wang Shao-yuen for Commissioner. The members of the committee feared that the residence of Japanese would facilitate Japanese penetration and activities in the country. For example, it might be used as an excuse for bringing in Japanese police and agents.

[illegible][illegible]

1. Revised 2018 21b, 211, 1, 221,
4, 4, 4, 4

- 12 -

The establishment by General Sung Shu-yuan of inspection offices for the alleged purpose of preventing smuggling led to rumors that General Sung was involved for the purpose of obtaining some of the revenue which now goes to Yin Jue-shan's subordinates and other unauthorized persons. These rumors were vigorously and not untruthfully denied by General Sung's subordinates.

3. Ways of dealing in inner conflicts

There was an unconfirmed report that on the day of the seizure of the vessel that the four men had been met by an Australian soldier, whom he nominally, under the command of a Prince (Chen bin) (Chen bin), under Japanese direction had been ready for them under the name of a soldier. The Prince had been ordered to bring the vessel to the province as the vessel was in the hands of the Japanese in the province.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

[illegible]

1. Paragraph 7 of Embassy's letter: AC, 111 89, 3 pp.

- 13 -

1. Lin Su-han's name; roof-rail division ^{13.}
in "Luchuan";

Although information with regard to Lin Hseng's regime is the militarized zone is usually difficult to obtain, considerable publicity was given to a "good-will" mission dispatched by his regime to Manchukuo. The members of the mission were received by Ku Yi and various other officials of "Manchukuo" and resulted in considerable publicity to the effect that the visit would strengthen the "indissoluble geographical and economic relations" of the two states. The head of the mission was Li Hsiang-shan, the Secretary General and the Chief of the Bureau of Foreign Affairs of the East Hebei Anti-Communist Autonomous Government, a province of Chukiang Province, who studied in Japan, and who is a member of the Kuomintang, worked in a "good-will" mission to Manchukuo, and is regarded as Lin Hseng's favorite.

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

DOCUMENT FILE

NOTE

SEE fw. 026 FOREIGN RELATIONS/1032 FOR Memorandum

FROM State Department (Wynne) DATED May 19, 1936
 TO Division of Research and Publications. NAME 1-1127 ..

REGARDING: Refusal of the Japanese to permit the publication of the so-called "secret clause" of the Lansing-Ishii Agreement in Volume 1922 of FOREIGN RELATIONS, U.S., altho this clause is printed in the recently published LANSING MEMOIRS.

drp

793.94/7982

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

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DOCUMENT FILE

NOTE

SEE 893.00/13551 FOR Tel#304, 4pm

FROM China (Johnson) DATED June 15, 1936
 TO _____ NAME _____ 1-1127 ...

REGARDING: Student demonstrations of June 13th at Peiping directed against Japanese aggression and Chiang Kai Shek: Handling of Chinese authorities and Japanese protest against such lukewarm attitude.

793.94/7983

FRG.

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

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GRAY AND SPECIAL GRAY

PEIPING VIA N.R.

Dated June 15, 1936

Received 2:15 p.m.

Secretary of State,

Washington

304, June 15, 4 p.m.

Reference subdivision (E) of Embassy's 267,
 May 29, 4 p.m.

One. Demonstrations of some 4,000 students on June 13, at Peiping, including a considerable number of middle school students, were directed against Japanese aggression and ~~Chi~~^{Chiang}. A few students sustained minor injuries when police attempted to disperse them. Observer states, however, that the police were unusually lenient with the students and that most of the students arrested, if not all, were released the same day. Some students attribute this leniency to their staff officers having been in support of Sung Che Yuan's army.

Two. The Japanese Domei News Agency reports that Major Kanada, Assistant of Major General Matsumuro, called on the Mayor of Peiping June 13, and "drew his attention to the lukewarm attitude taken by the Chinese authorities toward the Anti-Japanese student demonstrations" and that an official of the Municipal Government called

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

MED - 2 - #304, June 15, 4 p.m. from Peiping

called on the Japanese Embassy on June 14 and apologized and pledged that measures would be taken for complete cessation of the anti-Japanese student movement.

Three. There is evidence that certain of the students at the direction of officials of the National Government are attempting to gain control of the student movement, allegedly in order to injure reputation of the movement and make it ineffective. Such students are said to be in large measure responsible for the strikes which began today in several universities. According to some reports, radical students are opposed to strikes at present for the reason that strikes just prior to approaching examinations will lose sympathy for the student movement.

By mail to Tokyo.

JOHNSON

RR:FWC

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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 893.00/13550 FOR Tel#-. 6pm

FROM Canton (Spiker) DATED June 15, 1936
TO NAME 1-1127

Northern expedition of Southwest forces: Civil war or anti-Japanese gesture?

REGARDING: Chen, in press statement, terms the joint adoption of active resistance to Japan the basis for agreement between Canton and Nanking. Existence in Kwangtung and Kwangsi of much genuine anti-Japanese feeling.

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793.94/7984

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

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MEMO

GRAY

CANTON VIA N.R.

Dated June 15, 1936

Received 2:45 p.m.

Secretary of State,

Washington

June 15, 6 p.m.

(June 13, 5 p.m.?)

Referring to my telegram of June 14, 4 p.m., in statement to press yesterday Marshal Chen and Southwest thrust into Hunan has as ulterior motive the overthrow of Chiang and asserted that it was solely for purpose of bringing about adoption of National policy of active resistance to Japan; that the basis for agreement between the Southwest and Nanking is their joint adoption of such policy and that following such agreement adjustments in the Government may be effected by political means. Such statement from Chen considered as only confirmation of statement of his mouthpiece Yu Han Mo as reported in paragraph two of my telegram of June 13, 5 p.m.

793.00 13550

Two. Marshals Li and Bai apparently embittered and disappointed at failure of other provinces to show sympathy by action or word when the Southwest gave the signal and threw down the gauntlet to Nanking by advancing into Hunan. In statement to the Chinese

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

MED - 2 - June 15, 6 p.m. from Canton

Government Li again stresses his conviction of urgent necessity for realistic policy of resistance to Japan; scornfully refers to futility of Chiang's plan to discuss matter further at second plenary session in Nanking next month; states that attendance of Southwest delegates at session has not been decided upon; and expresses his grievance at Nanking's disregard of the Southwest's loyalty and patriotism and at the manner in which Nanking's censors wrecked the Southwest's effort to make nation-wide appeal by telegrams to all the provinces. Lai has made no statement since Chen broke his long silence.

Three. There is undoubtedly much genuine anti-Japanese feeling in Kwangtung and Kwangsi and a feeling that historically Kwangtung is looked to by the rest of China to initiate great national movements in times of crisis. However, such feeling is tempered with feeling of distrust of the good faith of present leaders. Many believe, however, that Southwest has maneuvered Chiang into a position where, if he attacks Southwest forces after they have retired to their provincial borders, they may assume roll of martyrs suppressed for their patriotic ardor, this resulting in revulsion of feeling toward Chiang throughout the country.

DECLASSIFIED: E.O. 11652, 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 - 3 - June 13, 6 p.m. from Canton

country.

893.515 ✓
Four. Developments described in my June 13, 5 p.m., and above, have relieved tension generally although next moves of Chiang and the Kwangsi leaders are being watched with much interest and certain apprehension. Local currency has appreciated to 174 to the Hong Kong dollar but business in general remains dead.

Five. Sent to the Department Peiping, Nanking, Hankow and Shanghai.

SPIDER

KLP:CSB

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13553 FOR Tel#-, 4pm

FROM Canton (Spiker) DATED June 16, 1936
 TO NAME 1-1127 ...

REGARDING: Japanese Consul General has lodged vigorous written protest at anti-Japanese demonstration of June 13th and at general anti-Japanese propaganda in Kwangtung and Kwangsi. Further, Southwest Political Council to send further telegram to Nanking urging freedom of speech and patriotic effort against Japan, a face-saving gesture by Southwest leaders smarting under Nanking's defeat of attempted coup.

793.94/7935

FRG.

DECLASSIFIED: E.O. 11652, 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

MED

GRAY

CANTON VIA N.R.

Dated June 16, 1936

Received 4:03 p.m.

NOTE
 893.515
 793.94

Secretary of State,
 Washington

June 16, 4 p.m.

Referring to my telegram of June 15, 6 p.m., Canton continues quiet while local currency has appreciated to 169 to the Hong Kong dollar. Japanese Consul General has lodged vigorous written protest at anti-Japanese demonstration on Saturday and at general anti-Japanese propaganda in Kwangtung and Kwangsi. Local reports that Nanking has halted its southern advance in Hunan has relieved apprehension. Kwangsi is reported as fearful of resumption of Nanking advance, and because of this to have again assured Nanking of its desire to avoid any act which might be misunderstood as civil war, et cetera. An informed Southwest Political Council will send today further telegram to Nanking urging freedom of speech and of patriotic effort against Japan, this evidently being face-saving gesture by the Southwest leaders who are smarting under Nanking's defeat of their attempted coup. Sent to the Department, Peiping, Nanking, Hankow.

893.00 / 13552

SPIKER

SUS:CSB

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

RE

TELEGRAM RECEIVED

MED

1-1336

FROM

GRAY AND SPECIAL GRAY

NANKING VIA N.R.

Dated June 19, 1936

Received 8:18 p.m.

793.94
 Secretary of State,
 Washington

file
 E.G.C.
 COPIES SENT TO
 O.N.I. AND M.I.D.

194, June 19, 4 p.m.

My 192, June 19, 11 a.m.

Division of
 FAR EASTERN AFFAIRS
 JUN 20 1936
 Department of State

One. Suma returned yesterday and is spending today visiting the same Chinese officials on whom Leith-Ross is calling. He saw the Foreign Minister this morning and I am informed by a responsible official of the Foreign Office (1) that Lin Sen will postpone departure for Kuling to enable Kawagoe who is due here about June 24, to present his credentials a few days after arrival; (2) the two principal matters which will come up for immediate discussion between new Japanese Ambassador and Foreign Office will (a) Sino-Japanese "cooperation against Communists", and (b) Sino-Japanese "economic cooperation" in North China.

Two. To the Department and Peiping. By mail to Tokyo.

ATCHESON

HPD

793.94/7936

FILED

F/FG

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
 June 23, 1936.

~~MEM:~~

~~RHD:~~

~~MMT:~~

Mukden's despatch of May 28, 1936, transmits an English translation of a Japanese editorial entitled "What is Japan doing now?". The writer answers the question:

"Japan has assumed the single handed responsibility of protecting East Asia, which lies in the path of world aggression by the whites, and which is a source of profit for capitalism and an advance port for communism."

He then goes on to explain that prior to 1921 Japan opposed joint international control of China on the ground that such control was detrimental to the peace of the colored races. However, after the Washington Conference Japan acquiesced in the policy of joint control over China, retreated from Shantung, and accepted limitation of her military strength.

The writer then states that heretofore international law and international treaties were made by the whites as a means of subjugating the colored races and

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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 -

adds that anyone who knows the facts (Shidehara is called unsophisticated) will place a question marked after "the sanctity of the law". He makes a very prejudicial and groundless attack on Great Britain accusing her of bringing opium into China on warships, bringing armaments into China in parts for assembling in Chinese plants, and fixing the Chinese tariff to the advantage of British goods.

The September 18 incident was the beginning of the regeneration of Eastern Asia, he states, after explaining that as existing law is sacred to the white man, the colored races should make a sacred law for themselves.

He criticises the elder statesmen for favoring cooperation "with Leith-Ross" to control smuggling, and states that "smuggling is a means of escape for buyer and seller from being milked by 'legalized banditry'".

He states that the difference between Japanese-"Manchukuo" cooperation on the one hand and the position of Russia in Mongolia and of England in India is obvious and concludes that "Japan is impelled by moral force to stand alone to protect East Asia against white domination which they are seeking to establish through capitalistic monopolism and communistic destructivism."

TJCV/VDM

1068

DECLASSIFIED: E.O. 11652, 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. <u>76</u>		No. <u>76</u>	
XX		XX	
U.S.A.		U.S.A.	
ONI-MID		ONI-MID	

No. ----

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, May 28, 1936.

SUBJECT: Transmission of Editorial entitled
 "What is Japan doing now".

OFFICE OF ECONOMIC ADVISER
 JUL 2 1936
 DEPARTMENT OF STATE

RECEIVED
 DEPARTMENT OF STATE
 JUN 20 1936
 DIVISION OF
 COMMUNICATIONS
 AND RECORDS
 THE HONORABLE
 SECRETARY OF STATE
 WASHINGTON.

Division of
 FAR EASTERN AFFAIRS
 JUN 22 1936
 Department of State

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

I have the honor to enclose herewith a copy of
 my despatch No. 270, dated May 26, 1936, to the
 Embassy, Peiping, China, entitled "Transmission of
 Editorial entitled "What is Japan doing now".

Respectfully yours,

J. W. Ballantine
 J. W. Ballantine,
 American Consul General.

DEPARTMENT OF STATE
 ASSISTANT SECRETARY
 OF STATE
 JUN 20 1936

Enclosure:

Copy of despatch No. 270
 to Embassy, Peiping, China.

800
 wyp

750.04/7007

FILED
 JUL 14 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. 270

AMERICAN CONSULATE GENERAL

Mukden, Manchuria, May 26, 1936.

SUBJECT: Transmission of Editorial entitled
 "What is Japan doing now".

The Honorable

Nelson Trusler Johnson,
 American Ambassador,
 Peiping, China.

Sir:

1/- I have the honor to enclose a translation made in this office of an editorial which appeared in the May 23 issue of the weekly MANCHU HYOKON (Manchuria Review). The editorial depicts Japan in the role of a righteous champion battling single-handed against the sinister forces of white capitalism and white communism which he describes as seeking in the course of an advance towards world dominion to subjugate the "colored races" of East Asia. It flays the Hidehara diplomacy, which stood for cooperation with the powers in China, contending that this policy meant tacit acquiescence in a plan for international joint control of China to which Japan stands firmly opposed. The editorial defends disregard of international law and international treaties which it is averred were made by whites for the subjugation of the "colored races", and it is particularly venomous

towards

1 0 7 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

- 2 -

towards Great Britain, which is charged with using its warships to convey opium to China and with violating international arms embargoes. It regards the practice of smuggling as a means of escape for the buyer and seller from being milked by "legalized banditry".

T. Koyama, over whose signature the article appears, is the managing editor of the MANCHU HYOKOKU, which enjoys a good standing among Japanese residents in Manchuria and is considered to reflect "liberal" and independent Japanese opinion. Koyama is a man about fifty, and is regarded an authority on Chinese affairs, and is on the "non-official" staff of the South Manchuria Railway Company. His outburst cannot therefore be dismissed as the work of an irresponsible and isolated extremist, but rather epitomizes much of the kind of thinking that underlies the motivation of Japan's continental policy.

Respectfully yours,

J. W. Ballentine,
American Consul General.

Enclosure:

1/- Translation as stated.

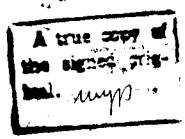
original

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

- 3 -

Original and 5 copies to the Embassy, Peking.
Copy to the Embassy, Nanking.
Copy to the Embassy, Tokyo.
Copy to the Consulate General, Tientsin.
Copy to the Consulate General, Harbin.
Copy to the Consulate, Dairen.
Five copies to Department by despatch No. ----
dated May 28, 1936.

800
JWB:fgl



DECLASSIFIED: E.O. 11652, 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. 270 of J. . . Ballentine,
 American Consul General, Mauden, Manchuria, dated May
 26, 1936, to the Embassy, Beijing, China, entitled
 "Transmission of Editorial entitled 'What is Japan
 doing now?'".

SOURCE: MANCHU REVIEW,
 (Manchuria Review)
 May 23, 1936.

(summarized translation)

WHAT IS JAPAN DOING NOW?

Question: What is Japan doing now?

Answer: "Japan has assumed the single handed
 responsibility of protecting East Asia, which lies
 in the path of world aggression by the whites, and
 which is a source of profit for capitalism and an
 advance port for communism."

I spent in the years between the death
 of Yuan Shih-kai and the restoration to China of
 Shantung. In this period Chinese were trying to
 establish parliamentary government and to develop
 a modern state. The powers were seeking to subject
 China to international joint control. Japan was
 firmly opposed, advocating an united government for
 the country, for she felt that it was detrimental
 to the peace of colored races to have European and
 American power implanted in China. After the
 Washington Conference Shantung was restored and the
 Four Power and Nine Power treaties concluded. Japan
 in her diplomacy towards China decided to cooperate
 with the League of Nations. This was the Hidekazu
 diplomacy. That is to say, Japan retreated from
 Shantung and accepted limitation of her military
 strength. As a consequence of the Nine Power Treaty Japan
 had no greater voice in Far Eastern affairs than any
 other of the signatories. In other words, the
 Hidekazu diplomacy meant tacit acquiescence in the
 policy of international joint control of China.
 China laid before the League all the details of mat-
 ters under negotiation with Japan. This tickled
 the vanity of the powers, especially England.

While in Manchuria there has come into use
 the phrase "legal bandits" (法匪) This has reference
 to Manchukuo officials of Japanese race who constantly
 assert they are upholding the sanctity of the law,
 but in reality, thinking only of holding their own
 positions, they are delaying the development of
 industrial and other projects and hampering efforts

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

- 2 -

to break through the critical situation. Heretofore international law and international treaties were made by the whites as a means of subjugating the colored races. To speak of upholding the law deceives only the unsophisticated- such was the Shidehara diplomacy. Look at the opium question. A rigid opium monopoly was set up for China and a League of Nations commission organized, while at the same time England has been loading Persian and Indian opium on her warships and delivering it from Hongkong into the Yangtze valley. Yet it is the Japanese who are chiefly charged with the illicit import of opium. Look at the arms traffic. The powers have engaged to prohibit themselves from importing arms into China, and this prohibition is strictly carried out in respect to Japan which is close to China. England exports arms equipment in parts, sets them up in factories in all parts of China and sells the assembled equipment. Finally look at articles of general trade. Before the world war British commercial influence in China was powerful; conventional tariff rates were based chiefly on British goods, and Britishers were the mainstay of the Customs force. After the war Japanese and Japanese goods became ascendant, China was granted customs autonomy, and China was influenced by England to boycott Japanese goods. Nevertheless it was the Shidehara diplomacy which enabled England to maintain her attitude. Finally, one yen straw hats made in Osaka were transported to Hongkong, labelled "made in England", and sold for seven yuan in Shanghai. Cruel indeed is the way these "legal bandits" milk the public. Anyone who knows the facts will put a question mark after "the sanctity of the law". In the period of high living, Japan was seated among the elect and prided herself upon being one of the three great powers of the League. With the coming of the panic of capitalism and the world depression which followed in its wake, Japan found herself unable to maintain her standing.

The law may be sacred, but it cannot be said that a law made by white men is sacred to colored people. The colored races should make a sacred law for themselves. The September 18 incident which gave birth to Manchukuo was the beginning of a movement for the regeneration of Eastern Asia.

Nevertheless our elder statesmen are in favor of cooperating with Leith Ross and our Foreign Office of controlling smuggling into China. To cooperate with Leith Ross in forming a loan consortium for China amounts to furthering a plan for putting China under joint economic control under British guidance and for utilizing Japanese power for instituting a currency

system

- 3 -

system convenient for England. Smuggling is means of escape for buyer and seller from being milked by "legalized banditry". So long as no sacred law is created which is appropriate to the relations between one colored people and another, its only significance is loyalty to a control based on law made or dictated by whites.

The communists in their advance are avoiding the ports where capitalism is entrenched, and are advancing overland barriers. I am not one to advocate imitating communistic methods for the conduct of foreign trade, but I merely suggest that means be devised for a direct interchange among colored races. The means adopted in Manchuria is one way, the means in East Hopei another.

I have discussed "what Japan is doing" only in relation to the Chinese question, as that is most readily understood. In addition Japan is single-handedly opposing white world domination in the arts, in light industry, in heavy industry, in shipbuilding and in railway operation.

The Chinese habitually say that "Japan's continental policy aims at subjugating the world through the subjugation of China" and that they would prefer rapprochement with the Soviet and communization or a rapprochement with Britain and American involving acceptance of their protection. But let us compare Manchukuo under Japanese-Manchukuo cooperation with Mongolia under Soviet-Mongolia cooperation or India under Anglo-Indian cooperation. The difference is obvious. Japan is impelled by a moral force to stand alone to protect East Asia against white domination which they are seeking to establish through capitalistic monopolism or communistic destructivism.

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

TELEGRAM RECEIVED

MJD

GRAY

Peiping

1-1330

FROM

Dated June 20, 1936.

Rec'd. 4:15 p. m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS
 JUN 22 1936
 Department of State

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

3/3

JUN 20, 3 p. m.

Embassy's 301, June 12, 3 p. m.

793.94

7750

One. Presumably important meetings of Japanese officials began June 18 at Tientsin. They are understood to include Lieutenant General Tashiro, Major Generals Kawabe and Matsumuro, and officers of the staff of the North China garrison, as well as resident officers of Taiyuan, Kweihwa, and Tsinanfu and the vice chief and a section chief of the Kwantung Army staff. The chief of the Kwantung Army staff is reputedly to arrive at Tientsin within a day or two. (Kuwashima of the Foreign Office allegedly informed the Chinese press at Peiping June 14 that "as the War Ministry knows the (North China) situation better than the other Ministry all problems in the area are being handled by the War Office.")

Two. Presumably these meetings are to decide policy with regard to Sung Che Yuan's regime. There are persistent reports that General Sung's attitude toward

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JUN 24 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- No. 312, June 20, 3 p. m. from Peiping

toward the Japanese has stiffened since the conferences of the latter part of May with his subordinates (reference Embassy's telegrams 275/⁷⁹²⁹ June 2, 4 p. m. and 282/⁷⁹⁴² June 4, 3 p. m.) when his military subordinates (1) persuaded him to reverse his decision to declare independence in accordance with Japanese desires and (2) insisted that Hsio Chen Ying should not (repeat not) resign the mayorship of Tientsin under Japanese pressure.

Three. An indication of this new attitude is Sung's appointment of General Chang Tzu Chung, his senior divisional commander and previously chairman of Chahar, to succeed Hsiao as mayor of Tientsin. Chang's appointment was urged by Sung's military subordinates and was definitely not (repeat not) desired by the Japanese military. Sung was allegedly lead to believe that if he appointed the Japanese favorite, Chi Hsieh Yuan (reference paragraph nine Embassy's 301, June 12, 3 p. m.), his regime would soon come to an end as Chi would do Japanese ~~bidding~~ more readily than Hsiao Chen Ying had done which would mean that Tientsin, the most important port of Sung's area, would be lost to him.

Four. The Japanese military have reputedly yielded on the question of Chang's appointment (Chang assumed office

161-2

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

-3- No. 312, June 20, 3 p. m. from Peiping
 office June 18) because (1) Chang's powers as mayor
 are to be less than were Hsiao, (2) Chang is simply
 minded than Hsiao and can be handled easily, and (3)
 the Japanese military are apprehensive that some of
 Sung's subordinates might otherwise cause trouble which
 wish to
 the Japanese/avoid.

Five. The question of what the Japanese military
 may decide at these meetings and what will be the form
 of their subsequent negotiations with Sung, who is now
 in Tientsin, cannot be answered at present.

Six. Rumors of possible cooperation of Han Fu Chu
 with Sung, either for or against the Japanese, are pre-
 valent. ^{Kuwushima} ~~I. C. Sun~~ of the dissolution visited Han
 June 18 and the press reports that Sung will meet Han
 shortly at Sung's birthplace in Shantung.

Seven. Although it is evident that Sung is in
 communication with the Southwest, his intentions in that
 regard are not (repeat not) known.

By mail to Tokyo.

JOHNSON

WSB

161-3

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

DOCUMENT FILE
NOTE

SEE 893.00 P.R./114 FOR Desp.#155
FROM China (Nanking) (Atcheson) DATED May 6, 1936
H6/// NAME 1-1157 ...

REGARDING: Relations between China and Japan: Developments
at Nanking, during the past month: Reports -.

fpg

793.94/ 7939

7989

1078

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

79394

E. Japan

a. Developments at London:

There were no significant developments at London during April in U.S.-Japanese relations which continued to await clarification of the situation in Tokyo and the appointment and arrival of a new ambassador. Japanese

press

DECLASSIFIED: E.O. 11652, 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 -

press reports² stated April 14 that the new Japanese Minister, Mitsuo, Major General Seiichi Mita, would hasten to visit Peking because of the repercussions that followed the conclusion of the Soviet-Ur Mongolian mutual assistance pact³ but he did not reach the capital until April 30 and while he called on the Minister for Foreign Affairs that day the call was understood to have comprehended no more than an exchange of views.

5. Appointment of new Japanese Ambassador to China:

Agreement to the appointment of Mr. Shigeru Awagoe, Japanese Consul General at Nientsin, as Ambassador to China, was communicated to the Japanese Embassy⁴ at Peking April 30 and announced publicly May 1. Mr. Awagoe succeeds Mr. Seiichi Mita, who presented his credentials April 3 and left the capital April 11 to return to Japan to assume office as Foreign Minister.

Formal Chinese approval of Mr. Awagoe was not announced until some two weeks after his appointment had been notified to the Foreign Office. His designation as Ambassador was a disappointment to the Chinese Government which had received favorable reports that Vice Minister for Foreign Affairs Higashitsu might be appointed; to the Chinese public in so far as it is politically conscious; and, judging from press reports, to civilians as well, because of Mr. Awagoe's lack of experience in dealing with westerners. Chinese comment⁴

ended

2. Peking's tele. to U.S., April 16, 4 p.m.,
 Washington 2.

3. Peking's tele. to U.S., April 17, 4 p.m.; U.S. 11,
 April 21, 4 p.m.

4. Peking's tele. to U.S., April 16, 4 p.m.

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

- 3 -

tended to the opinion that Mr. Kawaguchi won the appointment by his sympathetic attitude, as Consul General at Tientsin, toward the activities of the Japanese military in North China, and his promotion to Ambassador was considered a surrender on the part of the Japanese Foreign Office to the Japanese military extremists.

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

7990

DOCUMENT FILE

NOTE

SEE 893.00/13555 FOR Tel#-, 4pm

FROM Canton Spiker DATED June 17, 1936

TO NAME 1-1127

REGARDING: Militant demonstrations; anti-Japanese movement: Reply of local special delegates for foreign affairs to protest of Japanese Consul General.

FRG.

793.94/ 7990

7990

DECLASSIFIED: E.O. 11652, 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

EAL

GRAY

Canton via N. R.

Dated June 17, 1936

Rec'd 7:22 p. m.

NOTE
793.94

Secretary of State,
 Washington.

June 17, 4 p. m.

13553

Referring to my telegram of June 16, 4 p. m. ,
 protest of the Japanese Consul General and reply of
 local special delegates for foreign affairs published
 today. Reply gives assurances of protection of life
 and property of Japanese nationals then bluntly states
 that "anti-Japanese publicity and counter-Japanese
 movement are the genuine expression of the people's
 will as well as the natural reaction to Japan's actions
 since September 18, 1931 and that, as such, the political
 and military authorities of Kwangtung find it impossible
 to suppress them." Reply concluded with statement that
 the "effective measures" which the Japanese request the
 Chinese authorities to take, consist of a "fundamental
 revision by Japan of its policy and actions for the
 past five years." See comments in my June 17, 6 p. m.
 Sent to the Department, Peiping, Nanking, Hankow, and
 Shanghai.

873.00/13555

EAB:MPL

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13557 FOR Tel #-, 6pm

FROM Canton (Spiker) DATED June 17, 1936
TO NAME 1-1127 ...

REGARDING: Northern expedition of southern forces: Civil war or
anti-Japanese gesture?
Japanese protest of anti-Japanese activities in Kuangtung,
no mention of Kwangsi being made: Implications of-,

FRG.

793.94/ 7991

7991

DECLASSIFIED: E.O. 11652, 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

PS

GRAY & SPECIAL GRAY

Canton via H. R.

Dated June 17, 1936

Rec'd 12:40 a. m. 18th

Secretary of State,
 Washington.

June 17, 6 p. m.

13555

Referring to my telegram of June 17, 4 p. m., it is to be noted that in spite of recent anti-Japanese demonstrations and propaganda in Kwangsi and in spite of the fact that the Japanese protest mentioned June 2nd manifesto and other unfriendly utterances of the Southwest Political Council, the protest was not addressed to the Council but to Marshal Chen and asked suppression of anti-Japanese activities in Kuangtung, no mention of Kwangsi being made. Tactful inquiries addressed by this office to local authorities and to Japanese Consul General indicate (repeat indicate) that similar protest has not been made to the Kwangsi authorities in which case Japanese action may be interpreted as possible further evidence of Japanese support of Kwangsi or effecting to divide Kwangtung and Kwangsi.

Two. It is generally believed in well-informed quarters that situation remains fundamentally unchanged although probably relieved for a period which will end with meeting of plenary session in Nanking in July unless Nanking decides

to

NOTE
793.94

893.515

893.00/13557

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

FS 2-June 17, 6 p. m. from Canton

to take direct action against Southwest before that time. Marshal Li continues to denounce Chiang but there are reports that Li and ^{Pai} ~~some~~ are much concerned constantly diminishing support from Kwangsi populace. ✓

Three. There are persistent rumors that Nanking has decided that Marshal Chen and his brother Chen Wei ✓ Chou should be removed from the local scene by promotion or otherwise while Ying Han Mou is to succeed Chen. In view of these reports, activities of Nanking forces particularly those of Chang Fa Kwei in Fukien are allegedly now being apprehensively watched by Chen.

Four. Reports from bankers and other reliable sources indicate that much progress has been made in Nanking's negotiations for adoption here of national currency and that this may be expected in the very near future.

Five. Sent to the Department, Peiping, Nanking, Hankow and Shanghai.

WFC

3PIKER

DECLASSIFIED: E.O. 11652, 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 893.00/13559 FOR Tel.#193-noon

FROM China(Nanking) (Atcheson) DATED June 19,1936
td// NAME 1-1127 ...

REGARDING: Resistance to Japanese aggression: Kwangsi leaders
 state the despatch of Kwangsi troops into Hunan
 was to set an example to the rest of the country
 with a view to the adoption of a policy of -.

re

795.947992

795.947992

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/13558 FOR Tel#312, 2pm

FROM China (Johnson) DATED June 20, 1936
 TO NAME 1-1127

Student situation in Peiping.

REGARDING:

Situation aggravated by sending of a letter, June 15, by Sung Che Yuan to heads of universities with regard to the abolition of student organizations. Students claimed that the "order" was the result of the Japanese protest. However, local educators believe that students will return to homes for vacations without serious disturbance having taken place, provided there occurs, in the meantime, no significant political development.

FRG.

793.94/ 7993

7993

1085
DECLASSIFIED: E.O. 11652, 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

GRAY

PEIPING VIA N.R.

Dated June 20, 1936

Received 8:55 a.m.

700
1193.94
Secretary of State,
Washington

312, June 20, 2 p.m.

Embassy's 304, June 15, 4 p.m.

One. The student situation in Peiping was aggravated by the sending of a letter on June 15, by Sung Che Yuan to heads of Universities with regard to the abolition of student organizations. According to the head of a leading university, the question of abolition was left to the discretion of university heads. Students claimed, however, that Sung had ordered the abolition of all student organization and that the "order" was the result of the Japanese protest reported in the above mentioned telegram. (There is a possibility that Sung's action was based on an instruction of the National Government).

Two. Yen Ching University students, who had not (repeat not) joined other schools in striking on June 15, declared a strike June 16, to last until the "order" should be rescinded. Strikes in other schools assumed the same character. As a result it now appears that the present

term

893.5-0/13555

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

MED - 2 - #312, June 20, 2 p.m. from Peiping

term of most universities will come to an end without examinations having taken place. Avoidance of examinations is said to have been an important motivation V of a considerable section of student organizers.

Three. Local educators are understood to believe that students will return to their homes for vacations without any serious disturbance having taken place, provided there occurs in the meantime no (repeat no) significant political development.

By mail to Tokyo.

JOHNSON

CSB

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

TELEGRAM RECEIVED

RR

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

FROM

Geneva (Part Air)

Dated June 22, 1936.

Received 23, 9 a. m.

Secretary of State,
 Washington.

Divis-
 FAR EASTERN AFFAIRS
 JUN 23 1936
 Department of State

238, June 22, noon.

With Paris 489, June 12, 10 a. m., in mind I asked

~~was~~ if China was considering any pertinent action before
 the League. His reply was in the negative. He stated that
 Chinese action in Geneva at any time must be predicated
 on prior assurances of support from the powers and of this
 there were no evidences. He said that Koo would head the
 Chinese delegation at the June 30th Assembly and that naturall;
 China's situation would be discussed with representatives
 of interested powers as occasion suggested. He felt reason-
 ably certain, however, that Koo had no specific instructions
 and remarked incidentally on Koo's proclivity to present the
 aspect of playing an important role.

RR WWC

GILBERT

FILED
 JUN 25 1936

F/FG

793.94/7994

7948

793.94

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

TELEGRAM RECEIVED

RR

1-1336

FROM GRAY

Division of
 FAR EASTERN AFFAIRS

Tokio

JUN 24 1936

Dated June 24, 1936.

Department of State

Received 9:25 a. m.

Secretary of State,
 Washington.

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

139, June 24, 6 p. m.

CONFIDENTIAL. Embassy's 111, May 23, 11 a. m.

The Military Attache was informed today in
 conversation at the War Department that the movement
 of troops for the reenforcement of the North China
 garrison has been completed and that the garrison now
 has a strength of slightly under 5,000 men of all branches
 of the army.

Repeated to Peiping.

KLP

GREW

793.94/7995

FILED

JUN 25 1936

F6

DECLASSIFIED: E.O. 11652, 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

McL

Gray.

1-1236

FROM Nanking via N. R.

Dated June 24, 1936.

Received 7 a.m.

Secretary of State,
 Washington.

Division of
 FAR EASTERN AFFAIRS

JUN 24 1936

Department of State

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

193, June 24, 8 a.m.

One. Foreign Office has issued a denial of
 Japanese press reports that Suma gave Chinese Minister
 of Foreign Affairs on June ^{19th} ~~25th~~ a "stern warning" against
 the "continuation of malicious propaganda" against Japan.

TWO. To Department, by mail to Peiping and
 Tokyo.

PECK.

KLP

790.94/7996

JUN 25 1936

FILED

F/FG

164-1

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Amoy/104 FOR Desp.#93

FROM Amoy (Dick) DATED May 6, 1936.
 /TP/// NAME 1-1127 ...

REGARDING: Relations between China and Japan: Gives various
 incidents affecting -, during the month of April, 1936.

fp8

793.94/ 7997

7997

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

3. Japan

a. Autonomous movement.

793.94
 Japanese machinations are not found to be directly connected with the alleged autonomous movement in South Fukien but their subject Formosans are reputedly acting with Chinese traitors and scoundrels to ferment discontent in the neighborhood of Chuanchow. Many suspects in the movement have been arrested by vigorous orders of General Li Yen Hien (李延年).

The Japanese Consul visited that district, travelling by automobile from Lungau, opposite Amoy, to Changchow (漳州), thence to Chuanchow (泉州), and home. His visit caused much speculation and possible alarm but he said that he made the trip only for the inspection of his district.

b. inplanes over coast.

on

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

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On April 22, 1936, two airplanes rose from a four funneled ship-of-war, with no flag flying, and soared low above the coast of Hsiao Shu (小作), east of Tai An (惠安), and two days later two machines flew over Chung Wu (崇武), near Tai An. The warship and airplanes are said to have been Japanese.

c. Expected visit of Japanese fleet.

The Japanese fleet, comprising over 70 war vessels, is reported maneuvering somewhere off the Formosan coast, and that it will soon call at Amoy. This proposed call has created a certain amount of uneasiness among the Chinese who profess to believe that anything may happen.

The visits of the American and British vessels seemed to allay, for the time being, Chinese apprehensions.

d. Travel passes for Japanese.

The number of Japanese applying for travel passes to visit interior places is reported to be steadily increasing and in consequence has attracted great attention. The Mayor of Amoy, upon request of the Japanese Consul, writes to the various magistrates requesting protection for these travellers, whose numbers are expected to grow inasmuch as the Formosan Government has reportedly changed its strict policy regarding passports to Amoy and will soon grant them freely good for three years.

e. Fishing.

Chinese fishermen have recently appeared off

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

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off Taitan Island, at the entrance of Amoy Harbor, cast their nets, made great hauls, and returned to Formosa. Local fishermen resent this trespass into their fishing waters, but can do little, if anything, to prevent further depredations.

f. Formosan Hospital.

The hospital, under construction on Kulangsu by the Formosan Hospital, is expected to be completed late in June.

g. Relations of a general in ornamental character.

to be reported.

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

DOCUMENT FILE

NOTE

SEE 894.00 P.R./101 FOR Desp.#1829
 FROM Japan (Grew) DATED May 13, 1936.
 //P// NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Question as to whether
 Arita will carry out Hirota's three point policy
 toward China. Other developments during month of
 April, 1936.

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793.94/7998

7998

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

(b). China.

793.94
 There seemed to be some uncertainty during the month as to whether Mr. Hirota's three-point policy toward China** would be carried out in the near future by Mr. Arita, former Minister to China, who was appointed Minister for Foreign Affairs on April 2. For example, a Domei despatch from Nanking dated April 4 reported that Mr. Arita had been induced by the Chinese to give up the three-point policy and the OSAKA MAINICHI of April 10 stated that the Minister for Foreign Affairs had decided to relinquish this policy in favor of the following program: the conclusion of economic and reciprocal tariff agreements with China and the formation of an economic bloc among Japan, China, and "Manchukuo" in lieu of pressure on China to secure the recognition of "Manchukuo". Contrary to such reports, the Minister for Foreign Affairs told Tokyo

newspaper

* Embassy's despatches No. 1780 of April 15 and No. 1808 of May 1, 1936.

** See Monthly Report for March, Section II (b).

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

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newspaper correspondents on April 21 that he intended to follow Mr. Hirota's three principles in adjusting relations with China but added that the method of applying these principles should be "conciliatory". On the other hand, there appeared to be no weakening in the attitude of the Japanese military in China, judging from remarks attributed by the ASAHI of April 15 to Major General Seiichi Kita, new Military Attaché to the Japanese Embassy in China, who left Japan for his post on that day. Major General Kita was quoted as having said that he would endeavor to have China abandon its futile dependence on Europe and the United States and to rectify its mistaken notions about Japan; that he would urge the Chinese to cooperate with Japan in eliminating warlike Communist influence from the Far East; that China could have no objections to Japan's three-point policy; and that Japan could not consider economic assistance or any other form of aid to China unless China could be persuaded to define clearly its attitude toward Japan.

A good-will mission from the "East Hopei Anti-Communist Autonomous Government" to "Manchukuo" arrived in Hsinking on April 14. It was reported that the purpose of this mission was to initiate negotiations for the conclusion of a pact for mutual aid in combating Communism and for mutual economic development.

Mr. Hsu Shih-ying, the new Chinese Ambassador to Japan, presented his credentials to the Emperor on April 6. The Japanese Government reportedly decided to appoint Mr. Shigeru Kawagoe, who had served since

September

- 9 -

September, 1934, as Consul General at Tientsin, to succeed Mr. Arita as Ambassador to China. It would appear that the reason for the decision to appoint Mr. Kawagoe as Ambassador to China was the fact that he had been well liked by the Japanese military, with whom he had been in close contact in Tientsin and previously in Hsinking.

(c). "Manchukuo".

On April 24 the Cabinet approved the draft reaty which provides for the relinquishment of Japan's extra-territorial rights of taxation and industrial control over Japanese subjects in "Manchukuo". It is understood that the agreement will be signed in June and will go into effect in July of this year.

According to the OSAKA MAINICHI of April 25, the new Japanese Finance Minister advocates a policy of Government financial aid for the development of various industries in "Manchukuo" and such a policy is significant in that the former Finance Minister was disinclined to extend Government aid for Manchurian investments.

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

DOCUMENT FILE
NOTE

SEE 893.00 P.R.Tientsin/95 FOR Disp.#-
FROM Tientsin (Berger) DATED May 15, 1936
19/ NAME 1-1197 ***

REGARDING: Sino-Japanese relations during month of
April, 1936: Reports developments in --.

fpg

795.94/7999

7999

110

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

B. Relations with Other Countries.

1. Japan.

a. Pressure on ung Renewed.

(1) statements of Matsumuro.

793.94

Shortly after his arrival in North China Major-General Koryo Matsumuro, nominally the head of the Peiping branch office of the Japanese North China Garrison, revealed, in a series of statements to the foreign and vernacular press and allegedly in private conversation with various Chinese, the dissatisfaction the Japanese military in North China feel with the present state of political affairs here.

(2)

See also this Consulate General's despatch No. 184, dated April 7, 1936, to the Embassy.

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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) Resumption of Negotiations. Following these statements and coincident with the return from Tokio of Colonel Nagami, the Chief of staff of the North China Garrison, General Sung Che-yuan, Hsiao Chen-ying, the Mayor of Tientsin, General Ch'in Te-ch'un, Mayor of Tientsin, General Chang Tzu-chung, Chairman of the Chahar Provincial Government, and other Chinese leaders gathered in Tientsin where they were reported to have resumed negotiations with the Japanese military. Although interrupted by the movement back and forth from Tientsin of the various leaders who participated, these negotiations are believed to have continued throughout the rest of the month of April. In them Mayor Hsiao Chen-ying took the leading part for the Chinese.

(3) Proposed Anti-Communist Pact. Throughout these negotiations, the Japanese military were reported to be insisting upon the signature by General Sung Che-yuan of a formal understanding or a pact which would set forth in detail the circumstances under which the Japanese military and the Chinese troops under the control of the Hopedai-Chahar Political Council would cooperate for the defense of Hopedai and Chahar against Central Government, Communist, or perhaps other troops. Although it was reliably reported that certain incidental understandings between General Sung and the Japanese military were reached, and it looked at one time as if the rumored pact was about to become an actuality, it now seems probable that the anti-Communist agreement, if one had in fact been

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

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been proposed, had not yet been signed at the end of the month under review.

(4) Japanese Military Conference in Tientsin.² On April 23 and 26 a Japanese military conference was held in Tientsin to discuss and decide upon the details of the policy of the Japanese military in North China. It was presided over by Colonel Nagami, referred to above, who was said to have brought back from Tokio the latest expression of the views of the War Office there on North China.

(5) Japanese Barracks and Aerodrome at Tientsin.³ Chinese in Tientsin were afforded during the month a striking material expression of the determination of the Japanese military to control North China in the construction near the International Race Course in Tientsin of what is very evidently to be a large Japanese military barracks and aerodrome. The work is being pushed so rapidly that it will probably be completed by the end of May, and will, when finished, be sufficient to accommodate at least 10,000 men. In this connection it is perhaps pertinent to note that press reports, confirmed from reliable Chinese sources, indicate that arrangements were made some weeks ago by the Japanese military to house an estimated 5,000 troops in temporary quarters in the Japanese Concession.

It

² See this Consulate General's despatches Nos. 195 and 200, dated April 23 and 29, 1936, respectively.

³ See this Consulate General's despatches Nos. 189 and 190, dated April 18 and 19, 1936, respectively.

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It would appear clear that the Japanese military are determined not to be embarrassed by lack of quarters for any number of troops which they may desire at some later time to bring into Tientsin.

(6) More Japanese Consular Police. It is reported that the Japanese Consular Police force in Tientsin is to be considerably enlarged in the near future.

(7) Barracks at Kupeikow.

A large Japanese military barracks is near completion at Kupeikow.

b. Affairs of Hopei-Chahar Political Council.

(1) Proposed New Commissions.

Reports in the vernacular press early in April indicated that the Hopei-Chahar Political Council had asked the consent of the Central Government to institute several new commissions subordinate to the Council. The creation of Educational, Communications, Legal, and Reconstruction Commissions were said to be contemplated.

(2) Reconstruction Commission Inaugurated. It is not known whether the Central Government gave its consent to the organization of these commissions, but one of them, the Reconstruction Commission, was formally inaugurated at Peiping on April 20. Under the chairmanship of General Men Chih-chung (門致中), it will supervise road building, conservancy, and certain industrial projects.

(3) Communications and Legal Commissions.

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Commissions. It is understood that a Communications Commission under the chairmanship of Ch'en Chueh-sheng (陳 覺 生), Managing Director of the Peiping-Liaoning Railway, and a Legal Commission under the chairmanship of General Feng Che-hsi (鄧 哲 熙), are to be inaugurated in May.

(4) Another Japanese Adviser.

Having loaned one of its advisers to the Reconstruction Commission, the Economic Commission is understood to have engaged in his stead the services of a Mr. Negai from "Manchukuo".

(5) Council to Control

Another Newspaper. The Hopei-Chahar Political Council was reported early in April to have taken over a second daily newspaper in Peiping, the YAN CHIAO PAO or "Asia People's Voice", a newspaper which has been operating under Japanese influence on money which is said to have been drawn from the funds originally subscribed by Chinese for the campaign against the Japanese.

(6) Council to Control

Rural Cooperatives. The numerous rural cooperative societies in Hopei, the majority of which are in the Demilitarized Zone, were placed under the nominal authority of the Hopei-Chahar Political Council by a decision of the Executive Yuan.

(7) Intrigue in the Council.

Reports were current in Chinese official circles in Peking during April that General Shih Ching-t'ing (石 敬 亭), Chief Councillor of the Headquarters

of

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of the Pacification Commission for Hopei and Chahar, and General Lu Chun-lin (鹿鍾麟), who late in April was reported to have been appointed High Advisor to General Sun Che-yuan, were involved in some obscure intrigue which was supposed to be directed at increasing the influence of General Peng Yu-hsiang (馮玉祥) in North China. It was to these reports that General Matsumuro probably referred when early in April he said in a press interview that certain leaders were still intriguing. The Japanese press in Tientsin also carried accounts of the alleged cabal. It is not clear how widely this intrigue affected heads of the Chinese army here but some Chinese at least appear to regard General Lu Chung-lin as a factor of considerable importance in the present political situation.

c. The Student Movement.

(1) Warning to Sun. The students of North China, whose activities appear to serve, to some extent at least, as a barometer of public feeling here, continued their anti-Japanese agitations into April with the issuance of an open letter to Sun Che-yuan praising him for his bravery at Tsifengkow and urging him to resist the Japanese while he still had the power to do so and before he and his troops became like the former Northeastern soldiers.

(2) Tientsin student strike.⁴

On

⁴ See this Consulate General's telegram of April 24, 1936, 11 noon, and despatch No. 209, dated May 7, 1936, to the Embassy, Peking.

- 8 -

On April 22 the students were reported to have received through the mail, and perhaps also by telegraph, a communication from the so-called World Student Committee for Peace, Freedom and Culture, whose headquarters are supposed to be in Paris, informing them that a world-wide student anti-imperialistic strike, one of the objectives of which was to express sympathy with Chinese students, was being called. Upon the receipt of this information a meeting of the Tientsin Student Union was convened and voted a three day strike. In accordance with its decision students stayed away from their classes in all of the middle schools and colleges of Tientsin for four days, a subsequent order having continued the strike another day. In two of the larger universities in Tientsin the strike was continued for a week. It was featured by several peaceful meetings and was quiet and orderly; no arrests were made.

(3) Propaganda Corps. During the period of the strike the students at Nankai University organized a series of propaganda corps which toured the villages around Tientsin preaching the necessity of resistance to the Japanese.

(4) Report of Pact with Japan. Toward the end of the month the Peiping Student Union issued a manifesto denouncing General Wang-Chang-Whan on the charge of having signed a pact with the Japanese militarists providing for Japanese assistance in the suppression of Communism. The manifesto set forth what was alleged to be a copy of the actual

text

- 9 -

text of the pact.⁵ Informed Chinese in Tientsin state that although the students' version of the text of the alleged pact is not accurate, their report of the negotiations is not altogether without foundation.

d. Last Hopei.

Hood-Hill Mission to
"Manchukuo". A mission from the "Last Hopei Anti-Communist Autonomous Government" to "Manchukuo" headed by Mr. Ch'ih Tsung-mo (池宗墨), the so-called "foreign minister" of the "Autonomous Government", started for Mukden on April 13. It was apparently well received but so far as is known did not effect the conclusion of any formal pact with the government of "Manchukuo".

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

79,947

DOCUMENT FILE

NOTE

SEE 893.00/13563 FOR Tel#-- 4pm

FROM Canton (Spiker) DATED June 22, 1936
TO NAME 1-1127 ***

REGARDING: Northern expedition of Southwest forces: Civil war or anti-Japanese gesture?

Message addressed by Southwest military leaders to the "soldiers of the nation" urging support of war against Japan. Same local government controlled publication carries statement pointing out futility of calling conference to deliberate the issue, deeming it imperative that Nanking should act immediately by leading armed resistance against Japan.

FRG.

750.94/3000

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

FE

MED

GRAY

CANTON VIA N.R.

Dated JUNE 22, 1936

Received 11 a.m.

NOTE
793.94

Secretary of State,
Washington

June 22, 4 p.m.

Referring to my telegram of June 20, noon, /1356/

local government controlled press today published message addressed by Marshals Chen, Li and Pai to the "soldiers of the nation" calling upon them to rise and support the war against Japan. In view of the reported strict censorship engaged in by Nanking, it would appear improbable that this message will travel much further than the provincial boundary Kwangtung and Kwangsi. The same press contains a telegram allegedly addressed by the veteran Hsiao Fo Cheng to overseas Chinese stating that the Southwest Political Council deems it futile to call a further conference to deliberate on the issue but deems it imperative that Nanking should act immediately by leading armed resistance against Japan.

893.00 / 13562

Two. I am informed by usually reliable official source that all Kwangtung forces have recourse to Kwangtung and that main body of Kwangsi troops have withdrawn to Chuanshow Kwangsi but that smaller body continues

1 1 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

MED - 2 - June 22, 4 p.m. from Canton

continues to occupy strategic defensive position at Yungchow Hunan. Informant alleges that report of recent conference at Hengchow between representatives of Nanking and the Southwest is absolutely unfounded and that Li's appointment of Pai to full control of Kwangsi forces was purely routine matter confirming Pai's field command of expedition into Hunan and has no special significance as believed in some quarters.

Three. Sent to the Department, Peiping, Nanking, Hankow and Shanghai.

SPIKER

CSB

MICROCOPY

976

ROLL

32

END

