

MICROCOPY

976

ROLL

38

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 38

1930-39

793.94/9491-9815
Aug. 1937



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

WASHINGTON: 1975

INTRODUCTION

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

116-1

TELEGRAM RECEIVED

JR

GRAY

1-1336

FROM Hong Kong via N. R.

Dated August 17, 1937

Rec'd 5 a.m., 19th

Secretary of State,

Washington.

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

August 17, 5 p.m.

Evacuation of Canton by Japanese nationals including the Consul General and staff is interpreted by British military operations headquarters as due to a keen desire on the part of Japan to avoid further incidents especially in an area where military operations would be difficult and possibly involve complications with Great Britain.

DONOVAN

DDM:HPD



793.94/9-1

F/FG

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

117-1
TELEGRAM RECEIVED

MB

1-1336

FROM

COMMANDER IN CHIEF
ASIATIC FLEET

Dated August 19, 1937

Rec'd 8:45 a.m.

Secretary of State
Washington.

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



0019 Following received from American Consul
General, Shanghai:

"Japanese Consul General has notified the Senior
Consul that the Commander in Chief of the Third
Japanese Fleet has ordered the closing of Section Six,
Seven and Eight of the river to Chinese vessels between
nineteen hundred and zero five hundred and that other
vessels should notify the Japanese of their movements
in advance in order to avoid any misunderstanding."

Following reply made to Japanese Commander in
Chief via American Consul General: "The American Naval
Commander in Chief has considered the oral message
received by the American Consul General from the
Japanese Consul General through the Senior Consul,
stating that Sections Six, Seven and Eight of the
Whangpoo will be closed from nineteen hundred to zero
five hundred daily to Chinese vessels and that other
vessels should give due notice."

The Commander in Chief observes that Vice Admiral
Hasegawa,

793.94/9492

F/FG

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

117-2

- 2 -

MB 0019, August 19, from Commander in Chief
Asiatic Fleet

Hasegawa, Japanese Commander in Chief, has not conferred with him in regard to this matter. (Sheet two follows 1340)

NO SIGNATURE

HPD

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

117-3

TELEGRAM RECEIVED

sms

1-1336

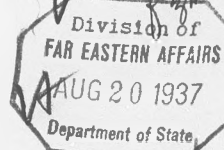
FROM

CINC ASIATIC FLEET

Rec'd August 19, 1937

7:45 p.m.

From Naval Communications
For the information of the
Department of State.



793.94
0019 Sheet Two. He has guards of marines and blue jackets at properties below this area to which access is required at any time at short notice. He must also have free communication with his ships, both men-of-war and merchants at Woosung at all times of the day and night.

The Commander-in-Chief will therefore be unable to comply with the proposal that he should notify the Japanese Commander-in-Chief of any movement between 1900 and 0500. In order to facilitate identification, however, he will arrange any United States man-of-war, ship, boat or merchant vessel proceeding after dark will burn her navigation lights and fly her ensign or national flag as the case may be and will pass as close as practicable to the first Japanese man-of-war encountered up or down stream, reducing speed while passing her." British and French Commanders-in-Chief have sent identic messages. 1341

sms npl

FW 793.94/9492

AUG 24 1937

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FILED

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

118-1

TELEGRAM RECEIVED

MB 1-1336

FROM

GRAY

Tokyo

Dated August 19, 1937

Rec'd 5:55 a.m.

Secretary of State

Washington.

281, August 19, noon.

793.94
note
393.94

One. My German colleague told me today that in a long conversation yesterday the Minister for Foreign Affairs assured him that the Japanese forces in Shanghai are willing and prepared to withdraw to their original positions and numbers provided that the Chinese troops also withdraw in accordance with the general proposals of the concerned powers. Hirota thought that such a mutual withdrawal should be accomplished in two steps: first, an armistice and cessation of firing; and second, negotiation as to localities of withdrawal. Hirota, however, thinks it highly unlikely that the Chinese will take favorable action and for the first time since hostilities began he gave von Dirksen an impression of pessimism. He reiterated his opinion that Chiang Kai Shek does not want war but that he is powerless to stem the tide.

Two. When reference was made to the British proposal that the powers assume responsibility for the safety



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

118-2

- 2 -

MB #281, August 19, noon from Tokyo.

safety of Japanese nationals in Shanghai, the Minister said that he doubted very much if the powers possessed adequate forces to assume such responsibility.

Repeated to Nanking.

GREW

WMC: GW

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

JOSEPH GRAY
27TH DIST. PENNSYLVANIA

5
Congress of the United States
DEPARTMENT OF STATE
House of Representatives
Washington, D. C.
1937 AUG 19 AM 9 10

DIVISION OF
COMMUNICATIONS
AND RECORDS

August 18, 1937

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

Dear Mr. Hull:

I received the enclosed letter from Miss Alice N.
Stewart, of Homer City, Pennsylvania, regarding the situation at
Shanghai and am submitting it for your consideration.

Sincerely yours,

Joseph Gray

JG:F

Enc.

*ack'd, and
letter to
A.N. Stewart*
AUGUST 23 1937



793.94/9494

AUG 27 1937

FILED

F/FG

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

COPY

Homer City
Pennsylvania
August 17, 1937.

The Honorable Joseph Gray
House Office Building
Washington, D. C.

Dear Mr. Gray:

Why is the United States Government dispatching 25,000 more marines to Shanghai from San Francisco? It seems to me that the six battleships at Shanghai now are a great sufficiency to take care of the evacuation of Americans there.

Further, sending more marines could be interpreted as an act of war by both China and Japan, and the door is thereby opened wide to the possibility of an international incident that would involve this country in a foreign war.

Further also, why has the neutrality act passed by Congress this session not been invoked in the Chinese-Japanese situation? Is \$300,000,000 worth of commercial interests in the Orient worth protection at the cost of another foreign war?

Respectfully yours,

ALICE N. STEWART

0007
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

August 25 1937

In reply refer to
FE 793.94/9494

My dear Mr. Gray:

The receipt is acknowledged of your letter of August 18, 1937, enclosing a letter, under date August 17, addressed to you by Miss Alice N. Stewart, of Homer City, Pennsylvania, with regard to the situation at Shanghai.

The Department has addressed a reply to Miss Stewart, a copy of which is enclosed herewith, together with Miss Stewart's letter to you, a copy of which has been made for the Department's files. For your personal information I am enclosing a copy of a memorandum of my press conference on August 17 in regard to the situation in the Far East.

Sincerely yours,

Gordell Hull

Enclosures:

From Miss Stewart,
to Representative
Gray, August 17, 1937.
Department's reply to
Miss Stewart.
Press release.

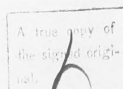
The Honorable

Joseph Gray,

House of Representatives.

FE:JCV:VCI 8/21/37

fe. m. w.



ROUTINE
AUG 28 1937
HULL

[Handwritten signature]

[Handwritten signature]

F/B

PA/H

0008

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

AUGUST 31 1937

In reply refer to
FE 793.94/9494

My dear Miss Stewart:

By reference from the Honorable Joseph Gray, Representative from Pennsylvania, the Department has received your letter of August 17, 1937, in regard to the situation at Shanghai.

There are now at Shanghai approximately 1,000 American marines whose primary mission is the protection of American nationals against possible mob violence or violence of other disordered and unorganized groups, which constitute no part of the organized military forces of either the Chinese or the Japanese Governments. The mission of the 1,200 (not 25,000) marines which the American Government has recently ordered to proceed to Shanghai is identical with the mission of those marines now at Shanghai. We are of course hopeful that by the time these marines reach Shanghai, approximately a month from now, there will be no need for them there. However, should that unfortunately not be the case,

Miss Alice N. Stewart,
Homer City, Pennsylvania.

793.94/9494

11

DECLASSIFIED: E.O. 11652, 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-

case, they may be needed for relief and replacements for those American marines now stationed at Shanghai.

There should be no reasonable cause for apprehension that the presence of American marines will involve this country in the hostilities at Shanghai. Our marines do not constitute an expeditionary force and they are not defending territory against the armed forces of either Japan or China. Their function, as stated above, is to protect American lives and, as one phase of protection, to assist in making possible safe and orderly evacuation of Americans.

With regard to your reference to the Neutrality Act, action under the authority of that Act is a matter for decision by the President who will of course be guided by the pertinent considerations of law and fact.

Sincerely yours,

For the Secretary of State:

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



JEL
FE:JCV:EJL

8/23/37

M. M. H.
FE

PA/H

SKH

AUG 23 1937
CR HJD ✓

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

TELEGRAM RECEIVED

ML

GRAY

1-1336

FROM Hong Kong

Dated August 19, 1937

Rec'd 6:15 a. m.

Secretary of State

Washington

August 19, 11 a. m.

STRICTLY CONFIDENTIAL

Referring to my telegram of August 17, 5 p.m., and to Canton's August 18, 5 p.m., British military headquarters state that no Japanese aircraft carriers are in the vicinity of Biasbay as reported in the local press and that the planes which flew near Bocatigris were undoubtedly Chinese (repeat Chinese) planes. British Chief of Staff commented on the large numbers and ineffectiveness of the Chinese air force in Canton. He reiterated his belief that the Japanese would take no (repeat no) military or naval action at Canton or Swatow. Peiping informed.

DONOVAN

REG:WNC



793.94/9495

AUG 24 1937

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52

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

TELEGRAM RECEIVED

MB

1-1336

Tientsin via N.R.

FROM

Dated August 19, 1937

Rec'd 10:10 a.m.

Secretary of State

Washington.

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



August 19, noon.

Having evacuated the entire Japanese community, the Japanese Consul General is closing his Consulate and leaving for Foochow tomorrow. Unless its presence is urgently required elsewhere I respectfully request that the USS TULSA which is under orders to leave Pagoda anchorage tomorrow be kept at that place to facilitate communications and to lend assistance in possible eventualities. Chinese Government land wire to Nanking and Peiping is interrupted and its radio service very heavily overburdened.

Repeated to Department, Peiping and Nanking.

WARD

HPD

793.94
note
702.9493
393.11

793.94/9496

FILED
AUG 24

119-1

FE

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM Nanking

Dated August 13, 1937

Rec'd 5:40 a.m., 19th.

Secretary of State,
Washington.

423, August 13, 8 p.m.

My 419, ⁹³³⁶ August 13, 4 p.m.



I accompanied colleagues and we saw the Generalissimo at 11 this evening. The Generalissimo opened the conversation by asking what information we had from Japan. The German Ambassador on his own initiative read to the Generalissimo text of reply which Japanese Ambassador delivered to us this afternoon to our joint note reported in my 403, August 11, midnight. He made the point that Japanese Ambassador expressed the hope that we could persuade Chinese to withdraw beyond fighting distance of Japanese, stating that Japanese in such a contingency would withdraw to previous positions. We pointed out that this was first time that Japanese had communicated to us any desire for help; that we were informing Generalissimo of this informally; that we could not undertake to define what Japanese meant by "fighting distance" nor were we prepared to define what Japanese meant by "withdrawal to their original positions".

Generalissimo

7935.94/9497

AUG 30 1937

FILED
F/EG

119-2

-2-

JR #423, August 13, 8 p.m., from Nanking.

Generalissimo stated that if we were prepared to guarantee good faith of the Japanese, Chinese would accept our guarantee and be prepared to negotiate with Japanese. We informed Generalissimo that we were in no position to act as guarantors of either side in these matters. Generalissimo stated that he wanted to emphasize that China had no desire to precipitate hostilities; that China desired peace. With reference to Japanese reply to our joint note, Generalissimo suggested that matter would be considered by the Foreign Office if brought to its attention. We stated that any understanding which Japanese and Chinese might reach would have to be through direct negotiations between the two sides; that we were not prepared to act as mediators; but that if an agreement could be reached between the two sides in regard to a mutual withdrawal at Shanghai we would be prepared to appoint observers to watch the fulfillment of such an agreement.

I stated that whatever happened in regard to the situation at Shanghai, I hoped the Chinese would remember that foreigners had been collected for purposes of safety in that part of the International Settlement south of Soochow Creek patrolled by the police of the Municipal Settlement and neutral armed forces, and that I hoped that in any operations in or near Shanghai the Chinese would remember this fact. Generalissimo stated that they had

-3-

119-3

JR #423, August 13, 8 p.m., from Nanking.

every desire to protect all foreign civilians even including Japanese, but that if Japanese used International Settlement as a base of attack it would be dangerous for foreigners there. I stated that we were using every means possible to withdraw foreign nationals from that area where Japanese were in order that they might be away from places of danger. Generalissimo in course of conversation expressed the hope that we would look below the surface in this connection to fundamental situation. He said that it was their information that Japanese intended to create a special area which would run roughly to a line from Sunkiang through Soochow and include the mouth of the Yangtze.

We feel that there is little or no hope that we can prevent hostilities at Shanghai in view of large concentration by Japanese there. However, French Ambassador expects to see Hidaka this evening and with our approval he is informing Hidaka that we have brought substance of Japanese reply informally to the attention of the Generalissimo, and that it is our belief that if he could furnish Chinese Foreign Office with official text of Japanese proposal regarding mutual withdrawal this might serve as a basis for discussion between the Japanese and the Chinese.

Sent to Shanghai, Tokyo.

HPD

JOHNSON

// This message received in answer to report of missing number. Original not received.

TELEGRAM RECEIVED

ML

GRAY

Nanking via N. R.

FROM Dated August 19, 1937

Rec'd 7:30 a. m.



Secretary of State

Washington

RUSH

470, August 19, 5 p. m.

4503

With reference to my telegram 468, August 19, 3 p.m.,

I have just addressed the following letter to the Minister for Foreign Affairs which letter quotes text of oral communication quoted in my telegram above referred to and says: "I have lost no time in communicating this information to my Government and to the Commander in Chief of the United States Asiatic Fleet now at Shanghai, but I must inform you, and through you, the military authorities of the Chinese Government, that American naval vessels are present in the Whangpoo River for the purpose of protecting the lives of American citizens. They have no hostile intent against the force of China or any other power. To request them to leave their present positions and to give up the protection of citizens of the United States legitimately residing in Shanghai, is an impossibility.

As I have stated above, United States naval vessels will use their guns in self defense, if attacked or otherwise endangered; and I must hold the Chinese Government responsible

793.94/9498

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793.94
note
393.11

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

120-2

ML -2- Nanking via N. R. August 19, 1937 7:30 a. m. #470

responsible for any damage which may result.

We are at this moment exercising every effort to evacuate American women and children from Shanghai. Tenders are leaving the customs jetty tomorrow morning and will be occupied all day conveying American women and children to the SS HOCVER, which will be anchored near the mouth of the Whangpoo, and I must ask that every precaution be given, both to those people, to the area of the settlement south of Soochow Creek where they have taken refuge, and to the merchant ships in or out of the harbor."

My 468, August 19, 3 p. m. repeated to Tokyo. Sent to Shanghai. Repeated to Department and Tokyo.

JOHNSON

PEG:AWC

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

121-1

FE

MB

TELEGRAM RECEIVED

Peiping via N.R.

1-1336

FROM

Dated August 19, 1937

Rec'd 7:30 a.m.

Secretary of State,
Washington.

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



453, August 19, 4 p.m.

Embassy's 448, August 18, 6 p.m.

793-94

One. The Hopei Chahar Political Council met last night and agreed to suspend its activities from today, including the Foreign Affairs, Finance, Communications, Reconstruction and Law Codification Commissions. Employees have been discharged, throwing some 400 out of work. Complete and permanent dissolution of the Council is expected within a few days. This will bring definitely to an end the structure of Sung Che-Yuan's regime. (the Hopei Chahar pacification headquarters was abolished August 9.

Two. It is not known whether some new organ will be formed, in addition to the Peiping local maintenance Committee and the association of district maintenance committees of Hopei.

Three. Chiang Chao Tsung, Chairman of the Peiping local committee, became mayor of Peiping this morning as the result of action yesterday by the Hopei Chahar Political

793.94/9499

F/FG

121-2

- 2 -

MB #453, August 19, 4 p.m. from Peiping via N.R.

Political Council. / Leng Chia Chi, who was reported in
the Embassy's 416, ⁹²⁸² August 11, 5 p.m. as becoming Mayor,
was actually appointed to that post in accordance with
the wishes of a group of Japanese Military but was
prevented from assuming office by other group of Japa-
nese military, headed allegedly by Matsui, Chief of
the Japanese special military organ at Peiping, opposed
to Leng.

Repeated to Nanking, Tokyo. Nanking repeat to Tokyo.

LOCKHART

WWC: PEG

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

TELEGRAM RECEIVED

MMI

1-1336

CINCAF

FROM
Rec'd. 10:05am.

August 19, 1937

From Naval Communications
for the information of the
Department of State.

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



793.94

0019 Japanese planes continue bombing attacks on Hongkew, Pootung, Chenju, Kunshan, Kianswan and Shanghai Nanking Railway while naval vessels shell Kiangwan and Woosung. **Reliable** report that Japanese army units have landed at Woosung, numbers unknown. Japanese casualties to date believed to be very small in comparison with Chinese which now approximately five thousand. Unconfirmed reports that Japanese again bombed MANK today. Chinese have made small advances into Hongkew section from eastward and into Yangtzepoo as far as Wayside Police Station, believe further advances improbable. Chinese bombers reported vicinity Lower Yangtzepoo. Effectiveness of Whangpoo barrier increased when Chinese seized five small Japanese river steamers and sank them above naval buoys. British forces in Shanghai increased by fifteen hundred men and French expect about seven hundred men on 24 August. PRESIDENT HOOVER will evacuate approximately one thousand Americans tomorrow bringing total evacuated to seventeen hundred. Rumors serious cholera epidemic reported from Hong Kong 2045.

CINCAF

MPD

793.94/9500

FILED

F/F G

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

MB

TELEGRAM RECEIVED

Canton

1-1336

FROM

Dated August 19, 1937

Rec'd 10:26 a.m.

Secretary of State

Washington.

August 19, 5 p.m.

Consulate general has circularized warning Americans
avoid places military importance.

The Canton Hankow Railway, was yesterday linked to
the Canton Kowloon Railway giving through rail connection
between Hong Kong and Hankow.

Yesterday's expected air raid caused large numbers
Chinese to seek entry Shameen, which was refused them
in accordance with concession authorities prepared plan
for enforcement during air attacks.

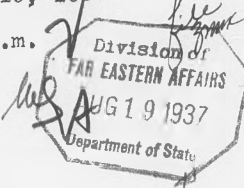
City and business recovering from shock though
evacuation of great numbers Chinese and safe removal
documents, et cetera, continues. Bankers report Finance
Ministry regulations for emergency stabilization finance
enforced here since sixteenth.

Under official announcement seventeenth Kwangsi
dollar was pegged to national currency at rate two to
one as first step in naturalization Kwangsi currency.
Rate regarded favorable for Kwangsi.

Vernacular press showing considerable bitterness

over

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



793.94/9501

AUG 24 1937

F/FG

793.94
note
393-11

- 2 -

MB August 19, 5 p.m. from Canton

over powers alleged non-neutral action in allowing
Japan gain military advantage by use Shanghai settle-
ments.

Well informed sources discredit reports of Japanese
aircraft carrier in vicinity and believe any Japanese
planes seen yesterday must have come from Formosa.

Mail copy to Hong Kong.

LINNELL

GW:WMC

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

ML

GRAY
TELEGRAM RECEIVED
Nanking via N. R.

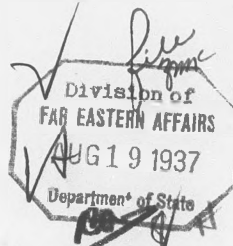
Dated August 19, 1937

1-1336

FROM
Rec'd 5 a. m.

Secretary of State
Washington

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



793,94
466, August 19, 11 a. m.

One. Chinese claim to have brought down 34 Japanese planes in three days, August 14 to 16 inclusive, and several since then. After such investigation and inquiry as has been possible we are fairly well satisfied that this figure is not (repeat not) greatly if at all exaggerated. We can definitely confirm that six planes were brought down in the vicinity of Nanking. The Chinese account is that the Japanese had 52 heavy bombers from Sasabo based on Formosa, that of these 26 have been destroyed, and that other Japanese planes brought down were from aircraft carriers. The majority of the Japanese planes destroyed were brought down by Chinese pursuits and only a very few by anti-aircraft guns. Local damage by bombs has been negligible. In addition to that reported in our 451, August 16, 10 p. m., a work shop at the military air field, Nanking, was damaged, one Chinese plane at Chuyung was destroyed, windows in the Chuyung hangar broken by concussion.

Sent to the Department, Peiping, Shanghai, Tokyo.

JOHNSON

GW:WWC

793.94/9502

AUG 21 1937

FILED

F/FG

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

357

TELEGRAM RECEIVED

MB

1-1326

GRAY

FROM

Nanking Via N.R.

Dated August 19, 1937

Rec'd 5 a.m.

Secretary of State,
Washington.

468, August 19, 3 p.m.

For the Commander in Chief.

Following oral message just delivered to me by the
Minister for Foreign Affairs:

"The Chinese military authorities request all
foreign warships and merchant ships in Shanghai to move
to a distance at least five nautical miles away from
any Japanese warship, failing which the Chinese military
authorities would request the powers concerned to make
the Japanese warships move away from their warships
and merchant ships to a similar distance. If neither
are complied with within twelve hours, the Chinese
Government will not assume any responsibility for any
damage which may be caused to the warships or merchant
ships and they cannot be (?) during the engagements
of the Chinese air force or other forces with the
Japanese warships".

Bearer of the communication could not say when
the twelve hour period was to begin. I am discussing

the



793.94/9503

FILED
F/EG
AUG 27 1937

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

1-2

358

- 2 -

MB #468, August 19, 3 p.m. from Nanking via N.R.
the matter with the British Ambassador and will send
supplementary telegram.

Sent to Shanghai.

JOHNSON

HPD

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

TELEGRAM RECEIVED
GRAY AND PLAIN

JR

1-1336

Shanghai

FROM Dated August 19, 1937

Rec'd 8:40 a.m.

Secretary of State,
Washington.

514, August 19, 3 p.m. (GRAY)
My August 19, 2 p.m. ^{N.C.}

In view of the fact that a considerable number of American missionaries are residing at various places in the interior of the Provinces of Kiangsu, Chekiang and Anhwei and that there are substantial American missionary property interests at such places I am giving below a list of such cities and request that these be immediately communicated to the Japanese Government with the further request that instructions be issued by the appropriate Japanese authorities to avoid endangering American lives and property in those localities: (END GRAY)

The following cities in the Province of Kiangsu:

Changshu, Chinkiang, Fowning, Hwai^{an}fu, Hwaiyin, Jukao, Kiangtu (Cangchow) Kiangyin, Kiaotowchen, Liuhme, Luho, Mantungchow, Nanziang, Quinsan, Shuyang, Sungkiang, Sutsien, Taihsien, Tangshan, Tunghai, Tungshan (Suchow) Wuhsien (Soochow) Wusih, Wutsin, Yengcheng.

The following cities in Province of Chekiang:

Chenghsien,



793.94/9504

FILED
AUG 24 1937

F/FG

-2-

JR #514, August 19, 3 p.m., from Shanghai.

Chenghsien, Hankhow, Kashing, Kinhwa, Mokanshan, Ninghai,
Ninghsien, Pihu, Pingyangshien, Shaoshing, Suian, Tientai,
Tuhing (Huchow) Cungkia (Wenchow) Yuyao.

The following cities in Province of Anhwei: Chaohsien,
Chuyih sien, Fowyang, Hofei, Hwaiyuan, Hwoki u, Hwoshan,
Hwaining (**An**king) Kwoyang, Langki, Lukianghsien, Mentaitze,
Nanhsuchow, Nanling, Lohsien, Showchow, Shucheng, Taiho,
Tatung, Tsingyangshien, Sih sien, Wuhu, Yingshang.

Sent to Tokyo, repeated to Department and Nanking.

GAUSS

WTC:GW

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

TELEGRAM RECEIVED

MB

1-1236

FROM

COMSOPAT

Undated

Rec'd 9:55 a.m. 19th

From Naval Communications
For the information of the
Department of State.

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

793.94

0119. After evacuation of all Japanese from Canton Chinese fear air raid and many thousands have left and are still leaving city. At Swatow many Chinese women and children have evacuated but conditions quiet there. At Foochow Japanese continue to evacuate to Keelung, Formosa, but operations hampered by strike of sampan coolies, strike probably due to summary execution of three coolies for selling rice to Japanese destroyer MAKATKE. 1130.

Navy Department



793.94/9505

FILED

F/FG

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM
Hankow

Dated August 19, 1937

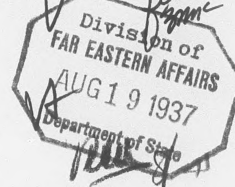
Rec'd 11:40 a.m.

Secretary of State,

Washington.

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

August 19, 4 p.m.



Chinese authorities reported nine Japanese planes
near Kiukiang at about 2 p.m., today and later reported
they had turned south. I telephoned Kuling at 3 p.m.
All quiet at Kuling. No Japanese planes have arrived
here to date.

Sent to Nanking, Peiping and Shanghai.

JOSSELYN

GW:HPD

793.94/9506

AUG 24 1937

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

TELEGRAM RECEIVED

JR

GRAY

1-1338

Nanking
FROM

Dated August 19, 1937

Rec'd 10:40 a.m.

Secretary of State,
Washington.

424, August 19, 3 p.m.

My 411, August 12, 11 p.m.

Following is text of Japanese reply to joint note
reported in my 403, August 11, midnight:

"It goes without saying that the safety of the lives
and property of the foreigners as well as the Japanese
in Shanghai falls under the solicitous care of the Japanese
Government. It follows, therefore, that it is the most
sincere desire on their part to avoid any armed hostilities
being engaged in Shanghai and the districts adjacent to it.

Two. In order to successfully fulfill the desire
expressed above, however, it is a matter of urgency that,
with an ultimate view to achieving the faithful observance
of the stipulations of the Shanghai truce agreement of 1932
by the Chinese authorities, steps must be taken, as provisory
measures, to withdraw the Chinese regular troops and the
equally well equipped Peace Preservation Corps that are
at present concentrated in the vicinity of the settlements
and are threatening the Japanese, at least outside the
fighting.



793.94/9507

FILED
AUG 27 1937

F/FG

-2-

JR #424, August 10, 3 p.m., from Guam.

fighting distance, and also to demolish all their military constructions erected in the vicinity of the said area.

Three. The Japanese naval landing forces are under the strictest order to act with usual self control and perseverance. It can be definitely stated that they do not harbor the slightest intention of making any unprovoked attack on the Chinese troops or the Peace Preservation Corps. Also, the Japanese Government are again prepared to withdraw their naval landing party forces to their original positions provided that the conditions mentioned in the preceding paragraph are accepted by the Chinese authorities.

Four. Under these circumstances, the Japanese Government earnestly request the interested powers that, with the purpose of preserving Shanghai immune from the deplorable consequence of a warfare, they be good enough to exhaust all necessary means at their disposal in order to bring about the withdrawal of the Chinese troops and the Peace Preservation Corps at the earliest possible moment.

Repeated to Tokyo, Shanghai.

JOHNSON

WWC:GW

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

TELEGRAM RECEIVED

JR

1-1336

FROM RAY

Nanking via N. R.

Dated August 19, 1937

Rec'd 7:30 a.m.

Secretary of State,
Washington.

469, August 19, 4 p.m.

Department's 154, ⁹³⁷² August 16, midnight, and Tokyo's
No. 272 ⁹⁴³² of August 16, 6 p.m., not yet received.

Sent to the Department. Repeated to Tokyo.

JOHNSON

GW:HPD

Telegraph company requested to trace Department's 154, for
delivery to Nanking.

DIVISION OF COMMUNICATIONS AND RECORDS



793.94/9508

SEP 3 1937

F/FG

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

2-1
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 19, 1937.

PA/H

~~Mr. Hornbeck:~~

U

Mr. Welles:

S

Mr. Secretary:

You will undoubtedly wish to read the very interesting memorandum appended to this despatch from Ottawa in which are recounted the views expressed with great candor by Sir Robert Craige, the newly appointed British Ambassador to Tokyo, in regard to Sino-Japanese affairs and other matters.

WTT

WTT: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



LEGATION OF THE
UNITED STATES OF AMERICA
RECEIVED

DEPARTMENT OF STATE Ottawa, Canada.

1937 AUG 19 AM 11 17

August 17, 1937.

No. 7553

DIVISION OF
COMMUNICATIONS

Subject: Transmittal memorandum of conversation
of August 13, 1937, between Sir Robert
Craigie, British Ambassador to Tokyo and
the American Minister to Canada.

793.94
DIVISION OF
EUROPEAN AFFAIRS
AUG 26 1937
DEPARTMENT OF STATE

For Distribution-Check				
Grade	For	To Field	Yes	No
		In U.S.A.		

STRICTLY CONFIDENTIAL.

SECRETARY OF STATE
AUG 26 1937
NOTED

UNDER SECRETARY OF STATE
AUG 24 1937
MR. WELLES

ASSISTANT SECRETARY OF STATE
AUG 31 1937
MR. WILSON

Division of
FAR EASTERN AFFAIRS
AUG 19 1937
Department of State

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

Sir:

1/

I have the honor to enclose, in triplicate,
a memorandum of a conversation which took place
in Ottawa on August 13, 1937, between Sir Robert
Craigie, newly appointed British Ambassador to
Tokyo, and myself.

Sir Robert expressed his views on the Sino-
Japanese outlook with marked candor. As is brought
out in the memorandum, he did not disguise that, so
far as possible joint Anglo-American pressure on the
Japanese Government was concerned, his views did not
altogether

793.94/9509

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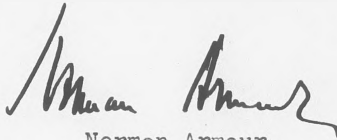
2-3

- 2 -

altogether coincide with those held by the Foreign Office in London. Accordingly, it would probably be advisable to consider as strictly confidential this part, at least, of his talk.

Copies of the enclosed memorandum have been sent to the American Embassies in Tokyo and London.

Respectfully yours,


Norman Armour.

2 Carbon Copies
Received.....

Enclosure:

1. Memorandum of conversation between British Ambassador to Tokyo and American Minister to Canada.

(In triplicate to Department.)

800

DK/meh

3-1
PAH
DD
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 20, 1937.

Service of Americans in
Chinese Forces.

✓
MMH

In Shanghai's No. 518 of August 19, 8 p.m., it is stated that Consul General Gauss informed the Japanese Consul General that if the latter would inform him as to the name and whereabouts of any American aviation instructors participating in Chinese air force operations, he, Gauss, would put the information in the hands of American judicial authorities for consideration and proper action under the American law.

It is submitted that the course adopted by Gauss merits the full approval of the Department, and that it would appear to be distinctly preferable to deal thus with individual cases by separate writs of the American judicial authorities in China, rather than by the issuance in this country of a public statement to the effect that enlistments or acceptance of commissions in the armed forces in the Far East is contrary to the statutes and the policies of this Government.

In the first place, it is to be remarked that such statements have, in the recent past, been made only with respect to civil war (Spain) where the principle of non-intervention has served as occasion and justification for such a pronouncement, and with respect to the Italo-Ethiopian

3-2

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-2-

Ethiopian hostilities which, by the presidential proclamation of October 5, 1935, were recognized by this country as constituting a state of war. In view of this fact, it might be desirable to delay issuing any such pronouncement in regard to the Far East until the Neutrality Act of 1937 may be applied.

In addition, it might be stated that of the three sections of the Revised Statutes which could be applied in such cases (Sections 4090, 5281, and 5282), the first two apply to the case of war. (Section 5282 applies to enlistment in armed forces without reference to a state of war). Consequently, in view of the past practice and of the tenor of the above-mentioned sections, the general public will come to the conclusion that this Government considers that a state of war exists in the Far East, although the President may not have exercised the discretion accorded to him by the 1937 Neutrality Act so to declare.

In further consequence of this fact, the general public will conclude that this Government, finding that a state of war exists in the Far East, is willing to prevent participation of American citizens in the hostilities, but, with a desire to favor one side in such a war, or to enable American businessmen to profit by the exceptional opportunities for trade in articles which would, by the application of the Neutrality Act, be otherwise placed under embargo, is refraining from applying the Neutrality Act.

In

0037
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

3-3

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

-3-

In the light of these considerations, it is suggested that until the Neutrality Act of 1937 may be applied to the hostilities in the Far East, no statement be made by this Government with respect to the service of American citizens in armed forces in China, but that, following the course adopted by Consul General Gauss, each case be dealt with on its individual merits in pursuance of the provisions of the above-mentioned statutes.

JHL
FE:VHS:VCI

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

3-4 362 ~~PD~~

TELEGRAM RECEIVED

DDM

GRAY AND SPECIAL GRAY

1-1336

FROM SHANGHAI VIA N.R.

Dated August 19, 1937

Rec'd noon

Secretary of State

Washington

518, August 19, 8 p.m.

Reference my No. 487, August 15, 3 p.m.

793.94
note
893.20

Japanese Consul General informed me this afternoon orally that Japanese have received reports that American aviation instructors are participating in the Chinese air force operations. I stated in reply that I had no information to confirm this report; that I knew that two of these instructors were in Shanghai at this time and that I have seen them daily and know they are not participating in any such activity; and that if he would inform me of the name and whereabouts of any American concerned I would put the information in the hands of American judicial authorities for consideration and proper action under the American law.

Repeated to Nanking.

821 118 52 6W S 11

GAUSS:

GW

EPD



793.94/9510

AUG 26 1937

FILED

F/FG

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

TELEGRAM RECEIVED

MB

1-1436

FROM PLAIN

Nanking via N.R.

Dated August 19, 1937

Rec'd 12:15 p.m.

Secretary of State

Washington.

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



471, August 19, 6 p.m.

One. Eight heavy bombers appeared over south suburbs at twelve-forty p.m. today and dropped about ten bombs outside South Gate where an arsenal and barracks are located. Three bombs are reported to have fallen inside the barracks; a workshop therein, an office building at the arsenal, were set afire; only casualties reported were seven Chinese civilians injured.

Two. According to aviation headquarters the bombers were met on their way here at Kwangteh Anhwei by Chinese pursuit planes and two bombers were shot down there. Another bomber is reported to have been shot down later at Lisui Kiangsu still closer to Nanking but this has not been confirmed.

Sent to the Department, Peiping, Shanghai.

JOHNSON

HPD

793.94/9511

FILED
AUG 24 1937

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

4-1

363

TELEGRAM RECEIVED

JR

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

FROM

Rome

Dated August 19, 1937

Rec'd 2 p.m.

Secretary of State,
Washington.

378, August 19, 1 p.m.

In the course of a conversation with Count Ciano yesterday afternoon, I said I should appreciate any information he could give me with regard to his policy and viewpoint in connection with the Far Eastern crisis. Ciano replied that the Italian Government was in particularly friendly relations with the Japanese Government, that Japan had not taken any part in the sanctions and had been among the first to recognize the Empire. Speaking generally theretofore Japan occupied a particularly favorable position in Italian circles. With this preface Count Ciano continued, that the policy of the Italian Government was that of strict neutrality between Japan and China. He added that some little time ago he had had an opportunity to counsel the Chinese with whom he personally was on particularly friendly terms in view of the official positions which he had occupied in China. He had advised the Chinese Government to come to terms with Japan, that it was better to "lose a leg even though the operation was a painful one than the more vital parts of the body". He had remarked that the

Japanese



793.94/9512

FILED

FIFG

793.94
note
765.94

4-2

364

-2-

JR #378, August 19, 1 p.m., from Rome.

Japanese forces were so vastly superior to the Chinese that the only safe policy for China was to reach some peaceful solution.

Ciano informed me that Italian interests in China did not justify any initiative on the part of the Italian Government but that Italy would gladly follow that of the United States or of Great Britain if there was any movement contemplated for the purpose of localizing the conflict and of reaching a peaceful solution. He also told me that he had information which satisfied him that the Soviet Government had been urging China to resist Japan, that Russian war materials had gone forward and that it was clearly the intention of the Soviet Government to create in China as much turmoil as possible; that this would serve two purposes: the weakening of Japan and the spread of communism throughout China.

PHILLIPS

KLP:JLS

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 14, 1937.

CONFIDENTIAL

Division of
FAR EASTERN AFFAIRS

AUG 23 1937

Department of State

DEPARTMENT OF STATE
RECEIVED
AUG 19 1937
DIVISION OF
COMMUNICATIONS AND RECORDS

The Situation in the Far East.

SECRETARY OF STATE
AUG 18 1937
NOTED

Mr. Secretary:

During the week in review, with the evacuation of Japanese nationals from up-river Yangtze ports, the gradual reinforcement of the Chinese and Japanese armies massed in Southern Hopei, the outbreak of fighting along the Great Wall northwest of Peiping and the rapid development of a tense situation at Shanghai, the prospects of averting general hostilities between Japan and China have been growing steadily more discouraging.

The Japanese have completed the evacuation of their nationals not only from up-river Yangtze ports but also from Foochow and Swatow in South China, a measure which is indicative of the gravity of the situation, and which was obviously prompted by the Japanese desire to avoid being drawn into a diffusion of their military forces so as to operate to the advantage of the Chinese.

In North China while the Japanese have established their control of the Peiping-Tientsin area, heavy fighting is going on in the vicinity of Nankow near the Great Wall where

793.94/9513

F

7513

-2-

where notwithstanding stiff resistance by the Chinese the Japanese appear to be gaining ground. The massing of Chinese troops in Southern Hopei is continuing while the Japanese forces which are confronting them are shortly expected to be reinforced by three divisions. Apparently neither side appears ready as yet to assume the offensive there.

The tense situation at Shanghai was brought about by an incident involving the death of two Japanese naval personnel and a Chinese soldier which was followed by a Japanese naval concentration of a force of 3,000 sailors with further reinforcements en route, and by the moving into Shanghai of the detachments of Chinese regular troops. With a view to the exclusion of Shanghai from the zone of possible hostilities representatives of the interested powers have made approaches to the Chinese and Japanese authorities at Shanghai, Nanking and Tokyo. Both sides have expressed their concurrence in the desirability of this being done, but neither side has appeared willing to make an initial concession. The Japanese contend that Chinese armed forces have entered the Shanghai area and are constructing defenses in violation of the 1932 truce agreement, while the Chinese charge that the Japanese, as in 1932, are using the international settlement as a base for hostilities. The situation is such that a small incident may start serious fighting to the jeopardy of the
neutrality

DECLASSIFIED: E.O. 11652, 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-

neutrality and safety of the international settlement. The Shanghai Volunteer Corps and municipal police units have been mobilized and the British, French and American landed forces have taken precautionary measures for the protection of foreign nationals. Americans in the outlying districts of Shanghai have been advised to come within the settlement's defense lines. Increasingly heavy bombing by Chinese aircraft is now going on, having as its objective the Japanese flagship moored near the Japanese Consulate General. There has been a large number of casualties among residents including ^{three} ~~two~~ Americans killed and one wounded. One bomb barely missed the Augusta.

FE:JWB:VC

JWB
m.m.d.v.

SEK

TELEGRAM RECEIVED

1-1336

RB

FROM

GRAY

London

Dated August 19, 1937

Rec'd 2:50 p. m.

Secretary of State
Washington.

550, August 19, 6 p. m.

STRICTLY CONFIDENTIAL.

The Foreign Office stated this morning that they are telegraphing Shanghai for an explanation of the circumstances of the British broadcast regarding evacuation without prior understanding with the American authorities and requesting the British authorities to avoid repetition of such misunderstandings. Sir Ronald Lindsay had telegraphed the Foreign Office that the Department felt some concern in this apparent lack of cooperation. In the opinion of the Foreign Office it was not clear from the British Ambassador's telegram whether the Department objected to the plan for evacuation not having been communicated to the American authorities or whether the objection was to the fact that it was broadcast without prior consultation.

BINGHAM

KLP

JLS



793.94/9514

FILED

F/FG

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

TELEGRAM RECEIVED

MB

Shanghai

1-1336

FROM

August 19, 1937

Rec'd 7:40 p.m.

From Naval Communications
for information of the
Department of State



793.94

0019 Japanese bombers raided Nanking at noon and 1500
today. Eight planes in first group dropped approximate-
ly five bombs on air field south of city, second group
of fourteen planes passed over city and dropped approxi-
mately fourteen bombs from high altitude. Japanese
planes reported in vicinity Kiukiang at 1400 and headed
south toward Nanchang without attacking. Pursuit
planes took off from Hankow air field but failed to
make contact. 2237

SMS:NPL

793.94/9515

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

RB

1-1336

GRAY

FROM

Shanghai via N. R.

Dated August 19, 1937

Rec'd 5:40 p. m.

Secretary of State
Washington.

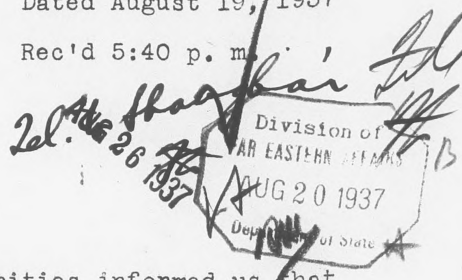
512, August 19, 4 p. m.

793.94

Last evening municipal authorities informed us that an English-Russian newspaper known as the CHINA DAILY HERALD of which an American claims to be the publisher was putting out an extra saying that the water supplies were being poisoned. Police proposed to close down the paper. We informed them we did not (repeat not) recognize it as American. Paper was closed down. An American named Harrell objected that paper is American. In this connection see my despatch No. 146, April 24, 1936, to Embassy transmitted to Department by Embassy's despatch of about May 5, 1936. Extra as issued carries following headlines:
"Chinese authorities give warning. Japanese spies and provocators working. Poisoning of drinking water in street urns".

succeeded the NEW WORLD
Two. CHINA DAILY HERALD ~~supplies the masses.~~ Believed to be under Soviet influence. I am sending for Harrell to warn him against any activities.

GAUSS



793.94/9516

FILED

F/FG

0048

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

~~RAH~~
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS ~~CR~~

August 25, 1937.

~~RCM:~~
~~MUM:~~

Reference Shanghai's 512, August 19, 4 p.m.

Shanghai's despatch No. 146, April 24, 1936, reported that registration of a firm entitled the NEW WORLD, publishing the NEW WORLD, a bi-lingual daily newspaper (Russian and English) had been canceled when it was learned that Mr. Harrell, an American citizen, was not actually the owner, manager or publisher of the newspaper.

It is assumed that the CHINA DAILY HERALD is a newspaper similar in character to the NEW WORLD and that Mr. Harrell's connection with the CHINA DAILY HERALD, as in the case of the NEW WORLD, does not warrant that newspaper receiving the protection of the American Consulate General as an American publication.

~~JCV~~
JCV/REK

LE
JCV

DECLASSIFIED: E.O. 11652, 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

Plain

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Department of State
DEPARTMENT OF STATE

1937 AUG 26 PM 6 20

Washington, D.C.
August 25, 1937.

AMERICAN CONSUL,

DIVISION OF
COMMUNICATIONS
AND RECORDS

SHANGHAI (CHINA). *via A.R.*

✓ 284 *Twentyfourth*

Your ~~512~~ ⁵¹³, August 19, 4 p. m.

Department approves.

Hull
SKH

793.94/9516

793.94/9516

JCV
FE:JCV:REK

FE
W. H. W.
L. E.
W. H. W.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1—1462 U. S. GOVERNMENT PRINTING OFFICE

9516

DECLASSIFIED: E.O. 11652, 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
\$

5-1
TELEGRAM SENT *Gray*

Department of State
DEPARTMENT OF STATE

365
TO BE TRANSMITTED
CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL
PLAIN

Washington, *via Naval Radio*

1937 AUG 26 PM 6 38

August 26, 1937.
gpm

AMERICAN CONSUL, DIVISION OF
COMMUNICATIONS
AND RECORDS
SHANGHAI, (China). *via N.R.*

✓ 288
Nanking's 529, August 26, 1 p.m.

Department, after consultation with Navy Department,
desires that you take up with Commander-in-Chief the subject
of Nanking's telegram under reference.

Please repeat to Nanking.

Hell

Sketch

RCM
FE:RCM:VC

FE
mm.H.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 59

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/9516

F

7697

6-1

366

TELEGRAM RECEIVED

RB

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

Tokyo

Dated August 19, 1937

Rec'd 3:25 p. m.

Secretary of State

Washington.

283, August 19, 11 p. m.

(GRAY) Embassy's 279, August 18, 6 p. m.



One. The Vice Minister for Foreign Affairs today informed the British Charge d'Affaires that Japan could not (repeat not) ^{accept} the British proposal for Chinese-- Japanese withdrawal of forces in and around Shanghai on condition that foreign powers would assume responsibility for the safety of Japanese Nationals in the International Settlement and on the extra Settlement roads because (1) Foreign forces would not be adequate; (2) it is Japan's duty to protect her own nationals, and (3) the Chinese are entirely to blame for the present situation.

Two. Dodds however obtained assurances that this refusal was only pro tem and might be reconsidered, (END GRAY)

Three. Dodds believes that the Japanese realize that they are "in a jam" in Shanghai and that reconsideration of their

793.94/9517

FILED

F/E G

6-2

367

RB

-2-#283, August 19, 11 p.m. from Tokyo

their refusal to accept the British proposal is not unlikely.

(GRAY) Four. The French Ambassador has informed the Foreign Office that France will undertake to protect Japanese in the French concession provided that the powers undertake the protection of Japanese in the International Settlement.

Repeated to Nanking.

GREW

HPD

(*) Apparent omission.

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

CONFIDENTIAL
O.N.I. AND N.I.

TELEGRAM RECEIVED

MB

PLAIN, GRAY AND
SPECIAL GRAY

1-1328

FROM

Nanking Via N.R.

Dated August 19, 1937

Rec'd 7:35 p.m.

Secretary of State,
Washington.

473, August 19, 10 p.m.

One. Second air raid today occurred 6:40 p.m. when fourteen heavy bombers flew over Nanking and dropped at least six bombs. No Americans or, as far as known, other foreigners were injured. Over ten Chinese civilians were reportedly killed.

Two. The alarms sounded at 6:05, Chinese pursuit planes went up immediately, patrolled for over thirty minutes, and then grounded. As soon as they were out of the air, the raiders swept in through a thunder storm and began bombing after weathering heavy but apparently ineffective anti-aircraft fire. According to military headquarters (CONFIDENTIAL) one dud fell in front of the main garrison of the Central Military Academy, one live bomb fell nearby at the Central Veterinary Station and ignited an ammunition dump from which explosions were heard for some time, one live bomb fell into the Chinese Government's Central University Public Health Station and set on fire at least



793.94/9518

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. Hueston NARS, Date 12-18-75

- 2 -

MB #473, August 19, 10 p.m. from Nanking

least one building, and one dud fell by the Aviation Commission grounds. These places are all inside the wall. The bombers departed without any known casualties and release was sounded at 8:00 p.m.

Three. Another alarm sounded at 9:25, release signal a few minutes later.

Sent to Department, Peiping, Shanghai

JOHNSON

SMS:RGC

7-1

368 4E

TELEGRAM RECEIVED

RB

GRAY

1-1336

FROM

Nanking via N. R.

Dated August 20, 1937

Rec'd 5:55 p. m.

August 19, 1937

Secretary of State

Washington

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

PRIORITY.

474, August 20, 6 a. m.

My 470 / 9498 August 19, 5 p. m.



793.94

One. Please inform Commander-in-Chief I have communicate
his 060619 to Minister of Foreign Affairs. I now have
following reply from him to my letter of yesterday's date:
"Referring to the note of today's date of His Excellency
the American Ambassador, regarding the question of the
disposition of American war vessels in Shanghai, the Minister
for Foreign Affairs has the honor to observe that China is
now engaged in a life and death struggle with Japan through
the latter's repeated aggressive action and that the posi-
tion taken by His Excellency conduces to the belief that
Japanese war ships are allowed to take advantage of their
proximity to ~~other~~ ^{other} foreign warships to attack Chinese troops
and avoid being attacked.

X The Chinese Government still maintains much to its
regret that under the present extraordinary circumstances
it is necessary for the warships and other ships of friendly
powers

793.94/9519

FILED

F/FG

7-2

369

RB

-2- #474, August 20, 5 a. m. from
Nanking

powers to leave the danger zone for their own sake, and should not in any way permit their presence to interfere with the legitimate action of the Chinese defensive forces. The Minister for Foreign Affairs has to reiterate that, while the Chinese forces will avoid as far as possible endangering the safety of the vessels of friendly powers, the Chinese Government will not hold itself responsible for any damage caused to them as a result of the non-compliance with the request of the Chinese military authorities".

Two. Vice Minister of Foreign Affairs explained to me that Chinese Government has no (repeat no) intention to attack ships of friendly powers but hopes that you will do everything possible to remain away from Japanese warships which will be object of attack. I can do no more here. I believe Chinese are desperate and will attack Japanese ships at whatever cost.

Repeated to Department, sent to Shanghai. Marked urgent. Decode at once.

JOHNSON

SMS

NPL

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

7-3

CH
DER

April 21, 1937.

To: Admiral Leahy.
From: Department of State,
through S. K. Hornbeck.

For confidential file and
confidential use in the discretion
of the Chief of Naval Operations.

SKH:ZMK

FW 78.94/5519

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

7-4

PARAPHRASE

Paraphrase of telegram sent by Department of State, August 19, 1937, to American Consul General, Shanghai, China.

Nanking's 474, August 20, 6 p.m., to Shanghai and previous, regarding notification by Chinese authorities of an impending attack on Japanese warships.

Realizing that the Commander-in-Chief is in a difficult and delicate position, and confident that he will exercise utmost discretion and forbearance, we nevertheless, after consultation with Chief of Naval Operations and with his full approval, call attention to Department's telegram No. 138, August 10, noon, to Nanking, which, with knowledge and approval of officers of the Navy and War Departments, conveyed this Department's concept of the mission of the American armed forces in China, and which you were to repeat to Shanghai and other offices. We assume that the contents of that telegram were duly brought to the attention of the commanding officers of American armed forces.

You and the Commander-in-Chief of course realize that this Government, while desiring that its nationals be protected, also desires to avoid becoming in any way involved in the conflict which is going on between the Japanese and Chinese, or in interference with their
 military

0059

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

7-5

-2-

military operations. Therefore, it is assumed that, while remaining intent on the mission of protecting American nationals, our armed forces will as far as possible avoid coming into or remaining in line of fire between Chinese and Japanese armed forces and, if in such line of fire, will not make assumption that fire is being deliberately directed against them unless that is with reasonable clearness the fact.

This is not an instruction or an order; it represents another effort to be of assistance to you and the Commander-in-Chief in connection with the many and difficult problems with which you are confronted.

Please bring the above at once to the attention of the Commander-in-Chief.

FE:MMH:VCI

FE

0060

DECLASSIFIED: E.O. 11652, 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 1W

\$

7-6
TELEGRAM SENT

Department of State

370

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

GRAY

August 19, 1937

Midnight

American Consul

✓ Shanghai (via N.R.)

Triple Priority.

CONFIDENTIAL

249.

793.94/9519
note
393.11
893.0146
Nanking's 474, August 20, 6 p.m. to Shanghai which was repeated to the Department, and previous regarding notification by Chinese military authorities and Foreign Office of an impending attack on Japanese warships.

Realizing that the Commander-in-Chief is in a difficult and extremely delicate position, and confident that he will exercise utmost discretion and forbearance, Department nevertheless, after consultation with Chief of Naval Operations and with his full approval, calls attention to Department's telegram No. 138, August 10, noon to Nanking which, with knowledge and approval of the Navy and War Departments, conveyed Department's concept of the mission of the United States armed forces in

China

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

793.94/9519/

71

0061

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

7-7

371

PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Collect

Charge Department

Charge to
 \$

OR 1w 2, No. 249 **Department of State** to Shanghai.

Washington,
 China, and which carried instruction for repetition
 to Shanghai and other offices. The Department assumes
 that contents of that telegram were brought to the at-
 tention of the commanding officers of American armed
 forces.

You and the Commander-in-Chief will realize that
 this Government, while desiring that its nationals be
 protected, also desires to avoid becoming in any way
 involved in the conflict which is going on between the
 Chinese and Japanese, or in interference with their
 military operations. Therefore, it is assumed that,
 while remaining intent on the mission of protecting
 American nationals, our armed forces will to as great
 an extent as possible avoid coming into or remaining
 in line of fire between Japanese and Chinese armed
 forces and, if in such line of fire, will not repeat
 not make assumption that fire is being deliberately
 directed against them unless such is with reasonable
 clearness the case.

This is not an instruction or an order; it represents
 an effort to be of assistance to you and the Commander-
 in-Chief in connection with the many difficult problems
 which confront you.

Enciphered by _____ Please bring the above to the attention of the Com-

Sent by operator mander-in-Chief at once.

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

HULL
 (SKH)

FT:SKH

7-8

Naval Radio

Grey

AUG 19 1937.

midnight

American Consul

Shanghai

DEPARTMENT OF STATE

1937 AUG 19 PM 11:40

Triple Priority.

249 Nanking's 474, August 20, 1937, to Shanghai, which was repeated

COMMUNICATIONS
AND RECORDS

to the Department, and previous regarding notification

by Chinese military authorities and Foreign Office of an

impending attack on Japanese warships.

Realizing that the Commander-in-Chief is in a difficult and extremely delicate position and confident that he will exercise utmost discretion and forbearance, Department nevertheless, after consultation with Chief of Naval Operations and with his full approval, calls attention to Department's telegram No 138, August 10, noon to Nanking which, with knowledge and approval of the Navy and War Departments, conveyed Department's concept of the mission of the United States armed forces in China and which carried instruction for repetition to Shanghai and other offices. The Department assumes that contents of that telegram were brought to the attention of the commanding officers of American armed forces.

-2- 7-9

^{and the}
You will realize, ~~and you should say immediately to the~~

Commander-in-Chief that this Government, while desiring that its nationals be protected, also desires to avoid becoming way in any involved in the conflict which is going on between the Chinese and Japanese, or in interference with their military operations. Therefore, ~~while remaining intent on the~~ ~~mission~~ it is assumed that, while remaining intent on the mission of protecting American nationals, our armed forces will to as great an extent as possible avoid coming into or remaining in line of fire between Japanese and Chinese armed forces and, if in such line of fire, ^{refrains not} will not make assumption that fire is being deliberately directed against them unless such is with reasonable clearness the case.

This is not an instruction or an order; it represents an effort to be of assistance to you and the Commander-in-Chief in connection with the many difficult problems which confront you.

~~Commander-in-Chief~~ Please bring the above to the attention of the Commander-in-Chief at once.
SKH H-ell SKH

DECLASSIFIED: E.O. 11652, 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

26wu eb 53 DL 3 extra



VC Newyork NY 31lp Aug 19 1937

note
893.144
Cordell Hull

Washn DC

Replaying your august eighteenth *9447* inquiry regarding status
Certain ymca properties china international committee have
authorized transfer of titles to china national committee
but believe actual transfer not yet initiated stop we are
cabling shanghai for information and will reply finally
to your telegram as soon as answer received from Shanghai

Frank V Slack Administrative Secretary International
Committee YMCA.

432p Aug 19

793.94/9520

FILED / FG
SEP 4 1937

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

TELEGRAM RECEIVED

1-1326

RB

FROM

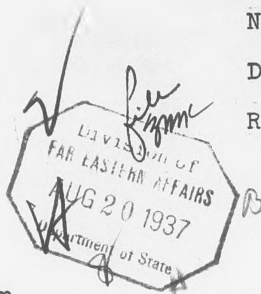
PLAIN

Nanking via N.R.

Dated August 19, 1937

Rec'd 8:15 p. m.

Secretary of State
Washington.



August 19, noon.

Embassy's 423, August 13, 8 p. m. and 424, / 9507

August 13, 9 p. m. were forwarded by land wire
and cable. Embassy is investigating. Two messages
in question are being repeated by naval radio today.

JOHNSON

SNS

NPL.

793.94/9521

FILED

F/FG

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

TELEGRAM RECEIVED

JR

GRAY

1-1336

FROM: sinan via N. R.

Dated August 19, 1937

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

Secretary of State,

Washington.

August 19, 4 p.m.

Yesterday and today three brigades of the 29th division,
including artillery, left here for Fangtze. Repeated to
Nanking.

ALLISON

VTIC

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

Division of
FAR EASTERN AFFAIRS
AUG 20 1937
Department of State

793.94/9522

AUG 24 1937

FILED

F/FG

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM Hong Kong

Dated August 20, 1937

Rec'd 1:45 a.m.

Secretary of State,
Washington.

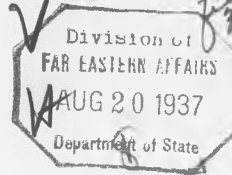
August 20, 1 p.m.

Referring to Department's telegram of August 19, 5 p.m.

Moral effect on public and reaction in military circles
at Hong Kong has been excellent with respect to official
confirmation of despatch to Shanghai of considerable body
of marines.

DONOVAN

CA:W/C



793.94/9523

AUG 24
FILED
AUG 24 1937
FILED

F/FG

0068

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

FE

TELEGRAM RECEIVED

JR

1-1338

GRAY

FROM
Tokyo

Dated, August 20, 1937

Rec'd 1:55 a.m.

Secretary of State,
Washington.

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



284, August 20, 10 a.m.

One. The Military Attache yesterday sent a long telegram to the War Department appraising the present military situation in China.

Two. Unless advised to the contrary I shall in future assume that all telegrams from the Military and Naval Attaches to their respective Departments are automatically brought to the attention of the State Department.

GREW

CA:VWC

793.94/9524

FILED
F/FG
AUG 24 1937

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

TELEGRAM RECEIVED

JR

1-1336

FROM COMSUBRON 5

Rec'd August 20, 1937

6 a.m.

From Naval Communications
For the information of the
Department of State.

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

Division of
FAR EASTERN AFFAIRS

AUG 20 1937

U.S. Department of State

793.94

0020. Tsingtao evacuation Japanese women and children continues on wholesale scale including permanent residents. Four more Japanese merchant ships arrived to continue evacuation. Thousands of Chinese have left and exodus continues. Serious shortage coolie labor developing, city is quiet and orderly but great apprehension exists among Chinese. Mr. Takahashi, manager local electric light and power plant, called on American Consul expressed apprehension continuance of operation due shortage labor. Conference at British Consulate General this afternoon about seventy-five per cent all shops Chinese and foreign closed, business practically at standstill. Food shortage likely unless situation improves. 1250.

793.94/9525

AUG 24

F/FG

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

TELEGRAM RECEIVED

FS

1-1336

OPNAV

FROM

August 20, 1937

Rec'd 7:28 a.m.

From Naval Communications
For information of the
State Department

COPIES SENT TO
OCEANOGRAPHIC



0002. There are indications that the contending forces around Shanghai contemplate the use of some form of chemical warfare. The release of gas in the vicinity of the Settlements would be a calamity and might well lead to a panic impossible to control. It is recommended that the seriousness of such acts be brought to the attention of both the Chinese and Japanese Governments and that an effort be made to have both Governments agree to forbear to employ gas in this area. 1000

793.94/9526

FILED
AUG 27 1937

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

8-1

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 23, 1937.

RCM: *Carroll*
MMH: *A.K. m.m.H.*

Reference Tsingtao's August 19,
8 a. m., and Department's August 7,
4 p. m., to Tsingtao.

Although Sokobin's "efforts"
might be interpreted as directed
toward influencing Chinese authori-
ties in relation to military opera-
tions, it is felt that the character
of his efforts (both Chinese and
Japanese authorities were approached
and the maintenance of peace at
Tsingtao was the object of his
efforts rather than the influencing
of specific military operations by
the Chinese) does not warrant
exception being taken thereto by the
Department.

JCV/REK

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

8-2
372 *RE*
TELEGRAM RECEIVED

JR

1-1336

FROM PLAIN

Tsingtao via N. R.

Dated August 19, 1937

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

Secretary of State,
Washington.

793.94
August 19, 8 a.m.

Referring to my telegram of August 17, 7 p.m., as a
result of my personal efforts, Mayor of Tsingtao and the
local Japanese Consul General have published statements
almost identical. Following appear in Mayor's statement:

"In accordance with policy of Chinese Government to
settle all questions by peaceful means, I shall continue
uninterruptedly my efforts to assure a continuance of peace
and order in this area -- so far as it is humanly possible
the Chinese authorities are striving for the continuance
of peace in this region".

The Japanese Consul General's statement includes
"It is my solemn duty in accordance with policy of
Japanese Government to continue my efforts in the direction
of peace in this region".

SOKOBIN

WWC



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

793.94/9527

FILED
AUG 26 1937
F/FG

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

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Washington,

August 21, 1937.

1937 AUG 21 PM 10 20

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to

\$

AMEMBASSY,

TOKYO (Japan).

DIVISION OF
COMMUNICATIONS
AND RECORDS

KUSH.

Please present to the Government to which you are accredited
a note as follows:

QUOTE In the light of the situation existing in China wherein
the lives and interests of a considerable number of American
nationals are in danger in consequence of the carrying on of
military operations by armed forces of Japan and of China, and
of statements made by the Japanese Government on and since July 12,
both in writing and through spoken words, ^{indicating} ~~to the effect~~ that
Japan is solicitous with regard to the lives of the nationals and
the interests of other countries, this Government requests, for
the reassurance of its people, both at home and abroad, an express
and specific formal assurance by the Japanese Government that the
operations of the Japanese armed forces in China will not be
directed against ~~into~~ ^{or} the city of Tsingtao ^{where} ~~within which~~ Ameri-
can nationals are at present concentrated.

As the Japanese Government is aware, this Government has been
encouraging and facilitating the withdrawal of American nationals
from exposed areas in China to places of comparative security.

Enciphered by

Sent by operator M., 19.....

793.94/9527A

F/FG

0074

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

20 - Hm 9-2 374

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

- 2 -

Washington,

Many nationals of the United States along with the nationals of other countries have sought refuge at Tsingtao. In addition there are in that city a large number of Americans who had proceeded there to spend the summer and who have been advised against endeavoring to return to their normal places of residence because of disturbed conditions. In order that these Americans as well as other nationals now at Tsingtao may be reasonably secure, the American Government ^{feels warranted in suggesting} ~~is very much concerned~~ that Tsingtao not repeat not be made a theater or base of military operations. Furthermore, ^{in view of this government reasonable and} ~~it is~~ desirable, in the interests of all concerned, that the fact of ^{an intended immunity of Tsingtao from} ~~Tsingtao's exclusion from the scope of~~ military operations ^{should be announced and be} ~~be~~ generally and publicly understood. The American Government is ~~therefore addressing not only to the Japanese Government but also to the Chinese Government a request for such an~~ ^{prepared to address} ~~ment~~ ^{similar} assurance.

I may add that such an assurance would serve to confirm the oral assurance given on August 20 by Admiral Shimomura to the American Consul at Tsingtao that the Japanese forces would make no repeat no attack on or in Tsingtao unless the Chinese forces move against the Japanese there UNQUOTE.

^{Two.} In case you should already have made any ^{approaches} ~~representations~~ in

Enciphered by

Sent by operator M., 19

0075

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

SC-Hm

9-3

375

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect
Charge Department
OR
Charge to
\$

Department of State

- 3 -

Washington,

regard to Tsingtao, the Department desires ^{would} that you nevertheless ^{unless you consider it} present ^{a note substantially as above} ~~the foregoing note~~ as under instruction from ~~the~~ your Government, making appropriate alterations to conform with the approach which you may have already made!

If you feel it expedient to make the approach above outlined, please do act at once and inform Department promptly of Foreign Office reaction! If you feel otherwise, inform Department at once of your views and any suggestions which you may have to offer!

This is being sent at present only to you!

Hull

5144

JWB
FE:JWB:ZMK

FE

Enciphered by _____
Sent by operator _____ M., _____, 19 _____

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

10-1

TELEGRAM RECEIVED

JR

1-1235

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

FROM Nanking

Dated August 19, 1937

Rec'd 6:45 a.m., 20th.

Secretary of State,
Washington.

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

in confidence *3m*

793.94 467, August 19, noon.

The informant cited in Embassy's 460, August 18, noon, states that Chinese Communist troops are already in Suiyuan moving toward the Chahar front for guerilla acting, thus confirming similar information reported in our 404, August 12, 9 a.m. 9490 9297

Two. Further word that Chinese Communists are joining with the Government to form a popular front has been received from an official who recently attended a social affair given by Chiang Kai Shek at which were present at one table Feng Yu Hsiang, Yen Hsi Shan, Pai Chung Hsi, Chu Teh, Mao Tze Tung and Chouen Lai.

Repeated to Tokyo.

JOHNSON

DDN:HPD



793.94/9528

AUG 21 1937
RECEIVED

0077

DECLASSIFIED: E.O. 11652, 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)

10-2
PARAPHRASE

CONFIDENTIAL

A telegram (No. 467) of August 19, 1937, from the American Ambassador at Nanking reads substantially as follows:

The Military Attaché of the Soviet Embassy states that already Chinese Communist forces are in Suiyuan proceeding toward the Chahar front for guerilla fighting. This confirms earlier information.

An official who a few days ago attended a social function given by General Chiang Kai-shek, at which Feng Yuhsiang, Yen Hsi-shen, Pai Chung-hsi, Chu Teh, Mao Tze-tung and Chouen Lai were present at one table, states also that Chinese Communists are uniting with the Nanking Government to form a popular front.

793.94/9528

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FE:EC

VIII-21-37

107
FE
nu

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

TELEGRAM RECEIVED

JR

01

GRAY

1-1328

FROM Peiping via N. R.

Dated August 20, 1937

Rec'd 7:48 a.m.

Secretary of State,
Washington.

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



457, August 20, 5 p.m.

One. The headquarters of the Japanese North China Garrison has established a press section at Peiping under Luk Jun Zo Hirooka to improve the dissemination of news to foreign press correspondents.

Two. Hirooka informed the foreign press men this morning that Japanese are now attacking Chuyungkuan which is four miles inside the pass of Wankou. (The Nan is 12 miles in length). The taking of Chuyungkuan was claimed several days ago in the Japanese press. Hirooka also stated that there are three Chinese divisions at and in the vicinity of the pass; that two other divisions are in the vicinity of Huallai; that Liu Ju Ming's 143rd division is believed to be northeast of Kalgan; that two divisions of Fu Tso Yi are approaching Kalgan from the west; that the Japanese front south of Tientsin is Tuliuchen; that two Chinese divisions are south of it at Machang; that the Japanese front on the Peiping-Hankow Railway is at Lianghsiang; that three Chinese divisions are advancing north toward

Lianghsiang

793.94/9529

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FILED

AUG 24 1937

FILED

-2-

JR #457, August 20, 5 p.m., from Peiping via N. R.

Lianghsiang; and that battle in that area may be expected soon.

Three. Information with regard to the foregoing from other sources is not at present obtainable.

Banditry is reported as occurring in positions west and north of Peiping, including Mentoukou, Papaoshan and Patachu. Chinese claim that the bandits are soldiers of Liu Kuei Tang.

*1013
12/16/37* *Has been ordered*
Five. The Embassy is reliably informed that two gates in the west wall of Peiping (Pingtzumen and Huipienmen) ~~held~~ by the Japanese to be closed with sand bag reinforcements pending an improvement of the situation outside the walls. At present four other gates are closed day and night and five other gates are open during the day time only.

Repeated to Nanking.

LOCKHART

WNC

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

TELEGRAM RECEIVED

JR

PLAIN AND GRAY

1-1336

Nanking via N. R.

FROM

Dated August 20, 1937

Rec'd 10:44 a.m.

Secretary of State,
Washington.

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

482, August 20, 5 p.m.

Embassy's 473, August 19, 10 p.m.



One. Chinese claim to have brought down in adjacent
areas two bombers which participated in last evening's
raid at Nanking.

Two. Alarm signals this morning 9:20 were reportedly
due to approach of raiders via Kwangtep-Anhwei where
airport is said to have been attacked by six bombers and
six pursuits. Chinese claim one enemy pursuit plane
brought down and that although two bombs hit airdrome
no material damage was suffered. (GRAY) United Press
reports from official sources state Chinese lost one
(repeat one) pursuit plane in this engagement. (END GRAY)

Three. According to telephone information from
American at Kuling, planes, presumably Japanese, flew
over that place this morning and dropped one or more
bombs at Kiukiang.

Four. Sent to the Department, Peiping, Shanghai.

JOHNSON

WWC:DDM

793.94/9531

FILED

AUG 24

F/FG

0081
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

Carrier Corporation

CABLES
"CARIBRUNS"
NEWARK (N.J.)

RECEIVED

DEPARTMENT OF STATE

INTERNATIONAL DIVISION

Newark, N. J., U. S. A.

August 19, 1937

AIR CONDITIONING
REFRIGERATION
HEATING

1937 AUG 20 AM 9 33



DIVISION OF
COMMUNICATIONS
AND RECORDS



OFFICE OF
JAMES A. BENTLEY
VICE-PRESIDENT

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

Sir:

Thank you very much for your telegram of August 17, in answer to ours of August 16 to the President, Dr. Dye and yourself, assuring us that the American Government is keeping in touch with the situation in China and is making every appropriate effort to protect American lives and interests in Shanghai.

We appreciate your efforts in this respect.

Very truly yours,

James A. Bentley

JAB:W

793.94/9532

793.94

AUG 23 1937
FILED

F/FG

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

ADDRESS REPLY TO
"THE ATTORNEY GENERAL"
AND REFER TO
INITIALS AND NUMBER

Nw

100-2-39 1937 AUG 19 AM 9 21 August 13, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

Department of State,
Washington, D. C.

Gentlemen:

There is enclosed herewith for appropriate consideration a letter dated August 1, 1937, from J. G. Nolph, Junior, Lunxsutawney, Pennsylvania, offering to furnish certain information concerning the "Chinese situation."

The writer has not been advised of this reference.

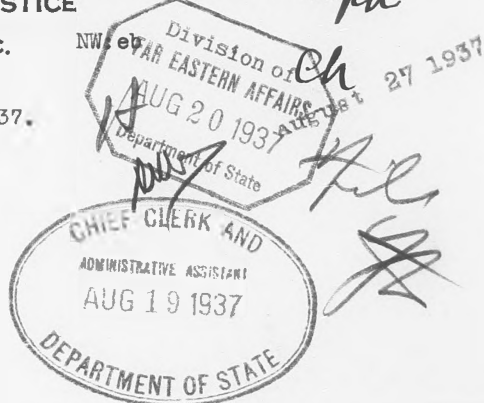
Respectfully,

E. M. Ford

E. M. Ford,
Assistant to the Chief Clerk.

Incl. #185892.

Letter to Mr. Nolph



793.94/9533

FILED F/FG
AUG 27 1937

August 1, 1937

Department of Justice,
Div. of International Affairs,
Washington, D.C.

Gentlemen:

The writer returned from the Far East a year ago after spending more than a year there in the interests of American publications and a broadcasting company. Prior to entrance of the Orient, I met and became very well acquainted with a young lady whom I later discovered was the daughter of one of China's most influential individuals. She is Miss Helen Tsing Ying Tsang and the daughter of Mr. Chang Ching-kiang. This information, when analyzed, is of paramount importance for Mr. Chang, as you may easily discover or perhaps know, is as much a part of China as is the letter "C". His great fortune is compared with Ford in America and his part in Affairs Chinese is universally recognized.

The daughter did not make her identity known to me until many weeks had passed though I visualized her importance by the regard shown her everywhere. A civilian is not permitted to operate or own a plane in China yet she, knowing the work I was doing, had one arranged for and placed at my disposal for more than a month. Her presence with me was capable of removing any barrier encountered in China. The ways of Chinese society are so arranged that the situation is extremely unusual. During our weeks together, her conversation many times revealed to me, the inside events of government activities as much as two weeks before the papers would announce the events as "just happened".

It has been more than eighteen months since I have seen her though I have had either a letter or cable from her almost weekly. I state these facts so that you may decide if the contact would be a valuable one. Naturally, I have ample proof through the medium of letters, articles, Chinese newspaper accounts etc., that the situation exists as outlined.

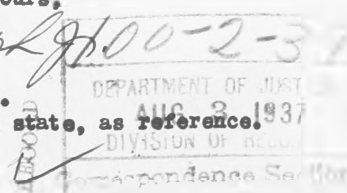
If the situation is of interest to your division of the government, or any other, I will be glad to drive to Washington for a discussion of the matter or any plans that may suggest themselves to you.

A return to China, by the writer, and a resuming of the personal situation, could be arranged if advisable for I am quite free and unattached. My experience as a writer and traveler in Europe and the Far East gives me a knowledge of events that would be beneficial. I am 29 years of age and a product of both Pennsylvania Military College and Mass. Inst. of Technology. This statement of facts is presented as a mere suggestion in that it occurs to the writer that a return could be made entirely covered by a practical and authentic motive in that I have friends there made through my many interviews.

Most Sincerely Yours,
J.G. Molph Jr.

Punxsutawney, Pa.

May I refer you to C.J. Margiotti, Attorney General of this state, as reference. He has known me during my entire life.



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

August 27 1937

In reply refer to
FE 793.94/9533
9533

Mr. J. G. Nolph, Jr.,
Punxsutawney, Pennsylvania.

Sir:

19533

793.94/9533

The receipt is acknowledged, by reference from the Department of Justice, of your letter of August 1, 1937, offering to make available information which you have in regard to matters pertaining to China.

The spirit which prompted you to make this offer is appreciated. Although the Department is not in position to suggest that you make a trip to Washington, it would of course give careful consideration to any written statement which in your opinion might contain information of interest and of value to this Government.

F

Very truly yours,

For the Secretary of State:

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

7553

105-22-137
33-442
e.g.c.
FE:EGC:VCI
8/26/37

FE

A true copy of the signed original.

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

11-1

377

TELEGRAM RECEIVED

JR

1-1336

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

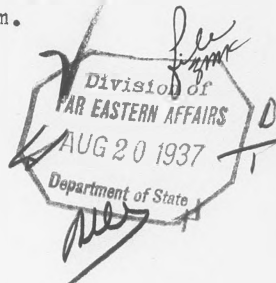
FROM Tokyo

Dated August 20, 1937

Rec'd 1:20 p.m.

Secretary of State,
Washington.

of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence *3mk*



288, August 20, 7 p.m.

(GRAY) Embassy's 287, August 20, 6 p.m.

One. The following information was gained by the Military Attache through an interview with the Secretary of the Minister of War at 3 o'clock today. (END GRAY)

A. No Japanese army units have left for Shanghai although troops are ready and prepared to go.

(GRAY) B. The War and Navy Departments have been under great pressure from Rightist organizations to take some decisive action at Shanghai, but the sending of large reinforcements has been delayed in the hope that they might **not** be necessary.

C. The Secretary of the Minister of War gave ~~ing~~ his "personal opinion" that a peaceful solution of the situation in Shanghai is improbable due to the pressure on both Chinese and Japanese Governments of public opinion.

D. As regards the British proposal for the complete withdrawal of both Chinese and Japanese forces, the

793.94/9534

F/FG

11-2

378

-2-

JR 11288, August 20, 7 p.m., from Tokyo.

the Secretary of the Minister of War thought it entirely unacceptable as it would be very humiliating to Japan to entrust the safeguarding of its nationals to troops of other countries.

E. He said that he thought the only solution agreeable to Japan would be a return to the situation prescribed in the truce agreement of 1932, the violation of which by the Chinese was responsible for the present Shanghai incident. Due to the large numbers of Chinese troops in the Shanghai area, to the comparatively poor control over them by the Central Government and the pressure of Chinese public opinion, he thought it would be very ~~surprising~~ ^{difficult} for the Nanking Government to arrange for a withdrawal of its troops from the area prescribed in the 1932 truce agreement.

F. The situation in North China remains comparatively quiet with the reinforcement of Chinese concentrations limited to that near Nankow. (END GRAY)

Two. With reference to paragraph B well informed Japanese officers uniformly explain the reluctance to send army units to Shanghai as due to the necessarily prolonged dispersion of forces involved and the difficulty and costliness of extensive operations in the Shanghai area.

The

11-3

379

-3-

JR #288, August 20, 7 p.m., from Tokyo.

The Military Attache is of the opinion that the Japanese army desires to avoid sending troops to Shanghai primarily because units sent there will be occupied for an indefinite period at a time when the settlement of the North China situation is the army's objective during the accomplishment of which all available troops are wanted for protection against possible interference by Soviet Russia.

Repeated to Nanking.

GREW

KLP

0088

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

(CONFIDENTIAL)

11-4

PARAPHRASE

CONFIDENTIAL

A telegram (No. 288) of August 20, 1937, from the American Embassy at Tokyo reads substantially as follows:

Through an interview with the Secretary of the Minister of War at 3 o'clock on August 20 the Military Attaché gained information to the following effect:

(a) Although troops are prepared and ready to leave for Shanghai, no Japanese army units have left;

(b) The War and Navy Departments have been under great pressure from Rightist organizations to take some decisive action at Shanghai, but the sending of large reinforcements has been delayed in the hope that they might not be necessary;

(c) The Secretary of the Minister of War expressed the "personal opinion" that a peaceful solution of the situation in Shanghai is improbable due to the pressure on both Chinese and Japanese Governments of public opinion;

(d) With regard to the British proposal for the complete withdrawal of both Chinese and Japanese forces, the Secretary of the Minister of War thought it entirely unacceptable as it would be very humiliating to Japan to entrust the safeguarding of its nationals to troops of other countries.

(e) He said that he thought the only solution agreeable to Japan would be a return to the situation prescribed in the truce agreement of 1932, the violation of which by the Chinese was responsible for the present Shanghai incident. Due to the large numbers of Chinese troops in the Shanghai area, to the comparatively poor control over them by the Central Government
and

0089

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

11-5

- 2 -

and the pressure of Chinese public opinion, he thought it would be very difficult for the Nanking Government to arrange for a withdrawal of its troops from the area prescribed in the 1932 truce agreement.

(f) The situation in North China remains comparatively quiet with the reinforcement of Chinese concentrations limited to that near Hankow.

The reluctance of the Japanese to send army units to Shanghai (see paragraph b above) is explained uniformly by well informed Japanese officers as due to the ^{and difficulty} costliness/of operations on a large scale in the Shanghai area and the necessarily prolonged dispersion of troops involved.

It is the opinion of the American Military Attaché that the primary reason the Japanese military wants to avoid dispatching forces to Shanghai is that at a time when the army's objective is settlement of the North China situation the units sent to Shanghai will be occupied for an indefinite time and during the accomplishment of the army's objective it is desired that all available troops be in position to afford protection against possible interference on the part of the Soviet Government.

793.94/9534

FE:ECC

VIII-20-37

WY
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RUB

DECLASSIFIED: E.O. 11652, 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

1-1336

FROM

COMDESRON

Rec'd August 20, 1937

5:23 p. m.

From naval communications
For the information of the
Department of State.

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

1420 Japanese Consul and staff hauled down flag,
closed offices, and departed for Dairen today. Believed
one Japanese woman remaining Chefoo, intending depart
tomorrow. 1624

793.94
note
702.9493

793.94/9535

FILED
F/FG
AUG 27 1937

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

TELEGRAM RECEIVED

EDA

1-1336

NAVAL ATTACHE PEIPING

FROM

Received August 20, 1937

9:20 p.m.

From Naval Communications

For the information of the
Department of State

Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

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

793.94

0020 Japanese spokesman stated arrival three additional Chinese divisions Liuling area south Peiping portend possible attack Lofahsiang where Japs have approximately 12,000. Express little concern over problem getting reinforcements there if necessary or of outcome. Said Nankou effort was incidental. Nipponese now about one league north Nankou with probably 15,000 and meeting resistance. Still depending on artillery and bombing. Nippons admit Chinese concentrations moving toward Liho north Tientsin. Nippon preparing a defense against expected air attack. 22,000 troops arrived fourteenth thirteenth fifteenth also 8,000 yesterday all from Manchukuo. Estimate total North China 90,000. Other foreign observers give up to 135,000. 2100

SI'S:NPL

793.94/9536

AUG 21 1937

FILED
F/FG

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

12-1

380

FE

TELEGRAM RECEIVED

ML

1-1336

FROM

Tokyo

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

Dated August 20, 1937

Rec'd 3:03 p. m.

Secretary of State

Washington



287, August 20, 6 p. m.

(GRAY) Embassy's 283, August 19, 11 p. m., paragraph four.

One. The French Ambassador called this morning and gave me the following additional facts:

(A) On August 17 he called on the Minister for Foreign Affairs to express the hope that the Japanese war ships would be withdrawn from in front of the French concession in Shanghai as they constituted a danger. (They were later withdrawn).

(B) The Ambassador took this occasion to say to Hirota that without any desire or intention to interfere he would be glad to know whether the Japanese Government would welcome an effort by the powers to neutralize the international areas in Shanghai. To the Ambassador's surprise Hirota "simply jumped at the suggestion."

(C) The Ambassador accordingly cabled to his Government and received instructions to support the British proposal for neutralization and for the protection of

Japanese

793.94

note

893.102

793.94/9537

FILED

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12-2

381

ML -2- Tokyo August 20, 1937 3:03 p. m. #287

Japanese nationals in the international areas by the concerned powers, with the understanding that the French forces would remain within the French concession. The Ambassador carried out instructions ^{in a note} ~~(2)(7)~~ to Hirota.

(D) The Ambassador subsequently learned of the statement of the Vice Minister to the British Charge d'Affaires that Japan would not (repeat not) accept the British proposal. (Embassy's 283, August 19, 11 p.m., paragraph one). As this statement by the Vice Minister appeared to be diametrically at variance with the attitude of Hirota, as expressed to him, the Ambassador today sent his counselor to Horinouchi to inquire the precise attitude of the Foreign Office.

(E) Horinouchi replied that Hirota, in his conversation of August 17th with the Ambassador, had not accepted any proposition of neutralization: that he had merely promised to give any such proposition, if presented by the powers, his sympathetic consideration (the telegram of the Ambassador to Paris, which was later read to us, reported that the Foreign Minister had stated that he was "in favor of that proposition and would be prepared to give it sympathetic consideration"). Horinouchi then stated that, with to regard the British proposal, the Japanese Government had (a) serious doubt whether the Chinese forces at Shanghai would conform to instruction from Chiang Kai Shek to withdraw from Shanghai; (b)
that

12-3

382

ML -3- Tokyo August 20, 1937 3:03 p. m. #287

that it had doubt whether the foreign powers had sufficient forces at Shanghai to make effective any guarantee to protect the lives of Japanese nationals, (c) that it can not delegate to other governments its responsibility for the protection of the lives of Japanese nationals. (END GRAY).

Two. Both the French Ambassador and Dodds appear to have difficulty in distinguishing between a proposition of neutralization, such as that put forward by the French Ambassador, and the British proposal with regard to assuming responsibility for protection of the lives of Japanese nationals. Whereas one of the results of making ^{effective any} ~~(the)~~ neutralization plan would be to afford protection to Japanese nationals and whereas, conversely, it would perhaps be difficult to make effective the British plan unless there were established a neutral zone, we feel that the two plans are essentially different and involve essentially different sets of consideration. It seems to us to be evident that the two ideas have given rise to misconception and muddled thinking in various quarters.

Repeated to Nanking.

GREW

KLP

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

13-1

383 *FE*

TELEGRAM RECEIVED

EDA

GRAY

1-1338

FROM

PEIPING

Dated August 20, 1937

Received 7:34 p.m.

File
Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

Secretary of State

Washington

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

458, August 20, 6 p.m.

Reference your despatch No. 520 of August 18,
regarding return to Peiping of Americans now at Peitaiho.

The situation in North China in general and the
Peiping area in particular is confused and difficult to
determine at present. In its consideration of future
developments the Embassy cannot ignore the possibility of
a critical situation arising if large scale military
operations should be renewed in North China. If such
military activities should occur, the evacuation of
Americans here would be difficult and would be rendered
even more difficult if large numbers of Americans should
now return from Peitaiho.

In view of the above, the Embassy requests that you
promptly inform Americans at Peitaiho that, for the
time being and pending further advice, the Embassy
advises that they remain there. Exceptions may be
made in the case of those with urgent and imperative
business here, but, apart from those few cases, the

Embassy

793.94/9538

F/FG
FILED
AUG 27 1937

793.94
note
393.1115

2098
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

13-2

364

EDA - 2 - #458, August 20, 6 p.m. from Peiping

Embassy desires that Americans at Peitaiho remain there.

108
12-16-37
It is possible that in the near future, the situation ^{estimate} may become clearer and a more accurate ~~enlightenment~~ of future developments may then be made, but in the meantime the Embassy desires that Americans now at Peitaiho remain there.

Sent priority to Tientsin repeated to the Department, Nanking.

LOCKHART

EMB:ROW

163-1

684

385

EE

TELEGRAM RECEIVED

EDA

GRAY

1-1330

FROM

NANKING VIA N.R.

Dated August 20, 1937

Received 7:51 p.m.

Secretary of State

Washington



480, August 20, 3 p.m.

My 448, August 16, 3 p.m. and Department's 159, 9435

August 18, noon.

One. My 448, was sent to Tokyo and the Department.

Two. I made similar representations regarding Kuling to the Foreign Office here. I have now received the following reply from the Minister for Foreign Affairs, dated August 1:

"I HAVE RECEIVED your letter of August 16, in which you expressed the hope that the Chinese military authorities would refrain from any local activities which might bring hostilities at Kuling where American citizens including women and children have taken refuge.

I have brought to the attention of the military authorities the fact that a large number of foreigners are now residing at Kuling. I have ^{to state} ~~(*)~~, however, that while due protection will be accorded to American citizens and other foreigners at Kuling as well as elsewhere, necessary defensive measures must be adopted when

793.94/9539

F/FG

FILED

AUG 27 1937

793.94
note
393.11

163-2

685

386

EDA - 2 - #480, August 20, 3 p.m, from Nanking

when that otherwise peaceful mountain resort should be
subjected to attack from outside."

Sent to the Department. By mail to Peiping,
Shanghai.

JOHNSON

~~(*) Apparent omission~~

SMS:EMB

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

TELEGRAM RECEIVED

EDA

1-1336

FROM

CINCAF

Received August 20, 1937
10:55 p.m.

From the Naval Communications
For the information of the
Department of State

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

793.94

0020 Military situation Shanghai unchanged. Japanese bombers concentrated on Kiangwan, Chapei, Lunghwa and railroad west of Settlement near Toyoda mill. Reliable report that Japanese have reinforced landing force by 4,000 men since Wednesday. Occupation Thungming and Saddle Islands continues with Parker Island being fortified. No further reports of Japanese army units believed to have landed at Liuho and Woosung. Chinese have made minor gains in Yangtzepoo in which several large fires now burning. Chinese bombers made two attacks first on North Hongkew and second on Japanese Consulate area. Evacuation 800 Americans via HOOVER completed without incident 2030

SMS

AUG 27 1937

FILE/FG

793.94/9540

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

15-1

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 23, 1937.

~~MMH~~

Reference Nanking's 477, August 20, noon. In view of the facts (1) that our Commander-in-Chief and Ambassador, with knowledge of the incident and the British action, have not deemed it advisable to take or recommend similar action, (2) that we have on a number of occasions made general representations which would seem to cover the specific case under reference, and (3) that there appears to have been no recurrence of the incident which happened some five days ago, it is believed that representations by our Ambassador along the lines of those made by the British Ambassador on August 18 to the Chinese Minister for Foreign Affairs would serve no useful purpose now.

CMW
10/23

TEV
FE:JCV:VCI

15-2

387 ~~EC~~

EDA

TELEGRAM RECEIVED

NANKING VIA N.R.

1-1336

FROM

Dated August 20, 1937

Division
FAR EASTERN AFFAIRS

Received 9:05 p.m.

AUG 21 1937

Department of State

Secretary of State

Washington

793.94

477, August 20, noon.

British Ambassador has furnished me a copy of following communication addressed to the Chinese Minister of Foreign Affairs August 18:

"His Excellency, the Commander-in-Chief of the British naval forces in China, has drawn my attention to the fact that the attempt to torpedo the Japanese flag-ship "IDZUMO" at the Nippon Yusen Kaisha Wharf at Shanghai was effected by a Chinese coastal motor boat passing through that section of the Whangpoo River which runs directly in front of the International Settlement south of the Soochow Creek. His Excellency points out that owing to hostilities which are being carried on in the stretch of the river from the Soochow Creek to Woosung, that section of the river is unsafe for neutral vessels, which have been removed, and that the foreign men-of-war are collected in the section fronting the International Settlement south of the Soochow Creek and the French Concession. This has hitherto been regarded as a

comparatively

793.94/9541

AUG 21 1937

FILED F/FG

15-3

388

EDA - 2 - #477, August 20, noon from Nanking

comparatively safe anchorage. The action of the Chinese authorities in attacking the "IDZUMU" by means of a vessel from the west coast area has, however, now brought hostilities into this area and the position of foreign men-of-war, already hazardous, may become untenable if this attitude is allowed to continue.

Every effort has been made by the interested powers to ensure that the International Settlement southward of the Soochow Creek and the French Concession should not be used as a base for military operations, and the necessity of maintaining the neutrality of this area has been recognized by both the Chinese and Japanese authorities.

In order that this neutrality may be maintained, it is of the first importance that that portion of the river which fronts the area in question should also be neutralized.

I shall be grateful if Your Excellency will draw the attention of the Chinese Government to this matter and that instructions will be given which will ensure that no military or naval action of any kind is taken in that portion of the Whangpoo River fronting the International Concession south of the Soochow Creek and the French Concession".

Sent to the Department, Shanghai, Tokyo

JOHNSON

NPL:SMS

16-1

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

AE

August 25, 1937.

~~ACM:~~
~~MTH:~~

Nanking's telegram No. 476, August 20, 11 a.m., reports that on August 19 the British Ambassador, replying to the request of the Chinese military authorities that foreign naval vessels keep a distance of five miles between them and Japanese warships, stated that the request of the Chinese military authorities "is not one with which I can comply" and that "His Majesty's Government will hold the Chinese Government responsible for any damage caused to His Majesty's ships or to British life and property in the circumstances envisaged."

Nanking's No. 470, August 19, 5 p.m., reports that the American Ambassador, replying to the same Chinese request, stated that compliance was an impossibility and pointed out that he "must hold the Chinese responsible for any damage which may result."

It is felt that the reply of the American Ambassador adequately covered and disposed of the question of Chinese responsibility for any damage that might be done to American life or property as a result of failure to comply with the request of the Chinese military authorities.

FEJCV: VCI

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

16-2

Aug 22

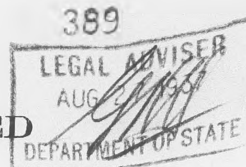
Action

~~RENT~~
~~JOVS~~

Should we
do likewise?
Note last #
especially. A

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

16-3



TELEGRAM RECEIVED

EDA

GRAY

FROM NANKING VIA N.R.

Dated August 20, 1937

Received 9:15 p.m.

Secretary of State

Washington

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



476, August 20, 11 a.m.

My 470, August 19, 5 p.m.

FOR THE COMMANDER-IN-CHIEF.

Following are excerpts from British Ambassador's
reply, dated August 19:

"I have lost no time in communicating this request
to my Government and to the Commander-in-Chief in Shanghai
but I feel bound at once to inform Your Excellency that
this request is one with which it is impossible for me
to comply.

In the first place the interval of twelve hours
mentioned in Your Excellency's communication is one
within which it would be quite impracticable to make
the arrangements desired.

But this is a minor consideration in view of the
fact that in principle this request is not one which His
Majesty's Government could agree to carry out. His
Majesty's ships are in Shanghai at our stations in this
instance for the purpose of the protection of British

life

(1)

793.94/9542

F/FG

FILED

SEP 1 1937

793.94
note
393.41

16-4

390

EDA - 2 - #476, August 20, 11 a.m. from Nanking

life and property. I have already in my note of August 18, drawn Your Excellency's serious attention to the importance of neutralizing the areas of the Whangpoo River between Soochow Creek and the upstream end of the French Concession.

For these reasons I am bound to state at once that the request of the Chinese military authorities is not one with which I can comply.

Finally, and for the same reasons, I must inform Your Excellency that I cannot accept the ^{disclaimer}~~cooperation~~ of responsibility conveyed Your Excellency's communication, but that His Majesty's Government will hold the Chinese Government responsible for any damage caused to His Majesty's ships or to British life and property in the circumstances envisaged. I consider it my duty further to inform Your Excellency that the Commander-in-Chief will take all necessary steps with the means at his disposal to protect His Majesty's ships and British shipping against any attack, however involuntary".

Sent to the Department. Repeated to Shanghai for Commander-in-Chief.

JOHNSON

SIS:EMB

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

TELEGRAM RECEIVED

JR

1-1336

FROM COMSUBRON 5

Rec'd August 21, 1937

6 a.m.

From Naval Communications

For the information of the
Department of State.

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



793.94 0021. Tsingtao situation unchanged except have been
reliably informed that Japanese have facilities at hand
to insure continued operation of one of the two local
electric light plants. 1025.

793.94/9543

AUG 27 1937

FILED FG

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

TELEGRAM RECEIVED

JR

1-1338

COMSOPAT

FROM

Rec'd August 21, 1937

8:02 a.m.

From Naval Communications
For the information of the
Department of State.

COPIES SENT TO
U.S. ANDING D.



0120. At Foochow Japanese community completed
evacuation yesterday, Consul General leaving today. .t
Swatow no change. At Canton populace more quiet when
expected air raid did not materialize. 1230.

N.VCOM

793.94/9544

FILED
F/FG
AUG 27 1937

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

JR

GRAY

EE

Tientsin via P. R.
TELEGRAM RECEIVED
Dated August 20, 1937

1-1336
Secretary of State,
Washington.

Rec'd 6 a.m., 21st.
FROM

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

Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

25. August 20, 6 p.m.

By August 18, 4 p.m. / 9478

793.94

Eightieth Japanese troops and a hospital train passed southwest from Shanhaikwan on the 18th and 19th. Considerable numbers of Japanese troops arriving in Tientsin by river and on foot along the Poring Road, many of whom are quartered in the first special area. Japanese now building entrenchments from the west end of the Japanese concession around French concessions and first special area to the river. Large numbers of Japanese troops moving from first special area through British and French concessions. Newspapers report arrest of several Russians at East Station, some of whom are Soviet citizens. Passports are being required at the East Station, the examiner being a Chinese apparently attached to the Bureau of Public Safety. Japanese military have announced that they will engage in anti-aircraft gun practice at two points in the outskirts of Tientsin tomorrow morning. A skirmish between Japanese and Chinese took place last night at a point about two miles south of Tientsin near Shanzuichuang.

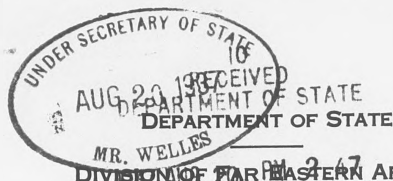
CALDWELL

GW:KLP

793.94/9545

FILE/FG
AUG 27 1937

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



August 14, 1937.

DIVISION OF
COMMUNICATIONS
Mr. Denison of the United States Chamber of Commerce called and left with Mr. Hamilton the attached copies of a telegram from the American Chamber of Commerce at Shanghai in which the American Chamber of Commerce there asked that immediate action be taken toward having the Japanese warship which was at anchor at the wharves in the International Settlement at Shanghai moved to some other place where its presence would not constitute a "deadly menace to neutral interests".

793.94/9546

Mr. Hamilton read the copy of the telegram and said that he assumed that the American Chamber of Commerce had taken this matter up with the American Consul General at Shanghai; that things were moving so fast at Shanghai that it was impossible for the Department to undertake to prescribe every move that was taken by American consular authorities there; and that the American Consul General at Shanghai, the officer in command of the American Marines there, and the Commander-in-Chief of the Asiatic Fleet who was due to arrive at Shanghai today were all experienced, seasoned officers who could be relied upon to do their utmost to avert menace to American lives (and property).

F/HG

MMH: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

C O P Y

POSTAL TELEGRAPH

W3 65 CABLE - N F SHANGHAI 14 710P

1937 Aug 14 AM 8 42

L C COCUSA (U S CHAMBER OF COMMERCE - 1615 H ST NORTHWEST)

WASHINGTON D C

IMPERATIVE SECURE IMMEDIATE ACTION FOR REMOVAL OF JAPANESE
WARSHIP MOORED AT WHARVES IN SHANGHAI FOREIGN SETTLEMENT AND
IMMEDIATE PROXIMITY WHERE THEIR PRESENCE CONSTITUTE A DEADLY
MENACE TO NEUTRAL INTEREST STOP ATTACK ON SUCH JAPANESE BASES
SITUATED IN FOREIGN SETTLEMENT BY ATTACKING AIRCRAFT OR
ARTILLERY JEOPARDISING AMERICAN LIFE AND PROPERTY STOP SUGGEST
SECURE PRESS SUPPORT AS WELL AS MAKE REPRESENTATION STATE
DEPARTMENT

AMCHAMCO

793.94/9546

F/FG

793.94
note
893.1028

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

EE

TELEGRAM RECEIVED

FS

CINGAF

1-1338

FROM

August 21, 1937

Rec'd 5 a.m.

From Naval Communications
For the information of the
State Department

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

Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

793.94
note
893.0146

0021. Marine guard of ten men removed yesterday
from Dollar Line godown on Pootung side three miles
up river. Only other outside guard is SACRAMENTO
marines of officer and thirty men at Shanghai Power
Company, Yangtsepoo Road. PARROTT at Texaco dock
Gough Island, EDSALL at Socony dock opposite power
company, all other vessels at naval buoys off Bund.
1331

793.94/9547

FILED
AUG 24 1937

F/FG

164-1

686

FE

1w

TELEGRAM RECEIVED

Swatow via N.R.

1-1336

FROM Dated August 21, 1937

Rec'd 10:45 a.m.

Secretary of State

Washington

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



August 21, 3 p.m.

Approximately 100,000 Chinese or half population

have left Swatow. Rumor of Japanese aircraft carrier reported my August 18 apparently false. Captains merchant ships have reported no signs naval activity off coast. Plans for removal to places of safety of 18 Americans now in Swatow in case of emergency were perfected several days ago in collaboration with Captain USS ASHEVILLE. Three Government banks removed Swatow office to Chanochowen last night leaving city without banking facilities. Business practically paralyzed.

KETCHAM

KLP

793.94/9548

AUG 24 1937

FILED

-F/FG

793.94
note
393.11

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

17-1
TELEGRAM RECEIVED

JR

GRAY

Tokyo

FROM

Dated August 21, 1937

Rec'd 9:40 a.m.

793.94
note
811.30 Asiatic
Secretary of State,
Washington.

290. August 21, 10 a.m.

One. An official of the Foreign Office called under instructions this morning at the Embassy to express regret over the casualties incurred by members of the crew of the AUGUSTA now at Shanghai. The official stated that the Foreign Office had received no official report from Shanghai but that according to press reports the casualties were caused by a shell fired by the Chinese: that the Foreign Office is mindful, however, that the incident would not have arisen had there been no hostilities between the Japanese and Chinese forces: and that the Foreign Office desires to express its sincere regrets for the loss of life and the injury incurred by members of the American Navy.

Two. We informed the official that we appreciate the action of the Foreign Office in instructing the official to call, and that the Department would be duly informed.

Three. Repeated to Shanghai for relay to Nanking.

GRF

KLP

391 1989
February 15
COMMITTEE TO
O.N.I. AND M.I.D.



793.94/9549

FILED
AUG 26 1937

F/FG

18-1

392

TELEGRAM RECEIVED

ML

GRAY

1-1336

FROM

Tsingtao via N. R.

Dated August 21, 1937

Rec'd 5 a. m.

Secretary of State

Washington

*Telegram to
Tsingtao.*



August 21, 10 a. m.

City remains quiet. A group of foreigners are agitating for a large "neutral zone" in Tsingtao. Plan would naturally involve important political questions and therefore this Consulate unable to conceive of practical methods for its realization. Has Department any suggestions?

Admiral Shimomura, Japanese senior naval officer, informed me last night that Japanese forces would absolutely make no attack on or in Tsingtao unless Chinese forces move against Japanese here. The Mayor previously contended Chinese would make no attack on Japanese except to resist. There has been a very considerable strengthening of Chinese forces on outskirts of Tsingtao.

Nearly all Japanese women and children have been evacuated.

SOKOBIN

GW:KLP

793.94/9550

FILED

AUG 21 1937

F/FG

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE

PARTIAL
PLAIN

Washington, *Naval Radio*

1937 AUG 23 PM 8 20 August 23, 1937.
1pm

AMERICAN CONSUL,

DIVISION OF
COMMUNICATIONS
AND RECORDS

TSINGTAO (China). *via N.R.*

✓ Your August 21, 10 a.m., first paragraph.
For your strictly confidential information.
The matter is being given consideration.

793.94/9550

Hull
5149

793.94/9550

Jus
FE:JWB:EJL

FE
my m. H

Enciphered by

Sent by operator M., 19.....

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

9:50

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

JR

19-1
TELEGRAM RECEIVED

Peking via N. R.

1-1336

Dated August 20, 1937
FROM

Rec'd 6 a.m., 21st.

Secretary of State,

Washington.

793.94
479, August 20, 1 p.m.

One. Following statement of "spokesman" of Foreign
Office issued to the press last evening:

"The Chinese forces in Shanghai as well as elsewhere
are fighting against an aggressor who, in his violent
actions on Chinese soil, has violated all peace preserving
treaties such as the Nine Power Treaty and the Paris Peace
Pact, of which all the powers chiefly interested in the
present situation are signators. In such a struggle,
according to the simple dictates of justice, the party
defending itself must at least have equal opportunity for
legitimate operations as the aggressive party.

Before the outbreak of hostilities in Shanghai, the
Chinese Government had already made it clear to the
powers that, if the Japanese forces should use any part
of the International Settlement as a base of operations or
a place of retreat, the Chinese defensive forces would
be compelled to take all necessary measures against the
Japanese combating in the Settlement, and that the Chinese
Government

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

393



793.94/9551

AUG 24 1937

FILED

F/FG

19-2

394

-2-

JR #479, August 20, 1 p.m., from Nanking via N. R.

Government could not be held responsible for the consequences.

X The Japanese forces are now using the Hongkew and Yangtzepoo districts of the Shanghai International Settlement as their base of attack, while a large number of Japanese warships operating in the Woosung harbor and along the Whangpoo River are continually bombarding the Chinese positions. The Chinese air forces, in taking action against such warships, have exercised, at considerable risk to themselves, the utmost care to avoid unnecessary harm or danger to the ships or property of third powers. No attacks have been and will be deliberately made by any Chinese airplanes on any other foreign warships or property. However, the Chinese Government cannot assume any responsibility for such unavoidable damage as may happen to the other foreign warships on account of their proximity to Japanese warships during the operations of Chinese aircraft. It would seem, therefore, best for the powers concerned to make the Japanese warships move out of the Whangpoo River, failing which to move their own warships and other vessels from the danger zone. X

It is believed that the fairness and justice of the position taken by the Chinese Government will be readily appreciated, especially in view of the fact that we are not only fighting for the security of Chinese territory

but

0119
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

19-3

395

-3-

JR #479, August 20, 1 p.m., from Nanking via N. R.

but also for the maintenance of international justice".

Two. Sent to the Department, Shanghai.

JOHNSON

GW:KLP

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

20-1

395 FE

Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

Telegram
To Tokyo
August 21.

TELEGRAM RECEIVED

JR

GRAY

1-1336

Tokyo
FROM

Dated August 21, 1937

Rec'd 11:35 p.m., 20th.

Secretary of State,

Washington.

793.94

289, August 21, 9 a.m.

Embassy's 272, August 16, 6 p.m., and 279, August 18,

6 p.m.

The following informal note and enclosure were received
this morning from the Minister for Foreign Affairs.

"August 20, 1937. My dear Ambassador: With reference
to Your Excellency's note of August 16 I wish to inform you
that on the 18th instant Mr. J. L. Dodds British Charge
d'Affaires called upon the Vice Minister Mr. Horinouchi
and made a proposal to the effect that if both the Chinese
and Japanese Governments will agree to withdraw their
forces including men-of-war from the Shanghai area and will
agree also to entrust to foreign authorities the protection
of Japanese nationals in the International Settlement and
on the extra Settlement roads, the British Government will
be prepared to undertake this responsibility provided other
powers cooperate.

In reply Mr. Horinouchi handed a note on the 19th to
Mr. Dodds a copy of which I am enclosing herewith for
Your Excellency's reference in the hope that this being

an

793.94/9552

FILED
AUG 24 1937
F/FG

20-2

397

-2-

JR 289, August 21, 9 a.m., from Tokyo.

an exposition of our views regarding the situation will be considered sufficient to serve as an answer to your note. For under the circumstances now prevailing in and around Shanghai this is the only possible reply we can make at this juncture although we do not, of course, fail to appreciate the spirit which has actuated the Government of the United States to approach the Japanese Government with a view to keeping the International Settlement free from hostilities.

In addressing Your Excellency this note, I wish to add that the Japanese Government deeply appreciate the friendly attitude which the American Government have consistently maintained toward this country.

I am, my dear Ambassador, with cordial regards,
sincerely yours, K. Hirota".

Repeated to Nanking.

END SECTION ONE.

GREW

SMS:WEB

20-3

398

TELEGRAM RECEIVED

JR

GRAY

1-1336

Tokyo

FROM

Dated August 21, 1937

Rec'd 9:30 a.m.

Secretary of State,
Washington.

289, August 21, 9 a.m. (SECTION TWO)

enclosure.

One. The Japanese Government, earnestly desiring to protect the lives and property of foreigners as well as Japanese in and around Shanghai, have done ~~EVERY~~thing possible to keep those areas from the disasters of hostilities. For instance, Ambassador Kawagoe, in reply the letter dated August 11th, signed by the Ambassadors of ~~Germany, the United States of America, France, Great Britain and Italy~~ *Germany, the United States of America, France, Great Britain and Italy*, stated, as Your Excellency ~~must~~ *must* be aware, to the following effect: (subdivision one) that the Japanese marines have been given a strict order to act with utmost patience and that Japan has not slightest intention of taking aggressive action, without provocation, against the Chinese troops or Peace Preservation Corps; (subdivision two) that if the Chinese Government withdraw their troops and the peace Preservation Corps which, disregarding the agreement from the cessation of hostilities concluded at Shanghai in 1932, have been massed near the International Settlement menacing the Japanese, and will abolish their military works in the neighborhood of the Settlement, we are prepared to restore our ~~marines~~ to their

WB
10/20/57

20-4

399

-2-

JR #289, August 21, 9 a.m. (SECTION TWO) from Tokyo.

their original positions. Furthermore, our Government were giving their favorable consideration to the concrete proposal made to our Consul General Okamoto by the British, American and French Consuls General at Shanghai. Notwithstanding such peaceful attitude on the part of the Japanese Government, the Chinese have not only failed to cease their aggression on the Settlement but even went the length of launching attacks upon our Consulate General and warships, bombing them from the air on the 14th when our Government had just received a cable report concerning the said proposal from the above mentioned Consuls General. This naturally compelled our forces to resort to self-defense.

Two. We believe that the authorities of the powers on the spot are fully aware of the fact that the present Sino-Japanese hostilities in Shanghai have been caused by China which by violating the agreement of 1932, moved its regular troops into the district forbidden by the said agreement, and by increasing the number and armaments of the Peace Preservation Corps took the offensive to provoke the Japanese marines.

Therefore, we trust that Your Excellency will understand that the hostilities will cease as soon as the Chinese troops are evacuated to the districts outside the agreed

area

20-5

400

-3-

JR #289, August 21, 9 a.m. (SECTION TWO) from Tokyo.

area and the Peace Preservation Corps are withdrawn from the front lines; and that Japan is not in a position to consider the withdrawal of her forces whose continued presence in the Settlement and the harbor in their present strength does not constitute a cause of further hostilities since their sole purpose from the outset has been to protect our nationals and they have been maintaining a purely defensive position having no intention of advancing into the Chinese-inhabited area.

However Japan with her numerous nationals in the Settlement is as greatly solicitous as other powers of the safety of the lives and property of Japanese and foreigners in that Settlement and earnestly desires that hostilities will cease as soon as possible through the evacuation of the Chinese regulars and the Peace Preservation Corps which are similarly armed and are indulging in hostilities against the Japanese to the areas outside the districts of the agreement. For this reason the Japanese Government sincerely hope that the powers concerned especially those that have been assisting in the negotiations concerning the agreement for the cessation of hostilities of 1932 will exert their influence upon China toward the realization of these aims".

Repeated to Nanking. (END MESSAGE).

GREW

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

20-6 HAW
TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

\$

1937 AUG 21 PM 8 06

Washington,

August 21, 1937.

793.94/9552
AMEMBASSY,

TOKYO (Japan).

DIVISION OF
COMMUNICATIONS
AND RECORDS

157

Your 289, August 21, 9 a.m., and previous.

9pm
This cable was sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone. Part B.

British Embassy yesterday brought to Department an
aide-memoire in which British Government again expressed
hope QUOTE that the United States Government will be able to
declare their readiness to cooperate UNQUOTE in the project
under reference.

This noon there was handed to the British Ambassador a
memorandum, essential portion of which reads QUOTE As stated
in the Department's memorandum of August 19, it appeared to this
Government at that time that the question of a possible assumption
of a joint responsibility such as is envisaged in the British
Government's proposal had already been disposed of, adversely,
by the attitude of the Japanese Government in regard to the
proposal. All information available, including press reports,
and reports received from American official sources, tends
conclusively to confirm that impression UNQUOTE. End quote

There was shown to the British Ambassador the evidence on
which the Department has based its opinion, including various of
your telegrams, and it was clearly stated, in all friendliness,

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/9552

F/FG

9552

0126

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

PREPARING OFFICE
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20-7

TELEGRAM SENT

Department of State

Washington.

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

- 2 -

that this Government deplores publicity which the British
Government has given to this matter implying that, British
and French Governments being already in favorable accord,
procedure with the British project will depend on there being
made a favorable response by the American Government, and that
this Government trusts that there will not repeat not henceforth
be any charge or any publicity attributing to the American
Government responsibility for failure of this project or a
non-cooperative attitude ^{because of not repeat not} having supported it.

Hull

Sick

PA/H:SKH:ZMK

FE

Enciphered by Sick

Sent by operator M.

D. C. R.—No. 50

1-1462

U. S. GOVERNMENT PRINTING OFFICE

0127
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

793.94/9553

See 393.1163 Nantung chow/3

TELEGRAM RECEIVED

FS

PLAIN

* 1-1336

FROM Swatow via N. R.

Dated August 21, 1937

Rec'd 5 a.m.

Secretary of State,
Washington.

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



August 21, noon.

Embassy's August 20, noon, circular 13 reference

Swatow: as reported my August 12, 1 p.m., ⁴³⁰⁰ all Japanese
evacuated Swatow August 12 with exception some
Formosans latest information about 40 Formosans all
long residents this district remain Swatow.

KLP

KETCHAM

793.94/9554

FILED
AUG 24 1937

-F/FG

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

TELEGRAM RECEIVED

MB

PLAIN AND GRAY

FROM Tsinan via N.R.

Dated August 20, 1937

Rec'd 5 a.m. 21th

Secretary of State,
Washington.

Twentieth.

Tsinan remains quiet. American women in Tsinan leaving Sunday morning. Remaining American women in Tsinan are doctors and nurses who claim duty prevents their departure now. American manager Standard Oil Company has gone to Tsingtao and American manager British American Tobacco Company is leaving tonight, having sent his staff previously. Yesterday and today I sent out letter or telegrams to all remaining American citizens in district advising their immediate removal to Tsingtao.

Two more trains of troops of 29th Division left here last night for the east.

Repeated to the Department and Nanking. (END GRAY)

ALLISON

KLP

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



793.94/9556

FILED

AUG 24 1937

FILED

AUG 24 1937

F/F/G

21-1

401 *FE*

TELEGRAM RECEIVED

HJD

1-1338

GRUY
FROM
Tokyo

Dated August 21, 1937.

Rec'd. 9:30

Secretary of State,
Washington.

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



793.94

ws
10/24/37

291, August 21, 11 a. m.

QW
278, ⁹⁴⁶⁵ August 18, 5 p. m.

An official of the Foreign Office yesterday informed a member of my staff that Kuling is not on Japanese list of places to be attacked by air raid, that Nanchang has strong airbase which is on such list, that Japanese planes attacking Nanchang may perhaps have to fly over the region of Kuling, and that crews will be instructed to avoid unnecessarily disturbing Kuling.

Repeated to Nanking.

GREY

KLP
GV

793.94/9555

MAILED
AUG 24 1937

FILED

F/FG

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

MJD

TELEGRAM RECEIVED

Peiping via N. R.

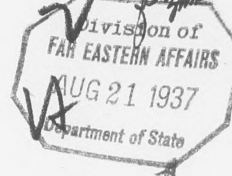
1-1336

FROM Dated August 21, 1937.

Rec'd. 10:30 a. m.

Secretary of State,
Washington.

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



793.94
459, August 21, 5 p. m.

Peiping's 457 / 9529 August 20, 5 p. m.

Situation apparently remains unchanged at Nankow.

Heavy rains have retarded all activity that region during the past week. Japanese Embassy states that there is fighting at Lianghsiang, below Changhsiatien.

Reports of large movements of Japanese reinforcements Tientsin-Peiping area are confirmed. Unusual activity noticeable during the past few days among Japanese military. Small number of Japanese soldiers now stationed in some parts of city apparently to assist Chinese police. They are not in squads but placed singly in some hutungs and at some important street intersections. This may prove to be temporary measure. Rail traffic between Tientsin and Peiping has been further slowed up, some trains now taking 16 hours for the trip. Trip between Tientsin and Shanhaikuan is also greatly impeded.

Repeated to Nanking.

LOCKHART

GV
KLP

793.94/9557

FILED

F/FG

22-1

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM

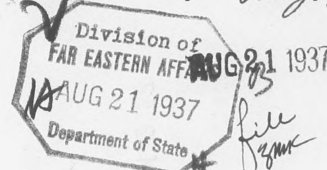
Nanking via N. R.

Dated August 21, 1937

Rec'd 10:55 a.m.

Telegram to Tokyo.

Secretary of State,
Washington.



793.94
485, August 21, 1 p.m.

793.94/9558

Ambassadors of Germany, Great Britain, France and Italy in Nanking decided to ask through me their respective colleagues in Tokyo to inform Japanese Government that Japanese airplanes have twice dropped bombs inside the walls of Nanking, causing apprehension for the safety of their staffs, archives and of themselves. They believe that in order to relieve this anxiety on the part of the representatives of friendly powers whose duty requires their presence in Nanking, Japanese Government may desire to instruct Japanese bombers to avoid operations in the area outlined by a line from the Hansimen gate to the circle (Hsinchieshou), thence to Peichiko (Meteorological Observatory), continue the line to the wall and follow the wall north to the point on the Yangtze located at the railway ferry. The area to the north and west of the line including the Yangtze and Hsiakwan from that point upstream to a point near Hansimen gate to be immune from attack. This line would include Yangtze River between city

013
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

22-2

-2-

JR #485, August 21, 1 p.m., from Nanking via N. R.

city and Pukow where foreign naval and merchant vessels
are anchored.

Communications between Nanking and Tokyo now consume
two days. In view of this it is requested that the
Department repeat this message to Tokyo for action.

JOHNSON

GW:KLP

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

22-3

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

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Department of State

482
Gray
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NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 AUG 21 PM 8 06

August 21, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

10 Pm

AMEMBASSY,

TOKYO (JAPAN).

Rush.

158

Nanking's no. 485, August 21, 1 p.m. is repeated
for communication by you to your German, British, French,
and Italian colleagues, as follows: /

QUOTE. 485, August 21, 1 p.m.

Ambassadors of Germany, Great Britain, France and
Italy in Nanking decided to ask through me their
respective colleagues in Tokyo to inform Japanese
Government that Japanese airplanes have twice dropped
bombs inside the walls of Nanking, causing apprehension
for the safety of their staffs, archives and of them-
selves. They believe that in order to relieve this
anxiety on the part of the representatives of friendly
powers whose duty requires their presence in Nanking,
Japanese Government may desire to instruct Japanese
bombers to avoid operations in the area outlined by
a line from the Hansimen gate to the circle (Hsinchiehku),
thence to Peichiko (Meteorological Observatory), con-
tinue the line to the wall and follow the wall north to
the point on the Yangtze located at the railway ferry.
The area to the north and west of the line including
the Yangtze and Hsiakwan from that point upstream to a
point near Hansimen gate to be immune from attack. This
line would include Yangtze River between city and Pukow
where foreign naval and merchant vessels are anchored.

Communications between Nanking and Tokyo now consume
two days. In view of this it is requested that the De-
partment repeat this message to Tokyo for action. UNQUOTE

The

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

793.94/9558

F/FG

0135
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

22-4

403

PREPARING OFFICE
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OR
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TELEGRAM SENT

Department of State

Washington,

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PARTAIR
PLAIN

-2-

The Department approves of your associating yourself
with the diplomatic representatives mentioned in making
appropriate representations to the Japanese Government in
accordance with the foregoing.

H-ee
SKH

JWB
FE:JWB:RAW:SS

FE
m.m.v

PA/H
SKH

Enciphered by _____

Sent by operator _____ M., _____ 19 _____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

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

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

MM

1-1238

FROM CINCAF

Rec'd. 11:54am. August

From Naval Communications
for the information of the
Department of State



793.94/9559

793.94
0021 Actions in Hongkew, Yangtzepoo and Pootung
continued, no change in general military situation.
Japanese still on defensive these areas concentrating
bombing attacks on Chapei, Manhsiang and Pootung.
Chinese attacks ineffective due lack of artillery.
Reliably reported that two divisions Chinese troops
arrived Shanghai area in last forty eight hours 2210.

OPNAV

HPD

F

FILED
AUG 24 1937

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

23-1

404

TELEGRAM RECEIVED



1-1335

MM

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

FROM

CINCAF

Rec'd. 11:38am. August

21, 1937

From Naval communications
for the information of
the Department of State.

0021 Strongly recommend proposal of making any or
all of Tsingtao a "sanctuary" for the safety of the many
Europeans and Americans now residing here to your
earnest consideration. At present both Chinese and
Japanese authorities in Tsingtao are earnestly striving
to solve present difference. If the nations most
interested could unite in securing agreement to such
a plan by the Chinese and Japanese Governments it should
be a godsend to several thousand Americans and Europeans,
now here 1905.

CINCAF

HPD

FILED
AUG 21 1937

793.94/9560

0138

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

23-2

405

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WILL INDICATE WHETHER
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OR
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TELEGRAM SENT

Department of State

DEPARTMENT OF STATE

VIA NAVAL RADIO
Washington,

1937 AUG 24 PM 3 15

August 24, 1937

AMEMBASSY
DIVISION OF
COMMUNICATIONS
AND RECORDS
NANKING (China).

173

Your 500, August 23, 7 p.m., and the Department's 171,
August 23, 7 p.m.

The Department approves of your action.

With regard to paragraph one, second sentence of your
telegram under reference, on August 23, the Embassy at
Tokyo under instructions from the Department addressed a
formal note to the Minister for Foreign Affairs asking
for formal assurance by the Japanese Government that the
operations of the Japanese armed forces in China would not
repeat not be directed against or into the city of Tsingtao.
The Vice Minister to whom the Ambassador delivered the
note said that the matter would be studied.

You may inform your interested colleagues of the
foregoing.

CR
AUG 24 1937 PM

793.94/9560

FE:JWB:VCI

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/9560

Hall
P.H.

FE
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

ecgpcow 23-3

PREPARING OFFICE
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TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Department of State
DEPARTMENT OF STATE

NAVAL RADIO

Washington,

1937 AUG 23 PM 6 22

August 23, 1937.

AMEMBASSY,

DIVISION OF
COMMUNICATIONS
AND RECORDS

NANKING (China). *via NR*

✓ 171

Reference Commander-in-Chief's telegram 0021, 1905,

August 21.

For your strictly confidential information.

The matter is being given consideration. Shanghai

is instructed to so inform Commander-in-Chief in confidence.

793.94/9560

Hull

444

793.94/9560

FE
FE:JWB:EJL

FE

M.W.W.

Enciphered by _____

Sent by operator _____ M., _____ 19____,

9560

0140
DECLASSIFIED: E.O. 11652, 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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RECORDED
TELEGRAM SENT *23-4*
Gray

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ☒
PARTIAL
PLAIN

1937 AUG 23 PM 6 22

Washington,

August 23, 1937. *Naval Rep.*

AMERICAN CONSUL,

DIVISION OF
COMMUNICATIONS
AND RECORDS *7pm*

SHANGHAI (China).

✓ 267

Reference Commander-in-Chief's telegram '0021, 1905,

August 21.

and Commander-in-Chief's
For your strictly confidential information.

The matter is being given consideration. ~~Is done~~

~~Communication transmitted~~
Nanking informed.

H-ee
shy

793.94/9560

793.94/9560

JWB
FE:JWB:EJL

FE
m mkt

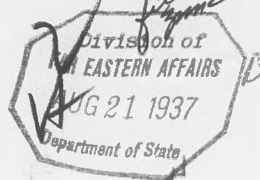
Enciphered by

Sent by operator M., 19.....

9560

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

TELEGRAM RECEIVED



HJD

1-1336

FROM
COMYANGPAT

Rec'd. August 21, 1937.

11:55 a. m.

793.94

From Naval Communications.
For the information of
the Department of State.

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

0021. Air defense alarm sounded Hankow 0500; Chinese planes from airfield took off but Jap planes did not appear. Kiukiang bombed at 0750, two bombs dropped damaging Kiuching cotton mills near railway station. Cotton mill property Anderson Meyer and Company. Six bombers attempted raid on Nanking during forenoon but did not reach city. Bombers were accompanied for first time by six fighters. Report unconfirmed Japs lost two fighting planes, Chinese one. 0050.

HPD

793.94/9561

FILED
AUG 24 1937

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

TELEGRAM RECEIVED

MM

1-1335

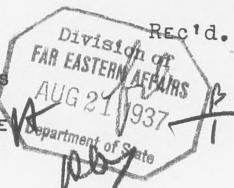
FROM

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

From Naval Communications
for the information of
the Department of State

Rec'd. 11:48am. August

21, 1937



793.94

0021 Inspection by naval officer reveals extensive offensive dispositions in vicinity Tsingtao at distances varying from six to thirty miles, estimated five thousand Swantung troops this area have prepared trenches, barbed wire obstructions, bomb proof shelters and one temporary landing field thirty miles by road from Tsingtao. Five amphibian naval planes equipped for bombing formerly based Tsingtao now at this field, some artillery number and size unknown, reliably reported in vicinity. Evacuation Japanese women and children practically completed, Japanese forces and dispositions same as before. City quiet. 1312.

OPNAV

HPD

793.94/9562

F

FILED
AUG 12 1937

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

TELEGRAM RECEIVED

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

lw

1-1236

FROM GRAY

Tientsin via N.R.

Dated August 21, 1937

Rec'd 12 p.m.

793.94

Secretary of State

Washington

27, August 21, 4 p.m.

On August 20 5800 Japanese troops moved in by rail
toward Tangku while 1000 moved in opposite direction.
Anti-aircraft artillery practice here postponed until
tomorrow due to rain.



793.94/9563

CALDWELL

KLP

FILED
AUG 24 1937

F

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

JR

LEGAL ADVISER
AUG 24 1937

GRAY

Shanghai via N. R.

DEPARTMENT OF STATE

Dated August 21, 1937

TELEGRAM RECEIVED

Rec'd 11 a.m.

Secretary of State,
1-1338

Washington.

FROM

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

529, August 21, 4 p.m.

Secretary General of the Municipal Government informs



me that the Council has decided that it must evacuate the majority of prisoners in the Ward Road Jail, which is in the area of heavy fighting. Water supply gone and prisoners have been killed and wounded. Assent of Japanese must be obtained for their removal. Plan is to escort prisoners to Chinese territory and then release them except about 300 hardened criminals, murderers and the like, who would continue to be held in police stations and other places in Settlement. This matter has been under consideration for some days and Chinese judges have been consulted but are unable to do anything. Chinese authorities would be unable to take these people over. Secretary General said he hoped Consuls would not make objection. I replied that I would make no objection, provided serious offenders are continued in custody and other prisoners are escorted out of Settlement into Chinese territory. It is not a question of the Consuls approving but of their not objecting. At last information there were about 6,000 Chinese prisoners in the jail, the vast majority of whom were held for minor offenses.

Sent to the Department and Nanking.

PEG:GW

GAUSS

793.94/9564

F
FILED

AUG 23 1937

793.94

not

893.1028

893.131

24-1

406

FE

TELEGRAM RECEIVED

MJD

GRAY AND SPECIAL GRAY

FROM Shanghai via N. R.

Dated August 21, 1937.

Rec'd. 11:34 a. m.

Secretary of State,
Washington.

COPIES SENT TO
U.S. AND A. I.



531, August 21, 10 p. m.

This afternoon at the request of Commander-in-Chief I informed the Mayor of Shanghai orally of the incident on the AUGUSTA last evening when a small shell exploded on the deck killing one seaman and wounding 18 others. I added the request of the Commander-in-Chief that great care be observed by Chinese forces not to fire into area between the barrier in upper river and Soochow Creek (where a number but not all of the foreign men of war are moored). Mayor inquired whether this message implied shell had come from Chinese forces or whether similar message was being sent to Japanese side. I replied that the Admiral had informed me that he had communicated with Japanese naval authorities and desired me to inform the Chinese authorities. I have yet to receive an expression of sympathy or regret from the Mayor.

Sent to the Department, Nanking, Tokyo.

GAUSS

KLP

793.94/9565

AUG 26 1937

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

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

TELEGRAM RECEIVED

MJD

1-1336

FROM

COMSUBRON

Rec'd. August 22, 1937.

6 a. m.

From Naval Communications
For the information of
the Department of State.



793.94 0022. Situation Tsingtao same as yesterday. City
quiet. 1200

RGC

793.94/9566

FILED FG
AUG 27 1937

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

25-1

407

TELEGRAM RECEIVED

COPIES SENT TO

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

MJD

1-1336

CINCAF

FROM

Rec'd. August 22, 1937.

6 a. m.

From Naval Communications.
For the information of
the Department of State.



793.94

0022. Joint letter signed by American British and French admirals has been sent to Admiral Hasegawa protesting against presence of a Japanese destroyer about three hundred yards down stream from Augusta and requesting that all Japanese vessels be kept below Hongkew Creek. Substance of reply will be communicated when received.
1215

RGC

793.94/9567

FILED
F/FG
AUG 27 1937

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

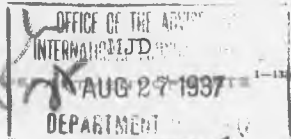
TELEGRAM RECEIVED

COPIES SENT TO

COMSOPAT

FROM Rec'd. August 21, 1937.

11:45 a. m.



DIVISION OF FOREIGN
SERVICE AND
From Naval Communications.
For the information of
the Department of State.



0121. Total Cholera cases admitted Hong Kong between

23 July and midnight 19 August was 473 with 236 deaths.

Health authorities believe this is peak of epidemic.

Kwangtung authorities began this date to remove the province's silver reserves to Hong Kong by special chartered British merchant vessel. Canton returning to normalcy.

Chinese planes scouted South China coast but saw no Japanese planes or aircraft carriers. 1655.

HPD

793.94
note
158.4692
893.515

793.94/9568

AUG 24 1937

FILED

F/FG

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

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

TELEGRAM RECEIVED

MJD

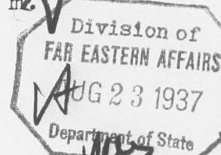
1-1336

FROM COMYANGPAT

Rec'd. August 22, 1937.

11:35 a. m.

From Naval Communications.
For the information of
the Department of State.



793.94
note
793.94/114

0022 Twentyfirst. Air raids Nanking continued with military damage doubtful; also two air bombings at Kiukiang but no effect evident against Kuling summer capital nearby. Two air raids Hankow which Chinese planes anticipated and no Jap planes sighted but at 2021 two heavy detonations downriver few miles northwestward which is first actual bombing Hankow area. Nanking refugees arrived. Unconfirmed reports 700 Jap prisoners arrived Nanking for safeguarding. 0830.

793.94/9569

OPNAV

AUG 27 1937

FILED

F/FG

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

ID

TELEGRAM RECEIVED

August 22, 1937

1-1336

FROM d 11:20 a. m.

From Naval Communications
For the information of the
State Department

COPIES SENT TO

ON LAND MAIL

Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

793.94
0022. Deadlock military situation Shanghai area continues. Japanese naval landing force estimated twelve thousand; hold Hongkew sector and in general Yangtzepoo area south of Seward Baikal and Pingliang Roads. Japanese have air control; naval vessels maintain control Whangpoo River below naval buoys. This situation will remain unchanged until army units now lower Yangtze land sufficient force launch general attack. Reliably reported Chinese have nine divisions north and west Shanghai, four divisions south and east with one artillery brigade each area. Expect brief raids on Hongkew and Yangtzepoo. No Chinese aircraft operations in Shanghai area. Last forty-eight hours comparatively quiet but sniping on Japanese ships from Pootung and Yangtzepoo areas continues. Foreign ships at naval buoys hit repeatedly by this fire; no personnel casualties. 2100

793.94/9570

AUG 27 1937

FILED

F/FG

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

CONFIDENTIAL

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

ID

TELEGRAM RECEIVED

August 22, 1937

Rec'd 11:20 a. m.
FROM

1-1336

From Naval Communications
For the information of the
State Department

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

OSD Memo, May 3, 1973

1973

Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

0022. Board of investigation on death of Falgout,

Seaman First Class, rendered the following opinion:

QUOTE The Board from a view of the body and from the
evidence before it identified the body as that of Freddie
J. Falgout, late Seaman First Class, U. S. Navy, and is of
the opinion that Freddie J. Falgout, late Seaman First
Class, U. S. Navy, died at about 6:36 p. m. on August
twenty, nineteen thirty-seven, on board the U.S.S. AUGUSTA,
Shanghai, China, by reason of being struck by fragment of
a high explosive antiaircraft projectile which landed on
the starboard side of the well deck, U.S.S. AUGUSTA, and
that his death occurred in the line of duty and was not
the result of his own misconduct UNQUOTE.

Evidence given before the Board tends to indicate that
the shell was of Chinese manufacture, and as two Japanese
planes were flying in the vicinity at the time, it is
probable that shell was fired by Chinese forces. Evidence
as to the location of the gun was contradictory. The shell
judging from fragments was somewhat over one inch in
diameter and was probably fired from a single shotgun as
no splashes were noted in the water at the time this shell
fell on the deck. No evidence was adduced to indicate
that the

793.94/9571

AUG 26 1937

F/FG

Page 2 of CINCPAC, August 22, 1937, from Naval Communications

X that the shell was fired by Japanese forces. While the evidence indicates that the shell was of Chinese manufacture and was fired from a Chinese gun, such cannot be stated as a positive fact. So far there has been no evidence of intentional firing at the AUGUSTA by either of the opposing forces. Both have exercised their desire to avoid any injury to the vessels of the neutral powers. As reported to the Department, the Chinese Government on August nineteen warned neutral forces to withdraw five miles from Japanese vessels within twelve hours or they would refuse to be responsible for any damages. For obvious reasons this demand was not complied with. There has been a great deal of antiaircraft fire especially from the Japanese forces and many noncombatants in the International Settlement and French Concession have been killed or injured by shrapnel and bullets. Several fifty caliber bullets of unknown origin have landed on the deck of the AUGUSTA. This vessel is anchored off the bund in the center of extensive aircraft operations of the opposing forces. It is considered rather remarkable that more injuries to personnel have not resulted. Owing to the lack of conclusively definite evidence that the shell was fired by Chinese forces, representations to that Government regarding the case are not recommended. After the explosion on the AUGUSTA, the opposing forces were notified and warned to exercise more care in the direction of their fire.

015
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

Page 3 of CINCAF, August 22, 1937, from Naval Communications

fire. The primary responsibility for this affair lies with one or both opposing forces in their unwillingness or inability to arrive at an agreement over the affair of August ten which would have prevented the carrying on of a ruthless and desperate battle in the heart of a great city with its incredible loss of life and suffering to millions of noncombatants and destruction of property. 1815

0154

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

TELEGRAM RECEIVED

MJD

1-1538

FROM PLAIN

Canton via N. R.

Dated August 21, 1937.

Rec'd. 1 a. m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

August 22, 3 p. m.

893.515/1241

793.94
note
893.515

With reference to my telegram August 9, 11 a. m. and
August 12, 1937 noon regarding Kwangtung silver reserve, specially
chartered steamer is now at Canton to load this for ship-
ment to Hong Kong for storage.

After thoroughly scouting of South China coast by
planes Kwangtung military authorities state they are satis-
fied there is no Japanese aircraft carrier on this coast.
They also deny press reports of Japanese planes seen yes-
terday over East River district.

Chinese exodus from Canton slowing up, having reached
a total conservatively estimated at thirty per cent total
population. Great majority are women and children encouraged
by the authorities to leave in accordance with plan to con-
serve food supplies and minimize demoralizing effects of
both threatened and actual air bombardment. City quiet
with business as usual though greatly retarded by virtual
stoppage vital trade with Shanghai. Under recently

established

793.94/9572

FILED/FG
AUG 27 1937

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

MJD -2- August 22, 3 p. m. from Canton

established direct supervision by military headquarters, police are vigilantly patrolling city and appear efficient in enforcing dim lighting and other air raid preparations, discovering traitors, restoring confidence in populace and impressing potential looters with their ability to handle any situation.

American just arrived from Changsha reports landslides along Canton-Hankow Railway in southern Hunan have caused serious interruption of all rail traffic.

Mail copies to Hong Kong, Shanghai.

LINNELL

DDM

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

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

TELEGRAM RECEIVED

EDA

1-1338

FROM

GRAY

HANKOW VIA N.R.

Dated August 21, 1937

RECEIVED 6:49 p.m.

Secretary of State

Washington

August 21, 11 p.m.

793.94

According to information from official Chinese source, eleven Japanese aircraft participated in raid this area this evening. Air field at Sinokan, 40 miles north of Hankow, bombarded. Damage unknown. Only bombs dropped at Hankow fell in river near oil installations. Bombs also dropped near the Yochau Northern Hunan reported no damage. Aircraft departed toward East about 10 o'clock.

Sent to Nanking, repeated to Department, Peiping.

JOSSELYN

EMB



793.94/9573

FILED
F/G
AUG 27 1937

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

MJD

TELEGRAM RECEIVED

GRAY

Shanghai via N. R.

Dated August 22, 1937.

1-1336

FROM

Rec'd. 9:55 a. m.

Secretary of State,

Washington.

535, August 22, 2 p. m.

Reference paragraphs one to three of my No. 495 of

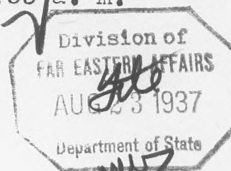
August 16, 4 p. m.

British acting Consul General called this morning and explained that at Consular body meeting on fifteenth he had during his short attendance at the meeting informed his colleagues of British decision to send out women and children. HE supposed I had been informed. The notice ~~(*)~~ convening ~~(*)~~ meeting ~~(*)~~ ME too late to attend personally but I kept in touch by telephone and gave my approval of a definite proposal as reported in my No. 490 of August 15, 7 p. m. paragraph Two. I consider the matter closed but would like to record the statement that at the beginning of the emergency we had had close cooperation and I had even stretched the point to take identic action in advising withdrawal from certain areas simply to show complete solidarity and cooperation. British Acting Consul and I have served together elsewhere and have always been and remain cordial friends.

Repeated to Nanking, Tokyo, Department.

DDM
RGC

GAUSS



793.94/9574

FILED

F/FG

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

TELEGRAM RECEIVED

ML

GRAY and SPECIAL GRAY

1-1336

Nanking via N. R.

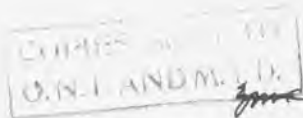
FROM

Dated August 22, 1937

Rec'd 4 p. m.

Secretary of State

Washington



487, August 22, 1 p. m.

One. Three alarms yesterday but no planes appeared.

Reportedly raiding planes attacked Yangchow across from Chinkiang dropping several bombs, and also the Yung Lee Chemical Works near Nanking where eight bombs are said to have been dropped without working material damage. Chinese claim to have brought down four of the planes that attacked Yangchow. Eleven Japanese planes are reported to have dropped bombs at Kiangyin on Yangtze north of Wusih without damaging effect.

Two. Embassy's 473, August 19, 10 a. m. Further investigation indicates that at least 12 bombs were dropped evening of August 19, six of these fell in the Agricultural annex demolished the library building and a section of the girls dormitory, damaging part of the auditorium and setting fire to the chemical building. Several buildings show marks of heavy machine gun fire, nine Chinese civilians were killed. Four bombs fell at the examination (?) demolishing small buildings wounding (?) and killing 1 policeman

793.94/9575

FILED

F/FG

0155
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ML -2- Nanking via N.R. Aug.22,1937 4 p.m. #487

1 policeman and one soldier. One or two bombs fell inside the Central Military Academy, the authorities are reluctant to furnish accurate information concerning damage to government buildings because such information might be of assistance to the enemy in future bombing operations.

Three. Sent to Peiping, Shanghai, Hankow, Tokyo.

JOHNSON

WVTC

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

ID

GRAY
TELEGRAM RECEIVED

Peiping via N. R.

1-1336

Dated August 22, 1937

FROM

Rec'd 6 a. m.

SECRETARY OF STATE

WASHINGTON

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

Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

793.94
465, August 22, 5 p. m.

9557
Embassy's 459, August 21, 5 p. m.

There has apparently been no change in the general military situation in this area in the past twenty-four hours. Fifteen Japanese planes, some of them heavy bombers, passed over Peiping at 8 o'clock this morning flying from north to south in formation. These planes are believed to be reinforcements to present air force in North China.

Japanese soldiers as described in the Embassy's 459, August 21, 5 p. m. not noticed on streets today, but armed soldiers in numerous trucks which seemed to be doing patrol duty were observed in various parts of city. The regular police force seems to be entirely unarmed.

Repeated to Nanking.

LOCKHART

RG C

793.94/9576

FFPG
AUG 23 1937

0161
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EDA

1-1336

FROM

GRAY

SHANGHAI VIA N.R.

Dated August 21, 1937

Received 2:15 p.m.

Secretary of State

Washington

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



793.94
530, August 21, 8 p.m.

My 507, August 18, 8 p.m.

Military situation remains substantially the same.

The Chinese continue to attempt to cut main Japanese defense line but are understood to have actually made little headway and to have suffered heavy casualties. In one or two sectors held lightly by Japanese the Chinese have filtered through several times but have been subsequently driven out by Japanese mechanized reserve units. Much Japanese aerial activity commencing early this morning when the Lungwha aerodrome and south station were bombed and one Chinese plane brought down. Chinese air raid at 8:30 this morning but little damage done. Early this afternoon 12 Japanese planes bombed Nanziang, Chinese field headquarters and later other Japanese bombers bombed various points in Chapei. Enormous fires raging in the Yangtze, Poo and Hongkew districts. Foreign sectors quiet. Conditions in settlement and French concession

793.94/9577

AUG 27 1937

FILED

0162

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

EDA - 2 - #530, August 21, 8 p.m. from Shanghai

concession improving; shops are reopening and buses and trams are again beginning to operate. Chinese refugee problem being gradually brought under control. Arrival of additional foreign troops has released police for normal duties and in consequence better order is being maintained.

T. V. Soong during course of interview granted to Abend, NEW YORK TIMES, stated that there need be no apprehension that Chinese troops might rush settlement or French concession. He stated categorically, however, that China could not give understanding that Chinese bombers would not fly over settlement and concession. Sent to the Department, Nanking, Peiping.

GAUSS

EMB:RGC

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

MJD

GRAY
TELEGRAM RECEIVED

Shanghai via N. R.

1-1336

FROM

Dated August 22, 1937

Rec'd. 11:20 a. m.

AUG 24 1937

Telegram
Shanghai
8/24/37

Secretary of State,
Washington.

552, August 22, 11 a. m.

Reference Tokyo's No. 294, August 21, 2 p. m.

We have compiled data on approximate location of many

but not all American mission stations in Shanghai consular district. See my despatch No. 888, July 13, to the Department. We could make this information available. I have asked commander-in-chief to give me assistance of an air officer of the Navy to determine exactly what information would be useful and yet not be in any way unneutral. I do not believe it would be wise or neutral to arrange any night markings. If Department approves giving information to Japanese Naval authorities where available as outlined above I suggest it should be made available to them here at Shanghai.

Two. We have issued radio broadcasts and other notifications advising Americans in the interior of this consular district to avoid residing near troop concentrations, fortified areas and air fields. Also that they fly American flag over American owned mission properties. We will

repeat

21
Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

793.94/9578

FILED
AUG 27 1937

F/FG

793.94
note
393-11

393-11 / 1944

0162
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD -2- No. 532, August 22, 11 a. m. from Shanghai

repeat that advice by broadcast today.

Three. Suggest Embassy Nanking furnish me information concerning exact location of American Mission, Embassy and other American properties there. We have no Nanking information. Repeated to Nanking and Tokyo.

GAUSS

RGC
DDM

0165

DECLASSIFIED: E.O. 11652, 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
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OR
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TELEGRAM SENT

Department of State

Washington,

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

Via Naval Radio

August 24, 1937.

AMERICAN CONSUL

SHANGHAI (China).

270

Your 532, August 22, 11 a.m., first paragraph.

Department approves of your making the information,
as outlined by you in your telegram, available to the
Japanese naval authorities at Shanghai. You will of
course inform Tokyo of the action taken.

793.94/9578

Hall

793.94/9578

FE:JCV:VCI

FE

DIVISION OF
COMMUNICATIONS
AND RECORDS

1937 AUG 24 PM 5 58

DEPARTMENT OF STATE

Enciphered by

Sent by operator M., 19.....

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

26-1

408

TELEGRAM RECEIVED

EDA

1-1336

FROM

GRAY

TIENTSIN VIA N.R.

Dated August 21, 1937

Received 2:15 p.m.

Secretary of State

Washington

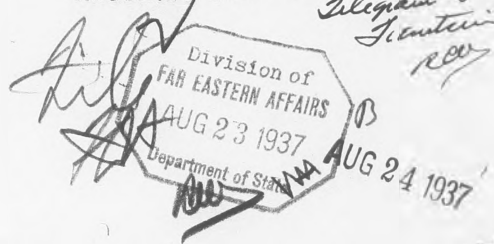
26
25, August 21, 3 p.m.

My 22, August 9, 5 p.m.

Owing to attitude of the British, French and Italian consular officers, Japanese military have not endeavored to impose censorship within foreign concessions by force but have been negotiating for a Japanese censorship. At a Consular Corps meeting yesterday afternoon Japanese stated confidentially that Italian Postal Commissioner will resume duties in Third Special Area Central Post Office today for ordinary mail matter ^{and on the} ~~(?) through~~ 23rd for money orders and parcels; that there will be a Japanese censorship which Postal Commissioner will not resist, accepting it as imposed by force; that conditions previously mentioned by the Japanese (See my telegram en clau August 9, paragraph 4) will be applicable: namely that official mail - diplomatic, consular, and military - will be immune, and that unofficial mail of foreigners will not be censored unless considered suspicious by the military.

British Consul General explained that he had

continued



793.94/9579

F/FG

26-2

409

EDA - 2 - #25, August 21, 3 p.m. from Tientsin

continued to refuse to permit a Japanese censorship in the British concession or to agree to any joint censorship in the concession and that he had suggested the removal of the Central Post Office, which has recently been operating in the British concession, to its previous quarters in the Third Special Area.

In view of present conditions please instruct whether protest should be made to censorship outlined by Japanese and forward above.

In my despatch No. 519, of August 17, to the Embassy, I reported that first class mail in Central Post Office had been opened and partially destroyed while occupied by Japanese military between July 31 and August 3. Yesterday I was informed by Postal Commissioner in reply to my inquiry that, "All parcel mails awaiting delivery and despatch in the head post office building located in the Third Special Area, Tientsin, on the night of the 28th July, 1937 have, since that date, been under detention by the Japanese military authorities who have occupied the place, and that they cannot be delivered or despatched until work is resumed in the head office". In view of the Japanese's statement I presume that these parcels will be dealt with from 23rd in which case I will take no further action unless instructed to do so.

CALDWELL

EMB:ROW

0168

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

TELEGRAM SENT

Department of State

DEPARTMENT OF STATE

VIA NAVAL RADIO
Washington,

1937 AUG 24 PM 3 15

August 24, 1937

DIVISION OF
COMMUNICATIONS
AMERICAN CONSUL RECORDS

TIENTSIN (China).

14
Your No. 25, August 21, 3 p.m., in regard to Japanese
censorship of mail at Tientsin.

While the Department realizes that, under the conditions now prevailing at Tientsin, a protest might not repeat, not prove effectual, it feels that you should informally and as on your own initiative advise your Japanese colleague that the censorship of American mail by Japanese censors in Tientsin would be an unwarranted invasion of the rights of American nationals concerned, and express the hope that the Japanese will refrain from action which, if taken, would constitute grounds for protest by your Government on behalf of its nationals.

Before taking the action outlined in the foregoing paragraph, you should endeavor to ascertain the attitude of your interested colleagues and consult the Embassy in the matter.

AUG 24 1937 PM 793.94/9579

FE: JCV: VCI

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

410

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL PLAIN

793.94/9579

F

COPIES SENT BY
C.N. AND

TELEGRAM RECEIVED

EDA

1-1336

FROM GRAY AND PLAIN

Handwritten: ~~TIEN TSIEN~~ VIA N.R.

Dated August 21, 1937

Received 2:30 p.m.

Secretary of State

Washington

August 21, 6 p.m.

CONFIDENTIAL.



Ranking official asserts that Chairman of Fukien yesterday received orders from Nanking not (repeat not) to abandon the province if it is attacked; that Pai of Kwangsi is responsible for this reversal of policy. Another prominent official states that air attack from Formosa and an effort by Japanese to capture air bases on the mainland are considered not unlikely by the Government here.

Large scale movement of people from city to surrounding country continues. Japanese Consul General departed yesterday leaving two hundred Formosans who are stated to be unable to return to homeland because of their (?)s. To Nanking. Repeated to Department and Peiping. By mail to Amoy.

WARD

RGC:EMB

793.94/9580

FILED
AUG 24 1937

F/FG

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

27-1

411

PREPARING OFFICE
WILL INDICATE WHETHER
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TELEGRAM SENT

Gray

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State
DEPARTMENT OF STATE

Washington,

~~1937~~ AUG 23 PM 6 37 August 23, 1937.

AMEMBASSY,
TOKYO (Japan).

DIVISION OF
COMMUNICATIONS
AND RECORDS

7 pm

161

This afternoon the Secretary issued to the press
a statement/reading as follows:

QUOTE (Telegraph Room: Insert here the text of
the statement attached.) UNQUOTE

793.94/9580A

793.94
Note
393.11
893.0146
701.00 Statement of July 16

Hull
SKH

FE:MMH:ZMK

FE

mmh

Enciphered by _____

Sent by operator _____ M., _____, 19____

27-2

DEPARTMENT OF STATE

FOR THE PRESS

AUGUST 23, 1937.

STATEMENT BY THE SECRETARY OF STATE

CONFIDENTIAL RELEASE FOR PUBLICATION AT 8 P.M. EASTERN
STANDARD TIME. NOT TO BE PREVIOUSLY PUBLISHED,
QUOTED FROM OR USED IN ANY WAY.

Quote At his press conference on August 17, the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of Marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation at Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over three million, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai, there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation, the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reinforcement. These armed forces there have no mission of aggression. It is their function to be of assistance toward maintenance

of

27-3

-2-

of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

Sect. 2
The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than fifty governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which in the opinion not alone of our people but of most peoples of the world should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles embodied in many treaties, including the Washington Conference treaties and the Kellogg-Briand Pact of Paris.

From the beginning of the present controversy in the Far East, we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or engagements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies -- especially the policy of peace -- in which this country believes and to which it is committed.

This Government is endeavoring to see kept alive, strengthened and revitalized, in reference to the Pacific area and to all the world, these fundamental principles. *Albuquerque*

0173

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

27-4

412

Aug. 23, 1937

At his press conference on August 17, the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of Marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation at Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over three million, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai, there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation, the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reenforcement. These armed forces there have no mission of aggression. It is their function to be of assistance toward maintenance

of

27-5

413

- 2 -

of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than fifty governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which in the opinion not alone of our people but of most peoples of the world should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles

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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

- 3 -

27-6 419

principles embodied in many treaties, including the Washington Conference treaties and the Kellogg-Briand Pact of Paris.

From the beginning of the present controversy in the Far East, we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or entanglements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies -- especially the policy of peace -- in which this country believes and to which it is committed.

This Government is endeavoring to see kept alive, strengthened and revitalized, in reference to the Pacific area and to all the world, these fundamental principles.

DECLASSIFIED: E.O. 11652, 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 SENT

Department of State
DEPARTMENT OF STATE

Washington,

1937 AUG 23 PM 6 36 August 23, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

PREPARING OFFICE
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TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE

PART AIR
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✓ AMEMBASSY,

NANKING (China). *via NR*

172

For/text of/a statement/issued/to the press this
afternoon/by the Secretary/see Radio Bulletin No. 196
of August 23.

H-ee

SKAT

793.94/9580B

F

NOTE

Telegraph Room: Please send same telegram to American
Embassies at Peiping, London and Paris.

FE:MMH:ZMK

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

as Dept No. 214 via NR
as Dept No. 363
as Dept No. 445

33-2

421

TELEGRAM RECEIVED

FS

GRAY

1-1236

FROM Tokyo

Dated August 23, 1937

Secretary of State,
Washington.

300, August 23, 6 p.m.

CONFIDENTIAL.

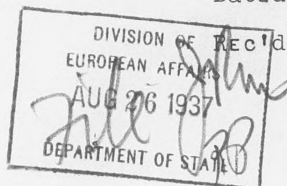
On August 21 the British Charge d'Affaires sent the following note to the Minister for Foreign Affairs.

"21 August, 1937,

Your Excellency.

I have the honor in accordance with telegraphic instructions which I have received today from His Majesty's Principal Secretary of State for Foreign Affairs to point out to Your Excellency that damage to British property and danger to British lives at Shanghai is continuing and to request that the extent to which the Japanese operations at Shanghai are endangering British interests may be fully realized. The magnitude of these operations has been out of all proportion to the comparative unimportance of the incident, namely, the killing of two members of the landing party which gave rise to it. According to the information which has reached His Majesty's Government the Chinese reinforcements of which the Japanese Government complain were

only



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83-3

422

FS 2-No. 300, August 23, 6 p.m. from Tokyo

only brought up after the Japanese had as a result of that incident more than doubled their naval strength at Shanghai and landed a large number of reinforcements there.

Two. I am to request that Your Excellency's Government will realize that public opinion in Great Britain and in the world in general attributes the course of events at Shanghai mainly to Japanese action there. His Majesty's Government consider it therefore particularly incumbent on the Japanese Government to insist on measures to end a state of affairs potentially disastrous to others. Acceptance of the proposal for withdrawal which His Majesty's Government have had the honor to put forward would at least be a helpful contribution."

Dodds requests that the text of this note be considered confidential in Tokyo.

Repeated to Shanghai for relay to Nanking.

WWC:KLP

GREW

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

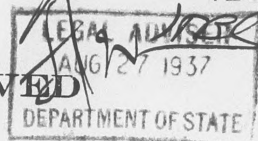
34-1

423

TELEGRAM RECEIVED

FS

GRAY



1-1336

FROM

Tokyo

Dated August 23, 1937

Rec'd 8:45 a.m.

Secretary of State,

Washington.

301, August 23, 7 p.m.

CONFIDENTIAL.

On August 21 the British Charge d'Affaires sent the following note to the Minister for Foreign Affairs.

"21st August, 1937.

Your Excellency

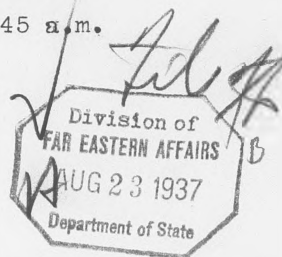
I have the honor in accordance with telegraphic instructions which I have received today from His Majesty's Principal Secretary of State for Foreign Affairs to inform Your Excellency that His Majesty's Government must reserve all their rights as regards holding Your Excellency's Government responsible for damage or loss to either life or property which may be incurred by subjects of His Majesty as a result of action taken by Japanese forces in the course of the present hostilities in China."

Dodds requests that the text of this note be considered confidential.

Repeated to Shanghai for relay to Nanking.

WVC:DDM

GREW



793.94/9598

AUG 27 1937

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F/EG

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424

FS

TELEGRAM RECEIVED

GRAY

Tokyo

1-1336

FROM Dated August 23, 1937

Rec'd 10:20 a.m.

Secretary of State,
Washington.

URGENT.

302, August 23, 9 p.m.

Department's 158, August 21, 10 p.m. and our 295,

August 23, 10 a.m.

One. I have today made oral representations to the Vice Minister in support of the recommendation of the five Ambassadors at Nanking contained in Nanking's ^{405, Aug 21, 1 P.M.} ~~(1)~~ *to instruct Japanese bombers to* avoid operations in a specified area of Nanking.

Two. My Italian and British colleagues have today done likewise. The German and French Embassies state that they have supported or will support the recommendation.

Three. Acting upon the advance information supplied by this Embassy last night (our 295, August 23, 10 a.m., paragraph one) the Foreign Office last night submitted the recommendation to the Navy Department and has now informed the Embassy (by memorandum in English to be considered as oral reply) as follows.

"One. It is the earnest desire of the Japanese Government to safeguard the Embassies of Germany, Great Britain,

France

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AUG 23 1937
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FS 2-No. 302, August 23, 9 p.m. from Tokyo

France, Italy and America in Nanking and the warships and merchant vessels belonging to these powers anchored there. The Japanese Government have already on their own initiative instructed the authorities concerned to use utmost caution in order to ensure as far as possible under the circumstances the safety of these Embassies and ships and they want to inform the Ambassadors of the powers concerned that the Japanese authorities are acting in conformity with these instructions.

Two. The Japanese Government understand that the proposed area is one which embraces the sites of the Embassies above-mentioned and the mooring points of the men of war and merchant vessels of the powers. In this area, however, there are various Chinese military works and a number of establishments connected with military operation as well as Chinese warships and fortresses. The Japanese Government desire to warn the powers in advance that in case the Chinese should make use of them for any hostile or provocative acts they might be forced to take necessary measures to cope with it.

Three. Even in the above-mentioned circumstances the Japanese Government would try as much as possible to avoid inflicting damage upon the Embassies, et cetera, of the powers concerned. They request, therefore, that the powers

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

35-3

426

FS 3-110. 302, August 23, 9 p.m. from Tokyo

powers will as a precautionary measure mark plainly their
Embassies, warships and merchant vessels so that these may
be easily identified from the air.

August 23, 1937."

Repeated to Shanghai for relay to Nanking.

WWC:PEG

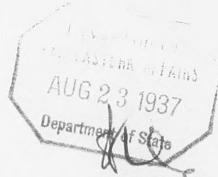
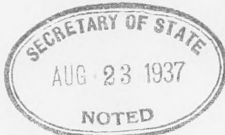
GREW

(*) Apparent omission

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

August 21, 1937.



The Situation in the Far East

S

Mr. Secretary:

During the week in review developments in North China, although pointing to impending hostilities on a larger scale, have been overshadowed by events at Shanghai where the outbreak of hostilities has imperiled the lives of the American and foreign population, rendering it necessary to reenforce the American and European landed forces and to evacuate many European and American women and children.

In North China the Japanese offensive against the Chinese entrenched in Nankow Pass is still continuing. Chinese forces are reported to be advancing toward the Japanese fronts established along the approaches to Peiping and Tientsin on the Peiping-Hankow and the Tientsin-Pukow railways.

Fighting in the Shanghai area has been increasing in intensity. A comparatively small Japanese force is being forced by an overwhelming Chinese superiority in numbers to give way in certain areas and has probably been saved from annihilation by superiority of the Japanese in the air

and

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-2-

and by the Chinese deficiency in artillery. Japanese naval craft have subjected Chinese positions to a heavy gunfire.

The situation of the large American and other foreign populations of the International Settlement and French Concession of Shanghai has been steadily growing more precarious, not only on account of the proximity of these areas to the zone of hostilities and their exposure to mis-directed fire, but also on account of the danger of disorders among the Chinese population, of a possible food shortage, and of the difficulty of coping with sanitary problems and maintaining public utilities. The British landed forces have been augmented by a battalion from Hong Kong, the French are expecting reenforcements on the 24th, and 1200 American marines have been ordered to proceed to Shanghai from San Diego.

Measures were taken both by the British and American authorities to evacuate many of their nationals, chiefly women and children. American passenger vessels were diverted from their regular schedules to convey American refugees to Manila. By August 20, about 1400 Americans had been conveyed by tenders from Shanghai to the mouth of the Whangpoo River and there embarked upon steamers. The evacuation was effected in comparative safety and without casualties. The Commander in Chief of the American Asiatic Fleet informed

both

DECLASSIFIED: E.O. 11652, 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-

both the Chinese and Japanese authorities in response to representations made by them that it would be impossible for him to agree to any restrictions upon the freedom of movement of American naval vessels in view of the duty of those vessels to protect American lives. The Department has made available to its representatives in China and Japan a sum of \$60,000 to assist American refugees, and Congress has been asked to appropriate \$500,000 for evacuation and relief expenses.

The interested powers have continued to urge upon the Chinese and Japanese Governments proposals designed to exclude Shanghai from the zone of hostilities but these efforts have been ineffectual owing to the unwillingness of either the Chinese or Japanese to make an initial concession. Although it goes without saying that no possible course of action should be overlooked which offers hope of bringing about cessation of hostilities, it seems to be becoming more and more apparent that efforts in that direction have almost no prospect of success at this time.

W. W.

JMB
FE:JWB:VC

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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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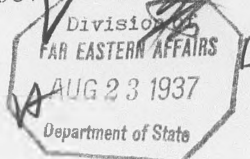
1-1336

FROM Rec'd August 23, 1937

11 a.m.

From Naval Communications
For the information of the
Department of State.

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



793.94 0123. Hongkew Yangtzepoo and Pootung areas comparative-
quiet throughout day except for occassional bombing by
Japanese planes and shelling of Pootung and areas of
Yangtzepoo by naval vessels. Action now shifted to
Woosung where Japanese army units have landed in force
estimated two divisions. More troops reported en route.
Chinese snipers still active along river. About 1256 large
two motored monoplanes believed Chinese dropped bomb on
(Singer?)
Sincere Company Building, Nanking Road more than three
hundred casualties including several foreigners. Another
bomb probably dropped by same plane struck United States
Navy godown, failed explode, fragments being studied. 1915.

HPD

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AUG 27 1937

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~~TOP SECRET~~
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
August 25, 1937.

Canton's No.81, July 22, 1937, entitled "Local Situation in Relation to North China Crisis."

On July 14, on the surface at least, Canton continued remarkably calm. The populace in general showed little outward excitement and the authorities had not appeared ready to encourage chauvinistic demonstrations. On the part of the politically awake classes, however, there seemed to be a generally held conviction that the limit to concessions to Japan had been reached and that Nanking must be supported in resisting further Japanese aggression.

The Kwangsi leaders enthusiastically voiced their support of Nanking, though their fiery insistence on the need of immediate war with Japan made it appear that any sign of compromise on Chiang's part would be likely to cost him their allegiance.

Chinese official sources stated that all military forces in the area were ordered to mobilize, and that anti-aircraft units at Canton commenced holding nightly searchlight drills. There were other signs of military preparations.

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FE:HES

DECLASSIFIED: E.O. 11652, 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. 81

For Distribution-Check			
Grade	For	To field	Yes
	g.	In U.S.A.	✓
Chen			

CONSUL GENERAL
CANTON, CHINA

July 22, 1937.

CONFIDENTIAL

SUBJECT: Local Situation in Relation to
North China Crisis.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

COPIES SENT TO
U.S. DEPT. OF STATE
JUL 24 1937

Division of
Far Eastern Affairs
AUG 24 1937
Department of State

RECEIVED
DEPARTMENT OF STATE
JUL 23 1937

Sir:

I have the honor to refer to my telegram of 5 p.m.,
July 14, 1937, concerning the local situation in relation
to the occurrence of critical events in North China, and
to report briefly on further local developments.

On the surface at least, Canton continues remarkably
calm. The populace in general show little outward excite-
ment and the authorities have thus far not appeared ready
to encourage chauvinistic demonstrations. On the part of
the politically awake classes, however, there seems to be
a generally held conviction that the limit to concessions
to Japan has been reached and that Nanking must be supported
in resisting further Japanese aggression. The military and
civil officials and the press appear united in loyalty to
the Central Government and call upon the people to support
Marshal Chiang in what is interpreted as his firm determina-
tion to fight, if necessary, to prevent further Japanese
encroachments in North China. A local Chinese official stated
confidentially that a secret instruction was received from
Marshal Chiang which left no doubt as to the seriousness of
his preparations for war. Kuomintang and other public bodies

are

ASSISTANT SECRETARY
OF STATE

AUG 3 1937

DEPARTMENT OF STATE

793.94/9602

FILED

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- 2 -

are showing great activity in organizing drives for funds for the Twenty-ninth Army and measures for assisting the authorities in Red Cross work, air defence, et cetera.

The Kwangsi leaders have been enthusiastically voicing their support of Nanking, though their fiery insistence on the need of immediate war with Japan leads one to conclude that any sign of compromise on Chiang's part will be likely to cost him their allegiance. According to apparently well-informed sources, the communist bandits operating in the Kwangtung-Fukien-Kiangsi border regions have come to terms with the Government and are being incorporated in the Kwangtung forces. Another development which should be equally pleasing to the Kwangsi and other "Popular Front" factions is the return to China of General Ts'ai Ting-kai for the reported purpose of accepting command of an army to be organized upon a nucleus of Nineteenth Route Army veterans.

Chinese official sources state that all military forces in the area have been ordered to mobilize and stand by for emergencies. The anti-aircraft units at Canton have commenced holding nightly searchlight drills, and there are other signs of military preparations, as, for example, the cancelling of leaves of employees of the Army Medical College, the hurried trips of high military officials to strategic areas and to Kuling, and the ordering, by the Saichuan Cement Works, of a six months' supply of lubricating oil. According to well-informed sources, there have been no northward troop movements. There have, however, been considerable movements eastward from Canton - presumably for the defence of the Swatow coast area; and a local official has confirmed reports that energetic efforts are being made to prepare to hold that area.

There

- 3 -

There is considerable evidence that the Canton Japanese community, while not yet on the point of a general evacuation, is making definite preparations for such an eventuality. Members of the Bank of Taiwan have been seen packing effects; the Chief of Police of the Shanshen British Concession states that local Japanese firms have received orders to send their books to Hong Kong and put their business in shape to permit quick closure if necessary; and the number of Japanese departing from Canton appears unusually large.

A local Chinese official concerned with foreign affairs stated confidentially that the Canton police have just arrested forty Formosan "betrayers" who recently took up residence in the city without notifying the authorities, and that the Japanese Consul General has been protesting the matter without justification. He also said that the authorities had just uncovered an attempt by Japanese to buy up secretly an enormous area of land on Hainan Island.

Interviewed yesterday by a member of this office staff, my Japanese colleague, Consul General Nakamura, evinced obvious signs of strain and anxiety. He said that the local authorities had been according the special protection of Japanese citizens which he had requested immediately on the outbreak of the North China trouble; that thus far there had been no incidents at Canton and no noticeable marked increase of popular anti-Japanese feeling. While denying the reports current that he had ordered local Japanese to remain in the Shanshen Island foreign concessions and that steps were being

taken

- 4 -

taken for the evacuation of his nationals at Canton, he admitted that developments might easily lead to such measures.

He stated that a great deal of trouble had arisen in consequence of the circumstance that Chinese secret agents had commenced to shadow all local Japanese, both in the city proper and on Chansen, for the purpose of discovering any Chinese with whom they might have dealings and compelling such Chinese to break off relations with them. He also said that, following the example set at Swatow, the local Chinese stevedores were, since the preceding day, refusing to service Japanese ships. He expressed much concern over the attitude of the local Chinese authorities - intimating that he considered them directly responsible for both these developments, and stated that, despite repeated efforts, he had not been able to see any of the higher officials since the outbreak of the trouble in the north. He expressed his inability to hazard any opinion as to the possibility of hostilities spreading to South China, but said that he had the day before received an instruction stating that the Japanese Government still adhered to its policy of trying to localize the trouble in the north. Personally, he felt completely "fed up" with China and disgusted with the obstinate Chinese insistence on refusing to recognize the possibility of anyone else's views containing an element of justice.

Mr. Nakamura also confirmed evidence from other sources that the situation at Swatow is considerably more strained

and

- 5 -

and dangerous than at Canton. With respect to the "Swatow Incident", he said, (in complete disagreement with recent confidential information supplied me by a Chinese official), that, shortly before the outbreak of the North China trouble, the negotiations with the local authorities had resulted in an agreement for settlement on a basis which included recognition of responsibility by the Chinese side, their apology and payment of an indemnity. He claimed, however, that the Chinese had refrained from publishing an admission of the agreement and added that, in view of the present Sino-Japanese crisis, the Nanking Government would probably refuse to approve it anyway.

Respectfully yours,

Irving N. Linnell,
American Consul General.

Copies sent:

- 2 to Embassy, Peiping.
- 1 to Embassy, Nanking.
- 5 to Department.
- 1 to Consulate, Swatow.

802

SC/ccw

5 Carbon Copies

Received ... *h j n*



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

DOCUMENT FILE

NOTE

SEE 857.00 P. R./158 FOR despatch #15

FROM Norway (Harriman) DATED July 31, 1937
TO NAME 1-1127 GPO

REGARDING: Far Eastern affairs- war in China. Editorial from the
NORWEGIAN JOURNAL OF COMMERCE AND SHIPPING of July 8th
commenting on,--

fp

793.94/9603

F

9603

2. Far Eastern Affairs.

AN editorial in the NORWEGIAN JOURNAL OF COMMERCE AND SHIPPING (Norges Handels og Sjøfartstidende) of July 28 regarded war, or open hostilities, in China as a fact, but as one of commercial, rather than of political, significance for Norway, since it does not seem probable that the Soviet Union will intervene in the struggle and so make a general war, involving Europe, probable. This paper expresses the hope that the war will be limited both in time and space, and that Japan will not resort to a blockade of the Chinese coast, since such action might involve it in difficulties with the United States and Great Britain. The journal did not perceive much possibility of profit from war in the Far East, for although war increases demands for many kinds of goods, Japan has probably made preparations for the present conflict insofar as materials are

2. Far Eastern Affairs.

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-11-

are needed, and can supply most of its shipping. On the other hand, Norwegian shipping might suffer owing to dislocation of trade and cancellation of charter-parties. The paper recognizes that the advantages of war to a neutral trading nation are temporary and are followed by a reaction.

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

DOCUMENT FILE

NOTE

SEE 893.51/6441 FOR Tell. 3 p.m.

FROM Genoa (Wilson) DATED August 20, 1937.
TO NAME 1-1127 070

REGARDING: Dr. Kung, China's finance minister informed there was no possibility of any settlement of Chinese-Japanese difficulties at present and that China had yielded too much already.

793.94/9604

9604

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

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

Genoa

Dated August 20, 1937

Rec'd 12:55 p. m.

Secretary of State

Washington.

note
793.94
August 20, 3 p. m.

Dr. Kung, Finance Minister of China, canceled his
sailing for Hong Kong yesterday and is still here. I
talked with him this morning. He will go to Badnaheim
ostensibly for a cure but I know that he received a cable
from his Government yesterday immediately before canceling
his sailing. Presume that therefore he will make further
purchases in Czechoslovakia, Austria, possibly Germany
and Italy.

He said that in his opinion there was no possibility
of any settlement of Chinese-Japanese difficulties at
present and that China had yielded too much already. He
added that he had read Secretary Hull's recent statement
with interest and hopes it meant that we were not going
to abandon our important interests in China.

WILSON

GW

KLP

893.51/6441

FE

TELEGRAM RECEIVED

JR

GRAY

1-1336

Hankow via N. R.

FROM

Dated August 23, 1937

Rec'd 10:45 a.m.

Secretary of State

Washington

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

Division of
FAR EASTERN AFFAIRS
AUG 23 1937
Department of State

793.94
August 23, 4 p.m.

9125

9279

Department's August 9, 4 p.m., and my August 10, 6 p.m.

One. American traveller from Shansi via Tungkuang, Shensi, informs me reports are prevalent in Shansi that communist army has moved from Shensi into Suiyuan, that troops are moving from Shensi into Shansi via Tatung-Puchow Railway and from Shensi into Honan via Lunghai Railway, and that Chengtai Railway is being used exclusively for troop movements eastward.

Two. American from Paoting reports much military activity in south Hopei and heavy movement of troops north from Chengchow by rail.

Sent to the Department, repeated to Nanking, Peiping, Tientsin.

JOSEPH LYN

WNC:PMG

AUG 27 1937

FILED
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793.94/9605

FE

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

TELEGRAM RECEIVED

JR

1-1336

FROM

GRAY AND PLAIN

Hankow via N. R.

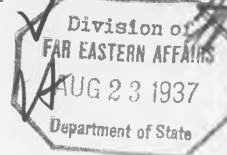
Dated August 23, 1937

Rec'd 12:57 p.m.

Secretary of State

Washington.

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



August 23, 6 p.m. (GRAY)

According to official Chinese information seven
Japanese planes appeared this noon at Tingshihchia
sixty miles south of ~~Hanchang~~ ^{Wu} on Canton-Hankow Railway.
(MID GRAY) No damage reported from that vicinity however
and planes did not (repeat not) come to Hankow. Train
carrying Americans to Canton reported to be safe see my
393.1115/212
August 23, 11 a.m. Air raid restrictions are in effect
until two fifteen p.m.

Sent to Nanking; repeated to Department; Peiping.

JOSSELYN

HPD

793.94/9606

FILED
AUG 27 1937

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

No. 314.

AMERICAN CONSULATE GENERAL

Hankow, China, July 28, 1937

Subject: Political Conditions at Hankow.

The Honorable

The Secretary of State,
Washington.

I have the honor to enclose herewith, for the information of the Department, a copy, in quintuplicate, of my despatch No. 475 of today's date addressed to the Embassy, Peiping, in regard to the above-mentioned subject.

Respectfully yours,

P. R. Jesselyn
American Consul General

Enclosure:

1. Despatch No. 475 to American Embassy, Peiping, July 28, 1937.

In quintuplicate

800

PRJ/MYH

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O.N.I. AND N.Y.

Division of
FAR EASTERN AFFAIRS
AUG 24 1937
Department of State

793.94/9607

DEPARTMENT OF STATE
A-M/C

AUG 30 1937

ASSISTANT SECRETARY
OF STATE

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AUG 23 PM 44

DIVISIONS
COMMUNICATIONS
AND RECORDS

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0221
DECLASSIFIED: E.O. 11652, 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. 475.

AMERICAN CONSULATE GENERAL

Hankow, China, July 28, 1937

Subject: Political Conditions at Hankow.

The Honorable Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my confidential
telegram of July 24, 5 p.m., with regard to the
situation in the Hankow area and to state that
reports within the past few days of incidents in
the Peiping-Tientsin area have caused the local
situation to become increasingly tense. Up to the
present there has been no local incident of even a
minor character. However, the area surrounding the
Japanese Concession is heavily patrolled by Chinese
soldiers and sand bag defenses have been put up in
S. A. D. No. 1 and other areas in the immediate
vicinity of the Japanese Concession. It is reported
that the troops in this area are a part of the 98th
Division, the main body of which left Hankow sometime
ago for Honan Province.

After consulting with the Commander Yangtze
Patrol I sent the confidential communication to
Americans in Hankow on July 27, copies of which are
enclosed herewith. The British Consul General has,
I understand, issued a circular to his nationals
dealing with the question of possible hostilities.
Numbers of Americans have left Hankow on their usual

SUMMER

-2-

summer holiday. There are at present in the Wuhan area according to a careful census made by this office 80 Americans in Hankow, 34 in Wuchang, and 6 in Henyang.

Respectfully yours,

P. R. Josselyn
American Consul General

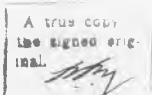
Enclosure;

1. Confidential communication to Americans in Hankow dated July 27, 1937.

Original to Embassy, Peiping;
5 copies to Department (despatch No. 314,
July 28, 1937);
Copy to Embassy, Nanking.

800

PRJ/MTM



0223
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 No. 1 to despatch No. 475, July 26, 1937, from
Consul General P. R. Josselyn, Hankow, China, to the
Embassy, Peking, in regard to the political conditions
at Hankow.

Strictly Confidential

AMERICAN CONSULATE GENERAL

Hankow, China, July 27, 1937

In the event of hostilities occurring at Hankow
Americans living north of the French Concession
should, without further warning from the Consulate
General, move into the French Concession, S. A. D. 2
or S. A. D. 3, preferably the French Concession. They
should make, in advance, arrangements for temporary
quarters. (S. A. D. 1 and the Jardine Estate area
are both north of the French Concession.)

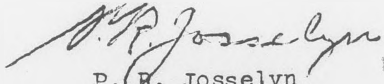
2. If it should become necessary to seek refuge from
aerial attack or gun-fire, Americans will proceed to

(a) the French Municipal Building, on Rue du
Marechal Joffre in the French Concession, or

(b) the National City Bank building in S. A. D. 3,
where shelter will be provided.

3. The police will be instructed to pass motor cars
containing Americans. Cars should fly a small American
flag and their occupants should have their Chinese
visiting cards ready for purposes of identification.

4. Americans are advised to make their arrangements
now for temporary quarters as stated in paragraph 1.
It is of course hoped that no other steps will become
necessary.


P. R. Josselyn
American Consul General

0224

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

RAH
A-W

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 25, 1937.

The Tokyo Embassy in despatch No.2530 of August 6, 1937, entitled "North China Situation" reports a statement by the Foreign Office spokesman outlining a probable course of events leading to the establishment, following the precedent of "Manchukuo", of a Japanese controlled regime in North China. The Embassy states that in the opinion of competent observers that the form of government will not be that of "Manchukuo", but a regime emerging from the Hopei-Chahar Political Council and East Hopei Autonomous Regime, perhaps combined, which would be completely freed of anti-Japanese elements, but less closely linked with Japan than is "Manchukuo".

The Embassy suggests the probability that Chiang Kai-shek's statements of July 19 and 29 and the concentration of Chinese troops at Paotingfu were intended as internal political manoeuvres. An official of the Foreign Office is stated to have informed the Embassy (Memorandum of conversation enclosed) that this concentration had reached such a magnitude as to be menacing to Japan and that as soon as sufficient Japanese reinforcements had arrived in North China steps would be taken to eject the Chinese troops from Paoting.

A chronological account of events, from July 23 to July 30, useful chiefly for purposes of record is enclosed together with press clippings and the memorandum of conversation above referred to.

EE:JWB:VC

DECLASSIFIED: E.O. 11652, 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
PART OF THE
UNITED STATES OF AMERICA
1937 AUG 23 PM 2 05



DIVISION OF
COMMUNICATIONS
AND RECORDS Tokyo, August 6, 1937.

No. 2530.

SUBJECT: NORTH CHINA SITUATION.

SENT TO
O.N.C. AND M.I.D.
in strict confidence

793.94 /

For Distribution-Check		Yes	No
Grade	To be filed in U.S.A.		
For	ONI MID		

~~SECRET~~
~~CONFIDENTIAL~~
~~RESTRICTED~~

Copy in FE

STRICTLY CONFIDENTIAL.



The Honorable

The Secretary of State,
Washington.

Sir:

- I have the honor to refer to my despatch No. 2506
- 1/ of July 23, 1937, and to enclose a second chronological memorandum on the North China Incident covering the period from July 23 to July 30, inclusive. The preparation of these memoranda in narrative form has been discontinued
- 2/ by the Embassy. There is also enclosed a memorandum to the Ambassador of a conversation which the Counselor of the
- the

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-2-

the Embassy had yesterday with an official of the Foreign Office.

Since the writing of my despatch No. 2506 of July 23, 1937, on the subject of the North China Incident, the incident per se appears to have been settled to the satisfaction of the Japanese through the military action of the Japanese Army in driving the greater part of the 29th Army from the Peiping-Tientsin area. As a result of their military operations the Japanese military have succeeded in virtually eliminating effective exercise of will by the Nanking Government in North China, certainly for the present.

Generals Sung Che-yuan and Feng Chih-an and other officials of the Hopei-Chahar Political Council said to have been anti-Japanese, no longer offer a problem to the Japanese by virtue of their withdrawal from Peiping. This fact, coupled with the ejection of the 29th Army, now leaves the Japanese free to use their influence in the formation of some new form of government in North China.

In this connection it is interesting to note certain statements made by Mr. Kawai, the Foreign Office spokesman, at a press conference on July 30 in reply to questions asked by the correspondents. As reported to the Department in the Embassy's telegram No. 237, of July 30, Mr. Kawai said that it was "entirely possible" that a movement might be made by the inhabitants of the Peiping-Tientsin area for the establishment of some sort of peace preservation organization which might lead to a movement for autonomy; that following the 1931 incident many movements for autonomy had spontaneously sprung up among the inhabitants of Manchuria; that the Japanese

had

-3-

had finally come to assist because of Chinese inexperience in government; and that in a similar way the Japanese authorities in Peiping and Tientsin would probably be approached and that they would perhaps have to help. Here is a clear analogy, drawn by a Japanese official, between the methods that were used in the setting up of "Manchukuo" and the methods that will probably be adopted by the Japanese in establishing some future form of so-called autonomous government in North China. It should be emphasized, however, that it is an analogy of the methods of establishing governments, not of the forms of government. In the opinion of competent observers, it is more likely that the Japanese contemplate the formation, under whatever name, of a strengthened Hopei-Chahar Political Council and East Hopei Autonomous Régime, perhaps combined, and in any case completely freed of anti-Japanese elements, rather than the setting up of a state closely linked to Japan, such as "Manchukuo".

This thought is worth examining. I have no doubt but that most persons with a substantial knowledge of this country will agree that what makes Japan a country which must be taken into account are certain qualities which derive from the homogeneity of its people - their consciousness of being a unified people; their ability to work together as a well-integrated unit; and supreme confidence, born of faith in their fabulous origin, in their future destiny. Japan today has on its hands 20 million Koreans and 5 million Formosans, each of these peoples having their own distinctive social, cultural, and temperamental and psychological characteristics. As docile as are the Koreans,
the

-4-

the policy of the Japanese Government has been so to deal with them as to make them an element of strength within the political structure of the Japanese Empire but without their ethnic and social assimilation by the Japanese people - which assimilation would probably result in dilution of Japanese characteristics. The same policy has been followed in Formosa.

With the Korean and Formosan problems already on their hands, any attempt to work into the Japanese Empire as an integral element the 30 million Chinese in Manchuria, with characteristics which are probably more persistent than those of the Japanese, would have developed another problem of the same kind, but on a vastly greater scale and holding out small prospect of successful solution.

At this point I think it expedient to resort to suggestion rather than to affirmation. It is unwise to assume in a given situation that others are unable to perceive the obvious, and it seems unwise to assume that, when the Chinese have given evidence of ample capacity to absorb their conquerors, the Japanese are going to repeat the errors of the Mongols and the Manchus. The Japanese have shown wariness and are seeking to avoid that pitfall in Manchuria, and I think it likely that they will show even greater caution in North China with its 100 million Chinese inhabitants - that they will be content with the fruits of conquests and avoid the perils of annexation.

Although the situation in the Peiping-Tientsin area is thus developing favorably for the Japanese, two problems remain, one political and the other military, which may

bring

-5-

bring about an enlargement of the North China incident. First of all, it has not yet been determined whether the Nanking Government will attempt to prevent by force the fulfillment of the "local settlement". Were the Nanking Government's communication of July 19 to the Japanese Government and General Chiang Kai-shek's statements of July 19 and July 29 intended merely to placate anti-Japanese elements or were they designed to incite the Chinese people to final resistance against Japan? Likewise, are the Central Government troops being concentrated around Paoting as a "first line of defense" against a possible Japanese advance, as stated by General Chiang Kai-shek, or are these troops being massed there in order that Chiang Kai-shek may "save face" politically? While it is impossible to answer these questions categorically, it seems probable that both the Chinese statements of policy and the concentration of troops are intended primarily as internal political maneuvers.

Two reports from Japanese sources are interesting in this connection. An official of the South Manchuria Railway told a member of my staff that General Chiang Kai-shek had very recently been trying to persuade General Sung Che-yuan to negotiate with the Japanese military authorities for a settlement of the North China incident. Another Japanese states that General Chiang Kai-shek's hand is being forced by General Feng Yu-Hsiang, who favors resistance against Japan, and that General Chiang Kai-shek has appointed General Feng Yu-Hsiang

as

-6-

as commander of the Chinese forces in Hopei in the expectation that Feng would be defeated by the Japanese and thus be eliminated from Chinese politics. A member of the Chinese Embassy's staff in Tokyo admitted to a Secretary of this Embassy that until recently General Feng Yu-Hsiang had opposed General Chiang Kai-shek and was now cooperating with him only on the basis of the anti-Japanese policy of the Nanking Government.

The second phase of the current situation, the military one, would seem to be of more immediate importance than the first or political phase. Large-scale concentration of opposing troops, such as that of the Chinese around Paoting and that of the Japanese to the northward, may always lead to major hostilities merely from geographical proximity. The occurrence of the original incident of July 7 at Lukou-chiao was probably due in no small measure to the close juxtaposition of relatively few Chinese and Japanese troops, but animated by no friendly feeling toward each other.*

As will be seen from the enclosed memorandum of a conversation, a responsible official of the Japanese Foreign Office stated to a member of my staff that the concentration of Chinese forces at Paoting was now so large as to be regarded as menacing and that as soon as sufficient Japanese reinforcements had arrived in North China measures would be taken to eject the Chinese troops from Paoting. The official added that he thought it unlikely that, after the imminent battle had occurred at Paoting, the Chinese forces would proceed to withdraw quietly from that area.**

Yesterday

* Embassy's despatch No. 2506 of July 23, 1937.

** Embassy's telegram No. 246 of August 5, 1937.

0231

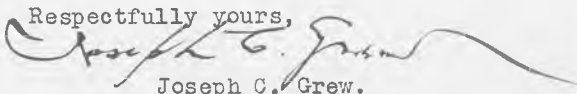
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-7-

Yesterday the Assistant Military Attaché obtained information from the War Office that conflicts with the opinions expressed by the official of the Foreign Office above mentioned. The War Office stated that Japanese troops in North China would not attack Chinese forces along the Peiping-Hankow and Tientsin-Pukow railways without serious provocation and that the mere presence of these forces in Hopei in violation of the Ho-Umezu agreement did not constitute "serious provocation". It is not known whether the War Office would interpret as "serious provocation" any considerable increase in the Chinese forces in Hopei.

Whatever the immediate objective of the Japanese military toward the Central Government troops in Hopei may be, preparations appear to be progressing for any eventuality and it is evident that the Japanese are determined to accomplish their objective. Today's press reports that in addition to the supplementary budgets, totalling over 100 million yen, for North China expenditures already approved by the Diet, the Cabinet has approved another supplementary budget of ¥419,600,000 for the same purpose. The size of this supplementary budget, which in all likelihood will be passed without discussion by the Diet, as were the two previous North China supplementary budgets, is significant particularly when taken into consideration in connection with well-confirmed reports of continuing troop movements from Japan Proper.

Respectfully yours,


Joseph C. Grew.

710

CEA:LHD:C


Enclosures:

1/2 As stated above.

Copy to Embassies Peiping and Nanking

" to Embassy, Moscow

" " " London

2 Carbon Copies
Received 

STRICTLY CONFIDENTIAL

Enclosure No. 1 to despatch
No. 2530 dated August 6, 1937,
from the Embassy at Tokyo.

A CHRONOLOGICAL ACCOUNT OF THE NORTH CHINA SITUATION FROM
JULY 23 to JULY 30 INCLUSIVE.

July 23

The Embassy at Peiping and Domei reported that the movement of the 37th Division troops to the south was apparently continuing. Details of the agreement reportedly reached on July 19 for local settlement of the Lukowkiao incident based on the terms of the understanding of July 11 were announced by the Japanese War Office in the evening. According to the MIYAKO, authorities of the Hopei-Chahar Political Council offered in writing on July 19, "of their own accord", to follow the following three courses: (1) Persons impairing Sino-Japanese relations will be eliminated from official posts; (2). communist activities will be suppressed; and (3). anti-Japanese agitation and activities of anti-Japanese institutions, which are to be regarded as the causes of the present incident, will be suppressed. This agreement was reportedly regarded among educators in Peiping as having grave political implications for the reason that under the guise of suppression of anti-Japanese activities the Japanese could force Chinese patriots to leave Peiping (telegram from the Embassy at Peiping No. 285, July 23).

General Chiang Kai-shek was said by Domei to have prevailed upon most of the Kuomintang leaders to accept the local agreements of July 11 and July 19. However, the

ASAHI

- 2 -

ASAHI of July 23 reported that the Chinese Foreign Office had issued a statement to the effect that the withdrawal from the Peiping area by the Chinese troops did not constitute recognition by the Nanking Government of the Japanese proposals for peace negotiations and had been undertaken merely in order to avoid an armed clash.

On July 23 the British Embassy in Peiping informed the American Embassy that General Chiang Kai-shek had stated to the British Ambassador in Nanking on July 21 that the only chance of a settlement of the North China difficulties was for the British and American Governments to approach Japan and urge a peaceful solution; that General Chiang Kai-shek had said that he was unwilling to accept the local agreements reached because of uncertainty as to details regarding the suppression of anti-Japanese agitation and of communism; and that the British Ambassador had stated to General Chiang Kai-shek that the British Government could not inform the Japanese of the Nanking Government's willingness to negotiate. (telegram from the Embassy at Peiping, No. 282, July 23, 1937).

The Japanese newspapers of July 23 devoted less attention to the North China situation than to the opening of the special Diet session on that day. However, the ASAHI contained an editorial stating that although the North China trouble was being brought nearer a solution by the execution of the terms of the July 11 and July 19 agreements, there remained the problem of the Nanking Government troops which had been moved northward into Hopei Province.

July 24

- 3 -

July 24

Events in the Peiping area were reported by the Japanese press to have taken a turn for the worse on July 24 because of the alleged facts that Chinese troops of the 37th Division had failed to leave their positions near Peiping and that the Vice Chief of the General Staff of the Nanking Government had persuaded General Sung Che-yuan and other northern Chinese leaders to revive a vigorous anti-Japanese policy.

The Japanese newspapers of July 24 were almost unanimous in expressing skepticism as to whether the Hopei-Chahar authorities would effectively carry out the terms of the July 11 and July 19 agreements and whether the Nanking Government would respect these agreements. The NICHU NICHU and KOKUMIN went so far as to advocate the use of force by Japan for a "fundamental solution" of the North China incident. The latter newspaper said that Japan was not concerned over Great Britain's worries as to the North China situation and that the wise attitude of the United States, which was calmly watching developments must be admired.

July 25.

News despatches from China in the Tokyo press reported that troops of the 29th Chinese Army had not only failed to withdraw from their "front line" positions in accordance with the local agreement but also that some of these troops had strengthened their positions. The Japanese press also reported that the North China Garrison was angered at the lack of honest effort on the part of the Chinese authorities to

effect

- 4 -

effect withdrawal. Contrary to these Japanese press reports, the Chinese claimed that all contingents of the 37th Division had been withdrawn from the Papaoshan area (telegram to the Department from the Embassy at Peiping No. 292, July 25, 1937).

The American Embassy at Nanking reported telegraphically to the Department that, according to information received by the British Military Attaché from British Intelligence Officers at Tientsin, Japanese troop reinforcements sent into North China from outside the Great Wall between July 7 and 23 amounted to 11,410 men. (Telegram to the Department from the Embassy at Nanking, No. 239, July 25). On the other hand, a member of the staff of the Chinese Embassy in Tokyo asserted that at least 35,000 Japanese troops had moved into North China since July 7 and that the Chinese Military Attaché in Tokyo concurred with this estimate.

On the evening of July 25 the American Ambassador in Nanking had a conversation with General Chiang Kai-shek, who stated that "out of a sincere desire for peace" the Central Government of China had acceded to Japanese demands and had withdrawn its opposition to a local settlement of the Lukowkiao incident between General Sung Che-yuan and the Japanese Military along the lines of the three points provided for in the agreement of July 11. The Generalissimo then requested that the American Government along with the British Government watch Japanese actions carefully because he believed that the Japanese Government would shortly press further demands which the Chinese Government could not accept and which would include the following: (1) a settlement of all questions concerning

"Manchukuo"

- 5 -

"Manchukuo"; (2) cooperative action on a national scale against communism, i.e., against Russia; and (3) the withdrawal of Central Government troops from Hopei. General Chian Kai-shek reiterated to the American Ambassador that the Chinese Government would not accept these demands and that war would therefore be inevitable. He concluded the conversation by saying that in his belief the only way in which war between China and Japan could be averted would be by cooperative action of the United States and Great Britain of a more vigorous nature than had hitherto been essayed and that immediate action by the United States and Great Britain was necessary. (Telegram to the Department from the Embassy at Nanking No. 328, July 25).

At about eleven o'clock on the night of July 25 fighting broke out between Japanese troops and Chinese troops of the 38th Division at Langfang on the Peiping-Tientsin Railway and continued throughout the night. Japanese sources claimed that the Chinese had provoked the clash by encircling a company of Japanese troops who were protecting a Japanese communications detachment engaged in the repair of telephone lines, while the Chinese charged that the Japanese troops had opened fire first. (telegram to the Department from the Embassy at Peiping No. 293 of July 26).

There was nothing new or particularly interesting concerning the North China situation in the Japanese newspaper editorials of July 25.

July 26.

A communiqué issued by the North China Garrison stated
that

- 6 -

that Japanese airplanes had in the early morning dropped bombs on the Chinese barracks at Langfang and that the Japanese troops were holding their position in the railway station. According to later reports from Japanese officials in Peiping the Chinese troops were defeated and retreated to Huangtsun, about 12 miles south of Fengtai. (telegram to the Department from the Embassy at Peiping No. 297 of July 26).

According to the Domei version of the announcement made by the headquarters of the North China Garrison, in the afternoon of July 26 Lieutenant General Kazuki sent to General Sung Che-yuan a virtual ultimatum demanding the complete withdrawal of the whole 37th Division from the Peiping area in accordance with the settlement of July 11 and warning that if this evacuation was not carried out the Japanese Army would be compelled to take "free action". General Kazuki's note reportedly demanded that the 37th Division troops near Lukowkiao and Papaoshan be withdrawn to the west of the Yungting River by noon on July 27 and that all troops of the 37th Division be removed from Peiping and from Hsiyuan to the west bank of the Yungting river by noon on July 28.

A clash was reported to have taken place at Changyimen in the southwestern suburbs of Peiping at eight o'clock on the evening of July 26 when Chinese troops allegedly opened fire on Japanese troops who were trying to force their way into the city. The Japanese military authorities later admitted that two Japanese soldiers had been killed and four wounded but foreign observers believed the casualties greater. (telegram to the Department from the Embassy at Peiping No. 301 of July 27).

July 27

- 7 -

July 27

A Secretary of the American Embassy at Peiping was informed by a Secretary of the Japanese Embassy at 6:30 in the morning that the Japanese Embassy had issued an order directing all Japanese residents in Peiping to withdraw to the Legation Quarter. The Japanese informant stated that he did not expect fighting in the city but that the order for withdrawal to the Legation Quarter had been issued for the purpose of avoiding difficulties between the Japanese and Chinese during the process of withdrawal of the 37th Division. Japanese nationals began to move into the Legation Quarter in large numbers at 8 a.m. (Telegram to the Department from the Embassy at Peiping No. 302, dated July 22, 1937).

News despatches from Nanking and Shanghai reported that the Hopei-Chahar Political Council had decided by order of Chiang Kai-shek to reject the ultimatum sent to General Sung Che-yuan by Lieutenant General Kazuki on July 26 and that General Sung Che-yuan had issued orders to the 29th Army to resist the Japanese forces. Mr. Donald, adviser to Chiang Kai-shek, had a conversation with an officer of the Embassy in Nanking in which he confirmed the report that the National Government had ordered General Sung Che-yuan to resist the Japanese (Telegram to the Department from the Embassy at Nanking No. 332 dated July 28, 1937).

It was also reported that General Sung Che-yuan had requested General Chiang Kai-shek to send reinforcements at once. Nanking news agencies received in the evening reports said to be from a reliable official source that the Central Government troops in South Hopei had been ordered to proceed north

- 8 -

north to Changhsintien, just south of Lukouchiao. However, this report was not confirmed by the Embassy at Nanking (Telegram to the Department from the Embassy at Nanking, No. 332, dated July 28, 1937.

According to an ASAHI extra released on the morning of July 28 the Japanese North China Garrison headquarters issued a statement to the effect that at three o'clock on July 27 a Japanese detachment had attacked and defeated "the enemy" at Hsingkung, about three miles south of Nanyuan near Peiping, that several hundred Chinese troops had been killed, and that the casualties on the Japanese side were also heavy. According to a Domei despatch from Tientsin dated July 28, published as an extra by the HOCHI, the Japanese Military authorities placed the number of Chinese dead at 500.

The NICHI NICHI reported that on the same day at Tungchow, the capital of the East Hopei regime, between 400 and 500 troops of the 29th Army had been killed by Japanese troops when resisting orders to disarm.

In his address to the Diet delivered on the morning of July 27 Premier Konoye stated that in sending troops to North China the Japanese Government had no other purpose than to "preserve the peace of East Asia" and that he hoped most fervently that reconsideration and self-discipline on the part of the Government and people of China would make speedily possible a fundamental adjustment of Sino-Japanese relations. Subsequently, in reply to an interpellation, the Premier said that Japan did not have the slightest intention of invading Chinese

- 9 -

Chinese territory; that if Japan had such designs as those attributed to this country by the Chinese, the entire territory of North China would have been seized by the "invincible Imperial army" long ago; and that what Japan wanted of China was not territory but cooperation.

Mr. Hirota, the Minister for Foreign Affairs, delivered an address to the Diet in which he said that it was his earnest hope that prompt reconsideration on the part of the Chinese authorities would lead to a faithful execution of the terms of the settlement reached on the night of July 11; that the Governments of the Powers had been informed in detail through Japanese diplomatic representatives of Japan's policy toward China; that he believed that foreign Governments understood fully Japan's attitude of "patience and self-restraint"; that there existed the danger of an "untoward outbreak" at any moment; and that in order to ensure the safety of Japanese subjects the Japanese Government was prepared to use all available means which might be called for by the development of the situation.

In addressing the Diet, General Sugiyama, the War Minister, stated that the origin of the present North China difficulties was the general anti-Japanese movement in China, which was an outcome of the Nanking Government's thorough anti-Japanese policy and of China's over-estimation of its national strength resulting from increased national unity, expansion of military preparations, and improvement of Army organization and equipment; that there was no telling what might happen; and that, moreover, the general situation surrounding Japan was becoming more and more aggravated

The

- 10 -

The War Minister also outlined to the Diet the War Office's version of the developments in the North China situation from July 7 to the present. There is attached a clipping from the JAPAN ADVERTISER of July 28 which contains Domei's translation of the War Minister's speech.

Admiral Yonai, the Navy Minister, delivered an address before the Diet in which he outlined the steps taken by the Navy for the protection of Japanese nationals in China and for carrying out the Japanese Government's "policy of non-aggravation of the situation".

In the afternoon the Japanese Cabinet released a statement reaffirming the intention of the Japanese Government to take measures for the maintenance of communication between Peiping and the sea and for the protection of the lives of Japanese subjects, and asserting that the Japanese Army had been forced to take "self-defensive actions" necessary for the carrying out of the terms of the agreement concluded between Japan (sic) and the Hopei-Chahar Political Council. (Embassy's telegram No. 226, July 27). The statement added that the aim of the Japanese Government was to eradicate the fundamental causes of such untoward incidents as the present one but that Japan did not entertain enmity toward the "good Chinese people" and did not have any territorial designs.

Information received from reliable sources indicated that there were extensive movements of troops toward the southwest part of Japan in various parts of the country and that the troops being moved contained a larger proportion of men from the combat

- 11 -

bat branches of the army than had formerly been noted. The Military Attaché believed, however, that the movements were thus far precautionary or preparatory rather than part of a general mobilization. Although the situation remained illusive, it appeared to the Embassy that a crisis was approaching. (Embassy's telegram No. 226 of July 27).

In a telegram sent to the Department on the evening of July 27 the Ambassador stated that he did not think that developments would be favorably affected by "cooperative action by the United States and Great Britain along lines more vigorous than had hitherto been attempted " or by any foreign diplomatic representations (Embassy's telegram No. 227 of July 27, 1937).

The Chinese Minister for Foreign Affairs called the British Ambassador and the American Ambassador to his house in the afternoon and gave them the following message to be conveyed confidentially to their respective Governments: that the Langfang incident, the attempt of Japanese soldiers to enter forcibly the Changyi Gate (Changyimen) of Peiping, and the clash at Tungchow had been followed by an ultimatum delivered to General Sung Che-yuan which went far beyond the agreement of July 11 in that it required the withdrawal of Chinese soldiers to Paoing; that such incidents as these coupled with the news of continuing mobilization of troops in Japan convinced the Chinese government that the Japanese government had a far greater purpose in mind than a local settlement of the Marco Polo Bridge incident; that it was evident that the Japanese intended

- 12 -

intended to occupy the cities of Peiping and Tientsin; and that in view of all these facts the Chinese government must now take defensive measures, the first of which would be to break off relations with Japan. When asked if China intended to declare war, the Chinese Minister for Foreign Affairs stated that his Government did not intend to declare war, did not want war, merely wished to defend itself against aggression, and was still anxious to negotiate a peaceful settlement with Japan if this were possible (Telegram to the Department from the Embassy at Nanking No. 330, of July 27).

The Japanese newspapers of July 27 were all extremely pessimistic as to the possibility of a peaceful settlement of the North China dispute and unanimously condemned the Nanking Government for its anti-Japanese sentiments, the Chinese people for their alleged contempt of Japan, and the authorities of the 29th Army for their "lack of sincerity" in carrying out the terms of the agreement of July 11.

July 28

The headquarters of the Japanese North China Garrison at Tientsin issued a statement in the early morning to the effect that every means for a peaceful settlement of the North China situation had been exhausted and that there was no alternative left but to send a "punitive" force against the troops of the 29th Chinese Army. A translation of this announcement, which was furnished to the Embassy by the Foreign Office, is attached.

According

- 13 -

According to Domei, large scale military operations by the Japanese forces against both the 37th and 38th Divisions of the 29th Chinese Army got under way on the morning of July 28, the Japanese using airplanes, artillery, and infantry. This news agency stated that an "undisclosed" number of airplanes had bombed troops of both Chinese divisions at Nanyuan and Hsiyuan. It was reported that by noon the Japanese had driven the Chinese troops from the northern and southern suburbs of Peiping. To the north of Peiping the Japanese claimed possession of Chinghochon, Shanhochon, and Hsiyuan, and to the south of Peiping they claimed possession of Nanyuan and Hsingkung. Domei also reported that a Chinese counter-attack at Langfang had failed; that the 38th Division troops fleeing from Nanyuan had been almost annihilated about a mile south of Peiping; and that there was heavy fighting at Lukochiao, where the Japanese were attempting to wipe out the Chinese forces completely.

The withdrawal of American citizens in the Peiping area to the Legation Quarter continued throughout the day, the majority of them being billeted in houses in the Embassy and in tents. A considerable number of American-born Chinese came into the Legation Compound and were given accommodation. (Telegram to the Department from the Embassy at Peiping No. 319 of July 28).

A member of the staff of the Embassy at Peiping called on the Counselor of the Japanese Embassy in the morning and stated that American, British, French, and Italian diplomatic representatives

- 14 -

representatives and commandents of the guards had conferred and had authorized the American Embassy to inform the Counselor of the Japanese Embassy that the maintenance of strict neutrality in the Legation Quarter was of vital importance, to express the hope that the Japanese would not in the slightest degree use the Legation Quarter as a base for military operations but only as a refuge for foreign nationals, and to point out the very dangerous possibilities which might follow if Japanese sorties were made from the Legation Quarter with subsequent retreats into the Quarter. The Japanese Counselor stated that he understood and concurred in the views expressed, that strict neutrality would be maintained, and that sorties would not be made. (Telegram to the Department from the Embassy at Peiping, No. 312 of July 28).

Fighting started between Chinese and Japanese troops in Tientsin during the night, reportedly when the Japanese occupied the police station of the Fourth Special Area at about 10 p.m.

Domei reported that proposals made by the Hopei-Chahar Political Council for a truce conditional upon immediate withdrawal of the 37th Division from Peiping had been firmly rejected, as too late, on the afternoon of July 28 by the Japanese military authorities, who characterized the proposal as "insignificant".

Acting under telegraphic instructions received from the Department the Ambassador called on the Minister for Foreign Affairs in the morning and made the following oral statement:

"Information"

- 15 -

"Information issuing from various authoritative Japanese sources indicates that military operations may be imminently initiated by the Japanese military command in North China.

"Since the initiation on July 7 of the current incident in North China, the Japanese Government has on various occasions and in various ways taken cognizance of the presence of American nationals, along with nationals of other foreign countries, in the affected area, and of the existence in that area of the rights and interests of the United States, along with rights and interests of other foreign countries, which are based on the Boxer Protocol and on other international instruments. There are cited in this relation a memorandum of the Japanese Government which was delivered to the American Government on July 12 by the Japanese Ambassador at Washington numbered paragraph 6 of which concludes: 'In any case the Japanese Government is prepared to give full consideration to the rights and interests of the Powers in China'; and to the statement issued yesterday by the Cabinet, in which there is contained the statement: 'It goes without saying that Japan will make every effort to give protection to the vested rights and interests in China of other foreign Powers'.

"It is earnestly hoped that the Japanese Government will give effect to the assurances which it has directly and indirectly conveyed to the American Government and that it will take effective measures toward dissuading the Japanese command in North China from proceeding with any plan for military operations which would be likely to endanger lives and property of American nationals". (Department's telegram No. 128, July 27, 1937 and Embassy's telegram No. 230, July 28, 1937).

The Minister for Foreign Affairs asserted categorically to the Ambassador that it was not true that the Japanese intended to launch a general attack against all Chinese forces both within and without the city of Peiping regardless of whether the withdrawal of the 37th Division should proceed satisfactorily. He stated further that a Japanese attack would be carried out at noon on July 28 only if withdrawal of the 37th Division had not taken place by that time. Mr. Hirota gave the Ambassador explicit assurances

that

- 16 -

that every effort would be made to protect the lives and property of American and other foreign nationals and the rights and interests of the United States and other Powers in the affected area.

In the afternoon the Vice Minister for Foreign Affairs called the Ambassador on the telephone and, at the request of the Minister for Foreign Affairs, read the substance of a report just received from the commander of the Japanese forces in North China to the following effect: on the morning of July 28 a Japanese army officer called on the Mayor of Peiping and stated that complete withdrawal of Chinese troops from the walled city of Peiping would not be required by noon, but that such withdrawal would be expected to begin and be completed "in due course". The report added that measures were being taken to safeguard the interests of other foreign Powers in Peiping and that the Japanese troops within the walls of Peiping would not attack unless challenged. (Embassy's telegram No. 229, July 28, 1937.

At a press conference in the morning with foreign correspondents the spokesman of the Japanese Foreign Office said that the Japanese military authorities in North China had been finally forced to abandon their hopes for a peaceful settlement and that it had now become necessary to commence operations with a view to impressing upon the Chinese soldiers the urgent necessity of keeping pledges and agreements which they themselves had made and failed to observe. After stating that the correspondents were fully aware of the Japanese Government's policy of "non-aggravation and local settlement of the incident",
the

- 17 -

the spokesman reviewed the Japanese version of the series of events which allegedly made necessary the decision of the North China Garrison to take military action against the troops of the 29th Army. There is attached a clipping from the JAPAN TIMES of July 28 containing that newspaper's account of the statements made by the Foreign Office spokesman.

In the afternoon a supplementary budget amounting to Yen 96,800,000 for financing Japanese military operations in North China was unanimously approved, without discussion, by the House of Representatives. On the following day it was unanimously approved by the House of Peers.

In reply to an interpellation in the House of Representatives, Premier Konoye stated that not only must problems with China be settled locally but also a "fundamental solution" of Sino-Japanese relations must be obtained; that there was a Comintern background to the current "hostility and contempt" of the Chinese toward Japan; that he earnestly hoped that the Chinese race would awaken as quickly as possible to realization of its nature as an Oriental race and would cooperate with the Japanese; that in his opinion it was premature to talk at the present time of overthrowing the National Government since there were many persons in the National Government who understood Japan, including General Chiang Kai-shek.

According to Domei's translation of the Premier's remarks, Prince Konoye also made the following statement:

"The territorial integrity of China is a principle which Japan has been advocating for the past 40 years. In other words, as Mr. Sugiura has pointed out, we must prevent foreign Powers from taking aggressive actions against China".

An

- 18 -

An ASAHI cable from Peiping reported that in the early morning of July 28 troops of the 29th Chinese Army and plain clothes Chinese soldiers had fired with a machine gun on American Marines on patrol duty in the Legation Quarter, wounding two of the Americans seriously.

Editorial comment in the Japanese press was calm in tone, most of the newspapers expressing approval of the address delivered by the Premier before the Diet on July 27 and also of the statement issued by the Cabinet on the same day.

July 29.

In the morning it was confirmed by Chinese officials in Peiping that all troops of the 37th Division and part of the 132nd Division which had been in Peiping had left the city and were moving toward Paoting; that General Sung Che-yuan, Commander of the 29th Army and Chairman of the Hopei-Chahar Political Council, as well as General Feng Chih-an, Commander of the 37th Division, and other officials, had left Peiping during the early hours of the morning for Paoting. The Chinese press reported that General Chan Tzu-chung was acting head of the Hopei-Chahar Political Council and Mayor of Peiping (Telegram to the Department from the Embassy at Peiping No. 322, July 29).

According to Domei, the headquarters of the Japanese Garrison at Tientsin announced at 7:30 p.m. that by the evening the Japanese forces had driven the Chinese forces stationed northwest of Peiping to the west bank of the Yungting River.

It

- 19 -

It was also reported that early in the evening heavy fighting had taken place near Changsintien, south of Lukouchiao on the Peiping-Hankow Railway.

A NICH I NICH I despatch from Nanking stated that General Chian Kai-shek, having decided on war, had ordered 200,000 troops of the Central Chinese Army stationed near Chengchow, on the Peiping-Hankow Railway in Honan Province, to advance northward at once toward Changsintien. This report was not confirmed.

At 2 a.m. fighting became serious in Tientsin at the East Station between Japanese troops and units of the Chinese Peace Preservation Corps. Both sides fired across the Italian concession as the result of which one Italian marine was accidentally killed and another was wounded, while the Italian Consul's residence was rendered uninhabitable. (Telegram to the Department from the Embassy at Nanking No.338, July 29, and unnumbered telegram of July 29, 11 p.m., repeating telegrams from Tientsin).

Domei reported that the fighting had started with an attack by 2,000 troops of the Chinese Peace Preservation Corps on the Japanese troops who were guarding the Japanese Concession. However, the Chinese accused the Japanese of starting the fighting.

The Japanese forces attacked the Chinese positions, used aerial and artillery bombardment, and destroyed the headquarters of the Peace Preservation Corps, Nankai University, and a

number

- 20 -

number of other buildings. This news agency stated that during the day Chinese troops of the independent 26th Brigade and the 38th Division had joined in the fighting. Heavy Chinese casualties were reported.

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In the course of the fighting a French soldier was killed at the extreme end of the French concession. So far as was known by the Consulate General at Tientsin, no Americans had been injured up to 11 p.m. on July 29.

At Tungchow, the capitol of the East Hopei regime, serious fighting took place throughout most of the day between Japanese and members of the Chinese Peace Preservation Corps. Heavy Japanese aerial bombardment was reported. (unnumbered telegram to the Department from the Embassy at Nanking July 30, 4 p.m. repeating telegram from the Embassy at Peiping No. 331, July 29, 11 p.m.)

Mr. Donald, adviser to General Chiang Kai-shek, told an officer of the Embassy at Nanking in the late afternoon that preparations were being made by the Nanking Government to break off relations with Japan and to undertake general hostilities against Japanese troops, and that General Chiang Kai-shek had said that the Chinese would fight to the finish. (Telegram to the Department from the Embassy at Nanking No. 341, July 29). On the other hand, the Chinese Minister for Foreign Affairs subsequently told the American Ambassador at Nanking that the Central Government had not yet made any decision in regard to breaking off relations with Japan and that such a decision would be made only as a last resort and probably

- 21 -

probably in connection with some major clash. (Telegram to the Department from the Embassy at Nanking, No. 342, July 29). ✓

The objective of Japanese military operations, as explained in committees in the Diet, and to the foreign military attachés by the War Office appeared to be as follows: Japanese operations, including the use of bombing by aircraft, were intended to disperse concentrations of the Chinese 29th Army at Peiping and Tientsin, to drive the 29th Army to the southwest of the Yungting River, and to clear the area between the two cities of hostile Chinese forces; after the completion of these operations no further military action seemed to be contemplated by the Japanese military authorities unless the Chinese Central troops concentrated along and north of the Lunghai Railway should proceed toward the north. The Embassy's Military Attaché was given the impression by the Japanese War Office that the Japanese military expected that the situation around Peiping would be settled with the ousting of the 29th Army, for the reason that reinforcement of that Army by Central Chinese Government troops seemed improbable. (Embassy's telegram No. 233, July 29).

Although it was not known what naval steps were being taken by Japan, the Embassy's Naval Attaché was told at the Navy Department in the morning that, notwithstanding press reports to the contrary, no additional warships had been sent to China since the outbreak of hostilities on July 7.

Acting under instructions received from his Government, the British Chargé d'Affaires in Tokyo left with the Vice

Minister

- 22 -

Minister for Foreign Affairs a letter for the Minister for Foreign Affairs stating that Mr. Eden was greatly perturbed by a statement made to the British Chargé d'Affaires by Mr. Hirota on the previous day to the effect that decisions for military operations in North China now lay with the Commander of the Japanese troops in that area. The British Chargé d'Affaires also said that this observation appeared to Mr. Eden to be contrary to Mr. Hirota's statement in the Diet to the general effect that Japan does not want war with China. (Embassy's telegram No. 234, July 29).

A Domei despatch from Nanking reported that in a press conference on the night of July 29 General Chiang Kai-shek had admitted the defeat of the 29th Army, assumed full responsibility for this "deplorable situation", charged General Sung Che-yuan with having gone to Tientsin instead of obeying orders to proceed to Paoting and thus having caused the débâcle in North China through failure to make effective preparations for the struggle against the Japanese; that since the Japanese military had been deliberately planning to invade China the warfare in the Peiping-Tientsin area only marked the beginning of a war of aggression; that there was no possibility of changing his four conditions of July 17; that China had now arrived at the "limit of endurance"; that no territory must be lost or sovereign rights impaired; that having decided upon all necessary measures his only wish was that the Chinese people fulfil their duties and have the common determination to sacrifice everything, including their lives. (Unnumbered telegram to the Department from the Embassy at Nanking of July 30, 9 a.m.).

Four

- 23 -

Four of the Japanese newspapers of July 29, the KOKUMIN, the YOMIURI, the MIYAKO, and the CHUGAI, stressed Japan's unwillingness to accept mediation or intervention by third Powers. Several of the newspapers charged Great Britain with hostility and bad faith toward Japan. (Embassy's telegram No. 232, July 29).

July 30

Fighting continued throughout the day in Tientsin, with aerial bombardments by the Japanese. Japanese news despatches reported that steady progress was being made in subduing the Chinese and that heavy casualties had been sustained by the Chinese and very small casualties by the Japanese.

Refugees from ~~Tungchow~~ arriving in Peiping claimed that the Chinese Peace Preservation Corps in that city had slaughtered all the Japanese nationals not inside Japanese military quarters. (telegram to the Department from the Consulate General at Shanghai July 31, 11 a.m. repeating telegram from the Embassy at Peiping No. 333 of July 30, 2 p.m.) A NICHI NICHI despatch from Peiping estimated the number of Japanese killed at Tungchow at 300.

At a press conference in the morning Mr. Kawai, the Foreign Office spokesman, asserted that the Japanese Army had conquered Peiping and that the "military phase" was over. In reply to questions by the correspondents, Mr. ~~Kawai~~ mentioned as entirely possible a movement by the inhabitants of the Peiping-Tientsin area for the establishment of some sort of
Peace

- 24 -

Peace Preservation Organization which might lead to a movement for autonomy. The spokesman referred to Manchuria following the 1931 incident and stated that many movements for autonomy had spontaneously sprung up among the inhabitants of Manchuria and that the Japanese had "finally" come to assist because of Chinese inexperience in Government. Mr. Kawai added that in a similar way the Japanese authorities in Peiping and Tientsin would probably be approached and that they would perhaps have to help. (Embassy's telegram No. 237, July 30).

Again the Japanese newspapers avowed that Japan would not permit any sort of intervention by the Powers in the North China situation. For the first time the vernacular press accused the United States specifically of contemplating such intervention.

ANNEXES:

- (1). Clipping from the JAPAN ADVERTISER of July 28 which contains Doméi's translation of the War Minister's speech.
- (2). Translation furnished by the Foreign Office of a statement issued by the Japanese Garrison Headquarters in China.
- (3). Clipping from the JAPAN TIMES of July 28 containing that newspaper's account of the statements made by the Foreign Office spokesman.

GDA:f

Annex No. 1, to Enclosure No. 1, to
despatch No. 2530, dated Aug 6,
1937. from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Wednesday, July 28, 1937.

SUGIYAMA INFORMS HOUSES OF DECISION TO PUNISH CHINESE

War Minister Outlines Develop-
ments Since Start of North
China Trouble

ADMITS FUTURE UNCERTAIN

Yonai Tells of Completion of
Naval Preparations to Meet
Any Eventuality

SAILOR'S FATE STILL VAGUE

War Minister Hajime Sugiyama outlined developments in North China and announced the decision of the Japanese garrison to punish the Chinese in self-defense in addressing yesterday morning and afternoon the two Houses of the Diet. There is no knowing what may happen, he said, and the general situation surrounding the country is becoming increasingly aggravated.

Navy Minister Mitsumasa Yonai explained to the two Houses the measures taken by the navy with regard to the situation. In addition to the forces normally in China waters, he said, sufficient more have been made ready for action, a part of which has already been sent to the districts involved. He promised that the navy will act cautiously in ascertaining what happened to the bluejacket who has been missing in Shanghai since Saturday.

Grateful for Support

Prefacing his address with an expression of gratitude for the support given by the nation since the outbreak of the incident, General Sugiyama spoke as follows, according to Domei:

"The Japanese garrison has taken all possible measures to protect the lives and property of Japanese residents in

China since the occurrence of the incident. To our regret, however, not a few of them have been detained illegally by the Chinese, had their homes encroached on and been plundered, oppressed and insulted. Accordingly, their state of mind is seriously threatened.

"The current North China case has, we think, a remote and deep-lying origin, namely, the anti-Japanese movement in China, which is undeniably based on not only the thorough anti-Japanese policy of the Nanking Government but also the Chinese over-estimation of national strength resulting from increased national unity, expansion of military preparations, especially in the air forces, and improvement of army organization and equipment. The anti-Japanese feeling in China is more deeply rooted now than at the time of the Shanghai hostilities in 1932.

Movement Spreads

"The movement has of late been spreading to North China, which has very close connections with this country. The frequent manhandling or insulting of Japanese residents or Government officials in the Peiping-Tientsin and other districts has been a manifestation of this anti-Japanese trend. In it lies also the very cause of the current incident.

"The exact place near Fengtai where the incident started is in the suburbs southwest of Peiping. Japanese troops were similarly insulted there by a Chinese unit last fall.

"Lukowkiao is about a Chinese mile west of Fengtai, and the Japanese forces are always engaging in maneuvers on the plain north of it. On the night of July 7, part of the Japanese detachment was carrying out night exercises. Major-General Kawabe was away in Shanhaikwan, and the Japanese detachments at Peiping were engaged in night exercises at Tungchow, four Chinese miles east of the old capital.

"Unexpectedly, the Japanese unit exercising north of Lukowkiao was fired on about 11:40 o'clock by Chinese troops. While preparing to reciprocate the Chinese challenge, the men reported the incident to their superior officer, who rushed to the scene with assistants to work out expedient measures.

"Rallying the remaining units under his command in a region east of Peiping, Major-General Mudaguchi sent Lieutenant-Colonel Morita to Lukowkiao to negotiate with the Chinese to settle the affair including admission of

their responsibility and an apology. A Chinese representative went with him.

Attack Launched

"But the Chinese, despite our fair requests, assumed an offensive attitude and fired trench mortars and rifles at the Japanese shortly after 5 o'clock on the morning of July 8. The Japanese detachments at Fengtai were obliged to attack the enemy stationed near Lungkangmiao, whom they repulsed. At about 7 o'clock, the main Japanese force was finally opposite the enemy near Lukowkiao.

"Though the situation had come to this pass, the Japanese garrison maintained the policy of non-aggravation of the incident and engaged in a series of talks with the Chinese. Japanese units tried with perseverance, on instructions from their superiors, to avoid being challenged by the Chinese, whose movements they watched closely.

"At 2 o'clock on the morning of July 9, the Chinese finally accepted the Japanese requests, promising to withdraw their troops stationed at Lukowkiao at 5 o'clock in the morning. But the troops gave no sign of evacuating the area even after the zero hour and, on the contrary, increased their strength. They even tried to launch an attack on the Japanese. As a result of a stern protest from us, the Chinese withdrew westward to a point on the west bank of the Yungting River at 12:10 o'clock in the afternoon.

"On July 10, the Chinese troops along the river and near Lukowkiao resumed firing on nearby Japanese guards from dawn. Shortly after 5 o'clock in the afternoon, units of 100 men each tried twice to attack us with a covering of artillery fire. The Japanese counter-attacked, forcing the Chinese to retreat with heavy losses.

No Sincerity Seen

"With no more major clashes on the front line and the status quo being maintained, the Japanese and Chinese engaged in talks. The central authorities of Japan, maintaining the principle of non-aggravation of the situation in order to settle it peacefully, endeavored to attain a local settlement. But no sign of sincerity was visible among the Chinese, and virtually no progress was made in the talks. The Japanese requests were flatly rejected on the morning of July 11, dimming our hopes of a peaceful settlement.

- 2 -

"The main forces of General Feng Chih-an's 37th Division moved southward and concentrated at Papaoshan, increasing the strength on the first line. The Nanking Government endeavored to arouse the anti-Japanese sentiment of the people and ordered mobilization of its air forces. Pushing its challenging preparations, it sent northward troops of the Central Army.

"The maintenance of peace and order in North China, there is no need to say, is of vital importance to Japan and Manchukuo. An apology for its illicit action and anti-Japanese agitation and guarantees against the recurrence of similar incidents were of course necessary from China for maintenance of Oriental peace. According, the Government called an emergency Cabinet meeting on July 11 to work out the steps necessary for the sending of forces and decided to rush the required military strength from the Kwantung Army and the divisions in Korea and Japan proper.

"On learning of the Government's determination and the nationwide support of it, the Chinese suddenly changed their attitude and accepted the Japanese demands. At 8 o'clock on the night of July 11, representatives of the 29th Army signed an accord providing terms of settlement. Thus a speedy solution seemed possible.

Terms Set Forth

"The settlement terms proposed by the Japanese were:

- "1. Suspension of stationing the Chinese forces on the left bank of the Yungting River near Lukowkiao.
- "2. Guarantees against the recurrence of similar incidents.
- "3. Punishment of those directly responsible for the incident.
- "4. An apology.

"Nevertheless, wanton firing by the Chinese on the Japanese went on spasmodically in various sections, and troops of the Central Army were sent northward ceaselessly. Yet the Japanese continued to maintain patiently the principle of non-aggravation of the situation, hoping to see amelioration through peaceful means after reflection by the Chinese.

"On July 18, General Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council and commander of the 29th Army, personally visited Lieutenant-General Kiyoshi Katsuki, commander of the Japanese garrison in North China, to express deep apologies. On the following day, however, the Chinese fired on the Japanese with rifles and trench mortars, injuring several soldiers. In view of the incessant recurrence of incidents, we were unable to observe any sincerity in China's observance of the terms of the accord.

"As a preliminary move toward deciding its final determination, the Japanese garrison notified the Chinese that it would take proper action in self-defense after noon on July 20 if they continued their treacherous actions. It was decided at the same time to watch closely to see that the terms of the accord were carried out.

"The Chinese then proposed at 11

o'clock on July 19 to sign a detailed agreement concluded on the spot for observance of the terms of the accord. This agreement provided for:

"1. Apologies by the men responsible for the incident, or punishment of them.

"2. Elimination of those impeding Sino-Japanese relations.

"3. Suppression of the Communists.

"4. Control of anti-Japanese organs and organizations, various movements and anti-Japanese education liable to lead to such movements.

"The Chinese also notified us that the 37th Division would be transferred from Peiping. Nevertheless, on the morning of July 20, the Chinese fired trench mortars at the Japanese, and at 2:30 o'clock in the afternoon those at Lukowkiao and Papaoshan launched a bombardment. A punitive bombardment was then started, which silenced the enemy. Then the Chinese sent out patrols or repeated their wanton firing. We repulsed them with punitive operations, meanwhile watching carefully for the proposed observance of the accord, including the evacuation of the troops.

"Though we had had bitter experience with the treachery of the Chinese and could not tell when a disturbance of any nature would occur, we continued to maintain the previously fixed policy and to watch how the Chinese would keep their promises. While we were making every preparation to meet any untoward development, one of our units repairing a communication line of the army at Langfang, about midway between Peiping and Tientsin, was suddenly and lawlessly attacked by the Chinese Sunday night.

Airplanes Used

"The air force of the Japanese garrison was called out to punish the enemy. Heavy losses were inflicted. Because of the repeated Chinese provocations, the garrison authorities were compelled on Monday to press the Chinese to carry out the agreed terms, with a time limit set.

"In spite of an understanding with the authorities of the Hopei-Chahar Political Council, Japanese troops entering Peiping by the Kuanganmen were suddenly fired on, suffering no small number of casualties. The protection of Japanese and the maintenance of communications between Peiping and Tientsin being thus endangered by Chinese obstructions, the garrison authorities, unable to remain patient longer, have decided to carry out their duties from the standpoint of self-defense and to punish the Chinese. The central military authorities have likewise decided to take measures accordingly.

"The development of the incident has been as I have narrated, and there is no knowing what may happen. The general situation surrounding our country, moreover, is becoming more and more aggravated. I appeal at this moment for your full co-operation and support in order that we may surmount the situation and enhance the prestige of the nation."

Navy Minister Yonai spoke as follows:

"Availing myself of this opportunity, I am going to explain the steps taken by the navy in connection with the North China incident. It has sent large forces of warships and men to the coasts of China and Manchukuo, to the areas bordering on the Yangtze River and to other places to protect the lives and property of Japanese subjects, as well as the vested interests of Japan in those districts.

Non-Aggravation Sought

"Since the outbreak of the North China incident, the Japanese naval forces stationed in China waters have been adhering strictly to the policy of non-aggravation of the situation as enunciated by the Government. In close co-operation with other Japanese officials on the spot, their commanders have been striving to prevent the occurrence of untoward incidents in the districts they are guarding.

"As has been seen often in the past, aggravation of the situation in North China has immediate effects on conditions in Shantung and Central and South China. In preparation for prospective developments, sufficient naval forces have been made ready and ordered to stand by in addition to those guarding the districts in ordinary times in order to co-operate with the army forces in strategic operations in North China. A portion of the additional forces has already been sent to the districts involved and is now engaged in active operations.

"Thus the navy has perfected its preparations to cope with prospective developments. Up to the present, fortunately, no serious events have occurred. There are indications, however, that anti-Japanese tendencies are gradually advancing in Central and South China and that Sino-Japanese relations do not warrant optimism. The navy earnestly hopes, in view of the actualities in China, to effect close co-operation with you members of the Diet and the people in fulfilling the duties of the naval forces in China waters.

"It is a matter for regret that the circumstances surrounding the latest incident in Shanghai, in which First-Class Sailor Miyazaki, of the Japanese naval landing party, has been missing since Saturday. Because of the intricate local conditions in the Shanghai area and the current situation in general, the navy intends to take a very cautious attitude and, keeping in close contact with the various quarters concerned, ascertain the circumstances. You may be assured that the most appropriate measures are being provided and that consideration is being given to prevention of public uneasiness."

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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. Quatefen NARS, Date 12-18-75

Annex No. 2 to enclosure No. 1
to despatch No. 2530 of Aug. 6,
1937.

A Statement issued by the
Japanese Garrison Head-
quarters in China.

It is a matter of sincere regret that a series of armed clashes have occurred between the Japanese and Chinese in North China since July 7, when, the Japanese troops were unlawfully fired upon by the Chinese troops at Lukouchiao.

From the very beginning of this unfortunate incident, the Japanese Army, in the face of the utterly unwarranted and clearly premeditated provocation on the part of the Chinese troops, have exerted every effort for a peaceful settlement of the whole affair in accordance with our fixed policy of strictly localizing and peacefully settling the present complications on the spot.

Unfortunately however, this sincere attitude on the part of the Japanese Army has had the only result of inviting further acts of challenge and repeated breaches of faith by the Chinese troops, who have revealed no sign of abandoning their attitude of resistance and insult to the Japanese even after they had definitely expressed their compliance with the Japanese demands and signed an agreement to that effect.

The Chinese troops, meanwhile, have become so arrogant and challenging as to have not only caused the frequent obstruction of our lines of communication and traffic but also dared to launch actions of proved premeditated provocation toward the Japanese troops.

Particularly contemptible are the acts of the Chinese
troops

- 2 -

troops, who, violating the definite pledge given by them beforehand to the Japanese Military Authorities, shamelessly started surprise attacks on the Japanese troops at Langfang on July 25, then a Japanese detachment was sent there to repair the military telegraph lines, and again at Kuangamen, an outer gate of Peiping, on July 26, when another Japanese contingent was despatched for the protection of the Japanese residents in Peiping.

The **frequent** repetition of these unwarranted and unlawful actions on the part of the Chinese troops evidently proves that they have been deliberately carrying out a plan of provocation, thereby clearly showing their attitude of defiance and contempt toward the Japanese troops.

Moreover, China has committed a serious and unpardonable breach of faith in rushing northward a formidable number of Central Army troops in utter violation of the Ho-Umezumi Agreement and that she has been steadily perfecting preparation for action against the Japanese troops.

The above circumstances clearly indicate that peace and order in North China has now been completely disrupted and the lives and property of the Japanese residents are exposed to imminent danger. Needless to say, the maintenance of peace and order in North China is a matter of serious concern to both Japan and Manchoukuo but every means at our disposal for a peaceful settlement of the present complications have now been exhausted.

There now only remains the resolute step of meeting out a severe punishment to the challenging Chinese troops. We deeply regret that things have come to such an unfortunate pass inspite of the sincerity and patience of the Japanese

army

0260
DECLASSIFIED: E.O. 11652, 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 -

army to localize and peacefully liquidate the present Sino-Japanese complications in North China.

The Japanese punitive expedition, of course, is aimed solely at these Chinese forces who have been persistently challenging the Japanese troops and we have no intention whatever of making the 100 million Chinese population in North China the objective of our punitive action. Furthermore, in taking this step, we intend to exert our best in restoring the peace and order in North China as speedily as possible with a view to promoting the welfare of the people in this part of China. We desire also to make it clear that our troops have no intention of using force inside the walled town of Peiping unless the Chinese troops remaining there should try to challenge the Japanese troops thereby precipitating an armed clash.

It goes without saying that, recognizing the rights and interests of foreign nationals in China, we will try our best to accord adequate protection to the lives and property of the foreign nationals and, lastly but not least importantly take this opportunity of affirming that we entertain absolutely no territorial designs on North China even if we take necessary military actions for the punishment of the recalcitrant Chinese troops.

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

Annex No. 3, to Enclosure No. 1, to
despatch No. 2530, dated Aug 6, 1937.
from the Embassy at Tokyo.

The Japan Times.

Tokyo, Wednesday, July 28, 1937.

Japan Forced To Abandon Hope For Peaceful Accord On North China Situation

Peiping And Tientsin Area Now So Menacing To Japanese Garrison And Nationals To Necessitate Operations, Says Gaimusho Spokesman

Pessimistic was the Spokesman of the Foreign Office this morning on the North China situation when he issued the following statement at his press conference with foreign correspondents:

"I regret to say that on account of the increasing hostile at-

titude of the 29th Army, the Japanese military authorities on the spot have been finally forced to abandon their hopes for peaceful settlement. The conditions in the Peiping and Tientsin area have become so menacing to the lives and properties of Japanese nationals, as well as to the comparatively small force of Garrison troops stationed there, that it has now become necessary to commence operations with a view to impressing upon the Chinese soldiers the urgent necessity of keeping pledges and agreements which they themselves have made and failed to observe.

Patience Stressed

"All of you are fully aware I believe of the Japanese Government's policy of non-aggravation and local settlement of the incident. In spite

of repeated provoked actions of the Chinese armies, our local military authorities in pursuance of that policy have hitherto always maintained an attitude of utmost patience and restraint.

"On July 9th, the Chinese after pledging withdrawal of their troops from Lukouchiao, increased their forces there instead, and even went so far as to fire upon the Japanese.

"Only July 11th, the representatives, General Chang Tsu-chung and Chang Yun-zung, of the 29th Army submitted a signed note to the Japanese authorities by which they accepted and promised to execute the three-point terms of settlement. However, instead of faithfully carrying out those promises as was ex-

pected by the Japanese, the troops of the 29th Army continued to act as if the written pledge were a scrap of paper.

"A series of armed clashes resulting from Chinese provocations had caused considerable casualties on our side.

"The patience of the Japanese authorities was thus severely tried and well nigh exhausted by these continued Chinese outrages. They therefore notified the Chinese authorities that if such hostilities continued, the Japanese would be compelled to resort to the freedom of action in self-defense. This firm attitude seemed

for the time being to have impressed the Chinese who signed another agreement on July 19th. This was made public by the Foreign Office authorities at the time.

Chinese Violate Pledge

"With this agreement, we felt quite satisfied that a final settlement on the spot was well in sight, but again the Chinese violated their pledge on the evening of July 25 by firing upon our detachment sent to Langfang for repairing a military telegraph wire which had been cut by the Chinese. No sooner had this affair come to an end than there occurred the Kwanganmen affair. The 29th Army has now demonstrated beyond any shadow of a doubt their unreliability.

"These repeated outrages are nothing but the expression of the fundamentally hostile anti-Japanese sentiment of the 29th Army, and it can never be removed by peaceful persuasion or remonstrance.

"The unwarranted firing upon our forces by the troops of the 38th Division under General Chang Tsu-chung whom the Japanese authorities had regarded as being trustworthy and capable of cooperation was the last straw.

"The circumstances being such, the only thing that can be done effectively by the Japanese authorities to assure of our rights and interests lie in taking firm and decisive measures.

"The time limit setting the demand made on the 26th, instant, by the Commander of the local Japanese Garrison regarding the withdrawal of the Chinese troops was due to expire at noon today. However, mere withdrawal of the 27th Division is now deemed wholly insufficient to insure the safety of the Garrison as well as the lives and property of our nationals.

Precaution For Foreigners

"As for foreigners in the Peiping area, our authorities have already taken steps necessary for their protection. The Japanese Army intends to avoid as far as possible the extension of hostilities to Peiping. The fate of the city depends entirely upon the attitude and action of the Chinese troops there."

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

Enclosure No. 2 to despatch
No. 2530 dated August 6, 1937,
from the Embassy at Tokyo.

COPY

MEMORANDUM FOR THE AMBASSADOR.

SUBJECT: NORTH CHINA SITUATION.

I called this morning on a responsible official in the Foreign Office (whose identity, of course, you know), with regard to the case of the magazine ASIA. After disposing of that case, I asked whether there were any further information available with regard to the North China situation.

The official stated that the first phase of operations by the Japanese forces had been practically completed; that is to say, the 29th Army had been ejected from the Peiping-Tientsin area except for disorganized elements which are still in hiding in the Kaoliang field and constitute a menace to peace and order. He could not say how the second phase would develop, as the future would depend entirely upon how the Chinese forces behaved after "the imminent battle at Paoting". The official had apparently made inadvertently the statement quoted, and I urged him to explain it. I pointed out that, so far as I knew, it had been the intention of the Japanese Government to do nothing so long as the Chinese remained south of the Ho-Umezu line, which was understood to run through Paoting. The official said that he was responsible for having given me that impression; that as a matter of fact he did not know precisely where the Ho-Umezu line was drawn; but that he thought that the agreement forbids entry of Central Chinese Government troops into Hopei Province north of a line which he indicated on a wall-map of China. This line ran latitudinally from the western boundary of Shantung to the north boundary of Honan through the town of Kwangping.

The

0268
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quisenberry NARS, Date 12-18-75

-2-

The official went on to say that the concentration of Chinese forces at Paoting was now so large as to be regarded as "menacing" and that as soon as sufficient Japanese reinforcements had arrived in North China measures would be taken to eject the Chinese troops from Paoting. He said that he thought it unlikely that, after the battle which he anticipated would occur at Paoting, the Chinese forces would proceed to retire quietly from the forbidden area.

With regard to my informant's reference to Japanese reinforcements in North China, I am unable to reproduce the exact language which he used. The impression I received was that reinforcements have already left Japan, that some units have already arrived in North China, and that others are on the way.

END:g/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



EMBASSY OF THE
UNITED STATES OF AMERICA

Nanking, China, July 24, 1937.

No. 542

Subject: International Policies of the United States as reported in the press of the Far East.

793.94

For Distribution Check		Yes	No
Grade			
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5
RECEIVED
DEPARTMENT OF STATE

1937 AUG 23 PM 2 23

DIVISION OF
COMMUNICATIONS



793.94/9609

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose a copy of an excerpt from a United Press news despatch dated Washington July 21 published in the NORTH CHINA DAILY NEWS in Shanghai on July 23, 1937.

The despatch is of some interest as attributing to two officers of the Department of State somewhat differing explanations of the attitude of the American

Government

F-1

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0265
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

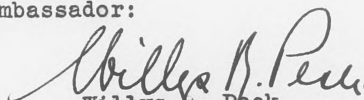
- 2 -

Government toward the present controversy in North China. It will be noted that one officer is quoted as stating that the American Government is "giving every possible attention to the slightest opportunity of contributing to the preservation of peace", whereas another official is reported as having pointed out that "any definite action by this country in an attempt to settle European and Asiatic quarrels would 'double or triple' the national debt", the clear implication being that this consideration would prevent such an attempt.

There was certainly no contradiction between two statements made by officials of the Department of State, if the statements alleged to have been made were actually made. It seems the more unfortunate, therefore, that a press report published in the Far East should give a false impression of contradiction.

Unless instructed in a different sense the Embassy will assume that the Department wishes to receive copies of significant news despatches emanating from the United States and published in China concerning American policies and that the Department does not wish that such despatches shall be reported by naval radio unless they are of unusual importance.

Respectfully yours,
For the Ambassador:


Willys K. Peck,
Counselor of Embassy.

Enclosure:
1/ Copy of news despatch.

Original and 4 to Department
Copy to Peiping

710 Sino-Japanese
WRP:GB

0268

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

ENCLOSURE NO. 1
DESPATCH NO. 542
DATED July 24, 1937

From the
NORTH-CHINA DAILY NEWS, Shanghai, July 23, 1937.

* * * * *

The Secretary of State informed the press later that the United States was following daily every phase of the situation and "giving every possible attention to the slightest opportunity of contributing to the preservation of peace." He said that otherwise there were no developments in the situation.

Too Costly

A determination to remain strictly aloof from any world situations which may conceivably lead to war was expressed by high officials of the Department of State to-day. That determination, they explained, was partly based on the belief that any involvement of the United States in troublous situations abroad would prove financially costly.

Questioned as to the Government's position and policy in regard to the Sino-Japanese crisis, the Spanish Civil War, and Great Britain's insistence on a continuous open gateway through the Mediterranean, as well as other situations in which war might result, the officials replied, "Our national debt stands at \$36,000,000,000".

The United States attitude and position, they said, might be summed up in that one statement. The officials pointed out that any definite action by this country in an attempt to settle European or Asiatic quarrels would "double or triple" the national debt very soon.

They added that even any concrete action toward protecting overseas trade routes, foreign trade, or the interests

- 2 -

interests of American nationals abroad must be very carefully considered in view of the financial considerations involved.

It was indicated that a policy of "wait and see" was more firmly entrenched to-day than at any time in recent years. The State Department officials said they could see "no earthly reason" why the United States should become embroiled in any controversy at present on the horizon.

The officials likewise indicated that the United States was unlikely to become embroiled with foreign governments over isolated incidents involving the molestation of individual Americans by sentries or the soldiers of other countries.

Regrets Tendered

It was officially announced that the commander of the Japanese Embassy Guard at Peiping had formally expressed regrets to the commander of the American Embassy Guard for the action of Japanese soldiers in kicking two American women on Tuesday.

Navy's Withdrawal Urged

Withdrawal of all American naval gunboats from Chinese rivers and the Fifteenth United States Infantry from Tientsin was urged in the House of Representatives to-day by Mr. Hamilton Fish, Republican of New York.

"If there is a war between China and Japan we must not be dragged into it through our antiquated policy of maintaining troops and ships in foreign territory," he said. "The time has come to recall all troops and ships and to relinquish our judicial and extra-territorial rights in China."

* * * * *

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, July 26, 1937.

No. 545

Subject: Origin and Meaning of the July 7
Incident at Peiping; Views of
General Chiang Kai-shek and other
leaders.

793.94

For Distribution Check		No.	No.
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For	<input checked="" type="checkbox"/>	In U.S.A.	<input checked="" type="checkbox"/>

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DEPARTMENT OF STATE

1937 AUG 23 PM 2 27

DIVISION OF
COMMUNICATIONS
AND RECORDS



793.94/9610

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to telegram No. 305
of July 20, 11 a.m., from the Embassy, Nanking, which
transmitted a translation of an address delivered
to an educational conference at Kuling by Chiang Kai-
shek on July 17 and published by the official Central
News Agency at Nanking on July 19.

Because

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36-2

428

- 2 -

Because of the similarity between the views of General Chiang Kai-shek as expressed in this address and opinions subsequently expressed in conversations held by him with the British and American Ambassadors, the address merits study. It has added importance, also, from the fact that it was obviously intended to place before the population of the entire country and before their some times clashing leaders the views of the quasi-dictator at a grave moment in the history of China. So far as the Embassy is able to learn, the responses to the address from all factions of the Chinese people have been characterized by enthusiastic approval and determination to follow the lead of General Chiang in extreme measures, if such should become necessary to put a stop to Japanese aggression. If differing opinions are held anywhere, they probably have not been published. In any event, the Embassy believes that the whole Chinese nation has reached a more determined resolution to resist what it regards as Japanese aggression than on any previous occasion. Whether this impression is justified, time probably will show, because the indications are that the Japanese Government intends to utilize the July 7 incident near Peiping as the start of a consolidation of Japanese control over the Province of Hopei, the first area inside the Great Wall in which China's sovereignty has been seriously challenged by Japan.

It will be recalled that in his address General Chiang referred to the policy of the Chinese Govern-

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36-3

429

- 3 -

ment adopted two years before to yield to Japan until the "last limit" is reached and then to throw every ounce of energy into a struggle for national existence. He gave the solemn warning that if the Chinese nation should sue for peace after having begun a war of self-defence, the terms dictated by Japan would complete the subjugation of China. He stated bluntly that the Chinese Government had intimations of a forthcoming incident a month before July 7 and information that the Japanese intended to expand the Tangku Truce of 1933, enlarge the East Hopei Autonomous Government, drive out the 29th Army, force out General Sung Che-yuan, and impose other similar demands. He urged the nation to realize that Japan had a definite purpose and that peace would not easily be achieved.

General Chiang referred to the sequence of historical events beginning with the loss of Manchuria and Jehol and the forcing of the Tangku Truce. He plainly referred to the July 7 incident as a step in this program and foretold that if the present Japanese attempt was successful Peiping would be lost as Mukden was and Hopei and Chahar Provinces would follow the fate of the four Manchurian provinces while Nanking would then face the peril which now confronts Peiping. He pointed out that the solution of the July 7 incident might come to involve the question of whether the "limit

of

36-4

430

- 4 -

of endurance" and the necessity for war had been reached. The decision would devolve upon Japan. He urged that his fellow countrymen should realize that they constituted a nation and that while they sought for peace they could not accept peace regardless of the cost.

In summarizing General Chiang's address, which promises to become an historical document of first importance, it seems advisable to quote what he gave as the "minimum conditions possible as a basis for negotiations":

"First, any kind of settlement must not infringe upon the territorial integrity and sovereign rights of our nation;

"Second, the status of the Hopei and Chahar Political Council is fixed by the Central Government and we should not allow any illegal alteration;

"Third, we will not agree to the removal by outside pressure of those local officials appointed by the Central Government such as the chairman of the Hopei and Chahar Political Council; and

"Fourth, we will not allow any restriction being placed upon the position now held by the 29th Army."

As showing the extreme repugnance with which the Nanking Government regarded the prospect of major hostilities with Japan, it may be recalled that as late as July 25 there were reliable indications that the National Government would be willing to pass over as a "local settlement" the terms said to have been signed by a subordinate of General

Sung

36-5

431

- 5 -

Sung Che-yuan on July 19 and subsequently approved by him, even though those terms perilously resembled a whittling away of the four "minimum conditions" just quoted.

As reported in a telegram of July 20, from the Embassy, Nanking, the Counselor of the Japanese Embassy in Nanking informed this office that two circumstances had crystallized the North China crisis beyond the possibility of any improvement by explanations of the Minister for Foreign Affairs and one of those circumstances was the publication of the address of General Chiang Kai-shek. Observing the published responses to the address made by various Chinese leaders one finds additional evidence for the belief that the principles enunciated by General Chiang will be the criterion by which his future conduct of relations with Japan will be judged. If his handling of the present crisis falls below his own standard in resolution and heroism, his position with respect to those political opponents who have already accused him of undue submission to Japan, will be extremely vulnerable.

For example, in a release dated July 22 by the Kuo Min News Agency, an organization sponsored by the Ministry of Foreign Affairs, the Kwangsi leaders, Generals Li Tsung-jen and Pai Chung-hsi, who a year ago raised open revolt against General Chiang on this very score of Chinese-Japanese relations, are

represented

36-6

432

- 6 -

represented as praising General Chiang's address in the highest terms and as swearing to lead the entire military and civil population of Kwangsi Province in support of General Chiang's campaign of resistance to Japan "to the bitter end", and as adding the significant words, "The future of the State depends on your decision". A copy of this news release is enclosed.

1/

In addition to the un-equivocal position taken by General Chiang in his address, a position from which there would appear to be no retreat, there is another factor which, in the opinion of observers in Nanking, makes the avoidance of major hostilities in North China almost impossible. This factor is found in the size of Japanese reinforcements sent into Hopei Province and the way in which the whole incident has been dignified in Japan by special meetings of the Cabinet, et cetera. In the face of this emphasis given to the whole affair by the Japanese Government, it seems inconceivable that the decisions taken can be reversed and the reinforcements withdrawn unless the Japanese achieve in Hopei a political objective of commensurate importance. Such an objective could hardly be of such slight significance as the enforcement of the July 11 and 19 agreements, as alleged by the Japanese, or even the implementation of the Ho-Umetsu agreement of 1935. It seems equally improbable that the Japanese will be satisfied with any result within the limitations

of

36-7

433

- 7 -

of General Chiang's minimum conditions.

Respectfully yours,

Nelson Trusler Johnson

Nelson Trusler Johnson.

Enclosure:

1. Copy of Kuo Min news release
July 22, 1937

Original and four copies to Department
Copy to Peiping
Copy to Tokyo

710.

WRP:MM

36-8

(Kuo Min News Agency) July 22, 1937.

Nanking, July 22.-- The nation has responded unanimously in support of the statement of General Chiang Kai-shek, President of the Military Affairs Commission, on the North China crisis. Messages in support of General Chiang's stand have been received from all parts of the country.

The three Kwangsi leaders -- Generals Li Tsung-jen and Pai Chung-hsi, Commander and Vice-Commander of the 5th Route Army, and General Huang Hsu-chu, Chairman of the Kwangsi Provincial Government, -- in a joint telegram to the National Government, state:

"We have just perused President Chiang's address on the Lukouchiao Incident, delivered at the second session of the discussions at Kuling, and declaring the Government's policy vis-a-vis Japan and the four general principles which the nation should firmly observe.

"The words are dignified and the ideas correct. They indeed represent the unanimous opinion of the entire people. We have read the address over and over, and are profoundly inspired by it.

"Since the outbreak of the Lukouchiao Incident, we have shown remarkable patience in the interests of peace. The Japanese have however made repeated efforts at provocation. In recently increasing their military forces, they are wantonly challenging us to war.

"The national policy having been decided upon, the undersigned hereby solemnly swear to lead the entire officers and soldiers of the 5th Route Army and the 13

million

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

36-9

- 2 -

million people of Kwangsi in support of the President's
(General Chiang's) campaign of resistance to the bitter
end. We will not hesitate to make any sacrifices.

"We respectfully send you this telegram for
your consideration. We hope that the entire country
will rise like one man in support of the Government.
The future of the State depends on your decision."

DECLASSIFIED: E.O. 11652, 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
RECEIVED
DEPARTMENT OF STATE
MEMORANDUM OF CONVERSATION.

1937 AUG 23 PM 2 27

Nanking, July 27, 1937
11 a.m.

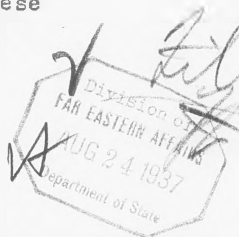
DIVISION OF
COMMUNICATIONS
AND RECORDS

Subject: Sino-Japanese Relations; welfare of
Foreigners in Peiping.

Mr. S. Hidaka, Counselor of the Japanese
Embassy.

Mr. Johnson

Present: Mr. Peck.



793.94/9611

In the course of a long conversation during which Mr. Hidaka explained military arrangements and operations in and near Peiping and particularly the fighting which took place at Langfang on July 26, the Ambassador observed by way of comment that there were a great many people in Peiping and he hoped that they would not receive injury from military operations.

Mr. Hidaka said that he felt that the Japanese civil and military officials concerned regarded it as among their first duties to keep open communication between Peiping and the sea and to look after foreign residents. He recalled that the Japanese authorities had already notified the Embassies concerned that military operations might occur in the Western Hills and had advised foreigners to withdraw from there.

Mr. Hidaka said the Japanese would much prefer that all Chinese soldiers should withdraw from the city of Peiping, since they sometimes started using their guns without orders from their responsible

officers.

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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 -

officers, or even contrary to orders, and that the place of the soldiers should be taken by Chinese gendarmes and police; he thought that all foreigners must feel the same way. However, the Japanese had not insisted on this, but merely on the replacement of the two regiments of the 37th Division in Peiping by troops of the 132nd Division. A regiment of the 132nd Division had come in for that purpose, but the 37th Division had not left, and there were therefore more Chinese troops in Peiping than before.

For this reason, and because of other provocative acts of the Chinese troops, which Mr. Hidaka described, the Japanese military authorities had issued a statement on the evening of July 26, giving time limits for withdrawal.

N.T.J.

Two copies to Department
Copy to Peiping
Copy to Tientsin

#RP:MM

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



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, July 27, 1937.

No. 546.

Subject: Chinese-Japanese Relations in
North China.

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DEPARTMENT OF STATE

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DIVISION OF
COMMUNICATIONS
AND RECORDS

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Grade	To File		
For	In U.S.A.	✓	✓

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SEP 2 - 1937

DEPARTMENT OF STATE
A-M/C
AUG 20 1937
ASSISTANT SECRETARY
OF STATE

Honorable

The Secretary of State,
Washington.

Sir:

1/

I have the honor to enclose a memorandum of
a conversation held by me with Dr. Wang Chung-hui,
Minister for Foreign Affairs, on the morning of
July 25, 1937. This conversation was not reported
to the Department by telegraph, because a conversa-
tion with General Chiang Kai-shek, held later on the

same

793.94/9612

F-2

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37-2

- 2 -

same day, covering substantially the same ground and of greater importance, was so reported.

It will be observed that the Minister was still apprehensive of a major clash between Chinese and Japanese forces near Peiping; that he felt that the truce of July 19 had been accepted by the Japanese as a device to obtain an opportunity to prepare for the attainment of a major purpose in North China; and that while the Chinese Government had announced to the Japanese Government its willingness to negotiate for the settlement of all questions not included within four minimum conditions contained in the recent address of General Chiang at Kuling (see Nanking's No. 305, July 20, 11 a.m.), General Chiang was convinced by the continued arrival of Japanese reinforcements and munitions in Hopei Province that the Japanese did not intend to accept these minimum reservations.

To explain the background of this conversation, I have the honor to state that I had come to Nanking on the day before at half-past ten in the evening, in response to a request from General Chiang Kai-shek, and had immediately telephoned to the Minister announcing my arrival. He thereupon asked that I call on him at a quarter-past nine the following morning, when the conversation reported in this despatch took place.

Respectfully yours,

Nelson Trusler Johnson
Nelson Trusler Johnson.

Enclosure

0281

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

37-3

- 3 -

Enclosure:

1. Memorandum of Interview
July 25, 1937.

Original and one copy to Department
Copy to Peiping

710.

WRP:MM

37-4

434

MEMORANDUM OF INTERVIEW.

Nanking, July 25, 1937.

Dr. Wang Chung-hui, Minister for Foreign Affairs
Mr. Johnson
Present: Mr. Peck.

After preliminary remarks, Dr. Wang said that he might tell Mr. Johnson confidentially that General Sung Che-yuan had communicated to the National Government the three terms of the agreement arrived at between General Sung and the Japanese military. The three terms were identical with those already published in the press.

Mr. Johnson observed that two of the terms as published in the press seemed to have been carried out or to be in the process of execution, namely, an apology from the Chinese to the Japanese and the withdrawal of Chinese troops, the 37th Division being in process of withdrawal from Peiping southward, and of being replaced by the 132nd Division. The third term, including suppression of Communist activities, seemed more vague. However, when he left Peiping on July 23 the tension seemed to have been greatly eased.

Dr. Wang said that the Chinese Government was still very apprehensive of an impending major clash. This apprehension was caused by the reports received by the National Government of still continuing

mobilization

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435

- 2 -

mobilization in Japan and transportation into North China of Japanese troops and munitions. The reports stated that morning, afternoon and evening such reinforcements were continually coming down the railway from Shanhaikwan into Tientsin and were then being despatched toward the Peiping area.

Dr. Wang said that the so-called "incident" which took place on July 7 - 8 was after all merely an incident and was easily susceptible of settlement. This incident could not account for the mobilization in Japan and the continuing arrival of Japanese reinforcements already described; the Chinese Government was convinced that the Japanese Government must still have a major objective and had accepted the present truce merely as a means of bringing about a lull during which preparations might be made for the attainment of the major objective in North China.

Mr. Johnson made the comment that the Japanese forces had not achieved anything with regard to North China; they had merely produced a change in the status of Tientsin and Peiping.

Dr. Wang said that the Chinese Government did not know where the next blow would fall, whether in Hopei Province as a whole, or in Shantung, or elsewhere.

Dr. Wang said that General Chiang Kai-shek had made the position of the Chinese Government perfectly clear in his address which was published a few days ago. In that address he had indicated four points

as

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- 3 -

as a minimum beyond which the Chinese Government could not yield anything to Japan. Over and above that minimum there was opportunity for negotiation with the Japanese, but the very term "minimum" meant that the reservations indicated in the "four points" could not be diminished in any way. The Chinese Government was very anxious to avoid a war with Japan and would be willing to negotiate with Japan any issues not violating the four minimum reservations. General Chiang was convinced by the continued arrival of Japanese reinforcements and munitions in Hopei Province that the Japanese did not intend to accept the minimum reservations and that renewed hostilities on a major scale could not be avoided unless such reinforcements were stopped immediately and the principal Powers interested in the Far East were to take more positive steps than those taken hitherto to induce Japan to negotiate with China for a fundamental settlement of issues between the two countries.

Dr. Wang told Mr. Johnson he had told Mr. Hidaka, Counselor of the Japanese Embassy in Nanking, as early as July 12 that the Chinese Government would be willing to agree to an immediate cessation of troop movements into Hopei by both sides and thereafter to discuss outstanding issues, but no reply to this proposal had been received. The same offer had been reiterated in the Chinese reply of July 19 to the Japanese memorandum of July 17; still no reply

had

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438

- 4 -

had been received and movements of Japanese troops into Hopei continued. The Chinese offer seemed a reasonable one, because both sides asserted that reinforcements were being brought into Hopei merely as a measure of self-defence. If the excuse of self-defence could be removed, reinforcements could cease and the so-called "incident" could be settled through negotiation. The refusal of the Japanese to adopt this obvious course was another reason why the Chinese Government felt sure that the Japanese Government had a larger objective in view than the mere settlement of the Lukouchiao Bridge incident.

Mr. Johnson particularly inquired whether the Chinese Government had positive evidence that Japanese troops were continuing to come into Tientsin down the railway from Shanhaikwan, because his information was that no additional Japanese troops had arrived over this route during the last couple of days. Dr. Wang replied that reports received from the railway confirmed the fact that additional Japanese reinforcements were continually arriving.

Dr. Wang admitted that the Japanese assertion that troops were not being sent from Japan proper to China might be true, since it appeared that Japanese troops were going from Japan to Korea and Manchuria and that the troops arriving in Hopei Province were drawn from either Korea or Manchuria. The Japanese assertion was, therefore, merely a subterfuge. Nevertheless, the Japanese Premier had officially announced that

mobilization

27-8 437

- 5 -

mobilization was taking place in Japan, Korea and Manchuria.

Dr. Wang said that General Chiang was very anxious to see Mr. Johnson. Mr. Johnson said that he held himself ready and willing to see General Chiang at any time that might be set; he had come down from Peiping to Nanjing for this express purpose. Mr. Johnson remarked that he had thought it advisable to remain in Peiping until recently so that he might be in a sense an "official witness" of what might transpire there.

Dr. Wang dwelt at some length on conflicting reports concerning the alleged disappearance of a Japanese sailor from the International Settlement on the evening of July 24. He said the Japanese and Chinese authorities had each informed the other of an intention not ^{to} magnify importance of this incident.

Nelson Truster Johnson

Copy to Peiping
Two copies to Department

WRP:MM

0285
DECLASSIFIED: E.O. 11652, 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

August 31, 1937.

~~MAH~~

~~PA/H:~~

~~A-W:~~

Nanking's despatch No. 549, July 30, 1937, entitled "Chinese-Japanese Relations: North China Crisis".

The despatch is a confirmation of telegraphic reports to the Department of conversations on the North China crisis held by Ambassador Johnson in Nanking between July 24 and 30.

July 25. General Chiang Kai-shek informed the Ambassador that the Chinese would resist Japanese attempts to extend their authority in North China and intimated that the United States and Great Britain might be able to prevent hostilities if they informed the Japanese Government of the intention of the Chinese Government to oppose armed resistance. He urged that the two Governments convey this information to Japan.

July 26. The Italian Ambassador suggested to Ambassador Johnson (a) that the Chinese would do well to compromise the North China controversy with the Japanese by another "mystery agreement", and (b) that the "Protocol Powers" take some action to prevent the threatened hostilities.

July 27.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

July 27. The Counselor of the Japanese Embassy assured Ambassador Johnson (a) that radical changes in North China would not result from Japanese action, and (b) that Japanese civil and military officials regarded it as among their first duties to keep open communication between Peiping and the sea and to look after the safety of foreign residents.

General Ho Ying-chin told Ambassador Johnson that two weeks before the outbreak of July 7 the Chinese Government had learned of a decision reached by the Japanese General Staff to take advantage of favorable conditions in Europe and in the Soviet Union to consolidate further Japan's influence in North China and that the Chinese Government had warned the authorities in North China to be on their guard. He also stated that Prince Konoye had admitted that the militarist faction in Japan intended further forcible action against China. General Ho expressed apprehension over enforcement of the American Neutrality Law.

The Minister for Foreign Affairs informed the American and British Ambassadors that the Chinese Government was convinced that the Japanese intended further aggressive steps of a paramount character in North China and that the Government would resist by force of arms,

but

0288

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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

- 3 -

but that the Government was almost desperately anxious to avoid hostilities and would keep open indefinitely its offer of July 19 to negotiate. Ambassador Johnson learned later in the evening that General Chiang had already issued orders to General Sung Che-yuan in Peiping to fight.

my m. H.

1/2
HES:REK

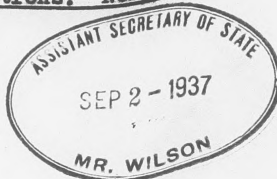
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quigley NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA
Nanking, July 30, 1937.

No. 549.

Subject: Chinese-Japanese Relations: North
China Crisis.



For Distribution-Check		Yes	No
Grade			
For			

Mod - O. J.

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DEPARTMENT OF STATE
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DIVISION OF
COMMUNICATIONS
AND TRANSPORTS

SEP 16 1937



The Honorable
The Secretary of State,
Washington.

SEP 18 1937

FILED

F-1

The Department has received by telegraph prompt reports of the interviews held by me in Nanking on the Japanese crisis in North China since my arrival in Nanking at eleven o'clock in the evening of July 24. Memoranda of these interviews are now submitted for the files of the Department.

- 2 -

- 1/ I called on Dr. Wang Chung-hui, Minister for Foreign Affairs, on the morning of July 25, but made no memorandum of the conversation, because it was merely preparatory to the more important interview held with General Chiang Kai-shek, Chairman of the Military Affairs Committee and President of the Executive Yuan, at five o'clock the same day. There is enclosed a memorandum of the interview with General Chiang during which he stated that the Chinese would resist Japanese attempts to extend their authority in North China and intimated that the United States and Great Britain might be able to prevent hostilities if they informed the Japanese Government of the intention of the Chinese Government to oppose armed resistance. He urged that the two Governments convey this information to Japan. In preparing this memorandum an especial effort was made to record General Chiang's statements completely and in their sequence, in view of the evident care with which he had formulated them.
- 2/ Enclosure Number 2 records a conversation with the British Ambassador on July 26, when we agreed that there was substantial similarity between General Chiang's earlier statements to him and those made to me and that we must await instructions from our Governments.
- 3/ Enclosure Number 3 records suggestions made to me by the Italian Ambassador the same day that (a) the Chinese would do well to compromise the North China controversy with the Japanese by another "mystery agreement", and that (b) the "Protocol Powers" take

some

- 3 -

some action to prevent the threatened hostilities, to which I replied that I thought that the breaking out of hostilities depended on Japan, since China would fight rather than yield further, and that Japan would refuse to accept suggestions from outside Powers. As the Department is aware the suggestion for representations by the Protocol Powers was made to me by the French Ambassador while I was still in Peiping.

4/ On the morning of July 27, Mr. Hidaka, Counselor of the Japanese Embassy, called on me and attempted to justify Japanese military activities in North China and to allay fears that any radical changes there either were intended or would result. A memorandum is enclosed. He also assured me that Japanese civil and military officials regarded it as among their first duties to keep open communication between Peiping and the sea and to look after the safety of foreign residents. In view of the proposal urged by the Italian and French Ambassadors that the Protocol Powers present a request to Japan to do these very things, Mr. Hidaka's assurances were welcome. A memorandum of this portion of the conversation has already been submitted to the Department.

5/ The next call I received that day was from the French Ambassador (see enclosed memorandum), who told me of his anxiety lest the Japanese utilize the International Bridge at Tientsin, leading from the

East

- 4 -

East Railway Station into the French Concession, an act which might introduce hostilities there. He intimated that his fears were not entirely banished by a promise given by General Katsuki, the Japanese officer in command, that the Bridge would not be used. Up to the time of writing the Japanese appear substantially to have kept this promise, although they have showed resentment at being denied the use of the Bridge.

6/

At four o'clock on July 27 I called on General Ho Ying-chin, Minister of War. A memorandum of the interview is enclosure Number 6. General Ho told me "unofficially" that two weeks before the outbreak of July 7 the Chinese Government had learned of a decision reached by the Japanese General Staff to take advantage of favorable conditions in Europe and in the Soviet Union to consolidate further Japan's influence in North China and that the Chinese Government had warned the authorities in North China to be on their guard. He also gave the interesting information that Prince Konoye, shortly after he became Premier at the end of May, had admitted that the militarist faction in Japan intended further forcible action against China, that he deplored it, but that he could not prevent it. General Ho expressed apprehension at the prospect of the enforcement of the American Neutrality Law.

The most important interview on July 27 occurred at five o'clock, when the British Ambassador and I

called

- 5 -

7/

called on the Minister for Foreign Affairs at the latter's request (see enclosure Number 7). Dr. Wang told us, in effect that the Chinese Government was convinced, by reasons which he enumerated, that the Japanese intended further aggressive steps of a permanent character in North China and that the Government would resist this by force of arms, but that the Government was almost desperately anxious to avoid hostilities and would keep open indefinitely its offer to negotiate, an offer which was communicated in the Foreign Office Memorandum of July 19 to the Japanese Embassy.

8/

Following the joint call on the Minister for Foreign Affairs the British Ambassador came to see me (see Enclosure Number 8) and we agreed that our respective reports of the interview were in accord. We also concurred in thinking that the Minister for Foreign Affairs seemed to be working under a great strain and that he did not appear to be in possession of all the facts of occurrences in the North. The Department will note that the Minister for Foreign Affairs spoke of hostilities as being possible within two or three days, whereas (see the final paragraph of Enclosure No. 8) the Embassy learned the same evening that General Chiang had already issued orders to General Sung Che-yuan in Peiping to fight. As events happened, the Japanese ultimatum for the withdrawal of the 37th Division was presented

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

- 6 -

to the Chinese in Peking on July 26 and fighting at the Changyimen gate of the city began the same evening and was in progress at different places near Peiping while the Minister was speaking on the 27th. General Sung Che-yuan, Chairman of the Hopei-Chahar Political Council, and several military subordinates who had been opponents of a policy of compromise with the Japanese rejected the terms of the Japanese, according to apparently reliable reports, on the afternoon of July 28th and left Peiping with portions of the 37th and 132nd Divisions the same night, turning control over to officers regarded as being "pro-Japanese". Tokyo reported that on July 28th, also, the Japanese Minister for Foreign Affairs told the British Chargé d'Affaires that the commander of the Japanese troops in North China had been given authority to control Japanese military operations in that area. It would appear, therefore, that the Minister for Foreign Affairs underemphasized the imminence of the break between the Japanese and Chinese authorities in the Peiping area, rather than exaggerated it. If this was done designedly, his object may have been to avoid discouraging Great Britain and the United States from last minute attempts to bring about negotiations between the two Governments.

On July 29th the Italian Ambassador sent a secretary to this Embassy to say that an Italian

sailor

- 7 -

sailor had been killed in Tientsin, wherefore he wished to revive the proposal that the Protocol Powers make representations to the Japanese and Chinese military authorities, with a view to the prevention of further hostilities along the railway between Peiping and the sea. (See Enclosure No. 9).
9/ I called on the Italian Ambassador and discussed
10/ the matter with him. (See Enclosure No. 10). On the afternoon of July 30th the British, French and Italian Ambassadors met with me in my office; a report of the conference will be submitted separately.

Likewise on the 29th, I called on the Chinese Foreign Minister. Nothing notable was said by him, except that the Chinese Government had resolved to oppose with force the plan of the Japanese to get control of China fragment by fragment, and that the actual breaking off of diplomatic relations would probably not take place until some major military clash occurred (see Enclosure No. 11).
11/

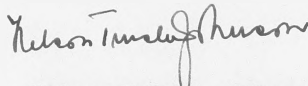
On the morning of July 30th the Counselor of the Japanese Embassy called on Mr. Peck to thank the American Embassy for assistance given by the American Consul General at Tientsin to certain Japanese there and during the discussion Mr. Peck told Mr. Hidaka that the Consular Body at Tientsin had tried all through the preceding day to bring about some sort of understanding between the Japanese and Chinese military authorities, to end the fighting, but had failed. Mr. Hidaka replied that the

Japanese

- 8 -

Japanese had not expected to be attacked by the Chinese Peace Preservation Corps (Pao-an-tui) at Tientsin and had been particularly anxious to avoid implicating foreigners of other nationalities in the dispute between Japan and China. (See Enclosure No. 12)

Respectfully yours,



Nelson Trusler Johnson.

12/ Enclosures:

1. Memorandum of Conversation
July 25, 1937
2. Memorandum of Conversation
July 26, 1937
3. Memorandum of Conversation
July 26, 1937
4. Memorandum of Conversation
July 27, 1937
5. Memorandum of Conversation
July 27, 1937
6. Memorandum of Conversation
July 27, 1937
7. Memorandum of Conversation
July 27, 1937
8. Memorandum of Conversation
July 27, 1937
9. Memorandum of Conversation
July 29, 1937
10. Memorandum of Conversation
July 29, 1937
11. Memorandum of Conversation
July 29, 1937

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

- 9 -

12. Memorandum of Conversation,
July 30, 1937, 11:15 a.m.

Original and four copies to Department
Copy to Peiping

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WRP:MM

Enclosure #11

Memorandum of Conversation.

Nanking, July 28, 1937.

Generalissimo Chiang Kai-shek and Mr. Johnson.

Present: Dr. Hsu Mo, Vice Minister of Foreign Affairs.
Mr. Peck.

Subject: Sino-Japanese situation.
Marco Polo Bridge Incident.

I visited General Chiang Kai-shek by appointment this evening. I found there Dr. Hsu Mo who acted as interpreter throughout our conversation. I found the Generalissimo looking extremely alert and apparently in good spirits. He seemed in better condition than when I saw him in the spring. I inferred that he was still wearing a brace, as he walked and sat somewhat stiffly erect.

The Generalissimo began the conversation, after some exchange of greetings, by inquiring as to the situation in Peiping at the time of my departure. I told him that from outside appearances I had concluded that General Sung Che-yuan was actively carrying out what I understood to be the terms of the truce of July 11. The 37th Division was being withdrawn from the city of Peiping westward to the Hsi Yuan, and troops of the 132nd Division were being put in its place within the city.

- 8 -

I stated that the city was quiet, that tension was much relieved, and that life on the streets seemed to be returning to near normal. I remarked that the Japanese Counselor at Peiping, during a call which I made upon him on Friday, July 23rd, expressed the view that the Japanese were well content with developments. I said that it had seemed to me when I left Peiping that the local situation was well on its way to a local settlement.

The Generalissimo inquired whether anything had occurred since I left Peiping to change my view. I stated that nothing had occurred except that in this morning's papers I had seen some statement to the effect that the Japanese had voiced their impatience over the slowness with which the withdrawal of the 37th Division was taking place. I remarked that, while passing through Tientsin on Friday evening, July 23rd, I had heard that no additional troops had arrived on that day either by sea or by train. The Generalissimo stated that he understood that troops which had been destined for Tangku had been diverted to Bairen.

He then asked me to express my opinion as to what course I thought events would take. I told him that this was beyond my power, as the situation had two aspects. One aspect was the Tientsin-Peiping situation arising out of the Marco Polo Bridge incident, which

seemed

- 3 -

seemed to have been settled locally. There was a larger aspect which concerned China and Japan, and of this I had not sufficient knowledge of the background or of Japanese plans to enable me to hazard a guess as to what the outcome would be. In reply to his question I stated that I could not say whether the Japanese would consider the local settlement of the Marco Polo Bridge incident as finally concluding the affair.

The Generalissimo then asked why it was that the United States seemed unwilling to take joint action with Great Britain in this matter. I stated that the United States and Great Britain were differently situated; that we had taken action parallel to that of Great Britain, but not jointly; that I believed he had been informed of the statement which the Secretary of State had made, which, while general in its purport, clearly set forth our interest that world peace should not be broken; that I believed Mr. Peck, acting under the instructions of the Secretary of State, had communicated information regarding these matters to the Minister of Foreign Affairs within the last two or three days.

The Generalissimo then said that he wished to make a statement which he hoped I would convey to my Government. He expressed his gratitude for the steps which the United States Government had already taken in this

matter

matter and for the interest which it had shown. He remarked that he had read the Secretary's statement and that he had noted that it was general in its wording and that it did not mention either Japan or China. He stated that if the powers and specially Great Britain and the United States considered that the local settlement of the Marco Polo Bridge incident closed this affair, they would discover too late that war between China and Japan was inevitable. He expressed the hope that the United States and Great Britain would watch very carefully the activities of the Japanese now, and expressed the conviction that unless Great Britain and the United States could take some action more positive than anything that had yet been done, war could not be averted. He referred to the general mobilization of troops in Japan and to the large movement of troops from Japan to Korea, Manchuria and China as evidence that Japan's intentions were to achieve some objective greater than the mere settling of the incident at the Marco Polo Bridge. The Generalissimo asked me whether I thought there would be war between China and Japan.

I told him that I hoped not, but that I had a feeling that the answer to this question must be found in a knowledge of what Japan really wanted to do. The Generalissimo stated that the Central Government had acceded to Japanese demands and would not make any objection to

the

- 3 -

the settlement of the Marco Polo Bridge incident between General Fung Che-yuan and the military authorities at Tientsin along the lines of the three points set forth in the truce of July 11th. He said that the Chinese Government had accepted this local settlement out of a sincere desire for peace, but that this represented the limit to which the Chinese Government was prepared to go, and that any attempt on the part of Japan to compel China to accept further demands would be met by resistance from the Chinese and war would be the inevitable consequence.

The Generalissimo again expressed the hope that the American Government would look beyond this local settlement to the greater view ahead. He stated that originally the Japanese had intended to use the Marco Polo Bridge incident for the purpose of bringing about the independence of the two provinces of Chahar and Hopei from the Central Government of China; that when they met the determined resistance of the Chinese they changed their tactics, accepted a local settlement of the Marco Polo Bridge affair and began to concentrate on the larger issues between Japan and China. He stated that he anticipated that before long the Japanese would present new demands upon the Chinese Government which would include: a) all questions having to do with "Manchukuo"; b) Sino-Japanese cooperation on a national basis against communism. (He explained parenthetically that this was aimed at Russia.) c) The withdrawal of all Central Government troops from the prov-

ince

- 6 -

ince of Kopei. He stated most emphatically that if such demands were presented the Chinese Government would not accept them, and that if the Japanese attempted to force the Chinese to accept them, war was inevitable. He cited the mobilization in Japan, the concentration of a large force in and around Tientsin, and the movement of troops and supplies and airplanes into Korea and into Manchuria as evidence supporting his conviction that Japan is preparing to back up further demands by force.

He expressed the hope that the United States and Great Britain would not relax their watchfulness in this present situation; and voiced the belief that the only way in which war between Japan and China could be averted would be through cooperative action by the United States and Great Britain along lines more vigorous than had hitherto been attempted. He pointed out that the outbreak of a war between China and Japan would inevitably affect Great Britain and the United States. He then referred to the moral obligation which devolved upon the United States and Great Britain as signatories of the Nine-Power Agreement, to the interest of the United States in the maintenance of world peace, and to its general interest in the welfare of humanity, as reasons why we should not await the outbreak of such a war before taking action, or before withdrawing from such a war by means of the Neutrality Act after hostilities had begun.

He

- 7 -

He urged that we anticipate the event and cooperate with the British Government now and quickly in making it crystal clear to Japan that if it does not want war with China then it must not attempt to force China to make further concessions. He repeated that Japan must be made to understand that China will fight rather than make further concessions.

General Chiang concluded his statement by saying that in his opinion this was the only way in which war could be averted, and that United States and Great Britain were the only powers in a position to bring this home to the Japanese Government in such a manner as to persuade them to desist from such designs.

I told General Chiang that I would communicate his message to my Government as soon as possible. I was much impressed by the forcefulness and the logic with which he presented his views.

Nelson Trusler Johnson,
American Ambassador.

NTJ:ZA

6 copies to Peiping (5 for transmission
to the Department)

1 copy to Tokyo.

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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. _____

Memorandum of Conversation.

Nanking, July 26, 1937.

Sir Hughe M. Knatchbull-Hugessen, British Ambassador,
and Mr. Johnson.

Present: Mr. Peck.

Subject: Sino-Japanese situation.

I called on Sir Hughe to-day and we exchanged views in regard to the Sino-Japanese situation. I outlined to Sir Hughe the conversation which I had with the Generalissimo yesterday. It appeared that the Generalissimo's statements to me coincided with the statements he had made to Sir Hughe and which he had communicated to his Government.

I told Sir Hughe that I had communicated what the Generalissimo had to say to Washington, and we agreed that there was nothing further we could do until we received instructions from our Governments.

Nelson Trusler Johnson,
American Ambassador.

6 copies to Peiping (5 for transmission
to the Department.)

Copy to Tokyo.

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ENCLOSURE NO. 3
TO DESPATCH NO. _____
DATED _____

Memorandum of Conversation.

Nanking, July 26, 1937.

Mr. Cora, Italian Ambassador, and Mr. Johnson.

Subject: Sino-Japanese situation

In the course of conversation to-day Mr. Cora remarked that there had been made a number of mystery agreements between the Chinese and Japanese, among which he included the Tangku Truce, the Ho-Umetzu Agreement, and the Agreement of July 19th between General Sung Che-yuan and General Hashimoto. It occurred to him that one or two more such mystery agreements could be made without loss of face on the part of the Chinese. After all, by the Ho-Umetzu Agreement, the Chinese had given up North China, and it would be well for them to spar for time. He inferred that there was a division of opinion even here in Nanking in regard to what the Chinese Government should do.

I pointed out to him that so far as I could see it seemed to be more or less a matter of what the Japanese Government was going to do; that I was rather pessimistic in regard to the future, and I believed that the Chinese Government would fight before it would yield in the matter.

Mr. Cora agreed that the situation was very serious;

that

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

- 2 -

that general hostilities between China and Japan were threatened. He remarked that this was very serious for the powers. He wondered why the Protocol powers did not do something about it. After all, he said the United States was first to be concerned because its trade was greater than that of any other country and would be more affected.

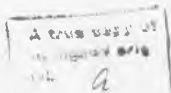
I stated that after all the matter of trade was one that I thought could be easily adjusted, for trade would go on whatever the outcome. There would always be buyers of American goods. I said that I was somewhat at a loss to know just what could be done in a situation which was so threatening and where one side at least seemed to be so averse to accepting anything which might be interpreted as a suggestion as to how it should conduct its case.

Nelson Trasler Johnson,
American Ambassador.

6 copies to Peiping (5 for
transmission to Department.)

1 copy to Tokyo.

NTJ:EA



0309
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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. _____

DATED _____

Memorandum of Conversation.

Nanking, July 27, 1937.

Mr. Hidaka, Counselor of Japanese Embassy, and
Mr. Johnson.

Subject: Sino-Japanese situation.

Mr. Hidaka called. He outlined at some length his attempts to make clear to the Chinese the serious attitude which the Japanese Government and people have adopted in connection with the situation which developed at Marco Polo Bridge. Mr. Hidaka said that up to the 10th of July there had been the possibility of a settlement which would not have involved so great an effort on the part of the Japanese, but that when the Japanese found, on the 10th, that the Chinese soldiers had not evacuated, and when they were fired upon, it was then too late.

He said that the Japanese Government had the support of the Japanese people more unanimously now than ever before. Heretofore there had been division of thought in Japan itself, because many people in Japan had been suspicious of the Army and had been inclined to question the Army's plans or policy in regard to China on the ground that the ambitious character of these policies was unreasonable. Last year this had

caused

- 2 -

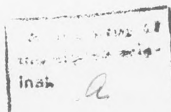
caused hesitancy on the part of the Japanese and a lack of firmness, all of which had been misinterpreted by the Chinese as a weakness on the part of Japan, and had encouraged the Chinese. Now, however, Japan and her people were convinced that the only policy which could accomplish anything in dealing with China was a firm one, and the Government was determined to use every means necessary to carry out its wishes. In this case the people were convinced of the moderation of the Government's desires in regard to China and were prepared to support the Government. He said that the preparations which Japan had made might seem to the world and even to the Chinese to imply an aggressive policy, but that the world and China would be astonished when they discovered how moderate Japan's desires were.

Nelson Trusler Johnson,
American Ambassador.

6 copies to Peiping (5 for
transmission to Department.)

1 copy to Tokyo.

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

ENCLOSURE NO. 5
TO DESPATCH NO. _____
DATED _____

Memorandum of Conversation.

Nanking, July 27, 1937.

Mr. Naggiar, French Ambassador, and Mr. Johnson.

Subject: Sino-Japanese situation.

Mr. Naggiar, the French Ambassador, called. We discussed the Sino-Japanese friction and agreed that the future looked very gloomy.

Mr. Naggiar stated that he and his Consul at Tientsin had had a conversation while he was passing through Tientsin on his way down to Nanking. He said that they had been considerably worried because of the International Bridge, which would ordinarily be used by the Japanese in order to get from their concession into the Chinese city within the French Concession; they were afraid that the Japanese might use this bridge with or without permission. He stated that his Consul had called upon the Japanese Commandant at Tientsin and had had an understanding with him, as the result of which the Japanese stated that they would not use the International Bridge but would proceed through the ex-Austrian Concession.

He stated that it was the impression of his Consul at Tientsin that General Katzuki was an officer of considerable

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

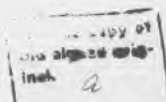
- 2 -

siderable reputation in Japan and that the sending of him to Tientsin indicated that Japan had some great plan afoot. I understood him to say that General Katzuki in discussing matters with his Consul General had stated that it was not a question of a declaration of war; that one did not declare war now; that Japan was engaged in purely defensive measures.

Nelson Trusler Johnson,
American Ambassador.

6 copies to Peiping (5 for
transmission to Department.)

Copy to Tokyo.



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

ENCLOSURE NO. 6
TO DESPATCH NO. _____
DATED _____

MEMORANDUM OF CONVERSATION.

Nanking, July 27, 1937.

Subject: Sino-Japanese Relations.

General Ho Ying-chin, Minister of War.

Mr. Johnson.

Present: Mr. Peck.

In the course of a general conversation General Ho told Mr. Johnson, with the comment that his statement was not to be taken as official, that two weeks before the outbreak of the July 7 incident at Marco Polo Bridge, Peiping, the Chinese Government learned authoritatively that the Japanese General Staff had a meeting at which the relations between Japan and China were reviewed, as well as the world situation in relation thereto. It was decided at this meeting that the time was opportune for a forward step in China to consolidate Japan's influence in North China. It was decided that Europe was fully occupied with its own affairs (presumably complications connected with Spain) and that no interference might be expected from the Soviet Union, because the execution of the "eight generals" had weakened the morale of the Soviet Army, especially the military forces in Siberia. General Ho said that on receipt of this secret

information

- 2 -

information the Chinese Government had despatched a warning to General Sung Che-yuan, Chairman of the Hopei-Chahar Political Council, to be on the watch for some "incident" or other aggressive act by the Japanese forces in North China.

General Ho observed that General Katzuki, who succeeded General Tashiro in command of the Japanese North China garrison, is a member of what the Chinese call the Japanese "Young General" party. This is the militarist faction in Japan and is itself divided into two cliques. The whole party is radical, but is divided in respect to the immediate objective which it is felt should be achieved. One faction believes that attention should be centered on promoting some sort of revolutionary action in Japan and it was this faction which brought about the incident of February 26, 1936. The other faction favors an immediate invasion of China. General Ho did not say to which faction General Katzuki belongs and he may not have felt that precise classification was possible.

As further evidence that the July 7 incident and subsequent "clashes" between Japanese and Chinese troops in North China have all been premeditated, General Ho said that a month before July 7 the Chinese Embassy in Tokyo received from a reliable informant a report that Premier Prince Konoye had said that the militarist

- 3 -

militarist faction in Japan intended to take some further forcible measure against China; he deplored this greatly, but he could do nothing to prevent it.

General Ho pointed out that the places where "clashes" have occurred indicate the execution of a plan by the Japanese military leaders to obtain control of the Peiping-Tientsin area. For example, Langfang, where a clash occurred on the night of July 25, followed by the stationing of a Japanese garrison there, is midway between Tientsin and Peiping. Points near Peiping, such as Tungchow and Wanping, as well as the different city gates, control the approaches to Peiping. What further areas were included in the Japanese plans for expansion in the near future General Ho could not predict.

General Ho inquired rather minutely about the operation of the American Neutrality Law, observing that the effect of the application of this law to events in North China would assist Japan in its action in China, and would seriously hamper China itself, the reason for this being that Japan has stored up great quantities of munitions of war and ammunition and would not need to purchase such articles from the United States, while China does require such a source of supply in order to resist Japan. He remarked significantly that Japan's best customer was the United States and that Japan depended

largely

0318
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- 4 -

largely upon the income derived from sales to the
United States, especially of silk.

Nelson Trusler Johnson
American Ambassador

Five copies to Department
Copy to Peiping

710.

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

ENCLOSURE NO. 7

TO DESPATCH NO. 549

MEMORANDUM OF CONVERSATION

DATED July 30

Nanking, July 27, 1937.

Subject: Sino-Japanese Relations; crisis
near Peiping.

Dr. Wang Chung-hui, Minister for Foreign Affairs

Mr. Johnson

Sir Hugh Knatchbull-Hugessen, British Ambassador

Present: Mr. Peck
Mr. Blackburn, Counselor of the British
Embassy

The Minister for Foreign Affairs asked the American and British Ambassadors to call on him at his residence at 5 o'clock. The remarks made by Dr. Wang showed no evidence of advance preparation with a view to method in presenting facts or opinions. Dr. Wang impressed his auditors as being under strain and anxiety and as dominated by a desire to impress them with two things, that is, that China had been driven to desperation by Japanese aggression and would shortly be obliged to resist Japan, and that in spite of this state of affairs China was still desperately anxious to avoid hostilities on a large scale and would welcome consent by Japan to settle outstanding differences by negotiation. What follows is an attempt to present the substance of Dr. Wang's remarks reduced to systematic arrangement.

Dr. Wang

- 2 -

Dr. Wang said that he had asked both Ambassadors to come at the same time because what he wished to say concerned them both and this method would save time. He said that a telegram had been received not long before from General Sung Che-yuan in Peiping, reporting that he had executed, or was executing, two of the three terms of the agreement of July 19 made with the Japanese, namely, those providing for an apology for the incident of July 7 and the withdrawal of the 37th Division from designated regions, and had announced his willingness to execute the third, relating to the suppression of anti-Japanese activities, et cetera. General Sung said that in spite of his compliance with the Japanese demands, the Japanese had presented an ultimatum and had provoked various clashes between Chinese and Japanese troops, all of which convinced him that the "limit of endurance" described in General Chiang's recent address had been reached and that he would have to begin resistance.

Dr. Wang said that he wished to inform the two Ambassadors, for the information of their respective Governments only, that the Chinese Government, also, felt that the limit of endurance had been reached and that if the Japanese acts of aggression were not replaced within the next two or three days by an offer

of

- 3 -

of negotiation, the Chinese Government would be obliged to sever diplomatic relations with Japan as a prelude to organized resistance. He said that if this happened China would not declare war but would announce that it was engaged in armed self-defence.

Dr. Wang gave a number of reasons for the conviction of the Chinese Government that further forbearance on its part in the face of Japanese aggression in North China was useless:

- (a) The concession made by the Chinese Government in a consent to a local settlement of the July 7 incident had not resulted in diminishing Japanese military activities; on the other hand, these activities had increased in energy and scope.
- (b) A number of circumstances forced the Chinese Government to the inescapable conclusion that the objective of the Japanese military leaders in North China was the seizure of the Tientsin-Peiping area and not the mere settlement of the July 7 incident, among these circumstances being the various clashes between Chinese and Japanese troops and the consequent occupation of additional points by Japanese forces, such as Langfang on July 26.

(c) The

- 4 -

(c) The ultimatum just served on General Sung Che-yuan greatly exceeds the local agreement of July 19 in that it extends the area to be evacuated; moreover, the Japanese now demand that the 37th Division shall be removed as far as Paotingfu, a point which is not concerned at all with the July 7 incident.

(d) The reported mobilization in Japan of five additional divisions and the continued inrush of reinforcements and munitions into Korea, Manchuria and Hopei are clear evidence of a greater military objective, for which the local settlement was but a screen and against which the Chinese Government cannot do otherwise than resist.

(e) The offer made by the Chinese Government to the Japanese Embassy in its Aide Memoire of July 19 to cease troop movements on both sides and resort to peaceful negotiations has received no attention or reply whatever.

Dr. Wang asked that the Ambassadors in transmitting his message to their Governments emphasize that the Chinese Government is reluctant to the last degree to engage in hostilities and that its offer to negotiate with Japan will remain open indefinitely.

Nelson Trusler Johnson
American Ambassador

Five

032
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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. Hueston NARS, Date 12-18-75

Enclosure #8

Memorandum of Conversation.

STRICTLY CONFIDENTIAL

Nanking, July 27, 1937.

Sir Hughe M. Knatchbull-Hugessen, British Ambassador,
and Mr. Johnson.

Present: Mr. Blackburn.

Subject: Interview with Minister for Foreign Affairs

The British Ambassador came to see me this evening after our joint interview with the Minister for Foreign Affairs which was made the subject of my telegram No. 330, July 27, 8 p.m., to the Department. He brought me the following text of his account of this interview, which he was sending to London:

"Your telegram No. 150.

"Chinese Minister for Foreign Affairs sent for U.S. Ambassador and myself on afternoon of July 27 and made following statement for communication confidentially to our Governments:

"2. The Japanese had now expanded the terms of the original agreement far beyond its intended limits. Moreover they continued to move troops in large numbers into China. It was clear to Chinese Government that Japanese Government did not intend to rest content with local solution on basis of agreement as quoted in my telegram No. 246 and your telegram No. 150, but would engage in a gradual crescendo of demands.

"3. In support of this Minister for Foreign Affairs instanced demands made on July 26th which involved evacuation of Peiping by Chinese troops and general withdrawal of troops to Pao-tung-fu. He mentioned also recent incidents at Langfang and within the walls of Peiping. He also said
that

- 2 -

that further clash had occurred between Japanese and Chinese troops at Lungchow this morning owing to Japanese demands.

"4. He then stated that in the face of this continual and increasing pressure and of growing threat from the Japanese side the Chinese Government had already reached the limit of endurance and would be forced in a very short time to make a definite stand. In reply to a question he implied that this stand might take form of severance of diplomatic relations."

I showed him my telegram and told him that I would send a paraphrase to him to-morrow. We agreed that the two accounts coincided so closely that there was no need for any change.

We both remarked that our interview with the Minister for Foreign Affairs, Dr. Wang Chung-hui, seemed to us a pathetic exhibition of a man laboring under strain and possible excitement, and apparently not in possession of all the facts. He kept insisting that the Japanese were completely beyond their rights in attempting to occupy Langfang, although it was suggested by Mr. Blackburn that Langfang after all was one of the places covered by the Protocol at which the foreign powers - and among them Japan - were permitted to maintain detachments for the purpose of keeping open communications between Peiping and the sea. He also continually confused in his statements Langfang and Fengtai. He stated that Sung Che-yuan had carried out the terms of the understanding of July 11th, although he seemed to limit these terms to the evacuation by the 37th Division of Wanping-
hsien

- 3 -

hsien and the Marco Polo Bridge area. There was in our minds a discrepancy between what he seemed to understand was the arrangement between Sung Che-yuan and the Japanese, and what we understood in Peiping the arrangement to have been, namely: that the 37th Division was to evacuate the city of Peiping as well as the Hsiyuan barracks west of Peiping. There is a possible explanation for this in the probability that the Ministry of Foreign Affairs was not in possession of accurate information as to what had been done in Peiping.

Subsequently, this evening, information came to Mr. Acheson from Mr. Donald, who is very close to the Generalissimo and Mrs. Chiang Kai-shek, to the effect that the Generalissimo had issued orders to Sung Che-yuan to resist Japanese pressure. This information from Mr. Donald harmonizes with information from Peiping to the effect that General Sung Che-yuan is apparently unwilling or unable to consent to withdraw the 37th Division from Peiping, and is prepared to resist Japanese efforts to dislodge these troops from Peiping by force; and it has occurred to me that possibly the Ministry of Foreign Affairs may have known this at the time that he was communicating his statement to us.

Nelson Trusler Johnson,
American Ambassador.

Copies to Peiping and Tokyo.
5 Copies to Department.

NTJ:EA

A true copy of
the signed original.
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Enclosure #9

MEMORANDUM OF CONVERSATION.

Nanking, July 29, 1937.

Subject: Proposal for open communication
between Peiping and the sea under
international auspices.

Conte Justo Giusti del Giardino, Secretary
of the Italian Embassy.

Mr. Peck

Present: Mr. Acheson.

Conte Giusti called and said that he had come at the instruction of the Italian Ambassador to present the suggestion of the Ambassador that it would be advisable for the Protocol Powers to make joint representations simultaneously to the Japanese and Chinese authorities with a view to bringing about open communications between Peiping and the sea under some form of international supervision. He did not explain whether the scheme he had in mind was control of the railway or merely the despatch of international trains between Peiping and Tientsin. He said that the Italian Embassy had received a report from Conte Alessandrini, an officer of the Italian Embassy in Peiping, that the matter had been discussed there and that the American Embassy seemed to be the only Embassy not in favor of this proposal.

Conte Giusti said that on July 28 an Italian sailor had been killed on the "Town Hall" of the Italian

Concession

- 2 -

Concession at Tientsin and another sailor had been wounded. It seemed to be the opinion of the Italian Embassy that affairs in Peiping were becoming critical and Conte Giusti expressed the view that the constantly shifting course of events made it imperative to take the proposed joint international action at once, because circumstances might make it more difficult to do so later on.

Mr. Peck said that the American Embassy, Nanking, had received no report from Peiping regarding the discussion which Conte Giusti said had taken place there. He said that he would report to the American Ambassador the message just transmitted by the Italian Ambassador and would, as Conte Giusti requested, telephone to the latter. Mr. Peck observed that the Japanese now seemed to have control of the railway and presumably communications would be opened up again. Conte Giusti objected that, even if this were so, they would be opened under the control of one party to the controversy and this would not be so desirable as to have communications under international auspices.

Mr. Acheson, who was present at the interview accompanied Conte Giusti to the door of the chancery and on returning said that Conte Giusti had further discussed the proposal with him and that he, Mr. Acheson, had observed that with the present turn of events, which seemed to give the Japanese forces control of the Tientsin-Peiping Railway, that railway was being used

for

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

- 3 -

for the transportation of Japanese troops to fight against Chinese troops and no Chinese troops were being transported on the railway between Tientsin and Peiping.

During the conversation Mr. Peck observed that if the Protocol Powers were to make identical representations to the Japanese military authorities and the Chinese authorities, the Japanese probably would say that one of their objects was to keep communications between Peiping and the sea open, this announcement having already been made by the Japanese Government, according to the press; the Japanese probably would then intimate that they were qualified to take all necessary action without participation by the other Protocol Powers and the joint action would have the appearance merely of giving international backing to the Japanese military operations.

Willys R. Peck,
Counselor of Embassy.

Five copies to Department
Copy to Peiping

710.

WRP:MM

Enclosure #10

Memorandum of Conversation.

Nanking, July 29, 1937.

Mr. Giuliano E. Cora, Italian Ambassador, and
Mr. Johnson.

Subject: Situation at Tientsin.

I went to see Mr. Cora, who told me that he had received a telegram from Tientsin to the effect that fighting had become serious at the East Station; that an Italian sentry had been killed, and another Italian marine wounded. He referred again to the note drafted by the French Ambassador for identical use by the Protocol powers to be addressed to the Japanese and Chinese regarding keeping open communications to the sea under the Protocol.

I explained to him what had happened in regard to this matter, and stated that I had informed my Government that I could not see that it would accomplish the purpose which the French Ambassador had in mind; that in any case, in view of the ultimatum which had been presented by the Japanese, I was loath to do anything which might become identified in the Chinese mind in Peiping with an effort to induce them to comply; that the situation was so delicate that I did not wish to endanger my own people; and that, besides, little could

be

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

- 2 -

be done locally that would be effective.

The Italian Ambassador said that the Japanese had asked for the internationalization of the East Station. I said that this came to me as a surprise, as I had had no intimation of this from my Consul. He said that this indicated to him that they were anxious to mediate. He stated that their information all along had been that the Japanese would welcome some mediation. I told him that this was contrary to our information from the beginning; that the Japanese had from the beginning indicated that they were averse to receiving any suggestions which might be interpreted as intervention or mediation by third parties.

Nelson Trusler Johnson,
American Ambassador.

Copies to Peking and Tokyo.

5 copies to Department.

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

Enclosure #11

Memorandum of conversation.

Nanking, July 29, 1937.

The Minister for Foreign Affairs and
Mr. Johnson

Present: Mr. Peck.

Subject: Sino-Japanese Situation in
the North.

The American Ambassador called on Dr. Wang Chung-hui, Minister for Foreign Affairs, at his residence at 5 o'clock.

Dr. Wang described the situation at Peiping and Tientsin. He went over circumstances, which have already been reported to the Department, which, in his opinion, warranted a positive conviction on the part of the Chinese Government that the present military activities of the Japanese in Hopei Province are part of a preconceived plan to consolidate Japanese control over lines of communication converging at Peiping and to wrest the Province of Hopei from the control of the National Government. He said that there was every reason to believe that this plan would be extended to cover adjacent areas and, perhaps, over China as a whole. It was evident, therefore, that if the Chinese people did not attempt to stop the execution of this plan the territory under the control of the National Government would be taken from it piece by piece until nothing would

remain

- 2 -

remain and the National Government had no alternative but to oppose such resistance to these aggressive designs as it could muster.

Dr. Wang said that there would be no more yielding to these Japanese inroads.

Asked whether the measures which he had referred to during the interview held July 27 with the British and American Ambassadors would now be carried into effect, Dr. Wang said that the situation had been greatly aggravated in the last two days and the attitude of the National Government had changed. In particular, he said, the National Government had for the time being abandoned the idea of breaking off relations with Japan. The Government wished to leave open as long as possible an avenue for a peaceful settlement through negotiation of the difficulties with Japan. In consequence of this, the Chinese Government might never take the step of formally breaking off diplomatic relations, or diplomatic relations might automatically be broken off at the time of some major clash between Chinese and Japanese forces.

Nelson Trusler Johnson,
American Ambassador.

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

Enclosure #12

MEMORANDUM OF CONVERSATION.

Nanking, July 30, 1937.
11:18 a.m.

Subject: Assistance afforded by American
Consul General at Tientsin to
some Japanese in the First Special
Area.

Mr. Hidaka, Counselor of the Japanese Embassy,
Nanking.

Mr. Peek.

Mr. Hidaka telephoned to say that his Embassy had received a report from Tientsin to the effect that (presumably on July 29) the Pacantui in the First Special Area had entered a Japanese shop there, removed the telephone, and shut up a number of Japanese in one room. Two of the Japanese escaped and reported the situation to the Japanese Consulate General. The latter then brought the matter to the attention of the American Consul General, this area being within the area assigned to the American troops for defence, and the American Consul General took steps which resulted in the liberation of the imprisoned Japanese. Mr. Hidaka said that he was reporting this in order to express the gratitude of the Japanese Embassy to the American Consul General at Tientsin for rescuing the Japanese from their dangerous situation.

Mr. Hidaka said that he had just telephoned to Mr. Naggier, the French Ambassador, who said that he had just received a telegram from Tientsin to the

effect

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

- 2 -

effect that a sort of armistice had been declared at Tientsin between the Japanese and Chinese forces. Mr. Hidaka asked whether the American Embassy had received any such news.

Mr. Peck said that the report from Tientsin received by the American Embassy was that the Consular Body in Tientsin had endeavored all through July 29 to bring about some sort of understanding between the Japanese and the Chinese forces, but had failed. He said he was glad to hear that some sort of success had been achieved. Mr. Hidaka said that it had never been the intention of the Japanese forces in Tientsin to attack the local Paomantui (a sort of police force), and the sudden rising of these forces against the Japanese had produced a very troublesome situation for all concerned. The Japanese forces had been particularly anxious not to involve foreigners of other nationalities.

Willys R. Peck,
Counselor of Embassy.

Copy to Peiping
Copy to Tientsin
Five copies to Department

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



EMBASSY OF THE
UNITED STATES OF AMERICA

Nanking, August 2, 1937.

No. 550.

Subject: Political and military situation
in Tsinan.

RECEIVED
DEPARTMENT OF STATE

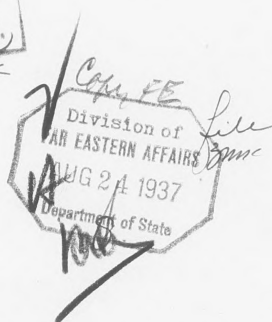
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DIVISION OF
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DEPARTMENT OF STATE

A-M/C

1 AUG 30 1937

ASSISTANT SECRETARY
OF STATE

The Honorable

The Secretary of State,
Washington.

I have the honor to enclose a confidential report
(No. 62, July 28, 1937) from the Consulate at Tsinan
which reveals the present unmistakable drift of war
clouds toward the Province of Shantung.

This despatch, when read in conjunction with the
three telegrams attached thereto, offers rather con-
vincing evidence in confirmation of the opinion, now
widely held in Nanking, that the Central Government
really means to accept unreservedly the challenge which
it feels Japan has issued, and to engage in a downright
test of strength, on a broad front if necessary.

Whether

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

- 2 -

Whether General Han's reluctance to have troops of the Central Government sent into his Province arose from concern over what this might eventually mean to his own prestige and authority; whether it was rather his hope and desire to isolate his Province from the conflict; or whether he was dominated by other motives; the significant fact would seem to be that, according to first-hand information gathered by Mr. Allison, Central Government troops, uninvited and unwanted, were in fact sent in by the Generalissimo. This striking change in attitude on the part of the Generalissimo seems clearly in line with his announced policy of resistance to further Japanese aggression.

The Department will observe that Mr. Allison is taking proper measures to warn American citizens in northern and eastern Shantung of possible eventualities.

Respectfully yours,

Nelson Trusler Johnson
NELSON TRUSLER JOHNSON.

✓
Enclosure:

Despatch No. 62 from Consul at Tsinan,
dated July 28, 1937.

In quintuplicate to the Department.

Copies to Peiping and Tokyo.

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

No. 62

ENCLOSURE ~~NO.~~ (Single)
TO DESPATCH NO. 550
DATED August 2, 1937

AMERICAN CONSULATE,
Tsinan, China, July 28, 1937.

Confidential

Subject: Political and Military Situation in Tsinan.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Nanking.

Sir:

I have the honor to report that while Tsinan is outwardly quiet and there have been no local incidents which might cause alarm there is a definite feeling among nearly all classes of people, both Chinese and foreign, that the situation in North China has passed the point where a peaceable solution can be reached and there is real fear that the trouble may spread to this Province. Inasmuch as all mail communications with Peiping are broken at present this despatch is being sent to Nanking.

As indicated in this Consulate's last three telegrams to Peiping, copies of which are enclosed, both General Han Fu-chu and the local Japanese Consul General view the future with considerable alarm. The presence in Shantung of Central Government troops is believed to be a complicating factor for the Japanese authorities

have

- 2 -

have not been hesitant in stating that if such troops arrive in the Province it may be necessary for Japanese troops to come in also. While General Han admitted to me last night that Central Government troops were in Eastern Shantung he denied it to the Japanese consul general in an interview yesterday morning. In my interview with General Han he showed some displeasure at the presence of Central Government troops and he hinted that if trouble broke out in Shantung it would be due to Japanese resentment at these Nanking troops. The Japanese consul general asked me this morning if I had any information about Central Government troops in Shantung and upon being told that I had heard rumors concerning them he said, "I am afraid that if it is found that such troops have actually entered Shantung, Japanese troops will come into the Province also." He added that he was now making plans for the evacuation of Japanese subjects but that he did not believe the time had yet arrived when it was actually necessary to undertake such evacuation.

Local military preparations continue. Municipal officials the last few days have been making investigations concerning hotels, guildhalls and vacant houses in Tsinan. One of them is said to have told a keeper of a guildhall that the vacant buildings were to be used for Central Government troops. I was informed by the local manager of the Standard-Vacuum Oil Company this morning that it is not now possible to make carload shipments on the Tientsin-Pukow Railway and that picul shipments are only being accepted for as far north as Tehsien (德縣).

However

- 3 -

However, through shipments from Tsingtao to points on the Tsin-Pu line are still being accepted.

An officer of the Royal Artillery, attached to the British Embassy in Peiping, has recently been sent to Tsinan to report on the local situation inasmuch as the British have no consul here at present. This officer told me this morning that the Central Government troops said to be at Tehsien (as reported in my telegram of July 27, 4 P. M.) are units of the 7th Division under the immediate command of General Hu Tsung Nan (胡宗南).

All Chinese, official and civilian, with whom I have talked are extremely pessimistic about the outlook. They say that China has given in as much as she can and that the matter can now only be settled by force. The preparations being made locally seem to indicate a determination to make effective resistance to any Japanese invasion of this Province.

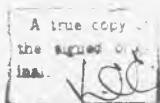
Respectfully yours,

John M. Allison,
American Consul.

Enclosure:

As stated.

Original and 5 copies to Embassy, Nanking.
Single copy to Embassy, Peiping.
Single copy for information of consulates,
Tsingtao and Chefoo.



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

TELEGRAM SENT

To: Amembassy, Peiping Date: July 26, 1937.
Code: GREY

Amembassy Peiping

July 26, 3 p.m. General Han is reliably reported to have reluctantly given consent yesterday to the despatch by the Central Government of troops of the 51st division under the command of General Yu Hsueh-chung to take over garrison duties in Eastern Shantung from Taierh-chwang in the South to Weihsien in the North.

The situation in Tsinanfu remains unchanged though there is some evidence of the feeling among the Chinese that this period is "the calm before the storm."

Allison.

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

TELEGRAM SENT

To: Amembassy, Peiping Date: July 27, 1937.
Code: GREY

Amembassy Peiping

July 27, 4 p.m. It is reliably reported that General Han received a telegram from Chiang Kai-shek yesterday stating that, 1) Japan had determined to invade Shantung within ten days, 2) Chiang had ordered the 51st Army (not division as reported in my July 26, 3 p.m.) to take over garrison duties in Eastern Shantung and 3) Han should not relax defensive preparations. I have also been informed that one brigade of Central Government troops has been ordered to Tehsien on the Tientsin-Pukow Railway and that it has been placed under the command of General Han. This cannot yet be confirmed.

In a conversation this morning the Japanese Consul General was much more pessimistic about future events in Shantung than he has been previously. He said that while he had not yet ordered the evacuation of Japanese he felt it now necessary to make plans for possible eventualities. I do not believe there is any immediate danger but have secured an appointment with General Han for this evening to discuss the situation and the protection of American citizens.

Allison.

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

TELEGRAM SENT

To Amembassy, Peiping Date: July 27, 1937.
Code: GREY

Amembassy Peiping

July 27, 6 p.m. In a personal interview at 5 p.m. today General Han said that he believed a large scale armed clash between Chinese and Japanese was inevitable. Whether or not Shantung would be involved depended upon the actions of Japan but he expected Japanese troops to land at Tsingtao at any time. Han said he had received large supplies of military equipment from Nanking and admitted the presence, mainly in Eastern Shantung, of Central Government troops. He strongly intimated the desirability of American citizens leaving points along the Tsingtao-Tsinan railway but would not definitely request their evacuation.

Han appeared convinced that the breakout of open hostilities in this Province was only a question of time. If the Embassy has no objection I intend to send out precautionary letters to Americans in northern and eastern Shantung tomorrow.

Allison

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

~~REV~~
~~REM~~
~~W.H.H.~~ August 26

To note Hankins's
No. 552, Aug 2, which
is an adequate summary
of its five enclosures.

Marked passages of
Enclosure No. 5 are of
particular interest.

W.H.H.

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Nanking, China, August 2, 1937.

No. 552

Subject: Sino-Japanese Crisis in North China

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ASSISTANT SECRETARY
OF STATE

~~ADG 31 1937~~

~~The~~ Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to my despatch No. 549 of July 30, 1937 transmitting twelve memoranda of conversations on the indicated subject of this despatch.

1/ There are enclosed five additional memoranda of conversations. The first reports the statement of the minister of railways that China has no

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alternative but to resist Japanese incursions now, at the risk of being totally absorbed by Japan, or else to be absorbed piece by piece, and his query whether interested powers would take any steps in the future to end hostilities.

2/ Enclosure No. 2 reports a statement of the British Ambassador to me that the Vice Minister for Foreign Affairs asked him on July 30 why the Protocol Powers had never appealed to their rights under the Protocol to keep communications open to the sea.

3/ The third enclosure concerns a conversation held on July 30 wherein the French Ambassador informed the British Ambassador and me of the statement of the Japanese Ambassador in Paris that while the Japanese intended to clear out all anti-Japanese activity in North China, they had no intention of taking any action in South China. This statement apparently was not made to the American or British Governments and my colleagues and I concurred in thinking that the discrepancy arose from over zealousness on the part of the Japanese Ambassador in Paris.

4/ Enclosure No. 4 is a memorandum of a conference held on July 30 between the American, British, French and Italian Ambassadors in the course of which it was decided, principally at the urging of the French and Italian Ambassadors and in spite of certain objections to the course perceived by my British colleague and me, that our representatives in Peiping should deliver to the Japanese Ambassador and the Chairman of the

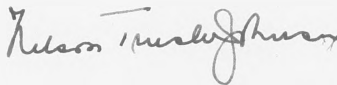
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- 3 -

Hopei-Chahar Political Council, in our names,
communications along the lines of a draft prepared
by the French Ambassador inviting the attention of
the Japanese and Chinese authorities to the neces-
sity of preserving open communication between
Peiping and the sea under the Boxer Protocol.

5/ On August 2 I called on the Political Vice
Minister for Foreign Affairs and inquired what infor-
mation he could give me regarding the progress of
events (see enclosure No.5). In reply to my question
the Vice Minister gave me an impressive survey of the
present relations between China and Japan, including
China's resolve to resist Japanese aggression and
China's hope that at some juncture, possibly after
protracted warfare but before China's extinction, the
friendly Powers would intervene, and thus ensure that
China's sacrifices should not be in vain. Because of
their thoughtful presentation, the observations of
the Vice Minister merit attention.

Respectfully yours,



Nelson Trusler Johnson

Enclosures:

5/ As stated.

original and four copies to Department
Copy to Embassy, Peiping.

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

ENCLOSURE NO. 1
TOLESPATCH NO. 552
DATED Aug. 2, 1937

Memorandum of Conversation.

Nanking, July 30, 1937.

Mr. Chang Kia-ngau, Minister of Railways, and
Mr. Johnson.

Subject: Sino-Japanese situation.

I called upon Mr. Chang Kia-ngau, Minister of Railways. I told him that I would be very glad to have any information which he might be able to give me.

Mr. Chang stated that the situation was very serious and that there was nothing the Chinese could do now but resist further encroachment by Japan. He stated that China had the choice of being eaten bit by bit, or in one big bite, and that they preferred to be eaten in one big bite. He asked me whether, if war were to last two or three years, there was any possibility that Great Britain and the United States and France would take steps to bring about a cessation of hostilities.

I told him that, short of becoming involved in the conflict themselves, I thought that all of the powers would be glad to do anything reasonable or possible to bring about a cessation of hostilities now or in the future. I pointed out that at the present time steps to that end seemed impossible, as the Japanese at least had indicated an aversion to receiving anything which might in the slightest degree be interpreted as mediation on

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

- 2 -

the part of a third power.

Mr. Cheng agreed with this analysis of the situation. He stated that he felt the Chinese could not do otherwise than they were doing at present; that they must resist; otherwise they had no choice other than to surrender sovereignty.

Nelson Trusler Johnson,
American Ambassador.

5 copies to Department.

6 copies to Peking and Tokyo

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

ENCLOSURE NO. II
DESPATCH NO. 552
DATED Aug 2, 1937

Memorandum of Conversation

Nanking, July 30, 1937.

Sir H. H. M. Knatchbull-Hugessen, British Ambassador,
and Mr. Johnson.

Present: Mr. Blackburn, Chinese Counselor
of British Embassy.

Subject: Sino-Japanese situation.

Sir H. H. M. informed us that he had this afternoon
been to see Dr. Hsu Mo, Vice Minister of Foreign Affairs,
and that Dr. Hsu Mo had asked him why the Protocol
powers had never appealed to their rights under the
Protocol to keep communications open to the sea.

Nelson Trusler Johnson,
American Ambassador.

5 copies to Department.

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

ENCLOSURE NO. 3
TO DESPATCH NO. 552
DATED Aug 2/37

Memorandum of Conversation.

Nanking, July 30, 1937.

Sir Hughe M. Knatchbull-Hugessen, British Ambassador,
Mr. Paul Emile Nagliar, French Ambassador,
and Mr. Johnson.

Subject: Sino-Japanese situation.
Statement made to French Foreign
Office by Japanese Ambassador.

In conversation today with the French Ambassador and the British Ambassador, Mr. Nagliar referred to the communication which the Japanese Ambassador had made to the French Foreign Office on or about July 13th, which I communicated to the Department by telegram on July 16th.

The French Ambassador elaborated somewhat upon this. He stated that in the communication which the Japanese Ambassador had made to the Foreign Office, and especially in the conversation which accompanied it, the Japanese Ambassador had seemed to be somewhat critical of statements which had been made before the Japanese Diet by Foreign Minister Kato. He had stated to the French Foreign Office that the Japanese on this occasion were determined to clear out all anti-Japanese activity in North China, and had given assurances that in accomplishing this determination the Japanese had no intention of taking any action in South China.

The British Ambassador stated that apparently the
Japanese

0350
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Japanese had not made any such communication to them.

I told the British and French Ambassadors that, in so far as my information went, no such communication had been made to us in Washington.

The French Ambassador remarked that it was interesting that the Japanese Ambassador at Paris should have made a communication so different from that made by Japanese Ambassadors elsewhere; that perhaps it was merely due to over-zealousness on his part. He concurred in his opinion.

Nelson Trusler Johnson,
American Ambassador.

5 copies to Department.

Copies to Peking and Tokyo.

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

MEASURE NO. 4

NO. 552

Aug 2, 1937

Memorandum of Conversation.

Nanking, July 30, 1937.

Sir Hugh E. Knatchbull-Hugessen, British Ambassador,
Mr. Paul Emile Naggiar, French Ambassador,
Mr. Giuliano S. Cora, Italian Ambassador,
and Mr. Johnson.

Present: Mr. Blackburn, Chinese Counselor of
British Embassy,
Mr. Peck.

Subject: Note drafted by French Ambassador and offered
by him to be used identically by Protocol
Powers for presentation to the Japanese and
Chinese authorities inviting their atten-
tion to the necessity of preserving freedom
of communication between Peiping and the
sea under the Boxer Protocol.

At the suggestion of the Italian Ambassador, and of
the French Ambassador, I invited them to come to my of-
fice at five o'clock this evening in order that we might
discuss what action we should take in regard to a draft
of a note which the French Ambassador had submitted to us
on July 18th to be addressed to the Chinese and Japanese
authorities on the subject of the maintenance of communi-
cation between Peiping and the sea under the Boxer Pro-
tocol. I also asked the British Ambassador to come.

I explained that in a conversation which I had with
the Italian Ambassador yesterday, the latter had de-
scribed the situation existing in Tientsin and had ex-
pressed the opinion that the note suggested by the French
Ambassador should have been sent. I explained that when the

French

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

- 2 -

French Ambassador sent to me this draft of a note he had offered it as a possible means of affording a channel through which Japanese and Chinese might effect a meeting of the minds in regard to their difficulties in North China, as the Boxer Protocol was a document agreed to by all. I said that I had submitted this draft to my Government with the statement of my belief that it would not accomplish that purpose. I said that our experience and all of our information indicated that the Japanese were determined not to listen to any third party mediation or intervention in a matter which they considered to be entirely one for settlement between them and the Chinese. I told them that the Department of State had replied to my telegram submitting this draft, had shared my doubts as to the efficacy of the note, but had authorized me, should the diplomatic representatives of the other Protocol powers be prepared to take such a step, to join them in making on my own initiative the suggested demarche.

I stated that in reaching a decision in regard to this matter consideration should be given as to whether hostilities appeared to be imminent, and as to whether hostilities were likely to be of such a character as to prevent open communication to the sea and endanger American nationals, including the personnel of the Embassy. I also stated that in case the draft should be used the Department of State preferred that the phrase "the occupation

- 3 -

pation corps, the Guards of the Embassies" should be changed to read "the Guards of the Embassies and other Protocol troops".

I stated that when I received this authorization on or about July 21st the situation in Peiping and Tientsin had all the appearance of quieting down; that it then appeared that General Sung Che-yuan was in process of carrying out what we understood to be the agreement between him and the Japanese for the evacuation of the 37th Division; that communication between Peiping and the sea was open and I felt that the need for this action no longer seemed to exist; and I prepared to come to Nanking. I stated, however, that the situation had changed radically since then; that Mr. Cora seemed anxious to see the note sent; that my French colleague seemed equally interested; that, as I had been authorized to join, and since the situation in North China seemed to be growing worse, I was prepared to act if the others thought it necessary. I had asked them to come to discuss this matter.

The British Ambassador stated that he had taken the matter up with his Government and had asked for instructions, and that up to the present he had not received any instructions; that he could not join until instructions were received, and he thought these should be in his hands by to-morrow.

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- 4 -

The French Ambassador outlined at some length the situation which presented itself. He pointed out that all along the Japanese had been very careful to notify the Commandants of troops at Tientsin of any increase in their own forces. He recalled that there had in the past been an understanding among the Commandants as to the number of troops which they would have in order to carry out their joint obligation under the Boxer Protocol. He stated that it was apparent, at least from the files of his Commandant in Tientsin, that the powers had never made any reply to these communications from the Japanese; that they had slept on their rights; that, obviously, upon the receipt of such communications it should have devolved upon the powers to inquire of the Japanese through the military commandants as to the reasons for the increases in their forces, and possibly to take some joint action among themselves to similarly increase their forces. This had not been done and he felt with me that, while the proposed note would not serve to accomplish any purpose in preventing hostilities, in view of the developments in North China, it at least would serve to prevent the establishment by the Japanese of any prescriptive right in that area. He thought that within six months we would be under the necessity of withdrawing all of our forces from that area.

I pointed out that my instructions seemed to require

that

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

- 5 -

that all of the Protocol powers should join. He agreed, however, that time was of the essence; that the other Protocol powers either did not possess troops or sufficient interest, or were so scattered that it would be difficult to get their action; that it was better for the four of us who had continued to maintain troops under the Protocol and who had kept alive our rights to take some action. I stated that I was preparing to do this in view of the feelings of the others, as I did not wish to obstruct action which might be of any help.

Mr. Peck pointed out that he felt that such a note as we proposed to send would be seized upon by the Chinese as an unfriendly act; that the fact was that the railway between Peiping and the sea was being used by the Japanese for aggressive purposes against the Chinese, a situation not contemplated by the Protocol. It was pointed out, however, that the note was innocuous; that it applied simply to our several individual rights and situation.

The question was raised as to the method of presenting the note, and it was agreed that, each on his own initiative but acting at the same time, should present an original note, signed by the officer in charge of his Embassy at Peiping in the name of a Chinese Ambassador, addressed on the one hand to the Chairman of the Hebei-Chahar Political Council, and on the other hand to Mr. Kato, the Japanese Ambassador; and that subsequently copies would be delivered by each of us to the Foreign Office here at Hankow.

Nelson Trusler Johnson,
American Ambassador.

5 copies to Department.
Copies to Peking and Tokyo.

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NO. 552
8/2/37
Memorandum of Conversation.

Nanking, August 2, 1937.

Dr. Hsu Mo and Mr. Johnson.

Present: Mr. Peck.

Subject: Determination of China to
resist Japanese Aggression.

Mr. Johnson called on Dr. Hsu Mo at 11 o'clock. He asked whether Dr. Hsu Mo had any information to impart. Dr. Hsu Mo replied that there seemed to be a lull in military activities. However, the Chinese Government observed that mobilization measures were still in progress in Japan. As a necessary response to these measures, the Chinese Government was sending additional troops to North China. The military action taken by the Japanese forces in that area left China with no alternative but to oppose with force.

Dr. Hsu Mo inquired whether the President was in Washington and Mr. Johnson replied that he was. Dr. Hsu Mo inquired whether any American Government official had made a public statement with reference to events in the Far East since the statement released by the Secretary of State on July 16. Mr. Johnson said that

no

- 2 -

no public statement specifically referring to the Sino-Japanese situation had been made. Mr. Johnson said that he had not observed any public statement made by Great Britain or any other Power on this subject and he reminded Dr. Hsu Mo that the system of parliamentary interpellations does not exist in the United States, a system which permits the publication of questions propounded in Parliament and answered by the British Secretary of State for Foreign Affairs, expressing the attitude of the British Government in regard to specific situations.

Dr. Hsu Mo said that China hoped that the interested Powers, especially the United States, Great Britain and France, would make representations to the Japanese Government with a view to putting a stop to Japanese aggression in China. He said that China sincerely appreciated the expressions of sympathy received from friendly Powers and he believed that the people of even those Powers whose governments, for political reasons, remained markedly aloof from the present controversy, sympathized with China in its struggle against Japan. Moral support and sympathy, however, would have little effect on the Japanese program. Mr. Johnson said that he thought that popular sentiment throughout the world, as evidenced by indications of sympathy, would control matters like this in the long run and he wondered what form of statement to Japan, if made by the three Powers Dr. Hsu Mo had named, would prove more effective.

- 3 -

effective. Mr. Johnson said that everybody seemed to have the impression that within the Japanese Government, and even within the "militarist faction", there was a faction which was practically revolutionary, and that this faction paid no heed to opinions held elsewhere in the Government and much less to opinions held in the world at large. He reminded Dr. Hsu Mo that he, himself, had expressed this opinion.

Dr. Hsu Mo assented to this. He referred to the advance information received by the Chinese Government before July 7 that the Japanese general staff intended further military action in North China, contrary to pacific utterances by the civil branch of the Japanese Government.

In spite of this consideration, Dr. Hsu Mo persisted, he said, in thinking that the further prosecution of Japanese "aggression" in China would be halted if the United States, Great Britain and France were "to take a stand" in the matter. For purposes of illustration, he said, if the British and American fleets were to be brought into the Pacific, the Japanese militarist faction would call a halt and he was sure that it would not be necessary for these fleets to fire a shot.

Mr. Johnson said that in his own state, Oklahoma, there was an adage to the effect "Do not draw a gun

unless

- 4 -

unless you are ready to shoot". Dr. Hsu Mo remarked with a smile that these fleets would be able to shoot.

Mr. Peck observed that the President could not order the American fleet to shoot without the sanction of Congress. Dr. Hsu Mo was still of the opinion that a demonstration by the two fleets would be effective.

Mr. Johnson inquired whether it was true that the Japanese Naval Attaché had said something to the Foreign Office in regard to Japanese action in other parts of China. Dr. Hsu Mo said the Japanese Assistant Naval Attaché, Honda, had come recently (July 30) and said that the Japanese Navy regretted the hostilities in North China; the Assistant Naval Attaché hoped nothing like that would happen further south, but that if it did, the Japanese Third Fleet would take whatever measures it believed necessary wherever necessity should arise. Dr. Hsu Mo said he supposed this was intended by the Japanese as a warning. He asked whether Mr. Johnson had heard of any intended measures by the Japanese Naval Landing Force at Shanghai. Mr. Johnson said he had not; that he hadn't been to Shanghai recently, but he intended to go to Shanghai the same day, to get the feeling of things there and that he would be back by the morning of August 4. Dr. Hsu Mo said the Third Fleet seemed active on the coast of South China
and

- 5 -

and around Tsingtao.

Dr. Hsu Mo said that the Chinese Government felt that it was useless to appeal to the League of Nations in this emergency. Manchuria had been lost to China after China had appealed to the League. Ethiopia was conquered by Italy in spite of action taken by the League. China's appeal to the League had been without result even though, at that time, Japan was a member of the League and China was able to invoke Article 15 of the Covenant; Japan is not now a member of the League and it seems doubly useless to invoke Article 17 of the Covenant.

Mr. Peck observed, in passing, that Dr. Hsu Mo had referred to the case of Ethiopia and that a great many nations had "taken a stand" in reference to Italy's military action in that country. Dr. Hsu Mo admitted that certain countries had imposed sanctions against Italy, without any benefit to Ethiopia.

Dr. Hsu Mo said that in the fighting in North China, Japan had methodically destroyed educational institutions, such as Nankai University and Middle School, had deliberately destroyed innumerable homes of poor Chinese in Tientsin and was continuing to make extensive military preparations in Japan and that all of these things convinced China of the futility of deferring any longer forcible resistance to Japanese aggression. The Chinese Government had therefore come to the decision to resist Japan, as he had already stated

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

- 6 -

stated. China was entirely conscious, he said, of the inequality of the struggle and of the sacrifices and suffering which it would entail. China hoped that the supreme sacrifice she was about to make would not be in vain in bringing about a more ordered state of international relations. China especially hoped that after this unequal struggle had been conducted for a certain length of time and before it should be too late, the Powers would finally intervene on China's behalf.

Mr. Johnson said that he wished to express his personal sympathy with the Chinese people in their struggle; at the same time, he hoped that Dr. Hsu Mo would appreciate that there was an American point of view in this matter. Dr. Hsu Mo stated that he understood this.

Melson Trusler Johnson
American Ambassador.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 28, 1937.

JCV:
RCM: *[initials]*

Tsingtao's No. 218, July 27, 1937,
entitled "Tsingtao and the North China
Hostilities".

A few days after the outbreak of
hostilities at Lu Kou Ch'iao, the Japanese
Resident Military Officer in Tsingtao
expressed the belief that the Central
Government would not send troops to assist
the 29th Army.

Ambassador Kawagoe stated in Tsingtao
that he sincerely believed in the ability of
the Mayor of Tsingtao to protect Japanese
lives and property in that city. This state-
ment seems to have reassured the Chinese
officials.

During the two weeks preceding the date
of the despatch there was evidence of
jingoism among the Japanese community in
Tsingtao. Gifts were made for the Japanese
military forces in North China.

Between July 16 and 18 rumors were
prevalent that Japanese troops were being
despatched to Tsingtao. It was realized by
well informed persons that such Chinese
forces as were in Tsingtao and its environs
could not offer any but short-lived resistance
to Japanese landing in Tsingtao. The Japanese

press

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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 -

press seemed assured that General Han Fu-chu would take no action against the Japanese or permit Central Government troops to invade Shantung Province for that purpose. The Japanese press emphasized that Tsingtao would be a safe place of refuge.

1825
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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. 218

For Distribution Check		Yes	No
For	G.		<input checked="" type="checkbox"/>
For	Sokolov		<input checked="" type="checkbox"/>
AMERICAN CONSULATE			

Tsingtao, China, July 27, 1937.

Subject: Tsingtao and the North China Hostilities.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to review significant trends in the Sino-Japanese situation in Tsingtao during the fortnight following the outbreak of hostilities at Lu Kou Ch'iao, and to make certain observations which this consulate considers pertinent. These observations are intended to present a cross section of Japanese opinion which in some measure will reveal Japanese policy, and which will explain to some extent acts of omission or commission on the part of both the Japanese and Chinese.

Japanese Resident Military Officer's Explanation of Chinese Army Movements

On July 12 within a few days after the first outbreak of hostilities, the Japanese Resident Military Officer in Tsingtao commented on reports that General Chiang Kai-shek would despatch troops to North China. It was quite apparent from Major Yahagi's comment that he did not believe it at all probable that such troops would actually be despatched to aid the Chinese troops in Hopei, nor that the Hopei troops would welcome aid from Chiang Kai-shek's armies. The Resident Military Officer indicated that

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A-M/C

AUG 24 1937

ASSISTANT SECRETARY

OF STATE

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AUG 24 1937
Department of State

793.94/9616

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- 2 -

that the Hopei troops had good reason to believe that the armies from Central China would not in effect be reinforcements, but rather would actually throw their weight against the 29th Army. Foreign correspondents in Peiping have only recently similarly commented on the failure of Chiang Kai-shek's armies to reach the vicinity of Lu Kou Ch'iao. While it is more than likely that other observers in China have held the same opinion as that of Japanese Resident Military Officer, it is particularly interesting to note that Major Yahagi's view was expressed as early as July 12 and has proved thus far to be correct.

Ambassador Kawagoe's Activities

The Japanese Ambassador, Mr. S. Kawagoe, arrived in Tsingtao on July 9, and departed for Tientsin on July 14. Considering how critical relations were during this period between China and Japan, it seems surprising in retrospect that the Ambassador should have remained in Tsingtao as long as he did. It is possible that the Ambassador felt that from a diplomatic standpoint it was better to remain in a position, for the moment, of detachment; on the other hand, it is also possible that his presence in the Tientsin-Peiping area was not welcomed by the Japanese military. However, it is possible that the Ambassador's sojourn in Tsingtao for five days was reassuring to the Chinese authorities, in view of his statement to the press that he "sincerely believed in the ability of the Mayor of Tsingtao to protect Japanese lives and property in this city."

In...

- 3 -

In other words, the Ambassador's statement implied that the Japanese still relied on the Chinese to provide the required protection and the Japanese would not despatch landing forces to Tsingtao for this purpose. This recognition of Chinese sovereign rights in Tsingtao must have been very reassuring to Chinese officials.

Japanese Jingoistic Feeling

It is evident that during the past fortnight some of the jingoism which prevailed in Japan was communicated to the local Japanese community in Tsingtao. On July 16, the Tsingtao Japanese Residents' Association despatched a telegram of appreciation to the Commander-in-Chief of the Japanese Garrison in North China, while at the same time the Japanese Cotton Mill Owners' Association in China, with an important branch in Tsingtao, published a cablegram received from the Japanese Cotton Mill Owners' Association in Osaka, to the effect that the Association would cooperate in rendering services to their country; that they would take measures to cope with the situation and that they prayed that the Japanese Government would progress in its policy of achieving stabilization of Far Eastern affairs at this time. Another cable received in Tsingtao followed a mass meeting held in Kure (one of the three principal naval bases in Japan) to the effect that the local community had the mass meeting's best wishes for success in its struggles through the present situation.

In addition, numerous Japanese have made contributions to the Japanese War Office, while the Kung Ta Cotton

Mill...

- 4 -

Mill, which is the largest Japanese owned cotton spinning and weaving mill in Tsingtao, presented the office of the Japanese Resident Military Officer with a motor cycle and side car. Other Japanese have sent "comfort" packages of clothing and food to the forces in North China as tokens of their patriotism and appreciation.

Rumors of Despatch of Japanese Troops

The Chinese civilian population and not a few Chinese officials have shown considerable anxiety if not alarm over rumors that Japanese troops were being despatched to Tsingtao. These rumors were particularly prevalent around July 16, 17, and 18. It was on July 18 that a representative of the Mayor of Tsingtao called at this consulate and at the British Consulate General and discussed the possibility of the landing of Japanese forces. It is now believed that the purpose of the visit on the foreign consulates (incidentally no call was made on other than the American and British Consulates) was to ascertain whether the consulates had any knowledge of what action foreign governments would take in the event of extension of the North China hostilities to such a place as Tsingtao and other important Chinese cities. It is possible that the Mayor did only intend to convey to the foreign consuls that he would assume responsibility for the protection of the lives of their nationals up to the point where he might be forced to offer armed resistance to a Japanese landing force. There is no question that many of the high Chinese officials here were considerably alarmed by the possibility...

0368

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

- 5 -

possibility of the landing of Japanese forces in Tsingtao. Some foreigners likewise showed apprehension but the better informed elements among both occidentals and Chinese realized that such Chinese forces as are in this city and its environs could not offer any but short lived resistance to a Japanese force whose aim would be to land in Tsingtao. Not a day has passed that Americans, particularly those here on vacation, have not called at this consulate to be reassured. The consulate from the beginning has taken the view that no emergency exists, but it has informed Americans in as discreet a way as possible that measures for adequate protection have been taken and would immediately be put into effect in case the necessity might arise. While on the one hand the Japanese have denied consistently that they were aware of any plan to despatch Japanese troops in Tsingtao, certainly the Japanese newspapers in Tsingtao have painted a picture of intense Chinese hostility; and in spite of reassuring statements by the Japanese Consulate General it is quite evident that a considerable section of the Japanese community has expected an extension of hostilities to this area. The Japanese press has constantly conjured pictures of Chinese Central Government troops invading the province of Shantung, and yet paradoxically as it may seem, they have appeared assured that General Han Fu-chu would take no action against the Japanese or permit any Central Government troops to invade this province for that purpose.

- 6 -

purpose.

Japanese Spread Rumors.

It has been amazing also during the period under review to note the absurdity of some of the Japanese rumors in regard to the Chinese; thus on July 21, the Japanese noted that a local shop in preparation for the imminent hostilities was busily engaged in sharpening its familiar executioner's swords such as have been carried by Chinese troops in recent battles. Another report on the same date stated that 700 coolies were gathering "under leadership of officials especially despatched by Nanking to keep watch over the Japanese residents and to abuse such residents upon sight; these coolies are armed with 700 guns, 700 swords, 500 hand grenades, etc." Still another rumor stated that "thirty members of the staff of the Ministry of Communications are plotting something in the Railway Middle School." Then a thousand coolies were declared to be armed with guns and swords. The harbor and wharf coolies were to be mobilized in case of war. Motor trucks were being commandeered. Thus were rumors spread until finally on July 22, circulars advising Japanese residents of the steps they should take in case of emergency were disseminated (see Tsingtao despatch no. 217 of July 24, 1937, file no. 800, subject: Japanese Protection and Evacuation Measures in Tsingtao). It is understood that the question of the issuance of the circulars was strongly debated by

the...

- 7 -

the members of the Japanese community. One group held that there was bound to be an extension of hostilities to Tsingtao and that immediate precautionary measures should be taken. Other Japanese held that the taking of such measures would in itself create uneasiness but that in any case there would be ample time in which to take necessary measures if and when the situation so required it.

The general impression of the past fortnight has been one of much uneasiness naturally among the Chinese while on the other hand certain elements of the Japanese apparently believed that this city would be drawn into the zone of hostilities. The Japanese newspapers did not contribute to the feeling of peace and order, which has been maintained by strict vigilance of the Chinese authorities and to which possibly the presence of Japanese men-of-war has contributed. Rumors that the Japanese would land troops at Tsingtao have been current daily but there has been no evidence whatsoever that Japanese contemplated landing in Tsingtao. As time passed by, the Japanese emphasized that there was no danger in Tsingtao, and as one Japanese paper put it:

"Residents of Tsingtao, whether Chinese or Japanese, should recognize the fact that Tsingtao is an eternal utopia and the safest spot in China...."

Respectfully yours,

Samuel Sokobin,
American Consul.

0371
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Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

- 8 -

800

SS:AD/CML

Original and five copies to Embassy, Peiping,
Copy to Embassy, Nanking,
Copy to Taiwan-Chefco,
Copy to Commander-in-Chief, U. S. Asiatic Fleet.

A true copy of
the signed original.

0378
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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

Aug. 28.

~~MEMO~~
~~MEMO~~

Appended to this
despatch is an
interesting editorial
from a Panama
paper in which
Japan's actions in
China are strongly
condemned.

WTT.

037
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



DIVISION OF
AUG 30 1937
LEGATION OF THE
UNITED STATES OF AMERICA

Panama, August 18, 1937

No. 1160

AIRMAIL

SUBJECT: Panamanian editorial upon
Japanese policy in China.

793.94

RECEIVED
DEPARTMENT OF STATE

1937 AUG 23 PM 2 24

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94/9617

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor herewith to transmit a trans-
lation of an editorial, "The Wolf's Ears", which
appeared in EL PANAMA AMERICA of August 16, 1937.

While all editorials on present Japanese policy
in China which have thus far been noted in the local
press have condemned that policy in general, the ed-
itorial under reference analyzes specific phases of

that

Division of
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AUG 24 1937
Department of State

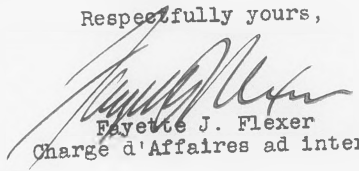
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0374
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

-2-

that policy which it finds particularly unprincipled. In criticizing past expansionist policies of western powers, it is said that their greatest harm is found in the precedent furnished thereby to Japan, called an apt disciple who has turned against the interests and peace of the Occident.

Respectfully yours,


Fayette J. Flexer
Chargé d'Affaires ad interim

Enclosure;

Translation of editorial from
EL PANAMA AMERICA of August
16, 1937.

FJF-egr

Enclosure No. 1. to Despatch No. 1160, dated August 18, 1937.
from the Legation at Panama.

TRANSLATION - km
from

El Panama America - August 16, 1937.

THE WOLF'S EARS
- - - -

The great powers in all times, with more or less admirable skill, have cloaked their assaults on the rights of the weaker powers with a mantle of legal technicalities or subtleties such as the convenient "mandate of civilization", which give their governors, diplomats, military and political chiefs, arguments and bases - although specious - for trying to make their decisions appear honest.

The high-sounding declarations in which they show themselves to the world as the defenders of right, the heat and emphasis placed in their points of view sometimes barely succeed in offsetting the evident disparity of the remedy which they apply because the results show clearly that the real right defended is that of their interest, and the "mandate of civilization" which they fulfill is none other than that of their own egoistic ambitions.

History at all times and on all continents is full of such examples and especially, in that part of the present century just past, the European powers have pressed the brains of their internationalists to the medulla in order to harmonize their foreign politics with the principles proclaimed and accepted by international justice.

Although such effort has merited nothing but a smile of reciprocal incredulity on the part of a contemporary objective criterion, it has, unfortunately, established, as a rule of conduct for countries militarily strong, a series of precedents difficult to contradict and on the contrary, highly convenient for imperialistic expansionism.

The pupil who has taken most advantage of this situation is, without question, Japan who at every step since the World War cites what has been done by England, the United States, France, Germany and Italy in other parts of the world in times not very remote to justify its conduct in the Far East and to demand the non-intervention of other powers in the development of its foreign politics.

The difference which exists between the present procedure of Japan and the previous procedure of other powers is not in the quality of the actions taken but in the manner of the disguise with which it cloaks them. While the former wrapped their arguments more or less well in a series of facts fabricated or provoked at their will, Japan trusts too much to the ingenuousness of the nations in the twentieth century and lets the wolf's ears be seen very clearly.

0376

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

-2-

An examination, however superficial, of what is taking place in China, gives us proof thereof: the territory under dispute is, beyond a doubt, Chinese; the population is Chinese; the traditions, customs, and political organization are Chinese; and the vital center of the conflict is the traditional seat of the old Chinese emperors. If all that has taken place has been in China and if the Chinese in their territory desire a certain form of government or propagate determined ideas on national unification and protection against foreign powers, how can it humanly be believed that the Chinese are those who are making unjustified attacks against Japan?

And if there is analyzed the general order of the Japanese army in Peiping to burn all anti-Japanese books or those with Chinese nationalistic tendencies, of prohibiting the formation of a Chinese national conscience in schools under the pretext that it "disturbs" the mentality of Chinese youth, it is clearly seen that the wolf's ears of Japan are too big for the disguise of a good shepherd of the new Chinese generations which is presented to us in the sanguinary puppet shows of the Far East.

The great powers have done much harm with their precedents of imperialistic expansionism; but the worst, undoubtedly, has been that of producing such an excellent disciple as Japan who not only emulates them successfully but also keeps them at bay by causing serious injuries to their interests and causing them anxiety for their tranquility.

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

NO. 898

AMERICAN CONSULATE GENERAL,
Shanghai, China, July 23, 1937.

6
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DEPARTMENT OF STATE
1937 AUG 23 PM 2:10
CONFIDENTIAL
DIVISION OF
COMMUNICATIONS
AND RECORD

To: <u>Mr. Gurn</u>		To: <u>Mr. Gurn</u>	
For:	By:	By:	By:
In U.S.A.		In U.S.A.	

793.94/9618

SUBJECT: The Joint Commission established under the 1932 Agreement for the Cessation of Sino-Japanese Hostilities at Shanghai. Meeting to consider complaint of Japanese delegate that China is fortifying Woosung.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Division of
EASTERN AFFAIRS
AUG 24 1937
Department of State
file

SIR:

With reference to my despatch No. 851 of June 24, 1937,
1/ on the above subject, I have now the honor to enclose copy of my despatch No. 910 of this date to the American Ambassador at Peiping, forwarding copy of the official minutes of the meeting of the Joint Commission at Shanghai on June 23, 1937.

DEPARTMENT OF STATE
A-M/C
OCT 10 1937
ASSISTANT SECRETARY
OF STATE

Respectfully yours,

C. E. Gauss
C. E. Gauss,
American Consul General.

Enclosure:

- 1/- Copy of Shanghai Consulate General despatch No. 910 with enclosure.

800
CEG LMF

In Quintuplicate.
(Enclosures in triplicate only.)

1-1221
Received
4 Carbon Copies
Received

1937
FILED

0378
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 910

AMERICAN CONSULATE GENERAL,

Shanghai, China,

July 23, 1937.

CONFIDENTIAL

Subject: The Joint Commission established under
the 1932 Agreement for the Cessation of
Sino-Japanese Hostilities at Shanghai.
Meeting to consider complaint of Japanese
delegate that China is fortifying Woosung.

The Honorable

Nelson Trusler Johnson,

American Ambassador,

Peiping.

Sir:

With reference to my despatch No. 864 of June 24, 1937,
concerning the meeting of the Joint Commission held at
1/ Shanghai on June 23, 1937, I have now the honor to enclose
copy of the official minutes of the meeting as circulated
by the Secretary of the Commission. These minutes have
been circulated to and approved by the members of the Com-
mission. I noted on the original draft minutes only one
minor correction by the Chinese civil delegate, and he add-
ed a word of commendation to the Secretary for his full re-
port of the proceedings of the Commission.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

1/- Copy of official minutes.

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CEG LMF

Original to Peiping.

Copies to Nanking and Tokyo.

In quintuplicate to the Department by despatch No. 898
of July 23, 1937.

Enclosure No. 1 to despatch No. 910 of C. E. Gauss, American Consul General at Shanghai, China, dated July 23, 1937, on the subject: "The Joint Commission established under the 1932 Agreement for the Cessation of Sino-Japanese Hostilities at Shanghai. Meeting to consider complaint of Japanese delegate that China is fortifying Woosung."

JOINT COMMISSION CIRCULAR

235

CORRECTED MINUTES OF A MEETING OF THE JOINT COMMISSION HELD AT THE CONSULATE GENERAL FOR FRANCE ON WEDNESDAY, JUNE 23RD, COMMENCING AT 2.30 P.M.

Present

M. Baudez, Esquire	French Civil Representative and Chairman.
Lt. Boudet,	French Military Representative
O. K. Yui, Esquire,	Chinese Civil Delegate.
Major-General Tung Yuan-liang,	Chinese Military Delegate.
S. Okamoto, Esquire,	Japanese Civil Delegate.
Commander I. Takeda,	Japanese Military Delegate.
C. E. Gauss, Esquire,	American Civil Representative
Captain R. A. Boone,	American Military Representative.
J. W. O. Davidson, Esquire,	British Civil Representative.
Major J. Gwyn,	British Military Representative.
C. Marchiori, Esquire,	Italian Civil Representative.
Lt. Carlo Thorel,	Italian Military Representative.
I. Kawasaki, Esquire,	(Vice Consul for Japan)

The Chairman said he would like first of all to thank the members of the Joint Commission for electing him as its Chairman. He asked the meeting to excuse him if owing to language difficulties he did not at times make himself clear.

He referred to the Circular (No. 232) convening the meeting, which had been called at the request of the Japanese Civil Delegate and invited Mr. Okamoto to proceed.

Responding Mr. Okamoto said "Mr. Chairman and honourable members, I understand that it is quite some time since the Joint Commission last met together and I am very glad to have the present opportunity of meeting my colleagues. I am particularly grateful to the Chairman for having kindly acceded to my request to convene the present meeting."

Continuing Mr. Okamoto remarked that the subject which he wished to discuss was one in which he was sure the Joint Commission was vitally interested. He had recently received information to the effect that fortifications are being erected or were about to be built in the Woosung area. This matter being of no small concern, was one which the Joint Commission could not connive at. The Commission was aware that by virtue of Article II of the May 5th, 1932 Agreement, Chinese troops were not allowed to pass through certain specified areas, including the Woosung area "pending later arrangements". While it may be argued that this article only provides that movements of Chinese troops were to be restricted, any attempt of the Chinese Authorities to fortify any part of the demilitarized area constituted, in his submission, a hostile act and as such ran counter to the spirit of the 1932 Agreement. Furthermore he was constrained to believe that the members (neutral?) of the Joint Commission would agree, that if the fortifications had actually been built, they would be regarded as a serious menace to the integrity and safety of the International Settlement and French Concession. The May 5th, 1932 Agreement had thus far proved an admirable instrument towards the maintenance of peace in and around Shanghai and the building of fortifications in the area mentioned would in his submission render that instrument null and void. He sincerely hoped that the report of fortifications actual, or contemplated, at Woosung was untrue, but he was anxious to have his Chinese Colleagues dispell Japanese suspicion in this regard.

In order/

In order to disprove or verify this report, he would like to request that the Chinese delegation be good enough to allow an inspection at an early opportunity of the Woosung area by the Japanese delegates. Should the report prove to be correct he hoped that immediate steps would be taken to end these warlike preparations. In conducting the proposed inspection he suggested that the neutral members of the Commission accompany the Japanese Delegation should the Chinese delegation so desire.

Mr. O. K. Yui asked for and received the permission of the Chairman to translate into Chinese the substance of Mr. Okamoto's remarks to his Chinese Colleague (Major-General Tung Yuan-liang) as the latter did not speak English.

Continuing Mr. Yui said "Mr. Chairman and honourable members of the Joint Commission. Before answering the specific point raised by my esteemed Japanese Colleague. I would like first of all, on behalf of myself and of my military colleague, to express our heartfelt thanks for the valuable assistance which the neutral members have rendered to both the Chinese and the Japanese side in connection with the Agreement for the cessation of hostilities dated May 5th, 1932." Following this Mr. Yui made the following remarks. More than five years had elapsed since the Agreement referred to was signed, and he was quite sure that all those present at the meeting would agree that the situation obtaining at the present time was quite different to that existing at the time the agreement was signed. His Japanese Colleague had raised a question about fortifications at Woosung and had said that it was a matter in which the Joint Commission would be vitally interested. He further had stated that if the report of fortifications was true, the act would be contrary to Article II of the said Agreement and in spite of the fact that the Agreement explicitly restricts only the movements of Chinese troops in the areas concerned, had further said that any attempt on the part of the Chinese Authorities to build fortifications in the so-called "demilitarized area" - the term used by his Japanese Colleague - would be regarded as an hostile act. Furthermore his Japanese Colleague had stated that the existence of fortifications at Woosung would threaten the integrity and safety of the International Settlement and French Concession, and had added that the construction of such fortifications would render the 1932 Agreement null and void. His Japanese Colleague was therefore anxious to find out the truth or otherwise of the report about Woosung fortifications by obtaining permission from the Chinese Authorities for an inspection by the Japanese Delegation of that area accompanied by the neutral members of the Commission. Mr. Yui asked if this was a correct summary of the point raised by his Japanese Colleague and received Mr. Okamoto's reply in the affirmative.

Continuing Mr. Yui said that in reply he would first of all like to refer to the Agreement in question (May 5th, 1932 Agreement) In his submission, the Joint Commission which was created by virtue of this Agreement could only function according to the explicit provisions laid down therein. The representatives of the Participating Friendly Powers had given great help and advice in bringing about the cessation of hostilities in 1932 and in framing the May 5th, 1932 Agreement, they had envisaged the situation as it existed at the time, i.e. in order to avoid a further clash between the opposing forces, the Chinese troops were to remain in the position they were in at the time and the Japanese troops were to be withdrawn to the International Settlement and the extra-Settlement roads in the Hongkew District. It was felt necessary and advisable that there should be some supervision of these conditions and so the Joint Commission was set up for the purpose. Article I of the Agreement said that as the Japanese and Chinese Authorities had already ordered the cease fire the cessation of hostilities was to be made definite from May 5th, 1932 and that the two sides were to cease every form of hostile act. Article II provided that the Chinese troops were to remain in the positions described in Annex I of the Agreement, the intention being of course that if they did not remain in those positions the Joint Commission could interfere. Article III provided for the withdrawal of the Japanese forces to the places specified, the duty of the Joint Commission being to see that this was done. Article IV provided for the establishment of the Joint/

Joint Commission to certify to the mutual withdrawal and to collaborate in arranging for the transfer from the evacuating Japanese forces to the incoming Chinese police - a special constabulary - Thus the functions and duties of the Joint Commission was clearly defined and have been faithfully carried out, for which the Chinese Authorities were and are deeply grateful. The five intervening years had been peaceful years, - peace and good order had prevailed undisturbed, and the Chinese side could not be accused of having violated any part of the Agreement. He wished to repeat that in his submission, the Joint Commission had been given specific duties which are expressly mentioned in the Agreement for the cessation of hostilities, and the Commission was not supposed to be bothered with questions which go beyond the scope of the Agreement. He contended that the question of fortifications at Woosung, which was raised by his Japanese Colleague, did in fact lie outside the province of the Joint Commission, and he was sure the members of the Joint Commission would agree with him when he said that it was not the intention of the Participating Friendly Powers to restrict the Sovereignty of China in any way except as expressly provided in the 1932 Agreement. In other words although the Sovereignty of the area concerned around Shanghai had remained to China, she had agreed not to exercise all her sovereign rights in that area temporarily because of the provisions of the 1932 Agreement.

His Japanese Colleague had used the term "demilitarized area". He was surprised to hear that term and he would ask his Japanese Colleague if he could give him any reason whatsoever which would justify the use of that term. There had never been such a thing as a "demilitarized area". It was quite true that due to the efforts of the Participating Friendly Powers, China and Japan had agreed not to send their troops into the area concerned, but there was nothing more than that, and he asked permission to call attention to that fact.

This was the year 1937, and more than five years had elapsed since the May 5th, 1932 Agreement ended the deplorable state of warfare between China and Japan. The two countries were now doing their utmost to bring about friendlier and closer relations. Every day the talk was of promoting friendship and fostering understanding, which was something that China and Japan and other friendly powers most desired. He was sure the meeting would agree that China had not been behind any other country in her endeavours to bring about peace in this part of the world. The events of the past few years had been an earnest of her resolve in this regard. She had not committed one hostile act against any nation nor did she cherish any hostile intention against any nation. However that did not mean that China would deprive herself of the means of self-preservation. He was not in a position to say anything about the Woosung fortifications, but even if such fortifications had been erected, it did not necessarily connote an hostile act. Many countries were now in process of rearmament, but no one could assert for instance that because Japan was building up her Navy that she had the intention of attacking some country, or that Great Britain cherished hostile intentions because she had increased her budget for the fighting services. If the erection of a fortification at Woosung was to be construed as an hostile act against Japan it might equally be regarded as an hostile act against Great Britain the United States, France or Italy.

The Japanese Naval Landing Party frequently held maneuvers in Shanghai with the use of tanks and machine guns, but the Chinese Authorities had never regarded such maneuvers as hostile acts and had never made any complaint about them. The Japanese suspicion was very hard to understand, especially at a time when the two countries were declaring to the world their desire for friendship and understanding. Concluding Mr. Yui made a fervent appeal for the removal of doubt and suspicion of China and reiterated his assertion that the points raised by his Japanese Colleague did not come within the purview of the Joint Commission whose functions and duties were expressly defined in the Agreement of May 5th, 1932.

Rejoining/

Rejoining Mr. Okamoto said that after listening to Mr. Yui's speech it was clear to him that there were fundamental differences of viewpoint in the Chinese and Japanese interpretations of the 1932 Agreement. That Agreement, by virtue of which the Joint Commission came into being, had proved an effective instrument for safeguarding the integrity of the foreign controlled areas in Shanghai. Although the Round Table Conference of the Interested Powers, which it was originally intended should take place following upon the conclusion of the Agreement, had never been convened, the provisions concerning the notification of troop movements have been and were still being consistently observed by the Chinese delegates. The Agreement, therefore, far from being defunct, is still serving the useful purposes for which it was originally intended.

However, should any one ever entertain an idea that, with the lapse of time and comparative tranquility that has prevailed in Shanghai for some time, the Joint Commission is no longer called for, it would be a gross mistake indeed. On the contrary, the Agreement is still alive both in its letter and spirit, and although an agreement of this nature may remain dormant in normal times, its usefulness will immediately be invoked the moment anything goes amiss.

The Japanese Government, as one of the most interested parties, attached great importance to the Agreement of 1932 and also to the continuance of the Joint Commission. The importance and usefulness of the Agreement is just as great at present, as when the Agreement was first brought into being some five years ago. The Agreement for these reasons could not be allowed to die a natural death, nor to be relinquished unilaterally. It must also be in the interest of those members of the Commission other than the Chinese and Japanese delegates to see to it that the terms of the Agreement were scrupulously observed at all times by the parties concerned, for it must not be forgotten that the strict enforcement of the Agreement of 1932 is the only way to ensure peace and order in Shanghai. The Agreement of 1932 stipulated in the first place that the cessation of hostilities would be rendered definite and that this cessation of hostilities would be assured by preventing the Chinese forces from moving into a certain district which is specified in its Annex I. In other words the demilitarized zone was thus created where neither of the parties concerned could engage in hostilities in the future. Moreover, the negotiations at the peace conference, in framing the Agreement, undoubtedly envisaged the cessation of hostilities as including the cessation of various military preparations in the area concerned.

The fortress at Woosung, now in question, was destroyed by the Japanese forces during the Shanghai Incident. Woosung was situated within the said demilitarized area and any attempt on the part of Chinese to restore the razed fortress, with possible replenishment of its armament, could not but be construed as a serious contravention of the Agreement of 1932. He wished to emphasise, particularly, that such a project would constitute a serious menace to peace and security of the Foreign Controlled areas of Shanghai and he was sure the members of the Friendly Neutral Powers would share his conviction.

It followed from what he had said that no troops were to be admitted to the demilitarized area. The Chinese Authorities, by mutual agreement between them and the Japanese Authorities have made it a point of informing the Japanese delegate of their troops movements whenever they have occasion to move troops through that area. This notification has been and still is a regular practice. How, then, could the Chinese Authorities undertake to build fortifications, or dig trenches in an area where no troops are supposed to enter at all? This was the point on which he would like the Chinese delegates to enlighten him.

He must emphatically state his conviction that these warlike preparations which he was informed were being undertaken by the Chinese Authorities, ran counter to the spirit of the truce Agreement of 1932, to say nothing of undermining peace and order in the Shanghai Foreign Concessions/

5

Concessions in which they were all vitally interested.

This was his reply to the speech of the Chinese Civil Delegate.

In replying Mr. Yui said he hoped he would not exhaust the patience of the Meeting by a too lengthy rebuttal. The Japanese Civil Delegate had hinted that there may be an impression that the 1932 Agreement and the Joint Commission were defunct and had mentioned that the Japanese Government attached the greatest importance to the continuance of both the compact and the Commission. If his Japanese Colleague meant that the Chinese Government regarded the Agreement and Commission as defunct he was entirely mistaken and was perhaps stretching his imagination. He wished to emphasize that the Chinese Government had no intention of disregarding ex parte any Agreement solemnly entered into. His Government likewise attached great significance to the Agreement as long as it had not become null and void. This stretching of the imagination was very dangerous and perhaps accounted for the Japanese psychosis which persisted in attributing hostile intentions to the Chinese. China asked only the right of self-preservation and co-existence with other Friendly Powers.

As he had previously said she entertained no hostile intentions towards other countries but of course she would defend herself if attacked. He maintained that even if China had erected fortifications at Woosung she was entirely within her rights in doing so and it would not in any way violate the Agreement of 1932. There was positively nothing in that Agreement either expressed or implied which inhibited China from erecting fortifications in the area concerned. As a matter of fact not a single soldier had been sent into that area, so he could not understand how China could be accused of hostile intentions there. China was as much interested and concerned in maintaining peace and order in the foreign administered areas of Shanghai as was Japan or any other Power, but she felt that the best way to preserve those conditions was to rely on mutual trust and not to cherish suspicions of hostile intentions on the part of China. So he hoped his Japanese friends would set their minds at ease and banish doubts and suspicions. China had scrupulously observed the peace in the Shanghai area since the deplorable days of 1932 and certainly would not be the first to break it.

Responding Mr. Okamoto said he was particularly pleased to hear from the Chinese Civil Delegate that the Chinese Government regarded the 1932 Agreement and the Joint Commission as being still in existence. Mr. Yui had mentioned that not a single soldier had been sent into the area concerned but the Peace Preservation Corps was in that area and it would be easy to convert that corps into a regular army force. The Agreement provided for the cessation of hostilities, and by "cessation of hostilities" the Japanese Authorities understood that no warlike preparations of any kind were to be made in the prohibited area. This was the crux of the Japanese argument. Hence any fortification or digging of trenches at Woosung would be a breach of the 1932 Agreement. The Japanese contention is that the Chinese Military position in the area concerned should remain as promised by the Agreement five years ago and therefore if fortifications were erected in the area it would alter that position and violate the Agreement. The Japanese Government attached great importance to that point, so he wanted to know if any fortification had been erected or were intended, and if the Chinese Delegation would agree to an inspection at Woosung.

Replying Mr. Yui observed that his Japanese Colleague seemed concerned about the possibility of the Peace Preservation Corps being used for hostile purposes. However that Corps was only a special constabulary established for the purpose of maintaining internal peace and order. China's right to maintain the Corps could not be questioned.

His Japanese Colleague might just as well ask for the evacuation
of all/

6
of all Chinese from the area concerned. He was afraid he was wearying the Meeting but he could only repeat that China did not harbour hostile intentions towards any Power but as a self-respecting nation she had the right and duty to provide for defence. If there was anything in the 1932 Agreement which inhibited China from erecting fortifications in the area concerned, she would of course be estopped from constructing such military works but as he had previously maintained there was nothing of the sort in the Agreement. He really thought the Japanese Delegation were alarming themselves needlessly and were bothering the Joint Commission unnecessarily.

Mr. Okamoto rejoined by saying that following upon the signing of the 1932 Agreement the City Government of Greater Shanghai decided to establish the Peace Preservation Corps in Chapei beginning July 1st that year. As the Japanese side was not without apprehension lest this body, the Pao-An Tui as it is known in Chinese, should be something akin to a regular armed force, the Japanese delegate at the time, acting under instructions from his Government, asked Mr. O. K. Yui for information regarding the real nature of the Pao-An Tui. Mr. Yui explained that the object in creating this body was no other than the maintenance of peace and order in Chapei; that the Pao-An-Tui was so-called in order to distinguish it from the existing police force of the Public Safety Bureau and that the body was to be 2000 strong, which would be divided into two regiments, each regiment being subdivided into three battalions. Mr. Yui further declared that although revolvers, guns and machine guns would be supplied to the Pao-An Tui, tanks, armoured-cars and bomb-guns, etc., would not form parts of their equipment, and that soldiers of the regular army would on no account be incorporated into the said organization, whose members would be composed exclusively of a portion of the Peiping Pao-An Tui, constables of the Public Safety Bureau, and some ex-gendarmes. These statements of Mr. O. K. Yui at the time were recorded at his Consulate-General.

In spite of Mr. Yui's assurance, he (Mr. Okamoto) had received definite information to the effect that the Pao-An Tui had of late been steadily reinforced; their number now is estimated at about 6500 within the demilitarized area and that they are being equipped with tanks and guns. It is further reported that not a few trenches and fortifications have been dug in the immediate vicinity of Shanghai. In fact their equipment and organization are such that there is little which distinguishes the Pao-An Tui from the full-fledged regular army.

The Japanese delegates viewed this situation with considerable concern and wished to draw the attention of the Joint Commission to this alarming state of affairs.

Mr. Yui enquired of the Chairman whether or not he should reply to Mr. Okamoto's remarks about the Peace Preservation Corps.

The Chairman replied that as it was apparent from the discussion that there were differences in the interpretation of the Agreement by the Chinese and the Japanese delegations, he thought it would be well to consider this question of interpretation before proceeding further. After discussion, the Chairman requested the Chinese and Japanese delegations to withdraw to an adjoining room in order that the neutral members might deliberate on what had been said by both sides.

Before withdrawing Mr. Okamoto observed that the Chinese Civil Delegate had contended that there was no specific provision in the Agreement prohibiting the construction of fortifications in the area concerned while the Japanese contention was that the term "cessation of hostilities" in that Agreement meant the cessation of any warlike preparations in that area. He wondered if his Chinese Colleague would care to make any statement regarding alleged fortifications at Woosung?

Mr. Yui replied that under the Agreement he was not called upon to answer that question. He also said he wanted to place on record his objection to the term "demilitarized area" which was used by the Japanese Civil Delegate.

The/

The Chinese and Japanese delegations having withdrawn, the representatives of the Participating Friendly Powers discussed the situation, resulting in the following decision which was read by the Secretary to the Chinese and Japanese delegations after they had re-joined the meeting.

"The representatives of the Participating Friendly Powers of the Joint Commission feel that they are not in a position at the present time to express an opinion on the conflicting interpretations of the Chinese and Japanese delegations on the points raised in the present issue.

However they would enquire whether or not as a gesture of conciliation and good will and without prejudice to his stand, the Chinese Civil Delegate would be prepared to make any voluntary declaration as regards the composition and numbers of the Peace Preservation Corps in the Shanghai area and/or on the question of any fortifications within the so-called prohibited zone."

Responding Mr. Yui said that speaking for himself and the Chinese Military Delegate, he thanked the Chairman and the neutral members for their kindness in coming to the meeting and for their consideration of the matters brought before it. As regards the suggestion that he should make a voluntary statement regarding the fortifications at Woosung, he regretted to say that as his powers as the Chinese Civil Delegate on the Joint Commission were limited and as the matter lies beyond the scope of the Joint Commission, he could not say anything without the permission of his Government. However this much he would say. That nothing so far undertaken by the Chinese Authorities (in the area concerned?) held behind it any hostile intention or warlike preparation. He denied that any warlike preparations had been made by the Chinese Authorities as alleged by the Japanese Civil Delegate and said he wished to repeat that the Chinese Authorities were second to none in their desire and efforts to ensure lasting and permanent peace and good order in Shanghai.

The Chairman said that he and the other neutral members very much appreciated the courtesies and statements expressed by Mr. Yui.

Mr. Okamoto extended to the Chairman and the neutral members his sincere appreciation for their courtesy in coming to the meeting and said he was very grateful indeed to them for giving so freely of their valuable time.

The Chairman expressed acknowledgements.

THE MEETING THEN TERMINATED.

Circulated: July 22nd, 1937.

0388

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 25, 1937.

~~SECRET~~
Shanghai's No. 901, July 24, 1937,
entitled "The so-called Shanghai Defense
Plan."

The American, British and municipal
authorities at Shanghai met on July 24 to
consider a report that the Japanese naval
landing party at Shanghai intended to hold
night maneuvers on July 23-23.

It was agreed that in event of disor-
ders in Shanghai the Council should avoid
declaring a "state of emergency" and call
on foreign and military authorities to put
into force the so-called defense plan, since
this plan includes the Japanese forces, the
Japanese commander of those forces would be-
come a Senior Commandant and the Japanese
might use the plan, as they did in 1932,
to justify an invasion of Chapel or other
Chinese territory.

The Secretary General of the Shanghai
Municipal Council assured Consul General
Gauss that he would advise the Council, in
event of any local disturbances, to use the
police, police reserves and the volunteer
corps to maintain order, and only if the
situation threatened to become beyond their
control would the use of the American and
British forces in the so-called American
and British sectors be requested.

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0387

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. 90

AMERICAN CONSULATE GENERAL,

Shanghai, China, July 24, 1937.

RECEIVED
DEPARTMENT OF STATE

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CONFIDENTIAL

SUBJECT: The so-called Shanghai
Defense Plan.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my telegram No. 384, of
July 22, 1937, 10 P. M., and to report that the Acting
British Consul General, the Secretary General of the Shang-
hai Municipal Council and I met that morning in connection
with a report which had reached the Chinese members of the
Shanghai Municipal Council to the effect that the Japanese
naval landing party at Shanghai intended to hold manoeuvres
during the night of July 22-23. The Acting British Consul
General and I made friendly inquiry of the Japanese Consul
General concerning the report. After consulting the Japa-
nese naval authorities he informed us that the report was
without foundation.

At the conversation between the Acting British Consul
General, the Secretary General of the Council (Mr. Stirling
Fessenden, an American) and myself, the question of possi-
ble disorders at Shanghai was discussed, and it was agreed

that

DEPARTMENT OF STATE

A-M/C

AUG 31 1937

ASSISTANT SECRETARY
OF STATE

Grade	For	Grade	For
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Laun	Laun	Laun	Laun

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CONFIDENTIAL

Division of
Far Eastern Affairs
AUG 24 1937
Department of State

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-2-

// that in event of such disturbances the Council should avoid declaring a "state of emergency" and calling on the foreign military and naval authorities to put into force the so-called defense plan, since this plan includes the Japanese forces, the Japanese commander of those forces would become the senior commandant, and the Japanese might use the plan, as they did in 1932, to justify an invasion of Chapei or other Chinese territory. //

The Acting British Consul General told me that his British commandant had already consulted him on the matter, and they were in accord with the views we expressed at this conversation.

// The Secretary General of the Shanghai Municipal Council assured me that he would advise the Council, in event of any local disturbances, to use the police, police reserves and the Volunteer Corps to maintain order, and only if the situation threatened to become beyond their control would he suggest an appeal to the American and British forces. // If such an appeal became necessary, he stated that he would recommend that the Council lay the position before the American and British authorities and ask for support of the police from the American and British forces // in the so-called American and British sectors -- the western district of Shanghai. //

We were all of the opinion that, as experience has shown, the Japanese in event of any disturbances will fully occupy the northern - Hongkew - district of the Settlement.

Following this conversation I placed myself in touch

with

-3-

with the Chairman of the Shanghai Municipal Council (Mr. C. S. Franklin, an American attorney) and told him of our conversation, saying that I wished him as an American member of the Council to be informed of the attitude of the Consulate General. He stated that he was in accord therewith.

I also had a long conference with Colonel Charles F. B. Price, commanding the Fourth U. S. Marines, who indicated his agreement with the views as above expressed. Our conversation then turned to the measures which should be taken in event that any request is made for support of the police in the western district -- the so-called American and British sectors. This problem is somewhat complicated by the fact that there are Japanese mills in these two sectors and in the past the Japanese naval landing party has been inclined on the slightest indication of disturbances to put Japanese naval guards at these mills and in their vicinity. This is a problem which must remain to be worked out if and when the situation develops to the point where the American and British troops must come to the support of the police and Volunteers.

In connection with the so-called defense plan, it is pertinent to point out that under the agreement of 1932 for the cessation of Sino-Japanese hostilities at Shanghai, Chinese military forces have remained outside certain lines extending from Soochow Creek north to the Yangtze, and there are, therefore, no Chinese forces, other than the Peace Preservation Corps, in close proximity to the Japanese naval

-4-

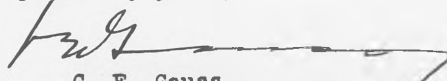
naval landing party base.

The 1932 agreement, however, did not extend south of Soochow Creek to the area adjoining the western district of the International Settlement; but there are at present no large bodies of Chinese troops in the immediate vicinity of Shanghai and any problem likely to confront us at this time would be one of internal defense -- of police measures for maintaining order.

As the so-called defense plan for Shanghai, with all its dangers of complications, would not be likely in any case to fit a situation here involving simply internal defense measures to deal with local disturbances amongst the Chinese population, it is desirable that there should be this understanding that the Council will not make the mistake of 1932 of invoking the defense plan, and giving the Japanese a basis for any irregular action they may wish to take, as for example, the occupation of Chapei or other Chinese districts in which there are substantial Japanese interests.

The Consulate General will continue to consult and cooperate with the Commanding Officer of the Fourth U. S. Marines in this and related matters.

Respectfully yours,


C. E. Gauss,
American Consul General.

800
CEG LMF

In quintuplicate to the Department.
Copy to the Embassy, Peiping.
Copy to Nanking.

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

DOCUMENT FILE

NOTE

SEE 841.00 P. R./502 FOR Despatch #3259

FROM Great Britain (Johnson) DATED Aug. 2, 1937
TO NAME

REGARDING: Sino-Japanese situation. Statements of Mr. Eden in
the House of Commons on July 29th in regard to the
situation in North China.

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

Japan and China

In regard to the situation in North China, Mr. Eden
stated in part in the House of Commons on July 29:

"As I have previously informed the House,
on my instructions his Majesty's Charge d'Aff-
aires at Tokyo has made representations to

the

-14-

the Japanese Government regarding the safety of British subjects in Peking, and, as a result, I understand that the Japanese Government and the local Japanese military authorities have given certain assurances in this respect. His Majesty's Chargé d'Affaires has also emphasized to the Japanese Government the serious nature of the situation and the grave dangers inherent in it.

"I would add that His Majesty's Government are continuing to maintain close touch at every stage with the United States Government and the other Governments concerned."

When Mr. Wedgwood Benn, Labor, asked

"Has the right hon. gentleman made it clear to the Japanese Government that this Government would not approve the further attempt to detach provinces from the Nanking Sovereignty?"

Mr. Eden replied:

"I think the right hon. gentleman will see from my answers during the last few days and the various declarations we have made we very much regret the situation, the more so because we hoped for an improvement in Far Eastern relations generally, which cannot take place while the present conditions persist."

On July 30 Mr. Eden said in part in the House of

Commons:

"We continue to be convinced that in the interests of all nations in the Far East peace should be preserved, for each one of them would get far more benefit from a policy which tries to eliminate enmity and cooperates in peaceful development than any one of them would get from resort to force. As to what action we shall take, I have told the House that we maintain the closest contact with the United States Government and with the French Government. That will continue to be our policy. The hon. member for Bishop Auckland (Mr. Dalton), speaking in the debate the other day, gave us some advice. He said:-

'We should go in step with the United States, not rushing into anything they are not prepared to do, but being prepared to go as far and as fast as them.'

I have no quarrel with that definition. In that sphere, as in others, our objective will be to do everything that lies in the power of a single Government to promote peace and concord between the nations."

Please

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

TELEGRAM RECEIVED

EDA

1-1336

FROM GRAY

TIENTSIN VIA N.R.

Dated August 23, 1937

Received 9:11 p.m.

Secretary of State
Washington

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



28, August 23, 5 p.m.

793.94

On August 21, and 22, 25,000 Japanese troops came in
from Manchuria and three ^{*hundred*} (*) I learned returned. Fighting
reported near Shaochan south of Tientsin last night.
Artillery fire along the Tsingpu Railway toward Tsinghai
was heard last night and today. Peining Railway damaged
by Chinese yesterday morning between Tientsin and Peiping,
also damaged by floods in Manchuria.

CALDWELL

EMB:NPL

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AUG 27 1937

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

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438

TELEGRAM RECEIVED

REPARTMENT OF STATE

PLAIN AND GRAY

FROM

Shanghai via N. R.

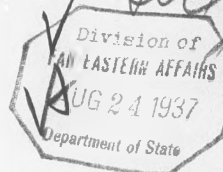
Dated August 23, 1937

Rec'd 7:35 p. m.

Secretary of State

Washington.

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



541
552, August 23, 7 p. m.

At about one o'clock this afternoon two air bombs landed in Settlement south of Soochow Creek; one near Standard Oil Building about one block from Consulate General and one on Nanking Road near wing of department store. First mentioned bomb struck warehouse used by United States Navy and American firms but did not (repeat not) explode. This understood to be a one thousand pound bomb. Other bomb exploded killing at least two hundred Chinese and wounding several hundred more. Anthony J. Billingham of San Diego, California, bearer Shanghai passport 3885 issued March 13, seriously injured.

(GRAY) There is doubt as to nationality of bombing (by?) plane which is described but an observer as large silver colored monoplane which was seen to drop bombs at an elevation of about 5,000 feet. There was no anti-aircraft fire against

793.94/9622

AUG 27 1937

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439

RB

-2-#532, August 23, 7 p. m. from
Shanghai

against plane but most Japanese men-of-war had left river
to cover landing Japanese troops at Woosung. There were
several Japanese planes in the air at the time but over
another section of Shanghai. There is some suspicion
bombing plane was converted China National Aviation Field
plane but there is nothing definite to support this.

Repeated to Department, Nanking, and Peiping.

(END GRAY)

GAUSS

NPL

EMB

0397

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

TELEGRAM RECEIVED

RB

1-1236

GRAY

FROM Shanghai via N. R.

Dated August 23, 1937

Rec'd 7:49 p. m.

793.94
note
893.131
Secretary of State

Washington.

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



542

541, August 23, 8 p. m.

Reference my No. 529, August 21, 4 p. m.

500 minor offenders removed from Ward Road Jail
yesterday with assent of Japanese authorities, escorted
through Settlement and released in Chinese territory,
the Chinese authorities being informed. Japanese then
refused to permit further evacuation. Situation in the
area likely to ease in a few days with arrival Japanese
Army forces Shanghai area. Water supply to jails restored.

Sent to the Department, Nanking.

GAUSS

EMB

NPL

AUG 27 1937

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

TELEGRAM RECEIVED

EDA

1-1338

FROM

GRAY

SHANGHAI VIA N.R.

Dated August 23, 1937

Received 7:54 p.m.

DEPARTMENT OF STATE
DIVISION OF FOREIGN
SERVICE ADMINISTRATION
Secretary of State

Washington

544, August 23, 10 p.m.

CONFIDENTIAL.

Referring to your telegram No. 541, August 23, 7 p.m.,

investigation tends to establish that bomb dropped on
United States Navy warehouse within 100 yards of the
Consulate General was an 800 kilogram Chinese bomb of
Italian manufacture. Belief that bombing plane was a China
National Aviation Company Douglas twin motor, convertible
for bombing.

Miss Blanche Tenney, Shanghai born American resident
bearer Shanghai passport ~~40-12~~ ^{4025 June 6, 1935} Tenney 26, June 35
slightly injured in the Nanking Road bombing. Sent to
the Department, Nanking, Peiping.

NPL:EMB

GAUSS



793.94/9624

FILED

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CHARGE SLIP

793.94

DATE	CLERK'S INITIALS	REMARKS
11-6-37	709	W - 10697
11-8-37	709	W - 11020
11-24-37	JW	

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

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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

RB

1-1336

FROM

PLAIN

Nanking via N. R.

Dated August 23, 1937

Rec'd 7:22 p.

Secretary of State

Washington.

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



496, August 23, 3 p. m.

One. Two air raids last night apparently by three to six planes. According to priority information the several bombs dropped fell outside city in south suburb with little material damage. Several gendarmes are reported to have been injured by falling shrapnel from anti-aircraft guns.

Two. Military sources report that bombs were dropped at Chinkiang yesterday and two raiding planes were shot down. According to resident American missionary no planes were seen at Chiangking but explosions were heard about four miles away.

Sent to the Department, Peiping, Shanghai, Hankow.

JOHNSON

SMS

793.94/9626

FILED F/FG
AUG 27 1937

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

39-1
440
TELEGRAM RECEIVED JWB

RB

1-1336

FROM GRAY

Nanking via N. R.

Dated August 23, 1937

Rec'd 6:50 p. m.

Secretary of State

Washington.

793.94
497, August 23, 4 p. m.

Tsingtao's August 21, 10 a. m. and Commander-in-Chief's
August 21, 7 p. m. concerning Tsingtao.

One. At meeting of five interested Ambassadors this morning we decided to send following collective letter to the Minister for Foreign Affairs:

"Dear Mr. Minister:

Information received from apparently reliable sources is to the effect that the Chinese and the Japanese Government authorities in Tsingtao are endeavoring to solve present differences between them in such a way as to avoid an outbreak of hostilities at that port.

There are in Tsingtao many hundreds, if not some thousands, of nationals of countries not concerned in the controversy between China and Japan and the undersigned ambassadors earnestly request that the Chinese Government promote in all possible ways arrangements whereby there may be

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AUG 21 1937

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441

RB

-2-497, August 23, 4 p. m. from
Nanking

may be assurance that fighting may be avoided in Tsingtao and in its vicinity between the military forces of China and Japan. An early indication of the view taken by the Chinese Government toward this idea will be heartily welcomed by the undersigned ambassadors."

Two. My German, British, French, and Italian colleagues asked that I transmit the contents of the collective letter to the American Ambassador in Tokyo and ask him to communicate them to the respective embassies, it being our hope that they will all urge the Japanese authorities to take energetic measures in Tsingtao to avoid opening of hostilities.

Three. Because of delay in telegraphic communication with Tokyo, I request that the Department cable this request to Grew.

Four. Naval report to the Commander-in-Chief dated August 23 states that the tension at Tsingtao is at such high pitch only a slight spark would be necessary to start serious trouble.

Sent to the Department, Shanghai.

JOHNSON

NPL

EMB

0403

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

39-3

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to
\$

Department of State

1937 AUG 24 PM 6 08

Washington.

August 24, 1937.

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

166

AMEMBASSY

TOKYO (Japan)

DIVISION OF
COMMUNICATIONS
AND RECORDS

August 24, 163, 4 p.m., ~~is repeated~~

Nanking's 497, August 23, 4 p.m., is repeated for communication by you to your German, British, French and Italian colleagues as follows:

QUOTE [Tsingtao's August 21, 10 a.m. and Commander-in-Chief's August 21, 7 p.m. concerning Tsingtao]

One. At meeting of five interested Ambassadors this morning we decided to send following collective letter to the Minister for Foreign Affairs:

SUBQUOTE Dear Mr. Minister:

Information received from apparently reliable sources is to the effect that the Chinese and the Japanese Government authorities in Tsingtao are endeavoring to solve present differences between them in such a way as to avoid an outbreak of hostilities at that port.

There are in Tsingtao many hundreds, if not some thousands, of nationals of countries not concerned in the controversy between China and Japan and the undersigned ambassadors earnestly request

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/9627

9627

0404

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

39-4

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

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OR

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\$

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

that the Chinese Government promote in all possible ways arrangements whereby there may be assurance that fighting may be avoided in Tsingtao and in its vicinity between the military forces of China and Japan. An early indication of the view taken by the Chinese Government toward this idea will be heartily welcomed by the undersigned ambassadors. END SUBQUOTE

Two. My German, British, French, and Italian colleagues asked that I transmit the contents of the collective letter to the American Ambassador in Tokyo and ask him to communicate them to the respective embassies, it being our hope that they will all urge the Japanese authorities to take energetic measures in Tsingtao to avoid opening of hostilities.

Three. Because of delay in telegraphic communication with Tokyo, I request that the Department cable this request to Grew.

Four. Naval report to the Commander-in-Chief dated August 23 states that the tension at Tsingtao is at such high pitch only a slight spark would be necessary to start serious trouble. UNQUOTE

Hull

793.94/9627

FE:JWB:VCI

FE

Enciphered by

Sent by operator M., 19.....

0405

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

39-5

Gray

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ✓
PARTAIR
PLAIN

Department of State
DEPARTMENT OF STATE

Washington,

Naval Radio

1937 AUG 24 PM 6 08

August 24, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

7pm

✓ AMEMBASSY

174

NANKING (China).

Your 497, August 23, 4 p.m. has been repeated to Tokyo,
for communication by Ambassador Grew to his German, British,
French, and Italian colleagues.

793.94/9627

Hull
skip

F

793.94/9627

JWB
FE:JWB:VCI

new
FE
m.m.A.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

9627

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

40-1

442

FE

RB

TELEGRAM RECEIVED

GRAY

1-1336

Nanking via N. R.

FROM Dated August 23, 1937

Rec'd 7:45 p. m.

Telegram
Nanking
Tokyo

Secretary of State
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 24 1937
Department of State
AUG 25 1937

498, August 23, 5 p. m.

Commander-in-Chief's telegram August 23, 9 a. m.

The Ambassadors of Germany, Great Britain, United States, France, and Italy this morning decided to make still another effort to diminish dangers to neutral areas and vessels at Shanghai and have sent the following letter to the Minister for Foreign Affairs:

"August 23

Dear Mr. Minister:

Information has been received that Admiral Hasegawa, the senior Japanese naval officer at Shanghai, has orally agreed to keep Japanese war vessels below a line running from Soochow Creek to Pootung Point, but has requested that a similar agreement be obtained from the Chinese military authorities not to use the area between the barrier off Pootung and the line mentioned above, for passage of hostile allied forces.

The section

793.94/9628

AUG 25 1937

FILED

F/FG

40-2

443

RB

-2-498, August 23, 5 p. m. from
Nanking

The section of the Whangpoo between the two points indicated is opposite the International Settlement and the French Concession and in it many foreign vessels are anchored. In the interests, therefore, of these areas and of the vessels mentioned, the undersigned Ambassadors would welcome an assurance that the section of the river described above will not be entered by Chinese craft for any warlike purpose."

It seems unnecessary to take up this matter in Tokyo.

Repeated to Shanghai.

JOHNSON

NPL

EMB

165-1

687

TELEGRAM RECEIVED

RE

1-1336

GRAY

FROM

Nanking via N. R.

Dated August 23, 1937

Rec'd 8:04 p. m.

Secretary of State
Washington.

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



499, August 23, 6 p. m.

My 486, August 22, noon.

One. Reference Tokyo's 291, August 21, 11 a. m.

Two. In view of the difficulty of evacuating in a short time the large number of American citizens at Kuling you may wish to consider advising them of this Japanese statement which seems to permit of leisurely withdrawal. Information seems to indicate that the large number of Americans at Chikungshan are likewise not threatened with immediate hostilities. It thus appears that Kuling, Chikungshan and Hankow may serve for the time being as places of concentration whence withdrawal to Canton can take place as accommodations are available. You will observe that nothing said above minimizes the three possibilities named on the date August 22, noon as reasons for withdrawal from China. Sent to Hankow repeating Tokyo's 291, August 21, 11 a. m. Repeated to Department.

JOHNSON

END

NPL

793.94/9629

AUG 27 1937

FILED

F/FG

0405

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

~~DWB~~ ~~FE~~

TELEGRAM RECEIVED

RB

1-1330

FROM

GRAY

Nanking via N. R.

Dated August 23, 1937

Rec'd 6:55 p. m.

Secretary of State

Washington.

793.94

500, August 23, 7 p. m.

Following telegram has been sent to Shanghai:

"August 23, 3 p. m.

For the information of Commander-in-Chief:

Embassies are addressing a joint note to Minister of Foreign Affairs regarding possibility of sanctuary at Tsingtao as suggested in your telegram of August 21. We are also requesting our embassies at Tokyo to take similar action there.

We are also laying before Minister of Foreign Affairs proposal regarding neutralization of that part of the Whangpoo River lying between Soochow Creek and Chinese base at Mantao."

JOHNSON

SMS

NPL



793.94/9630

FILED

EB 12 1938

F/FG

41-1 W 444

TELEGRAM RECEIVED

RB

1-1338

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

FROM

Paris

Telegram to Paris sent Aug. 24
Dated August 23, 1937

Rec'd 4:45 p. m.

793.94
note
793.94111
Secretary of State

Washington.

1192, August 23, 5 p. m.

The Chinese Ambassador called on me today and said that he and Dr. Kung could not understand a telegram received from the Chinese Ambassador in Washington asserting that the Secretary of State had said to him that if China should invoke the Nine Power Pact the United States would have to declare at once that a state of war exists and put in force the provisions of the Neutrality Act.

I expressed doubt that the Secretary of State had made such a statement to the Chinese Ambassador in Washington.

The Chinese Ambassador went on to say that the great question for China today was the maintenance of a free flow of war supplies. His Government was intensely anxious that the Neutrality Act should not be brought into play and that the flow of supplies from the United States to China should continue to be as uninterrupted as at the present time. He asked me if I could give him the position of our Government with regard



793.94/9631

AUG 30 1937

FILED

F/FG

41-2

445

RB

-2-#1192, August 23, 5 p. m. from
Paris

with regard to this matter and I gave him the substance
of your 436, ⁹⁴⁵⁶ August 18, 7 p. m.

In the course of our conversation the Chinese Ambassador said that the Soviet Government had informed the Chinese Ambassador in Moscow that it would supply planes to the Chinese Government; but would refrain from taking any active part in the conflict at the present time. He said that the Soviet Government had explained that Maisky, Soviet Ambassador in London, had asked Eden how Great Britain would view Soviet intervention in the present conflict and that Eden had replied he believed the Soviet Union could only make matters worse by taking any action whatsoever.

In the course of a conversation this afternoon Leger said to me that the French Government was in a most difficult situation with regard to shipment of military supplies to either of the parties in the Far Eastern conflict because of the fact that the manufacture of munitions and airplanes is now in the hands of the State. He asked me if in spite of our position with regard to the Neutrality Act which I had explained to him in accordance with the terms of your 436, August 18, 7 p. m. our Government was not by indirect pressure attempting to persuade all manufacturers of arms, munitions,

0412
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

41-3

446

RB

-3-#1192, August 23, 5 p. m. from
Paris

munitions, and airplanes in the United States to refrain
from any shipments to belligerents. I replied that I
had no exact information with regard to this matter.

BULLITT

SMS

RB

0413

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

PREPARING OFFICE
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OR
Charge to
\$

41-4 ✓ Gray
TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

1937 AUG 24 PM 5 17

Washington,

August 24, 1937.

✓ AMEMBASSY,

448

PARIS (France).

DIVISION OF
COMMUNICATIONS
AND RECORDS

6 PM

Your/1192, August 23, 5 p.m., first paragraph.

No/repeat/no/such/statement/made to/anyone.

Done

793.94/9631

793.94/9631

F

AUG 24 1937 PM

PA/H:SKH:ZMK

FE

m.m.H

En
PTU
PM

C.A.

Enciphered by

Sent by operator M., 19.....

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

D **TELEGRAM RECEIVED**

JR

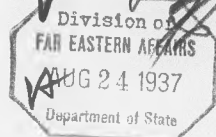
1-1204
COMES SENT TO FROM
O.N.I. AND M.I.D.

COMSOPAT

Rec'd August 24, 1937

8:10 a.m.

From Naval Communications
For the information of the
Department of State.



0123. Situation unchanged in South China. 2000.

793.94

793.94/9632

AUG 27 1937
FED
F-7G

DEPARTMENT OF STATE
CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO-	DATE OF CHARGE	CLERK'S INITIALS
793.94/9732 yt	# 321 Tokyo	PB - Taylor	7/12/50	JRH
9732 gt.	# 176 to "			
9732 gt	# 187 to "			

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

0415

0416
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

123 Wagner Mary Eliz. / 1-346

6314 -
San Salvador

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

TELEGRAM RECEIVED

JR

1-1336

COMYANGPAT

FROM

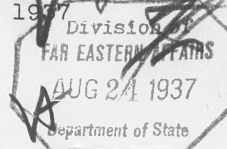
Rec'd August 24, 1937

8:05 a.m.

From Naval Communications
For the information of the
Department of State.

COPIES SENT TO

U.S. DEPT. OF STATE



0023. Seven Japanese bombers attempted raid on Hankow area noon today but were driven off by local Chinese fighting planes at Puchi sixty miles to southwest along Hankow-Canton Railway. No information yet of bombs dropped or air combat. Other river ports quiet. 2320.

793.94

793.94/9633

FILED
F/FG
AUG 27 1937

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



TELEGRAM RECEIVED
Nanking via N. R.

Dated August 23, 1937

FROM
Rec'd 8:45 p.m.

Secretary of State,
Washington.

504, August 23, 11 p.m.

793.94 Buck requested that following message dated August 23
be transmitted to Secretary Morgenthau:

"Generalissimo Chiang Kai Shek granted an interview today and asked me to send you and the President a message to the following effect: 'I am truly disappointed that the United States did not cooperate with England in an attempt to avert the present crisis which could have been averted by joint representation to Japan and China. China and the world will long remember Simon's failure to cooperate with the United States in 1931 regarding Manchuria and now Britain will long remember the failure of the United States to cooperate. United States should not lose her prestige in the world as an upholder of international justice and if she will continue her Stimson policy the present conflict can be prevented also from extending to other countries including the United States. 'I do not want United States to be dragged into the war,' but I do look to her to maintain her position in the Pacific and to maintain peace there. It is not too late for action and I trust United States to work out a just settlement for permanent peace.

China



793.94/9634

FILED
F/FG

42-2

448

-2-

JR #504, August 23, 11 p.m., from Peking via N. R.

China will protect her new currency and without difficulty. To date she has spent less than ten million yuan in the war. There will be no serious problem of financing the war.

The Generalissimo looks well and is in good spirits, and to answer your question of two years ago more fully, he does have a very sympathetic feeling toward America. He suggests it will be necessary for their information and guidance return and explain every consideration told you in detail.

A representative of the Chinese Government is proceeding to the United States on receipt of this important mission by CLIPPER Thursday. He has given me considerable inside information on situation here and I have given him a letter of introduction to you as he will pass on many things which seem inexpedient to send by message (?).

JOHN SOT

HPD

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

42-3
TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to

\$ 793.94/9634

AMEMBASSY,

NANKING (China).

179

Your 504, August 23, 11 p.m.

Department of State
DEPARTMENT OF STATE

1937 AUG 25 PM 6 07

Washington,

August 25, 1937.

Via VR
DIVISION OF
COMMUNICATIONS
AND RECORDS

449
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

8 PM Radio
Special Delivery

One. Please inform Buck that the Department appreciates his having brought to you for transmission the message under reference. Inform Buck that the whole message has been noted by the Secretary of State and a copy is being transmitted to the President; and that the portion (three paragraphs) which relates to financial matters is being communicated to the Secretary of the Treasury. Point out that messages or statements relating primarily or entirely to a political subject, especially such as involve questions of foreign relations, should be channeled through and be handled by the agencies and agents most responsible for the conducting of foreign relations, and that those officials here are the Secretary of State and the President. Also suggest that if Buck is further asked to transmit political messages he should say to the applicant that the United States has an Ambassador in China and the Chinese Government has an Ambassador in the United States, functions of whom are the handling of such messages, and that, while he will be glad to communicate messages to you, such messages, when their substance is matters of foreign relations, should be destined for the Secretary of State and through the Secretary of State for the President.

Enciphered by

Sent by operator M., 19

793.94/9634

F/B

0421
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

PREPARING OFFICE
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\$

42-4
TELEGRAM SENT

Department of State

- 2 -

Washington,

450

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Two. Please take a copy of the first paragraph of the message to the Minister for Foreign Affairs and, with regard to its substance, state that the Generalissimo is evidently under a misapprehension with regard to the policy and action of the American Government in regard to the present crisis to which the Generalissimo has referred. You will state that the American Government has repeatedly urged upon both the Chinese and the Japanese Governments, through the Ambassadors here of those two countries and through the American Ambassadors in those two countries, that hostilities be avoided and peace be maintained. Call attention to the texts of my statements of July 16 and August 23. Say that from the beginning of the present situation the American Government and the British Government have been in constant consultation; that the efforts which each of the two Governments has made have been along parallel lines; and that it is believed that the efforts of each have been directed toward the same fundamental objective, namely, preservation of peace. Request that if and when any official of the Chinese Government wishes that a message regarding high political policy be transmitted to any high official of this Government, such message either be given to

Enciphered by

Sent by operator M., 19.....

0422

DECLASSIFIED: E.O. 11652, 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
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OR
Charge to
\$

42-5
TELEGRAM SENT

Department of State

451
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

- 3 -

the American Ambassador to China or be sent to the Chinese
Ambassador to the United States for communication in first
instance to the Secretary of State.

Howe

793.94/9634

PC

006.10065
006.10202
006.1107
006.1276
006.800

note
100.6593
102.102

PA/H:SKH:ZMK/EJL

FE

EA
21

SKH
Enciphered by

Sent by operator M., 19.....

D. O. R., No. 50

1-1492 U. S. GOVERNMENT PRINTING OFFICE

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

TELEGRAM RECEIVED

JR

1-1236

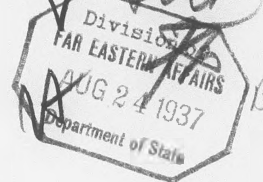
FROM COMSUBRON

Rec'd August 24, 1937

5 a.m.

From Naval Communications
For the information of the
Department of State.

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



0024.

My 0023 1725. Only known result yesterday's

negotiations: first, Chinese police have undertaken to establish a guard at night over closed Japanese cotton mills; second, Japanese considering advisability evacuating all nationals including men from Tsingtao, decision on this unknown. Object these measures prevent hostilities this area. City quiet and tension greatly eased, efforts being made have shops reopen and resume normal business. 1210.

TTC

793.94/9635

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F/FG
AUG 27 1937

0422

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

TELEGRAM RECEIVED

JR

PLAIN and GRAY

1-1336

Canton via N. R.

FROM

Dated August 24, 1937

Rec'd 9:25 a.m.

Secretary of State.

2 Copies hereof to be sent to *Commerce*
Washington. Copy also to

and
August 24, 2 p.m.

On August 23 Central Government imposed embargo on

bamboo exports from Kwangtung, temporarily interpreted by
Canton customs as applying only to sticks twenty-five
millimeters in diameter or over. (GRAY) Canton merchants
are refusing to sell hemp and straw to Japanese. Movement
is spreading to other products and becoming general.

Sent to Department, Peiping, Nanking; and by mail to
Hong Kong.

793.94
note
693.949

ASSISTANT SECRETARY
OF STATE

AUG 26 1937

A-M/C

DEPARTMENT OF STATE

RECORDING DESK
FILE - WHB

LITWELL



AUG 27 1937

793.94/9636

F/G

FILED

AUG 27 1937

43-1

452

~~FE~~

TELEGRAM RECEIVED

MM 1-1336

FROM GRAY

Tokyo

Dated August 24, 1937

Rec'd. 7:05am.

Secretary of State
Washington, D.C.

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

Division of
FAR EASTERN AFFAIRS
AUG 24 1937
Department of State

307, August 24, 7pm
Embassy's 297, August 23, 1pm.

In conversation today with the Naval Attache the senior aide to the Navy Minister stated that full evacuation of all Japanese from Tsingtao is in process and will be completed within a few days. He added that landing of Japanese forces will be avoided if at all possible.

GREW

DDM
KLP

793.94/9637

FILED
AUG 12 1937

F/G

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

TELEGRAM RECEIVED

MM

1-1336

GRAY
FROM
Tokyo

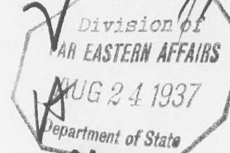
Dated August 24, 1937

Rec'd. 9:50am.

Secretary of State

Washington, D.C.

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



793.94/9638

308, August 24, 8pm.

Nanking's 493, / ⁹⁶²⁵ August 23, noon.

As set forth in our 299, / ⁹⁵⁹⁴ August 23, 5pm, the Foreign Office, replying to our submission of a list of American properties, did not request the lighting of such properties. The suggestion to mark by lights was made in earlier conversation by the Senior Aide to the Navy Minister as reported in our 294, / ⁹⁵⁵³ August 21, 2pm. The Naval Attache has therefore today sent to the Senior Aide a letter embodying the substance of Nanking's 493, August 23, 12pm.

Repeated to Shanghai for relay to Nanking.

HPD

GREW

FILED
AUG 26 1937

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

44-1 453 PE

TELEGRAM RECEIVED

ML

1-1336

GRAY

FROM Peiping via N. R.

Dated August 24, 1937

Rec'd 8:05 a. m.

793.94
note
93.711

Secretary of State
Washington

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

Division of
FAR EASTERN AFFAIRS
AUG 24 1937
Department of State

SEP 1 - 1937

793.94/9639

470, August 24, 5 p. m.

Embassy's 467, August 23, 5 p. m.

One. Foreign newspaper correspondents were informed this morning by the local press section of the North China garrison that Japanese troops occupied Kalgan August 22, having arrived there from Jehol; that these troops are proceeding toward Nankou; that Japanese planes are today bombing towns along the Peiping-Suiyuan Railway between Kalgan and Nankou; and that the Japanese expect the Chinese troops in that area to retire westward.

Two. An American newspaper man went yesterday to within sight of Chuyungkuan, which is one third of the way within Nankou Pass from the south. He states that a Japanese heavy offensive against Chuyungkuan was in progress yesterday. According to Japanese military, a Japanese offensive at that place was in progress August 20 (Embassy's 457, August 20, 5 p. m.).

Three. Disturbed conditions in the western hills continue. Chinese and foreign eye witnesses report that the bandits,

FILED

44-2 45A

ML Peiping via N. R. Aug. 24, 1937 8:05 a. m. #470

bandits, allegedly troops of the notorious Liu Kuei Tang, are fraternizing with Japanese soldiers in that area.

WSB
1-8-38

Four. The Japanese are remodeling a building on Legation Street in the Legation quarter for the purpose of establishing a post office ^{for the use of} (P) Japanese residents of Peiping. It is authoritatively stated that the Japanese military authorities as from yesterday ^{have} ~~actually~~ established a censorship of mails in the central post office at Peiping, apparently under the same conditions as those prevailing at Tientsin and previously reported.

Repeat to Embassy at Nanking.

LOCKHART

KLP:WWC

0429

DECLASSIFIED: E.O. 11652, 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 SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

Charge to

\$

Department of State

DEPARTMENT OF STATE

1937 SEP 1 PM 4 33

DIVISION OF
COMMUNICATIONS
AND RECORDS

Washington, VIA NAVAL RADIO

August 31, 1937.

SEP 1 - 1937

50m

AMEMBASSY,

PEIPING (CHINA) min NR

Your 470, August 24, 5 p. m., paragraph four.

If it has not repeat not already done so please request
Tientsin to repeat to you Department's 14, August 24, 4 p. m.,
and the exchange of telegrams between Tientsin and Nanking
in regard to Japanese censorship of mails at Tientsin.

You are authorized to take up with the appropriate
Japanese authorities in Peiping the matter of the censorship
of mails. In doing so, you should be guided by the Depart-
ment's 14, August 24, 4 p. m. to Tientsin.

SEP 1 1937 PM

793.94/9639

FE:JCV:SMJ

FE

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PA/H

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/9639

note
893-711

Hill
Supt

FE LE
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

MM

1-1338

FROM

Nanking via N.R.

Dated August 24, 1937

Rec'd. 9:33am.

Secretary of State

Washington, D.C.

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

506, August 24, 10am.

One. No change in information concerning night raids August 22 as reported in Embassy's 496, August 23, 5pm.

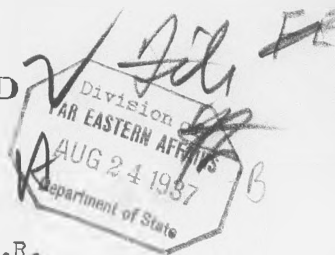
Two. Another raid just after midnight this morning reportedly by three planes which dropped several bombs, some falling in Lotus Lake, one hitting city wall, and one falling inside the wall. Objective presumed to be mission Observatory Hill (Pegochiko). Several Chinese casualties reported.

Three. Foreign military observers are of the opinion that the planes which participated in most recent raids were light bombers from a carrier.

Sent to the Department, Peiping, Shanghai, Hankow.

JOHNSON

DDH
WTC



793.94/9640

FILED
AUG 27 1937

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

JR

PLAIN, GRAY AND SPECIAL GRAY

Canton via N. R.

TELEGRAM RECEIVED

Dated August 24, 1937

Rec'd 9:16 a.m.

FROM

1-1236
Secretary of State,

Washington.

793.94
August 24, 3 p.m.

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



City quiet with considerable numbers of Chinese
now returning from Hong Kong.

A long considered plan to move seat of Namhoi District
Government from Canton to Fathan is now being carried out.

That eight thousand bags of Hong Kong cement have been
imported for believed construction of air raid shelters;
the Canton military garrison has been considerably augmented;
and that a number of new anti-aircraft guns just arrived
from Hong Kong for local use.

Informed on unquestionable authority that immense
quantities of high explosives have been recently arriving
from Hong Kong and shipped on to Hankow by rail.

Authorities in South China fully expect, if war
continues, that Japanese will attempt interruption of
radio communications with North, attempt bombing from
air of arsenals, concentrations of war materials, aerodromes
et cetera, and possibly will attempt blockade of South
China ports to prevent ingress of war materials from abroad
through principal route remaining open.

Hail copies to Hong Kong, Shanghai, Swatow.

LINDALL

793.94/9641

AUG 27 1937

FILED / FG

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

45-1

VIII - 19 - 7

Mr. McDermott called at 6:20 p.m.
to inform FE that, according to the
International News Service the Vice
Minister for Foreign Affairs at Tokyo
in a formal statement to the British
Ambassador communicated to the latter
the formal rejection by the Japanese
Government of the British proposal
for a truce at Shanghai.

JHS

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

45-2

Immediate

10
RECEIVED
DEPARTMENT OF STATE

BRITISH EMBASSY,
WASHINGTON, D.C.

1937 AUG 24 AM 9:15 August 20th, 1937

DIVISION OF
COMMUNICATIONS
AND RECORDS

File #
Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State
pk

Dear Mr. Welles:

Since seeing you this morning I have had a further telegram from the Foreign Office telling me that with regard to the situation at Shanghai the French Government confirms its readiness to participate, at least symbolically, outside the French settlement in the scheme which I mentioned to you, and that they are telegraphing to their Representative at Nanking accordingly.

Yours sincerely,

R.C. Lindsay

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The Honourable

Sumner Welles,

Department of State,

Washington, D.C.

AUG 27 1937

FILED

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

45-3

~~SA~~ / ~~44~~
45S FE / DCR 4

Handed to the ⁴⁴British
Ambassador ³ Aug. 21, 1937
by Mr. Harwick.
Zmc

My dear Mr. Ambassador:

Referring to your letter of August 20 informing
me of a further telegram which you have from the Foreign
Office telling you that with regard to the situation at
Shanghai the French Government confirms its readiness to
participate, at least symbolically, outside the French
settlement in the scheme which you had mentioned to me,
the Department was informed on August 19 by the French
Embassy that the French Minister for Foreign Affairs had
signified his willingness to concur in the procedure
suggested by the British Government provided that the
participation

His Excellency

The Right Honorable

Sir Ronald Lindsay, P.C.,

G.C.M.G., K.C.B., C.V.O.,

British Ambassador.

793.94/9642

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

45-4

457

- 2 -

participation of French forces in the general protection
of the Japanese be given only within the limits of the
French Concession; and on August 20 the French Embassy
approached us further and stated orally that the French
Government would be prepared to assign a small detachment
from its armed forces for use in the International Settle-
ment.

I am, my dear Sir Ronald,

Sincerely yours,

W. C. C. C.

PA/H:SKH/REK

8/21/37

A true copy of
the signed orig-
inal.

FE/gms

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

10
RECEIVED
DEPARTMENT OF STATE

1937 AUG 24 AM 9 19

DIVISION OF
COMMUNICATIONS
AND RECORDS

AIDE MEMOIRE.

*Copies sent to Tokyo, Peking,
London, Paris, Rome
Sept 4*

Division of
FAR EASTERN AFFAIRS

AUG 21 1937

Department of State

His Majesty's Government in the United Kingdom
have received the reply which the United States Govern-
ment were good enough to return on the 19th of August
to their proposal with regard to the situation at
Shanghai.

His Majesty's Government understand that
the Japanese Government while indicating preliminary
doubts have not given their final answer to the
proposal put to them by His Majesty's Government.

His Majesty's Government wish to emphasise
that if the Chinese and Japanese Governments genuinely
accept the scheme quite small numbers of foreign troops
should be sufficient for the protection of Japanese
nationals. Since this scheme appears to be the only
chance of averting further and even more terrible dangers
to the International Settlement His Majesty's Government
earnestly trust that the United States Government will
be able to declare their readiness to cooperate.

The French Government, though mainly
concerned with the French concession, are understood
to be ready to contribute something to indicate their
solidarity outside of their concession.

August 20th, 1937.

795.94/9643

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

46-2

5
Handed to the British Ambassador
this noon, August 21, 1937.
SKH

459

DCR

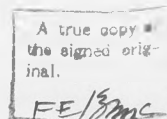
The American Government acknowledges receipt of
the British Embassy's aide-memoire of August 20 with
regard to the situation at Shanghai.

As stated in the Department's memorandum of
August 19, it appeared to this Government at that time
that the question of a possible assumption of a joint
responsibility such as is envisaged in the British
Government's proposal had already been disposed of,
adversely, by the attitude of the Japanese Government
in regard to the proposal. All information available,
including press reports and reports received from Ameri-
can official sources, tends conclusively to confirm that
impression.

793.94/9643

Department of State,

Washington, August 21, 1937.



PA/H:SKH:ZMK

FE

EU

8/21/37

D.H.

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

*Handed to
Mr. Weller by
Miss Anderson
VIII - 10-37*

DEPARTMENT OF STATE
RECEIVED
AUG 24 1937
DIVISION OF
COMMUNICATIONS AND RECORDS

John

Division of
FAR EASTERN AFFAIRS
AUG 21 1937
Department of State

FE

Telegram from the Foreign Office *Sil*

We think it right to say that
His Majesty's Chargé d'Affaires at
Tokio has received very valuable
help from the United States Ambassador.
Please inform State Department that
this is greatly appreciated here.

*793.94
mt
173 - 861*

793.94/9644

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AUG 29 1937

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

Handed to the British Ambassador
 by Mr. Hornbeck, August 21, 1937.

August 21, 1937.

The Department receives with
 pleasure and gratification the message
 from the British Foreign Office stating
 that the British Chargé d'Affaires at
 Tokyo has received very valuable help
 from the United States Ambassador and
 that this fact is appreciated by the
 Foreign Office. The Department has
 been informed of the cooperative attitude
 of the British Chargé d'Affaires at
 Tokyo and wishes to express appreciation
 thereof.

793.94/9644

F

PA/H:SKH:ZMK

FE

A true copy of
 the signed orig-
 inal.
 FE/Sam

0440

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

RCY ROW
TELEGRAM SENT

Pray

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

* * PREPARING OFFICE
WILL INDICATE WHETHER

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Charge Department
OR

Charge to
\$

Department of State
DEPARTMENT OF STATE

Washington,

1937 AUG 23 PM 4 51

August 23, 1937.

5pm

AMEMBASSY,

TOKYO (Japan) **DIVISION OF
COMMUNICATIONS
AND RECORDS**

✓ 160

On August 20, British Ambassador handed Under Secretary
a memorandum stating:

QUOTE Telegram from the Foreign Office. We think it
right to say that His Majesty's Chargé d'Affaires at Tokio
has received very valuable help from the United States
Ambassador. Please inform State Department that this is
greatly appreciated here UNQUOTE.

On August 21, Mr. Hornbeck handed British Ambassador
a memorandum stating:

QUOTE The Department receives with pleasure and
gratification the message from the British Foreign Office
stating that ~~the British Chargé d'Affaires at Tokyo has re-
ceived very valuable help from the United States Ambassador
and that this fact is appreciated by the Foreign Office.~~

Quote The Department has been informed of the cooperative attitude
of the British Chargé d'Affaires at Tokyo and wishes to
express appreciation thereof *End* QUOTE.

1937
1937 PM

PA/H:SKH:ZMK

FE

Enciphered by *SKH*

Sent by operator *M.*, 19 *1937*

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/9644

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

111

TELEGRAM RECEIVED CINCAF

Rec'd. August 24, 1937

1-1336

FROM

11:40am.

From Naval Communications
for the information of the
Department of State.

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



193.94
0024 Reliable reports Japanese army divisions raided Chapu on Hangchow Bay in addition Lihot and Woosung. No reports advances these troops but due lack roads operations probably slow, landings accomplished with small losses. Chinese reported withdrawn two divisions from Western Chapei to assist defense Liuro Manhsang area. Unconfirmed report one division Taungsin troops arrived Hanking and being transported Shanghai. No damage in Hongkew Yangtzepoo and Pootung sections. Chinese artillery active Chapei-Pootung during night and one Chinese bomber dropped several bombs Hongkew. Japanese planes continued bomb Chenzu Kiangwan and Pootung. No evidence Chinese attacks these areas lessening or of general Chinese withdrawal. Reports have investigation two bombs which fell in Settlement not completed due evidence indicates plane was Chinese. One hundred seventy five Americans evacuated on PRESIDENT PIERCE today, believed total still in Shanghai approximately two thousand 1910.

HPD

793.94/9645

AUG 27 1937

FILED
F/FG

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

DOCUMENT FILE

NOTE

SEE 894.00 P.R./116 FOR Despatch #2524

FROM Tokyo (Grew) DATED August 5, 1937.
TO NAME 1-1127

REGARDING: Sino-Japanese conflict in North China. Resume of action from
July 7 to July 31, 1937.

hc

793.94/9646

F

ii. RELATIONS WITH OTHER COUNTRIES.

(a) China.

On the night of July 7 and in the early morning of July 8 an armed clash took place at Lukouchiao (Marco Polo Bridge, 10 miles southwest of Peiping) between troops of the Japanese North China Garrison, who were reportedly executing maneuvers, and troops of the 29th Chinese Army. According to a Japanese newspaper extra published on the morning of July 9, news despatches from Peiping received at the Japanese War Office stated that mediation by the Mayor of Tientsin had resulted in an oral agreement providing for the withdrawal of the Japanese forces north of the Yungting River and of the Chinese forces south of the River. However, fighting broke out again on the evening of July 10 and continued during the early morning of July 11.

The Japanese authorities in Tokyo took a serious view of the fighting which had occurred during the evening of July 10 and the early morning of July 11, and on the afternoon of July 11 the Cabinet made public a resolution the substance of which was that the fighting subsequent to the oral plan of settlement was a matter of deliberate Chinese military planning against Japan and that although the Japanese Government had not abandoned hope that negotiations might yet prevent aggravation of the situation, the Cabinet had decided to take all necessary measures for despatching military forces to North China.

A

* Telegram from Peiping No. 190, June 29; Embassy's telegram No. 170 of June 30; Department's telegram No. 101, July 1; and Embassy's telegram No. 181 of July 7, 1937.

-5-

A written agreement providing for the withdrawal of Chinese and Japanese troops from the Yungting River was reached on the evening of July 11 by Japanese North China Garrison authorities and representatives of the Hopei-Chahar Political Council. According to information furnished to the Embassy by the Japanese Foreign Office, the agreement further provided for replacement of the 29th Army troops by troops of the Chinese Peace Preservation Corps, apology for the incident by General Sung Che-yuan, Commander of the 29th Army, punishment of the Chinese officers responsible for the clashes, and measures to be taken by the North China authorities against the anti-Japanese activities of the Blue Shirts and communists.

On the following morning, however, further fighting reportedly occurred near Peiping. The Japanese military authorities in North China took the position that this fighting had been entirely due to the actions of the 29th Army troops and that the latter had broken the written agreement of July 11.

On July 13 there were indications of a strong and unanimous determination on the part of the Japanese Government to resist, even at the cost of extensive hostilities, any movement which might tend to weaken Japan's position in North China.*

An official of the Japanese Foreign Office stated to a member of the Embassy's staff on July 14 that future developments in North China would depend on (1) whether the Blue Shirts would incite the 29th Army to further anti-Japanese activities, and (2) whether the Nanking Government would send troops north of Paoting, Hopei Province, in contravention of the Ho-Umezu agreement of 1935. This official stated emphatically that Japan would not permit Nanking Government troops to proceed north of this point. **

Although

* Embassy's telegram No. 192, July 13, 1937.

** Embassy's telegram No. 200, July 14, 1937.

-6-

Although little fighting was reported from July 11 to July 17, the situation remained tense. On the latter date Mr. Hidaka, Counselor of the Japanese Embassy at Nanking, called on the Chinese Minister for Foreign Affairs and handed him a memorandum, the terms of which, according to Mr. Hidaka's subsequent statements, were the following: (1) the Chinese Government should cease provocative acts (which, Mr. Hidaka, explained, meant cease sending troops into Hopei Province); and (2) the Japanese Government should cease impeding the local negotiations in the north.*

The Embassy was informed by the Foreign Office that on July 18 General Sung Che-yuan had tendered an apology to General Kiyoshi Kazuki, Commander of the Japanese North China Garrison, for the occurrence of the Lukouchiao incidents, in accordance with the terms of the July 11 agreement.**

On July 19, in reply to the Japanese memorandum of July 17, an official of the Chinese Foreign Office delivered a note to the Counselor of the Japanese Embassy at Nanking containing the following four points: (1) the two countries should agree on a date when movements of their military forces would cease, and these forces would be recalled to their original positions; (2) diplomatic negotiations should be opened for settlement of the dispute; (3) the authorization of the Nanking Government is essential for any agreement concluded on the spot; and (4) China is willing to accept any means of settlement recognized by international law and treaties. In the evening of the same day the Japanese Foreign Office issued a statement approving of the Chinese memorandum charging the Chinese Government with attempting to befog the issue and asserting that the only issue was whether or not the Nanking Government would continue to obstruct implementation of the July 11 local agreement. ***

In

* Telegram to the Department from Embassy at Nanking, No. 306, July 19.
* Embassy's telegram No. 211, July 19.
* Embassy's telegram No. 213, July 20.

-7-

In a statement to the people of China issued by General Chiang Kai-shek at Kuling on July 19 it was stated that no plan of settlement could be accepted that would infringe on the territorial integrity or sovereignty of China; that the status of the Hopei-Chahar Political Council would be decided only by the National Government and no illegal changes would be permitted; that China could not agree to dismissal of a local official appointed by the National Government, such as the Chairman of the Hopei-Chahar Political Council, because of any pressure from outside; and that China could not submit to any restrictions as to the place of garrisoning the 29th Army.

A recurrence of fighting took place on July 20, the day following the reported conclusion of the agreement between General Sung Che-yuan and Lieutenant-General Kazuki for local settlement of the Lukouchiao incident based on the terms of the understanding of July 11.

According to Japanese reports, on July 25 the 29th Army units had failed to withdraw from their positions in accordance with the local agreement and some of these units had even strengthened their positions. On the same day General Chiang Kai-shek told the American Ambassador in Nanking that the Central Government of China had acceded to Japanese demands and had withdrawn its opposition to a local settlement of the Lukeuchiao incident along the lines of the three points provided for in the agreement of July 11.

Severe fighting reportedly broke out at Langfang during the night of July 25 between Japanese troops and Chinese troops of the 33th Division of the 29th Army.

On July 26 Lieutenant General Kazuki sent to General Sung Che-yuan a virtual ultimatum asserting that the Japanese Army would be compelled to take "free action" if the 37th Division Chinese troops near Lukouchiao and Papaoshan were not withdrawn to the west of the Lungting River by noon on July 27 and if all troops of the 37th Division

-8-

ision were not removed from Peiping and from Hsiyuan to the west of the Yungting River by noon on July 28. Following the issuance of this ultimatum a clash occurred at Changyimen in the southwestern suburbs of Peiping when Chinese troops allegedly opened fire on Japanese troops who were trying to force their way into the city.*

On July 27 the Japanese North China Garrison started a "punitive campaign" against troops of the 29th Army and during the remaining day of the month heavy fighting took place in the region around Peiping and also in Tientsin.

On the morning of July 29 it was confirmed by Chinese officials in Peiping that all troops of the 37th Division and part of the 132nd Division, which had been in Peiping, had left the city and were moving toward Paoting and that General Sung Che-yuan as well as General Feng Chih-an, Commander of the 37th Division, and other officials, had left Peiping for Paoting.**

* Telegram to the Department from Embassy at Peiping, No. 301, July 27, 1937.

** Telegram to the Department from the Embassy at Peiping, No. 322, July 29, 1937.

-9-

(b) Great Britain.

The British Chargé d'Affaires in Tokyo informed the American Ambassador on July 13 that Mr. Eden had inquired of the American Ambassador in London whether some combined Anglo-American démarche in Tokyo and Nanking would be favorably considered by the American Government.*

Two days later, acting on instructions received from his Government, the British Chargé d'Affaires called on the Japanese Vice Minister for Foreign Affairs and stated orally that "the British Government is using such influence as it may possess at Nanking to persuade the Chinese Government to take no action which might make the situation in North China more difficult. If in the course of any negotiations that may take place for a settlement the British Government could be of any assistance it will be glad to listen to any suggestions that the Japanese Government would care to make." **

On the following day the British Chargé d'Affaires called on the Japanese Vice Minister for Foreign Affairs and without instructions from his Government communicated orally to him the contents of a telegram just received from the British Ambassador at Nanking, the essence of which was that the Chinese Government was ready to withdraw troops to the positions held prior to the incident and to terminate all troops movements in the affected area if similar action were taken by the Japanese Government and that as a preliminary measure the Chinese Minister for Foreign Affairs was considering proposing that on July 17 all troop movements on both sides should stop.**

Mr. Eden stated in the House of Commons on July 22 that as long as the present situation in North China persisted it did not seem opportune to open the conversations with Japan with regard to the conclusion of a political agreement to which the British Government was looking forward.

Separate

* See Section I of the present report.

** Embassy's telegram No. 203, July 15, 1937.

*** Embassy's telegram No. 206, July 16, 1937.

-10-

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C
Separate representations similar to those made by the American Ambassador on July 28 were made by the British Chargé on the same day for the protection of British lives and property in Peiping.*

Pursuant to instructions received from London, the British Chargé d'Affaires on July 29 left with the Japanese Vice Minister for Foreign Affairs a letter for the Minister for Foreign Affairs stating that Mr. Eden was greatly perturbed by a statement made to the British Chargé d'Affaires by Mr. Hirota on the previous day to the effect that decisions for military operations in North China now lay with the commander of the Japanese troops in that area. The British Chargé d'Affaires also said that this observation appeared to Mr. Eden to be contrary to Mr. Hirota's statement in the Diet to the general effect that Japan did not want war with China.**

NO DISTRIBUTION IS BEING MADE OF THIS SECTION - GREAT BRITAIN
II (b) - OF THE PRESENT REPORT.

* Embassy's telegram No. 230, July 28, 1937.

**Embassy's telegram No. 234, July 29, 1937.

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



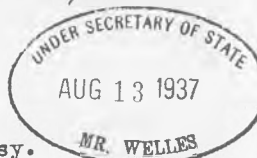
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 10, 1937.

MEMORANDUM

CONFIDENTIAL



CONVERSATION

Mr. Suma, Counselor of the Japanese Embassy.

Mr. Ballantine.

Subject: Chinese-Japanese Situation in North China.

(Mr. Hornbeck asked Mr. Ballantine to receive Mr. Suma.)

Mr. Suma said he wished to report that he had received a telegram from Peiping to the effect that Mr. Powell, an American concerning whom there were reports of maltreatment by the Japanese, had called at the Japanese Embassy there, that he was safe and that he was now proceeding from Peiping to Tientsin.

Mr. Suma stated that the situation in Shanghai had become more serious as a result of an incident involving a Japanese lieutenant and a first class private who had set out on an inspection tour of the Japanese cotton factory district in the western section of Shanghai. The lieutenant was subsequently found killed on Monument Road riddled with 37 bullets and the private has been missing so that it was feared that he too was killed. Mr. Suma felt that this affair has been deliberately provoked by the Chinese.

Mr. Suma then proceeded to relate that in the last few days

five



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-2-

five Chinese divisions and a force 20,000 strong of the peace preservation corps had surrounded the neutral zone in Shanghai and were preparing trenches there. He felt that this action might be the forerunner of trouble. Mr. Suma said that he had learned that the Chinese authorities at Nanking had approached our diplomatic representatives there with a plan for the neutralization of Shanghai. Mr. Ballantine said that we had been informed of this, but, that, as a matter of fact, prior to the receipt of the Chinese proposal the representatives of the interested powers had been considering the question of making an approach to the Japanese and Chinese authorities with a view to obtaining assurances that each side would refrain from sending troops into the Shanghai area. Mr. Ballantine said that this was not a neutralization proposal but a plan, prompted by a desire to ensure the safety of our large numbers of citizens and great interests in Shanghai, to minimize the possibility of hostilities in the Shanghai area. (Mr. Ballantine did not tell Mr. Suma whether any action had been taken in connection with this proposal.) Mr. Suma asked who had originated this proposal and Mr. Ballantine said that he understood the consular representatives of the powers in Shanghai had initiated the suggestion.

Mr. Suma said that Japan has completed its evacuation of Japanese civilians from Hankow and various up-river ports

on

47-3

462

-3-

on the 9th. He said that the Japanese concession at Hankow was being held by the Japanese Navy and that Japan had no intention of relinquishing it. He said that the Chinese were adopting an increasingly provocative attitude at Hankow but that the Japanese Government with a view to localizing fighting as far as possible had taken the measure of evacuating Japanese civilians. Mr. Suma noted that in South China Foochow and Swatow had been evacuated but not Canton or Amoy.

Mr. Suma observed that the situation in Chahar had become more serious as a result of the central government's having dispatched five divisions there, including the 84th, 89th, 4th and 143rd.

Mr. Suma said that he assumed that the incident in Peiping involving maltreatment of two American women by Japanese soldiers had now been settled and he expressed the hope that if any other incident arose ~~that~~ the Department would let him know so that he might take appropriate steps. He said furthermore that if the Japanese Government could extend its good offices in connection with the evacuation of Americans from danger zones, the Japanese Government would be pleased to render every assistance.

Mr. Suma made reference to resolutions in Congress calling for the evacuation of American military forces from Tientsin and Peiping and asked what the status of this

question

Mr. Suma
talks much
about this
but nothing
happens.
SMH

0453

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

47-41

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-4-

question was. Mr. Ballantine said that, so far as he was aware, there was no question of the evacuation of American forces in China before the Government.

JWB m.m.d.
FE:JWB:VC

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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

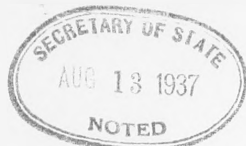
*Copies sent to Tokyo, Peking, London, Paris
+ Rome*

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Conversation.

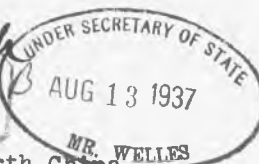
August 11, 1937.



Mr. Yakichiro Suma, Counselor,
Japanese Embassy.

Mr. Hornbeck

Division of
FAR EASTERN AFFAIRS



Subject: Chinese-Japanese Situation in North China

Mr. Suma called at 3:30 this afternoon at his request.

Mr. Suma said that he wanted to inquire about develop-

ments in connection with the statement issued by the
Secretary of State on July 16. His Embassy had noticed
the accounts given in the press last Sunday of "replies"
made by a large number of foreign governments. He inquired
whether the American Government had brought the statement of
July 16 to the attention of the Japanese Government through
the American Ambassador in Tokyo. I replied that, after
issuing the statement on July 16, the Secretary had brought
the statement personally to the attention of some of the
foreign diplomats here in Washington on occasion of calls
made upon him by them; that in particular the Secretary had
handed copies to the Japanese and the Chinese Ambassadors
and had made comments upon the contents of the statement.
Mr. Suma said that the Japanese Ambassador had called on
July 21: was it then that the Secretary had done this. I
replied that I thought it must have been about then; a
week-end had intervened; I remembered that the Secretary

had



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- 2 -

had given copies to and had spoken to the Japanese and the Chinese Ambassadors on the same day. Mr. Suma then inquired again whether our Ambassador in Tokyo had called the statement to the attention of the Foreign Office. I replied that Mr. Grew had on the 22nd or 23rd spoken to Mr. Hirota in continuation of what the Secretary had said here on the 21st to Mr. Saito, but that we had assumed that Mr. Saito would report to Tokyo the contents of the statement, inasmuch as the Secretary had not only issued the statement publicly on the 16th but had called it especially to Mr. Saito's attention and emphasized the store which we set by it, on the previous day.

Mr. Suma then said that, with regard to the incident of the killing of a Japanese officer and a Japanese seaman at Shanghai, the Japanese authorities had made a thorough investigation and had discovered that the Japanese officer in question had been shot thirty-seven times and had been mutilated, his skull having been cut through, and that those authorities were attempting to effect a settlement of the incident. He said that the officer had ^{not} been possessed of any weapon and that the seaman had been carrying a pistol but that the pistol had not been discharged. He said that the Japanese population at Shanghai was "hot headed" but that the Japanese authorities were trying to restrain them and keep them calm. Mr. Suma said that when the incident occurred the Japanese officer had been on an "inspection tour." I inquired where the incident had taken place. Mr. Suma said
that

- 3 -

that it was on Monument Road, outside of the Settlement. I inquired at what time of day it had taken place. Mr. Suma said that he thought that it was in the afternoon. He went on to say that the officer had been inspecting in connection with the placing of a guard of twenty men around a Japanese cotton mill. I spread out a map of Shanghai with a view to having Mr. Suma indicate somewhat more exactly the scene of the incident. Mr. Suma, after some time and some searching in a different direction, put his finger on Hungjao, ran his finger about a mile to the eastward and said that he thought it was about there. I made only the observation that this would seem to be about five miles from the boundary of the Settlement. Neither Mr. Suma nor I made any further statement with regard to that matter, except that I said that I supposed and hoped that we might assume that the incident would be settled amicably.

Mr. Suma then said that he wanted to make an explanation regarding developments which had followed the conversation in which he had mentioned to me the matter of reported enlistments of American aviators in California. He said that his Embassy had noted with surprise and regret a statement attributed to Mr. Hirota in which Hirota was reported to have stated that Mr. Suma had brought this matter to the attention of Mr. Hornbeck. The Embassy had been on the point of sending a telegram to their Foreign Office voicing objection to that publicity; before they got their telegram off, there had come to them a telegram from the Foreign Office explaining

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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

- 4 -

explaining that this had happened through an inadvertence which the Foreign Office regretted: the Intelligence Office of the Foreign Office had been talking the matter over with Mr. Byas and had casually mentioned to Byas that Suma had spoken about the matter to Hornbeck; Byas had then immediately put it into a newspaper story; thereafter, Mr. Hirota had explained in the Diet that the American Government "would prevent" departure of such aviators. Mr. Suma wanted us to know that both the Embassy here and the Foreign Office regret the giving of this publicity to the conversation which had been held between Suma and Hornbeck. I said that I would give Mr. Suma an account of the matter as we understood it: Mr. Suma had told me that his Embassy had noticed the newspaper stories about what was going on in Los Angeles and had received a telegram on the subject from their Consul General at Los Angeles; Mr. Suma had said that he was mentioning the matter to me informally and by way merely of asking whether we had seen anything on the subject; I had replied that we knew only what we had seen in the newspaper; Mr. Suma had asked whether we would take any steps; I had replied that I did not know what the Department would do but that if action were taken it would be for other Departments of the Government to act; and that Mr. Suma had repeated that he was bringing the matter up only informally. Mr. Suma said that this was all correct. I continued to the effect that on the next day we had been informed here that

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

- 5 -

the press in London was running a story to the effect that the Japanese Government had protested to the American Government and that I had stated that no such story was true; that a few minutes later we had received a telegram from Mr. Grew, to whom we had sent no account of the conversation between Suma and Hornbeck, stating that in the Japanese press, in one paper at least, there had appeared a story attacking the United States and saying that the Japanese Government was protesting; that Mr. Grew had thereupon seen Mr. Hirota and called attention to the unfortunate character of such an attack and allegation, and had stated to Mr. Hirota that he, Grew, was confident that his Government would, in the light of whatever were the facts, take appropriate action; that thereafter Mr. Hirota had stated in the Diet that there was no reason for the Japanese to get excited about this matter and that he was sure that the American Government would take appropriate steps. I pointed out that we did not understand Mr. Hirota to have said what Mr. Suma had just said, namely, that the American Government would "prevent departure"; that Mr. Grew had given no specific assurance as to what form our action would take, and that we were not giving any specific assurance or promise that we would do a specified thing; that all that we could do and all that we would affirm that we would do would be to take appropriate steps. I said that we looked with disapproval upon the taking of service by our nationals in the active armed forces of any foreign government and that we attempt to discourage such, but that we cannot guarantee that

- 6 -

that there will not be some disregard of our attitude and efforts. Mr. Suma said that he fully understood that.

Mr. Suma then reverted to the question of the Secretary's statement of July 16. He asked whether replies from governments other than those mentioned last Sunday were still going to be published. I stated that replies from several governments had been coming in and that it was my understanding that there probably would be supplementary publication. I remarked that the release made to the press last week had accounted for about forty countries, which left a good many not accounted for. I said that the press itself had picked out certain countries and called attention to them by name as being those not accounted for. Mr. Suma then mentioned Japan, Germany and Italy. I remarked that there were a good many others. Mr. Suma said that he was trying to get complete orientation with regard to the matter. I said that there was little that I could add except to repeat, for sake of clarity, that we had assumed, after the conversation of July 21, in which the Secretary had featured this statement and had deliberately handed a copy of it to the Japanese Ambassador, that the Japanese Ambassador would have informed his Government fully of what the Secretary had said with regard to it. Mr. Suma thanked me for having explained the whole matter, and the conversation there ended.

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

[COPY: AMW:SS]
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Conversation.

August 11, 1937.

Mr. Yakichiro Suma, Counselor,
Japanese Embassy.

Mr. Hornbeck.

Subject: Chinese-Japanese Situation in North China.

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Mr. Suma said that he wanted to inquire about developments in connection with the statement issued by the Secretary of State on July 16. His Embassy had noticed the accounts given in the press last Sunday of "replies" made by a large number of foreign governments. He inquired whether the American Government had brought the statement of July 16 to the attention of the Japanese Government through the American Ambassador in Tokyo. I replied that, after issuing the statement on July 16, the Secretary had brought the statement personally to the attention of some of the foreign diplomats here in Washington on occasion of calls made upon him by them; that in particular the Secretary had handed copies to the Japanese and the Chinese Ambassadors and had made comments upon the contents of the statement. Mr. Suma said that the Japanese Ambassador had called on July 21: was it then that the Secretary had done this. I replied that I thought it must have been about then; a week-end had intervened; I remembered that the Secretary had given copies to and had spoken to the Japanese and the Chinese Ambassadors on the same day. Mr. Suma then inquired again whether our Ambassador in Tokyo had called the statement to the attention of the Foreign Office. I replied that Mr. Grew had on the 22nd or 23rd spoken to

Mr. Hirota

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

-2-

Mr. Hirota in continuation of what the Secretary had said here on the 21st to Mr. Saito, but that we had assumed that Mr. Saito would report to Tokyo the contents of the statement, in as much as the Secretary had not only issued the statement publicly on the 16th but had called it especially to Mr. Saito's attention and emphasized the store which we set by it, on the previous day.

Mr. Suma then said that, with regard to the incident of the killing of a Japanese officer and a Japanese seaman at Shanghai, the Japanese authorities had made a thorough investigation and had discovered that the Japanese officer in question had been shot thirty-seven times and had been mutilated, his skull having been cut through, and that those authorities were attempting to effect a settlement of the incident. He said that the officer had not been possessed of any weapon and that the seaman had been carrying a pistol but that the pistol had not been discharged. He said that the Japanese population at Shanghai was "hot headed" but that the Japanese authorities were trying to restrain them and keep them calm. Mr. Suma said that when the incident occurred the Japanese officer had been on an "inspection tour." I inquired where the incident had taken place. Mr. Suma said that it was on Monument Road, outside of the Settlement. I inquired at what time of day it had taken place. Mr. Suma said that he thought that it was in the afternoon. He went on to say that the officer had been inspecting in connection with the placing of a guard of twenty men around a Japanese cotton mill. I spread out a map of Shanghai with a view to having Mr. Suma indicate somewhat more exactly the scene of the incident. Mr. Suma, after some time and some searching

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-3-

in a different direction, put his finger on Hungjao, ran his finger about a mile to the eastward and said that he thought it was about there. I made only the observation that this would seem to be about five miles from the boundary of the Settlement. Neither Mr. Suma nor I made any further statement with regard to that matter, except that I said that I supposed and hoped that we might assume that the incident would be settled amicably.

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that I would give Mr. Suma an account of the matter as we understood it: Mr. Suma had told me that his Embassy had noticed the newspaper stories about what was going on in Los Angeles and had received a telegram on the subject from their Consul General at Los Angeles; Mr. Suma had said that he was mentioning the matter to me informally and by way merely of asking whether we had seen anything on the subject; I had replied that we knew only what we had seen in the newspaper; Mr. Suma had asked whether we would take any steps; I had replied that I did not know what the Department would do but that if action were taken it would be for other Departments of the Government to act; and that Mr. Suma had repeated that he was bringing the matter up only informally. Mr. Suma said that this was all correct. I continued to the effect that on the next day we had been informed here that the press in London was running a story to the effect that the Japanese Government had protested to the American Government and that I had stated that no such story was true; that a few minutes later we had received a telegram from Mr. Grew, to whom we had sent no account of the conversation between Suma and Hornbeck, stating that in the Japanese press, in one paper at least, there had appeared a story attacking the United States and saying that the Japanese Government was protesting; that Mr. Grew had thereupon seen Mr. Hirota and called attention to the unfortunate character of such an attack and allegation, and had stated to Mr. Hirota that he, Grew, was confident that his Government would, in the light of whatever were the facts, take appropriate action; that thereafter Mr. Hirota had stated in the Diet that there was no reason for the Japanese to get excited about this matter

and

-5-

and that he was sure that the American Government would take appropriate steps. I pointed out that we did not understand Mr. Hirota to have said what Mr. Suma had just said, namely, that the American Government would "prevent departure"; that Mr. Grew had given no specific assurance as to what form our action would take, and that we were not giving any specific assurance or promise that we would do a specified thing; that all that we could do and all that we would affirm that we would do would be to take appropriate steps. I said that we looked with disapproval upon the taking of service by our nationals in the active armed forces of any foreign government and that we attempt to discourage such, but that we cannot guarantee that there will not be some disregard of our attitude and efforts. Mr. Suma said that he fully understood that.

Mr. Suma then reverted to the question of the Secretary's statement of July 16. He asked whether replies from governments other than those mentioned last Sunday were still going to be published. I stated that replies from several governments had been coming in and that it was my understanding that there probably would be supplementary publication. I remarked that the release made to the press last week had accounted for about forty countries, which left a good many not accounted for. I said that the press itself had picked out certain countries and called attention to them by name as being those not accounted for. Mr. Suma then mentioned Japan, Germany and Italy. I remarked that there were a good many others. Mr. Suma said that he was trying to get complete orientation with regard to the matter. I said that there was little that I could add except to

repeat,

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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. Hunt NARS, Date 12-18-75

-6-

repeat, for sake of clarity, that we had assumed, after the conversation of July 21, in which the Secretary had featured this statement and had deliberately handed a copy of it to the Japanese Ambassador, that the Japanese Ambassador would have informed his Government fully of what the Secretary had said with regard to it. Mr. Suma thanked me for having explained the whole matter, and the conversation there ended.

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

48-1

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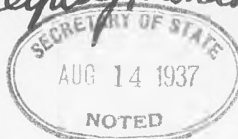
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 12, 1937

The Chinese Ambassador,
Dr. C. T. Wang;

Mr. Hornbeck.



Subject: Reference by British and French Foreign
Offices to consultation with the American
Government on the subject of the Nine
Power Treaty.

At the conclusion of a conversation this morning on another subject, the Chinese Ambassador stated that after his last conversation with the Secretary he had telegraphed to the Chinese Ambassador in London suggesting that the Ambassador (Dr. Kuo) ask the British Foreign Minister just what he had said to the American Government on the subject of the Nine Power Treaty. It had developed that Mr. Eden and Mr. Cadogan were both absent from London and the inquiry had not yet been put.

The Ambassador continued with observations and allusion to the Nine Power Treaty which caused me to put the question: "Just what do people have in mind when they speak of invoking the Nine Power Treaty?" The Ambassador said that they have in mind Article VII. I inquired what does Article VII provide. The Ambassador replied that it provides for consultation. There followed a discussion which I introduced with the statement that, as I had said

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465

- 2 -

to the Ambassador a few days ago, I was not in position to inform him with regard to questions of high policy but that I could make certain observations. In the course of what followed I think I made it plain to the Ambassador that consultation is a process in which governments always have engaged and which was not suddenly discovered and made use of when and since the Nine Power Treaty was concluded; that neither the Nine Power Treaty nor the Kellogg Pact contains any specifications specifying what action, if any, is to be taken in case one or more of the signatory powers disregard the pledges which they have made in the treaty; this, in contrast to a treaty such as the Covenant of the League of Nations in which courses of action are expressly provided for. The Ambassador finally said that what he really wished to know was what courses of action were being discussed in course of consultations between and among the American and the British and the French Governments. He said that he realized that I was not in position to inform him on that point but that, if at any time the Secretary should be in position to give him information, he would greatly appreciate being given whatever was possible. I stated that I would so report.

With amenities, the conversation there ended.

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

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DEPARTMENT OF STATE

AUG 16 1937

DIVISION OF FAR EASTERN AFFAIRS

August 13, 1937.

Conversation:

Mr. Welles; + Rome

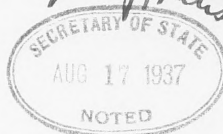
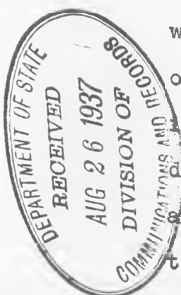
The British Ambassador,
Sir Ronald Lindsay.

Present: Mr. Hamilton.

Subject: Chinese-Japanese situation at Shanghai.

The British Ambassador called on Mr. Welles and left with Mr. Welles the attached memorandum giving the text of instructions which the British Government had sent to its diplomatic representatives at Nanking and at Tokyo directing those representatives to impress on the Chinese and Japanese Governments once more, in the strongest terms, the importance of avoiding hostilities at Shanghai. The British memorandum concluded with statements that the British representatives at Nanking and at Tokyo had been instructed to act at once but to endeavor to enlist if possible the support of their foreign colleagues and that the British Government trusted that the American Government would send similar instructions to American diplomatic representatives at Nanking and at Tokyo.

Mr. Welles asked Mr. Hamilton to bring down the latest telegrams covering diplomatic action taken by the representatives of this Government, particularly the telegrams



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

- 2 -

telegrams giving the texts of the notes which had been addressed on August 11 by the American, British, German, Italian, and French diplomatic representatives to the Chinese Minister for Foreign Affairs and to the Japanese Ambassador at Nanking. Mr. Welles then read to the British Ambassador the texts of the notes of August 11. Mr. Welles also informed the British Ambassador that we had just received a telegram dated August 13, 7 p.m., from Ambassador Grew at Tokyo, in which Mr. Grew reported that the British Chargé d'Affaires had, pursuant to instructions received from his Government (which we presumed were the instructions which were quoted in the British Embassy's memorandum), made an approach to the Japanese Vice Minister for Foreign Affairs and that the Vice Minister had replied that the Japanese desired to avoid hostilities and that if the Chinese forces would withdraw the Japanese forces would likewise withdraw to their original positions and some of the Japanese forces would withdraw from Shanghai altogether. Mr. Welles also informed the British Ambassador that in a subsequent telegram of August 13, 11 p.m., Mr. Grew had reported that he had informed the Japanese Vice Minister for Foreign Affairs that he desired to support and earnestly to urge the importance of the representations made by the five Ambassadors in Nanking.

After

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After some general discussion of the situation at Shanghai in which the British Ambassador was informed also of the steps which the consular representatives at Shanghai were taking, Mr. Welles and Mr. Hamilton expressed the view that according to our telegrams it would appear that the British Chargé d'Affaires at Tokyo had already acted on the instructions which were quoted in the British Embassy's memorandum and that Ambassador Grew had also emphasized to the Japanese Foreign Office the view that the Japanese not use Shanghai as a base for hostilities and not land further forces.

Later in the evening Mr. Hornbeck, to whom Mr. Hamilton had reported the British Ambassador's call, telephoned the British Ambassador and informed him also that on the morning of August 13 Mr. Hull, in a conversation with the Japanese Ambassador, had urged emphatically that combat operations between Chinese and Japanese at Shanghai, if engaged in, would involve terrific hazards for all concerned, and that, regardless of technicalities, of contention over who was at fault, or of disagreement as to who had fired a first shot, of argument over rights, the world would consider each and both sides responsible should the Shanghai region be made a theater of battle. Mr. Hornbeck also informed the British Ambassador that the Department

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

- 4 -

had instructed our Ambassador at Nanking to present to his colleagues the view that the Chinese authorities should be urged to avoid aggravating the situation in the Shanghai area.

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

b (Left by the British Ambassador
with Mr. Welles, August 13,
1937. MMH.)

*Copies sent to Tokyo, Peking
London, Paris
& Rome*

Division of
EASTERN AFFAIRS
AUG 17 1937
Department of State

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In the light of the most recent

developments in the Sino-Japanese situation
His Majesty's Government in the United Kingdom
have to-day telegraphed the following instruc-
tions to His Majesty's Representatives at Nanking
and Tokyo.

73.94
"Reports to-day of fighting having
broken out in the Hongkew district of Shanghai
make it urgently necessary to impress on the
Japanese and Chinese Governments once more, in
the strongest terms, the importance of avoiding
hostilities in that city. Each side is under
the strongest moral obligation to refrain from
any action likely to lead, whether through their
own immediate fault or that of the other party,
to such hostilities and to the incalculable
danger which will ensue to many thousands of
foreigners in no way concerned. Not only the
contact between the troops of the opposing parties
but also their presence in that area must be re-
cognised as constituting a naked flame in a powder
magazine, and responsibility cannot be avoided by
petty argument as to who started firing or what
technical right exists to have troops on the spot.
Both sides will be responsible for the disastrous
results which cannot humanly speaking be avoided
if their present attitude is maintained. To the
impartial onlooker that attitude is one most
certain/

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certain to lead to the very trouble which each side professes to wish to avoid. No words can alter this fact and His Majesty's Government must appeal to both the Japanese and Chinese Governments with the utmost insistence to make their deeds conform to their assurances. To the Japanese it must be pointed out that it is a preposterous and glaring contradiction of their assurances to imperil Shanghai as they have done by the measures recently taken simply, as would seem, because two members of their landing party have been killed far outside the city boundary. It is their duty to their own good name and to the rest of the world to avoid not only the recurrence of such incidents but exaggerated measures if and when they do occur. They should avoid the use of the international settlement as a base in any form such as will lead to Chinese counter measures. They ought rather to take every possible measure to prove to the Chinese that serious action is not intended at Shanghai.

To the Chinese must be pointed out the folly and inconsistency of bringing their troops into contact with the Japanese at Shanghai. They cannot ultimately do themselves any good by such action, but will in fact only increase the danger of the Japanese ultimately controlling the destiny of Shanghai and the main source of Chinese Customs Revenue, while endangering the city itself and foreign lives in it."

His/

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His Majesty's Representatives have been instructed to urge these considerations so far as they are applicable to the Chinese and Japanese Governments. They have been instructed to act at once, in any case, but to endeavour to enlist if possible the support of their foreign colleagues.

His Majesty's Government urgently trust that the United States Government may see their way to send similar instructions to their Representatives accredited to the Chinese and Japanese Governments.

BRITISH EMBASSY,
WASHINGTON, D.C.
August 13th, 1937

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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

Copies sent to Tokyo, Peiping, London, Paris + Rome

Conversation.

August 14, 1937.

Mr. Yakichiro Suma,
Counselor, Japanese Embassy.

Mr. Hornbeck.



Subject: Chinese-Japanese Situation at Shanghai.

793.94 Mr. Suma called on me at his request this morning.

Mr. Suma opened the conversation with a narrative of events at Shanghai, in the course of which he mentioned nothing of which we had not already had reports either in telegrams or in press dispatches. He interspersed his account with statements attributing all blame and responsibility for the military situation around Shanghai to the Chinese. He affirmed that the Japanese were acting under necessity and that it was "impossible" for them to withdraw from the scene. At that point, on the basis of authorization given me by the Secretary before Mr. Suma arrived, I first asked Mr. Suma why it was "impossible," and, after he said that the Chinese made it impossible, I said that I would like to repeat, under instruction, in substance something which the Secretary of State had said on the previous day to the Japanese Ambassador. I said that in our opinion both Japan and China are responsible for the present military situation at Shanghai. I said that it takes two parties in conflict to make a fight.

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- 2 -

467

If neither the Chinese nor the Japanese had sent armed forces to Shanghai there could not be a fight there; if either side had stayed away there could not be a fight; if either would withdraw there could not be a fight. We could not [^] and we felt that the world would not [^] be impressed by an affirmation of either side, in repudiation of its own responsibility, that the whole blame lay with the other side. I said that I was not expressing a personal opinion, I was expressing an official opinion, I was telling Mr. Suma how it looked to the American Government. I said that we were saying the same thing to the Chinese and that we wanted each side to understand that we considered each and both sides responsible.

I then suggested to Mr. Suma that in whatever report he made of the conversation he should make clear the whole of what I had said and that it might be helpful if he were simply to say that this was what had been said to him at the Department of State, without needing to attribute it to any particular officer by name. Mr. Suma said that he would be very careful in the making of his report.

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

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COMMUNICATIONS
AND RECORDS

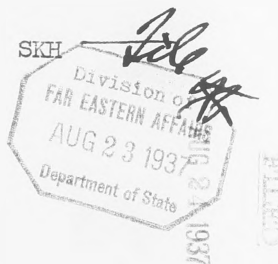
August 16, 1937. DCR

S.
Mr. Secretary:

May I recommend that this matter be taken up urgently with the President.

May I suggest that if the President has any hesitation about authorizing the sending of the 6th Marines, 1,200 men, from San Diego, an opportunity be given for discussion of the whole question by officers concerned of this Department, the Navy Department, and the War Department, before a final decision is made.

In 1932, there was held on a Sunday, at the White House, an emergency conference, a decision was arrived at, and within a very short time reenforcements were on their way to Shanghai.



FE:SKH/ZMK

0478

DECLASSIFIED: E.O. 11652, 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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RECEIVED
DEPARTMENT OF STATE

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS



1937 AUG 24 PM 1 13

August 16, 1937.

Shanghai: Question of Reenforcements.

DIVISION OF
COMMUNICATIONS
AND RECORDS

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Admiral Yarnell has asked that he be given reenforcements of about 1,000 Marines "from the United States, as soon as practicable." In reply to a question: Do you prefer this to Army reenforcements from Manila, he has replied "Affirmed."

It would be possible to send the 6th Regiment of Marines (about 1,300 men) from San Diego, to arrive at Shanghai about five weeks hence.

It would be possible to send the 31st Regiment, U.S.A., from Manila, to arrive within a few days.

In 1927, this Government sent Marines from the United States.

In 1932, this Government sent Army reenforcements (31st Regiment) from Manila.

The obvious advantage of sending Marines is that, as we already have Marines at Shanghai, and as the whole force there comes under the command of the Commander-in-Chief of our Asiatic Fleet, this would give us a uniform force instead of a combination of two types of forces.

The obvious advantage of sending Army reenforcements from Manila would be that those reenforcements could arrive at Shanghai at an earlier date.

Admiral

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- 2 -

470

Admiral Yarnell has expressly affirmed his preference for Marines from the United States. It is reasonably inferable that he feels that the emergency situation is likely to be long drawn out. The Marines are better adapted to the type of action called for than are Army forces. A uniform force of Marines under the Commander-in-Chief can operate more economically and with less overhead of officer personnel than can a combined force. An important consideration contra sending the 31st Regiment from the Philippines is that (so I am informed) it is the only complete white personnel regiment that we now have in the Philippines, whence the sending of that force from the Philippines would substantially weaken our military "set-up" in the Philippines.

Among other persons whom I have consulted in giving consideration to this question are Admiral Taylor, U.S.N. Retired, who was Commander-in-Chief of the Asiatic Fleet in 1932, General Holcomb, Commandant, U.S. Marines, Admiral Richardson, Acting Chief of Naval Operations, and Colonel Eichelberger, of the General Staff, U.S.A.

On the basis of what I know thus far of the situation, of past experience, and of what seem to be the possibilities of the immediate future, it seems to me desirable to act on the recommendation of the Commander-in-Chief of the Asiatic Fleet, which has been approved by the American

Consul

50-4
- 3 -

471

Consul General at Shanghai, and to recommend that we send Marines from the United States.

(NOTE: I am not oblivious of the fact that political considerations within the United States need to be taken into account. I am recommending, however, the procedure which seems to me most sound and practicable from point of view of the problem presented in the Far East from the angles of (1) giving adequate protection to our nationals and interests and (2) best serving the interests of this country in the field of international relations.)

(NOTE: Since dictating the above, I have had a conference with officers of the Navy Department and Marine Headquarters. These officers have given me full details with regard to the 6th Regiment, U.S. Marines, which is ready at San Diego, with regard to sailing possibilities, time factor, etc. General Holcomb strongly recommends that, if Marines be sent from this country, the whole Regiment (1,200 men) rather than only 1,000 men be sent. This seems to me altogether reasonable.

(We have in the Philippines, at Cavite, less than 400 Marines. Of these, 102 men and 2 officers are now on their way to 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

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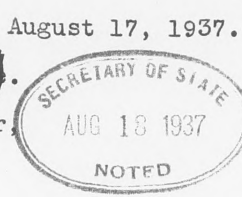
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

CONFIDENTIAL

472
FE

Handwritten: Conversation. *Copies sent to Tokyo, Peking, London, Paris & Rome*
The Secretary of State.
The Chinese Ambassador,
Dr. C. T. Wang.



Present: Mr. Hornbeck.

793.94

Subject: Chinese-Japanese Situation in Shanghai.

The Chinese Ambassador called on the Secretary at his own request at 11:30 this morning.

The Secretary opened the conversation with a reference to the deplorable situation at Shanghai. He said that we had been doing everything possible by way of cautioning both sides against the arising there of such a situation. We had urged upon both sides that they should not come into conflict and that in particular they should not fight at and around Shanghai. -- The Ambassador then made statements attributing the responsibility to the Japanese. He said that the Chinese were simply defending what was their own. He said that the Chinese did not want a fight and that they had offered to withdraw their forces if the Japanese would withdraw theirs. He referred to the conversation in the early stages of the north China situation when we had asked him whether the Chinese had offered a cessation of hostilities and a common withdrawal of troops from the region of the Marco Polo Bridge. He said that the Chinese

793.94/9653

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- 2 -

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nese had actually begun a withdrawal, in part, but that the Japanese had continued and increased their attack. -- The Secretary asked whether the Chinese had made such an offer at Shanghai. Dr. Wang said that they had done so and that their offer stood good. He said that he would be glad to telegraph his Government suggesting such an offer now. He said that the Japanese had placed their forces at Shanghai in such a way that the operations there had resulted in most regrettable destruction of life. -- The Secretary said that so far as he was aware we had not received any very definite indication of the Chinese Government's regret. -- The Ambassador said that he himself greatly regretted the matter and that he knew that his Government did; but, upon being questioned, he said that he had received no instructions on the subject. He went on to say that a great many Chinese had been killed and at least one foreigner, who was a very dear friend of his (Dr. Rawlinson), had been killed. He did not know how many of his personal friends among the Chinese may have been killed. -- The Ambassador asked whether there was any information that we could give him. -- The Secretary replied that he had asked certain questions because we had not information on the points involved and that that was why he had asked the questions. -- The Ambassador said that he understood that the Secretary had conferred with the President yesterday. He wondered whether there was

was anything that the Secretary could tell him about measures considered. -- The Secretary then stated that we are taking steps toward providing a fund of \$500,000 on which to draw in connection with evacuations; the Secretary at once explained that he did not mean a general evacuation but he meant everything relating to the moving out of those of our people who go and whatever emergency needs may arise. -- The Ambassador said that he feared that there might be an epidemic; there might be interference with the water supply; the weather is bad, hot; and there might be an interference with the electric light plant (he mentioned its American ownership). -- The Secretary stated that the whole situation is most distressing. He said that he was going to talk with the President again before his press conference and that after the press conference, if there is anything to be told the Ambassador, he would see to it that the Ambassador is informed. -- The Ambassador echoed the Secretary's statement that the situation was most distressing and mentioned the fact that his own family, with the exception of his two daughters who are here, are in Shanghai.

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

51-4

August 17, 1937. FIE

For conversation with the Chinese Ambassador.

1. This Government, before August 14, repeatedly urged on both the Japanese and the Chinese Governments the desirability that peace be kept, that hostilities be avoided, and that the area around Shanghai be not made a theater of operations.

By the sending of armed forces into areas around and at Shanghai, the Chinese and the Japanese Governments each and both in effect invited an armed clash in that region; and each and both became contributory to the clash which finally occurred and to the consequences thereof.

On August 14, the operations of one or more Chinese airplanes resulted in great destruction of life and property in the International Settlement. A large number of Chinese citizens were killed, several foreigners were killed, among them three American citizens, and a great number of people were wounded. It may be assumed that this would not have occurred had not both Chinese and Japanese armed forces been operating in the area under reference. This Government has since stated to both the Chinese and the Japanese Governments that in our opinion neither Government can repudiate responsibility for what is occurring in that area by virtue of military operations merely by attributing blame to the other.

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

51-5

- 2 -

2. Referring to the destruction wrought by a Chinese plane or planes on August 14, this Government is greatly surprised that, more than two days having elapsed, no informal expression of regret has been offered by the Chinese Ambassador here and no formal expression of regret by the Chinese Government. Also, the Chinese Government has apparently not, as yet, made any offer of amends.

3. The American Government regards as of serious import to the whole world the breach of the peace and the endangering of life and property which has occurred and is continuing at Shanghai, one of the world's most important ports and points of international contact. We cannot too strongly urge upon both the Chinese and the Japanese Governments the seriousness of their action in contribution to this situation and the desirability of their desisting from and avoiding acts which are in disregard of the rights of the population of that great port and which endanger and destroy the lives of civilian non-combatants and create a possibility of disruption of economic life in the Far East.

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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



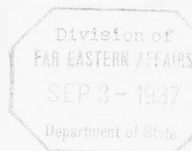
Conversation.

August 20, 1937.

The Secretary of State.

The Chinese Ambassador,
Dr. C. T. Wang.

Present: Mr. Hornbeck.



743.9-

Subject: Chinese-Japanese Situation in the Far East:
Nine Power Treaty and League of Nations.

The Chinese Ambassador called at noon today at his own request.

The Secretary opened the conversation with the statement that the China situation is apparently becoming worse. The Ambassador expressed concurrence in that view. The Secretary mentioned news which has been received of the dropping of a shell on the American flagship U.S.S. AUGUSTA. The Ambassador said that he had seen news of this. The Secretary asked questions regarding the location in the river of the AUGUSTA and the nearest Japanese vessels. The Ambassador answered the questions apparently with accurate knowledge of the situation.

The Ambassador then said that he had come under instructions to inform the Secretary of moves which China has in contemplation: China is thinking (1) of appealing to the League of Nations, and in that connection the Foreign Office wishes to know whether the American Government, although not a member of the League, would give

support;

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- 2 -

support; and (2) of invoking the Nine Power Treaty, in which connection the Foreign Office wishes to know whether the United States, the treaty having been negotiated in Washington, would call for a consultation among the signatory powers. There followed some observations with regard to the implications and possibilities of such procedures. The Secretary made no commitment.

The Secretary then reverted to the subject of the location of American and Japanese naval vessels at Shanghai, and it was established that the AUGUSTA is located at a point south of Soochow Creek and at a point off the Bund. The Secretary then talked of agreements and practices on the basis of which it has been understood that the International Settlement area is one supposed to be immune from military operations, a place where security would prevail. The Secretary emphasized the importance of respect for its status as such. The Secretary said that the Chinese authorities had suddenly ordered our ships to separate themselves by five miles from the Japanese ships. The Ambassador stated that he did not know of this. The Secretary referred the question to Mr. Hornbeck. Mr. Hornbeck explained that we had been informed that the Chinese authorities had asked that our ships either move to somewhere five nautical miles distant from the Japanese ships or prevail on the Japanese ships to move away from our ships to such a distance. There followed some discussion of the impossibility as a practical matter of compliance with such a request.

The

- 3 -

The Ambassador then reverted to the subject of a Chinese appeal to the League and for an invocation of the Nine Power Treaty. He said that he was instructed to get an indication of the American Government's reaction. He said that his Government wished to consult us before acting, as it did not want to put us in an embarrassing position and did not want to invite a rebuff. He said that for his Government formally to make the request and to meet with a refusal would have, if it became known, a very unfortunate effect, a very unfortunate reaction in China. The Secretary indicated assent. The Secretary then spoke of the statement of policy which he had made on July 16 and asked whether that would not more than cover the subject. The Ambassador said that it did, so far as principle was concerned, but what his Government was now seeking was action. The Secretary asked whether Mr. Hornbeck would wish to make any comments or ask any questions. Mr. Hornbeck said that it would seem that what the Chinese Government was seeking was not so much an "invocation of the Nine Power Treaty" as something in the nature of consultation and conference on the part of the powers which happen to be signatories to the Nine Power Treaty. He wondered what the Chinese Government might have in mind for an agenda. He wondered what the Chinese Government would estimate likely to be the concrete effect of action such as it was suggesting. The Ambassador said that it would be for the powers concerned to make up the

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

- 4 -

the agenda, and the Chinese Government might contribute to the making. He said that one effect at the outset might be moral effect. He repeated that he was desirous of having the American Government's reaction. He expressly inquired whether he might call again tomorrow. The Secretary said that we would take the matter under consideration and would keep the problem in mind and as soon as we had anything to tell the Ambassador would let him know.

The Secretary and the Ambassador then exchanged expressions of serious solicitude over the gravity of the situation, and the conversation there ended.

PA/H:GKH:ZMK

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

August 23 1937

No. 471

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

Nelson T. Johnson,
 American Ambassador,
 Peiping.

Sir:

Referring to the Department's instruction No. 461
 of August 9, 1937, there are enclosed for your confidential information copies of various memoranda, as listed below, in regard to the Chinese-Japanese situation.

Very truly yours,

Cordell Hull

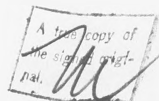
Enclosures:

- 9647-1. Memorandum of conversation, August 10, between Mr. Suma and Mr. Ballantine;
- 9648-2. Memorandum of conversation, August 11, between Mr. Suma and Mr. Hornbeck;
- 9649-3. Memorandum of conversation, August 12, between Chinese Ambassador and Mr. Hornbeck;
- 9650-4. Memorandum of conversation, August 13, between British Ambassador and the Under Secretary;
- 9650-5. Memorandum of August 13, from British Embassy;
- ✓ 9651-6. Memorandum of conversation, August 13, between Secretary of State and Japanese Ambassador;
- 9653-7. Memorandum of conversation, August 14, between Mr. Suma and Mr. Hornbeck;
- 9654-8. Memorandum of conversation, August 17, between Secretary of State and Chinese Ambassador.
- 9654-9. Memorandum of conversation, August 20, between Secretary of State and Chinese Ambassador.

Copy to Nanking.

FE:EGC

VIII-20-37



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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

August 23 1937.

No. 1324

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

Joseph C. Grew,
 American Ambassador,
 Tokyo.

Sir:

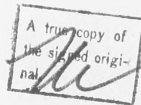
Referring to the Department's instruction No. 1317 of August 9, 1937, there are enclosed for your confidential information copies of various memoranda, as listed below, in regard to the Chinese-Japanese situation.

Very truly yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation, August 10, between Mr. Suma and Mr. Ballantine;
2. Memorandum of conversation, August 11, between Mr. Suma and Mr. Hornbeck;
3. Memorandum of conversation, August 12, between Chinese Ambassador and Mr. Hornbeck;
4. Memorandum of conversation, August 13, between British Ambassador and the Under Secretary;
- ✓ 5. Memorandum of August 13, from British Embassy;
- ✓ 6. Memorandum of conversation, August 13, between Secretary of State and Japanese Ambassador;
- ✓ 7. Memorandum of conversation, August 14, between Mr. Suma and Mr. Hornbeck;
- ✓ 8. Memorandum of conversation, August 17, between Secretary of State and Chinese Ambassador.
- ✓ 9. Memorandum of conversation, August 20, between Secretary of State and Chinese Ambassador.



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 AUG 23 1937.

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VIII-20-37

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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. 1912

23
AUG 21 1937

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

Robert Worth Bingham,
American Ambassador,
London.

Sir:

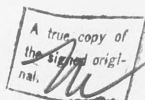
Referring to the Department's instruction No. 1889
of August 9, 1937, there are enclosed for your confiden-
tial information copies of various memoranda, as listed
below, in regard to the Chinese-Japanese situation.

Very truly yours,

Correll Hull

Enclosures:

- ✓ 1. Memorandum of conversation, August 10,
between Mr. Suma and Mr. Ballantine;
- ✓ 2. Memorandum of conversation, August 11,
between Mr. Suma and Mr. Hornbeek;
- ✓ 3. Memorandum of conversation, August 12,
between Chinese Ambassador and
Mr. Hornbeek;
- ✓ 4. Memorandum of conversation, August 13,
between British Ambassador and the
Under Secretary;
- ✓ 5. Memorandum of August 13, from British
Embassy;
6. Memorandum of conversation, August 13,
between Secretary of State and
Japanese Ambassador;
- ✓ 7. Memorandum of conversation, August 14,
between Mr. Suma and Mr. Hornbeek;
- ✓ 8. Memorandum of conversation, August 17,
between Secretary of State and
Chinese Ambassador.
- ✓ 9. Memorandum of conversation, August 20,
between Secretary of State and
Chinese Ambassador.



Routine

AUG 23 1937

FE:EGC

VIII-20-37

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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. 435

August 23 1937

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

William C. Bullitt,
 American Ambassador,
 Paris.

Sir:

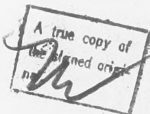
Referring to the Department's instruction No. 410
 of August 9, 1937, there are enclosed for your confidential
 information copies of various memoranda, as listed
 below, in regard to the Chinese-Japanese situation.

Very truly yours,

Cordell Hull

Enclosures:

- ✓ 1. Memorandum of conversation, August 10,
between Mr. Suma and Mr. Ballantine;
- ✓ 2. Memorandum of conversation, August 11,
between Mr. Suma and Mr. Hornbeck;
- ✓ 3. Memorandum of conversation, August 12,
between Chinese Ambassador and
Mr. Hornbeck;
- ✓ 4. Memorandum of conversation, August 13,
between British Ambassador and the
Under Secretary;
- ✓ 5. Memorandum of August 13, from British
Embassy;
- ✓ 6. Memorandum of conversation, August 13,
between Secretary of State and
Japanese Ambassador;
- ✓ 7. Memorandum of conversation, August 14,
between Mr. Suma and Mr. Hornbeck;
- ✓ 8. Memorandum of conversation, August 17,
between Secretary of State and
Chinese Ambassador.
- ✓ 9. Memorandum of conversation, August 20,
between Secretary of State and
Chinese Ambassador.



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VIII-20-37

AUG 23 1937

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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. 172

August 28 1937

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

William Phillips,
American Ambassador,
Rome.

Sir:

Referring to the Department's instruction No. 161
of August 9, 1937, there are enclosed for your confiden-
tial information copies of various memoranda, as listed
below, in regard to the Chinese-Japanese situation.

Very truly yours,

Cordell Hull

793.94/9654E

Enclosures:

- ✓ 1. Memorandum of conversation, August 10,
between Mr. Suma and Mr. Ballantine;
- ✓ 2. Memorandum of conversation, August 11,
between Mr. Suma and Mr. Hornbeck;
- ✓ 3. Memorandum of conversation, August 12,
between Chinese Ambassador and
Mr. Hornbeck;
- ✓ 4. Memorandum of conversation, August 13,
between British Ambassador and the
Under Secretary;
- ✓ 5. Memorandum of August 13, from British
Embassy;
- ✓ 6. Memorandum of conversation, August 13,
between Secretary of State and
Japanese Ambassador;
- ✓ 7. Memorandum of conversation, August 14,
between Mr. Suma and Mr. Hornbeck;
- ✓ 8. Memorandum of conversation, August 17,
between Secretary of State and
Chinese Ambassador.
- ✓ 9. Memorandum of conversation, August 23,
between Secretary of State and
Chinese Ambassador.

Routine
AUG 28 1937

E.G.C.
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VIII-20-37

[Handwritten signatures and initials]

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JR

TELEGRAM RECEIVED

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

Dated August 24, 1937

FROM

Rec'd 12:11 p.m.

Secretary of State,

Washington.

309, August 24, 9 p.m.

(GRAY) Department's 162, August 23, 8 p.m.

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

9596

Division of
FAR EASTERN AFFAIRS
AUG 24 1937
Department of State

Following is resume of remarks by the senior aide
of the Navy Minister in a conversation today with the
Naval Attache.

(Paragraphs one through three were in general confirmed
today by the Secretary to the War Minister in conversation
with the Military Attache):

One. All surface vessels of the combined fleet including
aircraft carriers took part in a large operation to land
army troops and naval landing force in the region of the
lower Yangtze at dawn on August 23. The vessels had
proceeded at top speed from various points in Japan to take
the Chinese by surprise. Small boats and destroyers
carrying a part of the Shanghai landing force came from
Shanghai and participated in the landing. Transportation
of artillery was a difficult problem.

Two. The landing was covered by naval gun fire and
naval planes. It was carried out on the lower Changpoo
and on the south shore of the Yangtze northwest of Woosung.

Chinese

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AUG 27 1937

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JR #309, August 24, 9 p.m., from Tokyo.

Chinese opposition was 27 planes, 9 of which were brought down. Japanese losses were about 20 killed and 60 wounded. The fleet promptly withdrew. Vice Admiral Hasegawa was in command of landing operations. Henceforth Japanese operations in the Shanghai area are joint army-navy action.

Three. The plan is to repeat the operations of 1932 and by a flanking movement to force Chinese withdrawal from the Woosung peninsula.. About 40,000 Chinese troops oppose the Japanese.

Four. Since fighting commenced in Shanghai the Japanese Navy has lost 200 killed, 400 wounded and 15 planes.

Five. Destruction of inland flying fields is to prevent Chinese air attacks on the coast.

Six. War supplies are entering China from the Soviet Union through Mongolia and the Japanese campaign northwest of Peiping is to cut off this traffic. (END GRAY).

Seven. Japan must prevent munitions from reaching the Chinese. An effort will be made to induce nations concerned to place a voluntary embargo on war supplies to China. This is a problem for the Foreign Office.

Repeated to Shanghai for relay to Nanking.

GRW

KLP

(CONFIDENTIAL)

52-3

P A R A P H R A S E

A telegram (No. 309) of August 24, 1937, from the American Embassy at Tokyo reads substantially as follows:

A resumé of remarks made by the senior aide of the Minister of the Navy in a conversation on August 24 with the American Naval Attaché is as follows:

1. All surface vessels of the combined fleet including aircraft carriers took part in a large operation to land army troops and naval landing force in the region of the lower Yangtze at dawn on August 23. The vessels had proceeded at top speed from various points in Japan to take the Chinese by surprise. Small boats and destroyers carrying a part of the Shanghai landing force came from Shanghai and participated in the landing. Transportation of artillery was a difficult problem.
2. The landing was covered by naval gun fire and naval planes. It was carried out on the lower Whangpoo and on the south shore of the Yangtze northwest of Woosung. Chinese opposition was 27 planes, 9 of which were brought down. Japanese losses were about 20 killed and 60 wounded. The fleet promptly withdrew. Vice Admiral Hasegawa was in command of landing operations. Henceforth Japanese operations in the Shanghai area are joint army-navy action.
3. The plan is to repeat the operations of 1932 and by a flanking movement to force Chinese withdrawal from the Woosung peninsula. About 40,000 Chinese troops oppose the Japanese.

(The three paragraphs above were in general confirmed on

August 24

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

52-4

- 2 -

August 24 by the Secretary to the Minister of War in conversation with the American Military Attaché)

4. Since fighting commenced in Shanghai the Japanese Navy has lost 200 killed, 400 wounded and 15 planes.

5. Destruction of inland flying fields is to prevent Chinese air attacks on the coast.

6. War supplies are entering China from the Soviet Union through Mongolia and the Japanese campaign northwest of Peiping is to cut off this traffic.

7. Munitions must be kept from getting into the hands of the Chinese. The Foreign Office has the problem of trying to prevail upon the countries concerned to impose a voluntary embargo on the shipment to China of war supplies.

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VIII-25-37

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



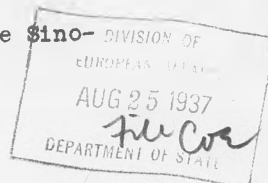
LEGATION OF THE
UNITED STATES OF AMERICA

No. 805.

Belgrade, August 11, 1937.

Subject:

A Yugoslav View of the Sino-Japanese Conflict.



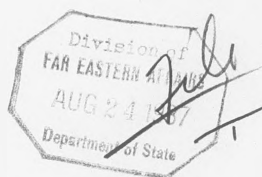
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6
RECEIVED
DEPARTMENT OF STATE

1937 AUG 24 PM 2 05

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94



793.94/9656

The Honorable

The Secretary of State,
Washington.

Sir:

As of possible interest to the Department I have the honor to report that the Yugoslav press has devoted considerable space to the various details and progress of the Sino-Japanese conflict, editorially leaning toward the belief that the present skirmishes will develop into armed action on a much larger scale.

In a recent editorial, entitled "The Background of the Sino-Japanese Conflict", the "Samuprava", official organ of the Government party, says:

"The

AUG 26 1937

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F/FG

- 2 -

"The conflict between Japan and China is not only an expression of Japan's policy of expansionism but it is also a result of the economic conditions of that country. The national economy of Japan, especially its industries, demonstrates that that country not only has a need for markets for its products but also, which is more important, it must go abroad for necessary raw materials for the development of its industries."

After an exposition of the various stages in the development of Japan, especially from the economic standpoint, the editor states that the difficulties of establishing new and of maintaining old markets have rendered the Far Eastern situation even more complicated. "The one solution which remains is to look for, sword in hand, raw materials and markets".

The editor then queries whether North China will become a new "Manchukuo" and concludes that Japan, in spite of the technical proficiency of its army, will find it difficult to separate this region from China, since the Chinese appear now to have the will to protect their country and as certain foreign powers, to protect their interests, may intervene in the Far Eastern conflict.

Respectfully yours,



Charles S. Reed II
Chargé d'Affaires ad interim.

File No. 710

CSR:HSB

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

53-1

477

TELEGRAM RECEIVED

1-1336

FROM

RB

SPECIAL GRAY

Shanghai via N.R.

Dated August 24, 1937

Rec'd 12:58 p. m.

Secretary of State

Washington.

548, August 24, 5 p. m.

I have just discussed with the Commander-in-Chief the bombing in area of foreign refuge reported in my numbers 541, ¹⁹⁶²³ and 544 of August 23, 7 p. m. and August 23, 10 p. m. We are agreed that the weight of the available information suggests the likelihood of Chinese responsibility. Observers report that a large twin motor silver colored monoplane, believed by some to be a China National Aviation Company plane converted for bombing usage, escorted by one other plane, appeared out of clouds at a great height, and dropped bombs, at the time of the incident. An observer reports the plane had distinctive Chinese markings. There was no anti-aircraft fire from either side. It is true, however, that there were three Japanese planes in the air at the time at lower altitude.

We are exercising the utmost restraint and are making public no statements or information. We feel, however, that



793.94/9657

FILED

AUG 24 1937

58-2

478

RB

-2-#548, August 24, 5 p. m. from
Shanghai

that the responsible Chinese authorities of the Nanking Government should be informed quietly that there is substantial information although no conclusive evidence, suggesting responsibility on the Chinese side. I do not say that there was a deliberate attack on the foreign area although there are those who believe honestly that the Chinese desire deliberately to involve the foreign powers in their troubles. The bombing operations, however, have brought death to hundreds of Chinese non-combatants and injuries to many more, death and casualties amongst foreign residents, and repeated danger to the area of refuge.

May I urge restrained but frank representations at Nanking stating that world opinion will condemn China if information suggesting Chinese responsibility continues to accumulate.

Repeated to Nanking.

GAUSS

KLP

JLS

0503

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

53-3

Gray

PREPARING OFFICE
WILL INDICATE WHETHER
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Charge Department
OR
Charge to
\$

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Department of State
DEPARTMENT OF STATE

Washington, VIA NAVAL RADIO

1937 AUG 24 PM 6 36

August 24, 1937.

8 pm

AMEMBASSY

DIVISION OF
COMMUNICATIONS
AND RECORDS

175
✓

NANKING (China).

Shanghai's 548, August 24, 5 p.m., last paragraph.

Department heartily endorses Gauss' recommendation.

Hull

SKH

743.94/9657

793.94/9657

F

FE:SKH:VCI

See NARS
FE
M.W.W.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

0504

DECLASSIFIED: E.O. 11652, 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

1-1226

FROM

19dn m 30 GOVT STATE

COMSOPAT Aug 24 1937

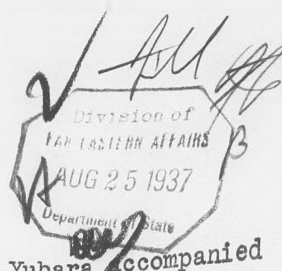
Govt State as Information,

Washington DC.

0124 Rear Admiral Okuma in second class cruiser Yubara accompanied
by Destroyers Hayate and Oite are at Amoy where Japanese are
evacuating no changes at Canton Swatow and Foochow 2200.

OPNAV.

414Pm Aug 24 1937.



793.94/9658

AUG 29 1937

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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

54-1

473

TELEGRAM RECEIVED

Sms

1-1336

GRAY

FROM

Nanking via N R

Dated August 24, 1937

Rec'd 7:57 p.m.

Secretary of State,
Washington.

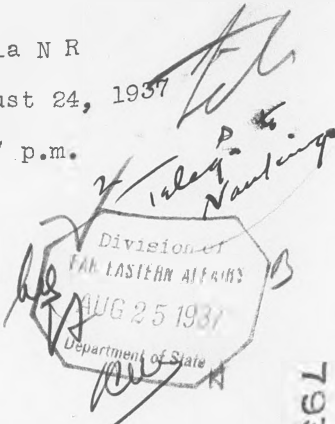
514-August 24, 8 p.m.

My 504, August 23, 11 p.m.

Buck requests that the following message be communicated to the Secretary of the Treasury:

"August 24, 1937. Hu Shih, an intellectual leader and a member of the new war Senate, has seen me and states 'until August 13 possibility peaceful settlement good and even on August 3 a peace delegate by Chiang Kai Shek to see Kawagoe but interruption communication prevented a meeting before hostilities began. A peaceful settlement is still hopeful especially if England and the United States will assist and that Davidson neutral zone plan probably acceptable to China if at end of three months after cessation hostilities a peace conference between Japan and China is held to settle all outstanding questions.

This



793.94/9659

SEP 4 1937

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F/FG

54-2

480

sms 2 - August 24, 8 p.m. from Nanking.

This would be the first step. The next would be to strive for non-aggression pact between Russia and Japan and perhaps later other Pacific countries. Peace is acceptable to the Generalissimo partly with idea of conserving unity and strength of China to prevent possible internal chaos in case of defeat perhaps possible because of limited military equipment.'

Chen Li Fu, one of the new Cabinet members, stated to me this morning that perhaps we can look forward to the attainment of Sun Yat Sen's prediction that the United States, Russia, and China can become the guardians of international peace.

Chinese opinion is that application of neutrality law would be discriminatory against China even if not so intended and that all China asks is a chance to fight for her life until peace seems possible. A sample survey made by me today shows that in Nanking one fourth of 432 consecutive shops on two streets are closed which is indicative of effect of air raids on business."

JOHNSON

sms

npl

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

54-3

August 31 1937

My dear Mr. President:

I enclose for your information copies of two telegrams of August 23 and August 24, from the American Ambassador at Nanking, containing the texts of two messages which Dr. J. Lossing Buck, an American citizen who is in China performing certain functions for the Treasury Department, desired to have communicated to the Secretary of the Treasury. I enclose also copies of the Department's telegraphic replies of August 25.

I may say that the replies which the Department sent to the American Ambassador at Nanking have been shown to Mr. Wayne Taylor, Acting Secretary of the Treasury, who expressed his concurrence therein, and that copies of the incoming telegrams have also been given

The President,

The White House.

793.94/9659

793.94

0508

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

5-4-4

- 2 -

given informally to Mr. Taylor.

Faithfully yours,

Cordell Hull

Enclosures:

1. From Embassy Nanking, No. 504, August 23, 11 p.m. / 9634
2. From Embassy Nanking, August 24, 8 p.m. / 9659
3. To Embassy Nanking, No. 179, August 25, 8 p.m.
4. To Embassy Nanking, No. 182, August 25, 10 p.m.

A true copy of
the signed origi-
nal

FE:MMH:EJL

8/30/37

ANG 31

FE

m.m.H.

PA/H

8-14

0505
DECLASSIFIED: E.O. 11652, 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

THE SECRETARY

For the attention of
Mr. Salmon
Ru

See Telegrams attached

Rec'd from Secy's office
9/9/37 *WCH*

0510
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

54-5
DEPARTMENT OF STATE
WASHINGTON

August 31, 1937

My dear Mr. President:

I enclose for your information copies of two telegrams of August 23 and August 24, from the American Ambassador at Nanking, containing the texts of two messages which Dr. J. Lossing Buck, an American citizen who is in China performing certain functions for the Treasury Department, desired to have communicated to the Secretary of the Treasury. I enclose also copies of the Department's telegraphic replies of August 25.

I may say that the replies which the Department sent to the American Ambassador at Nanking have been shown to Mr. Wayne Taylor, Acting Secretary of the Treasury, who expressed his concurrence therein, and that copies of the incoming telegrams have also been given

The President,

The White House.

F.W. 793.94/9659

54-6

- 2 -

given informally to Mr. Taylor.

Faithfully yours,

Corbell Husted

Enclosures:

1. From Embassy Nanking,
No. 504, August 23, 11 p.m.
2. From Embassy Nanking,
August 24, 8 p.m.
3. To Embassy Nanking,
No. 179, August 25, 8 p.m.
4. To Embassy Nanking,
No. 182, August 25, 10 p.m.

*Copies
destroyed
7/9/87
H.E.T.*

0512

DECLASSIFIED: E.O. 11652, 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
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OR
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\$

54-7
TELEGRAM SENT 481

Department of State
DEPARTMENT OF STATE

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

1937 AUG 25 PM 8 00

August 25, 1937.

AMEMBASSY,

181
NANKING (China).

NR
DIVISION OF
COMMUNICATIONS
AND RECORDS

Your unnumbered August 24, 8 p.m.

Please inform Department what is the QUOTE Davidson,
neutral zone plan UNQUOTE and give your comments on the
each of
two statement made ~~with regard to it~~ in the second
sentence of the quoted message communicated in your
telegram under reference.

793.94/9659

Hull

Step

793.94/9659

PA/H:SKH:ZMK

FE

Enciphered by _____

Sent by operator _____ M., _____ 19 _____

D. C. R.—No. 50

1-1462

U. S. GOVERNMENT PRINTING OFFICE

F

0513

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

54-8

Gray

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 AUG 25 PM 8 00

August 25, 1937.

10 PM

DIVISION OF
COMMUNICATIONS
AND RECORDS

✓ AMEMBASSY,

NANKING (China). *via NR*

182

Your unnumbered August 24, 8 p.m.

Please thank Buck for his having brought to you the
message thus conveyed. Inform him that the message has
been noted by the Secretary of State and a copy is being
given to the President.

Hare

793.94/9659

793.94/9659

PA/H:SKH:ZMK

Enciphered by

Sent by operator M., 19.....

0514

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

54-9

August 26, 1937.

Dear Wayne:

Here attached are copies of the two telegrams
which I showed you last evening.

Yours sincerely,

[Handwritten signature]

793.94

Enclosures:

From Nanking, telegram no. 504./9634
August 23, 1937, 11 p.m.;
From Nanking, telegram dated
August 24, 1937, 8 p.m. /9659

The Honorable

Wayne C. Taylor,

Assistant Secretary of the Treasury,

Washington, D. C.

100
26
1937

A true copy of
the signed origi-
nal.

PA/H:SKH:ZMK

FE

793.94/9659

9659

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

55-1

[Handwritten signature]

[Handwritten signature]

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

August 25, 1937.

Mr. Secretary:

Admiral Hasegawa's statement,
". . . we deem it important that a safety
zone should be established in and around
Shanghai . . ." suggests that it is a
present objective of the Japanese to drive
Chinese armed forces away from Shanghai
and establish at Shanghai an area which
shall be immunized (probably by the con-
tinuing presence of an adequate Japanese
armed force) from danger in future of
military operations.

743 449 668

Such an eventuation would have certain
advantages from point of view of the general
problem of "security." It would have
certain disadvantages from point of view of
the contribution which it would make toward
preponderance of Japanese influence in China
and in the Far East generally.

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State

SKH

SECRETARY OF STATE
AUG 25 1937
NOTED

PA/H:SKH:ZMK

0516
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

55-1

482

FE

TELEGRAM RECEIVED *JWB*

DEPARTMENT OF STATE

1-1336

1937 AUG 24 PM 9 16

FROM

RB

PLAIN

107-14
DIVISION OF
COMMUNICATIONS
AND RECORDS

Shanghai via N. R.

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

Dated August 24, 1937

Rec'd 5:04 p. m.

Secretary of State

Washington.

547, August 24, 2 p. m.

In an interview granted today to Reuters aboard Japanese flagship, Admiral Hasegawa made the following statement which the Japanese Consul General confirms:

"It has been the intention of the Japanese Government to localize the Sino-Japanese conflict and to bring about ultimately closer and better relations with China. However, with the situation aggravated by Chinese to such an extent as it is, we deem it important that a safety zone should be established in and around Shanghai, and that all causes of further trouble should be removed once and for all."

GAUSS

31'S



793.94/9660

AUG 25 1937

FILED

F/FG

0517
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 741.94/131 FOR Despatch #2532

FROM Japan (Crew) DATED Aug. 6, 1937
TO NAME 1-1127 GPO

REGARDING: Sino- Japanese hostilities. With outbreak of, - the conditions have rapidly changed with regard to Anglo- Japanese relations. One of the main reasons which impelled the Japanese to seek a rapprochement with Great Britain was a further effort to seek to emerge from her isolated position in the family of nations. It is evident that this North China affair has greatly damaged Japan's chance of gaining additional friends among the major powers.

fp

793.94/9661

E

9661

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

Tokyo, August 6, 1937.

No. 2032.

SUBJECT: ANGLO-JAPANESE RELATIONS.

The Honorable

The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Embassy's despatch
No. 2402 of June 24, 1937, relating to the preliminary
Anglo-Japanese conversations which had taken place in London
between the Japanese Ambassador there and Sir Alexander
Cadogan, Deputy Under Secretary of State for Foreign
Affairs, and also with Mr. Eden. It will be recalled that
although these conversations were largely of an exploratory
and

-5-

and preparatory nature, they and negotiations reached the point where it is evident that formal negotiations were about to begin. While the results might have fallen far short of the expectations on the part of certain enthusiastic investigators and supporters of the plan, it may be supposed that the conversations would not have been permitted to develop unless there were prospects of the net result being favorable to Sino-Japanese relations.

However, with the outbreak of the present Sino-Japanese hostilities conditions have rapidly changed in Sino-Japanese relations. Whether or not we were correct in our reasoning in the despatch under reference that one of the main reasons which impelled the Japanese to seek a rapprochement with Great Britain was a further effort to seek to emerge from her isolated position in the family of nations, it is becoming increasingly evident that this North China affair has already greatly damaged Japan's chances for gaining additional friends among the major powers and it is practically a certainty that should the present situation become more serious or should be greatly protracted, Japan's position will rapidly revert to the same state of isolation in which she found herself from 1938 to 1940. Even the anti-Comintern agreement with Germany appears to be failing in the present instance to evoke for Japan any great measure of open sympathy on the part of Germany, at least as long as the struggle with China does not involve the Soviet Union.

Within a week of the first incident in the present Sino-Japanese difficulties, Mr. Tan informed the Japanese Ambassador at London that the expected negotiations with Japan could

-3-

could not be hoped for if further Japanese troops were sent into China and the British chargé d'affaires in Tokyo recommended to his government that in certain eventualities he be authorized to make a similar statement in his conversations with the Foreign Office in Tokyo. The obvious implication was, of course, that the British Government wished to use the proposed negotiations as a lever to force Japan to employ moderation in dealing with the Chinese situation. This belief on the part of the British that a threat to break off the Anglo-Japanese conversations would be really effective in preventing Japanese action in North China is clearly indicative of the naivete, if not fatuity, of the British attitude toward Japanese policy on the mainland as well as a lack of comprehension of the motives behind the Japanese desire for the negotiations in London. Among the chief benefits to Japan from the successful conclusion of the negotiations would have been the removal in some part of the friction which has recently marred the interests between the two countries due to the conflict between their respective interests in China; but the advantages to be gained by such a step are not to be compared, in Japanese eyes, to the conversion of North China into an area completely dominated by Japan and in which her commercial advantages will become even greater with a corresponding detriment to the interests of Great Britain and others.

If we are correct in our analysis of the arrangement with Great Britain which was contemplated by the Japanese Government, namely, that Japan would refrain from molesting British commercial and economic interests in China, in return for which Great Britain would undertake not to discriminate against Japanese commerce with British areas (see

pages

pages 3 and 6 of the despatch under reference, we must see that the uncertainty of any assurances which Japan could give for non-exploitation of British interests in China has become much greater in view of the present situation. The record in "Manchukuo", where as impressively as the flow of the incoming tide, the Japanese are driving out the established interests of other nations, speaks for itself. While Japan may not be seeking to set up in North China a second "Manchukuo", the fact which their domination of the North China area takes is of no consequence. It is perfectly obvious that the Japanese are now determined that this area is henceforth to be under their exclusive control under one guise or another, whether it be out and out separation, semi-autonomy or by any other device by which theanking government is forced to relinquish all effective control.

If, then, the prospects of the Anglo-Japanese negotiations reaching a successful conclusion were somewhat uncertain prior to the North China incident, it appears probable that these prospects will become even more uncertain in proportion to the seriousness with which affairs with China develop. It must be increasingly clear to the British that while the Japanese may sincerely desire a rapprochement with Great Britain they are not in a position to offer the British any proposition sufficiently attractive to compensate the latter for the sacrifices which they would be called upon to make.

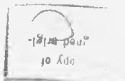
It may be of interest to report a remark made by a highly placed official of the British Embassy to a member of my staff. This official stated that he felt the best thing

* Embassy's despatch No. 2506 of July 23, 1937.

Copy to Embassy, London
Routing
Routing

710
10

Joseph W. Green



Respectfully yours,

...such as that contemplated in the weeks and
being considered between the two countries a political
removed for some years to some and possibility of there
negotiation, and agreement which seems to have effectively
both last night and upon an attitude of irritation,
and Japan. There was, in short, developed on the part of
some toward resolving the present difficulty between China
the indifference of the efforts of the British govern-
the Japanese for their part have shown little confidence in
and at times ignorance of the elements of Japanese policy.
of Japanese influence in China, but of their indifference to
movement to resist within possibilities limits any extension
been realized, but by the time determination of the British
the last month with the British word of Britain I have
during the first month which I have had during

...and Japan.

indicate the trend of feeling in some British quarters
such reasons are responsible in themselves, they do
and a small amount for some. Also, of course,
collaboration and thus be removed from the field as an economic
the resources of Japan that she would suffer a financial
competition in China which would become such a drain upon
to become involved in a long and ill-considered military
Britain) would be for Japan in the present instance
thing for us all (meaning the United States and Great

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

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM

Peiping via N. R.

Dated August 25, 1937

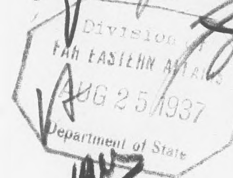
Rec'd 7:42 a.m.

Secretary of State,
Washington.

COPIES SENT TO
1. Mr. and Mrs. D. J. Mac

473, August 25, 4 p.m.

Embassy's 470, August 24, 5 p.m.



One. The Japanese claim reported in the above mentioned telegram that Kalgan was occupied August 22 seems now to be officially announced, as does the Japanese claim that Chuyungkuan in the Hankou Pass was occupied on the morning of August 23.

Two. An American newspaper man yesterday visited Japanese headquarters at Changhsintien on the Peiping-Hankow Railway and was informed by a Japanese official there that the Japanese and Chinese fronts on that railway are between Lianghsiang and Liuliho, that Japanese forces on that railway number 21,000, and that a Japanese advance cannot be made until the Japanese eliminate Chinese forces which are operating in the hills on the west flank of the Japanese forces.

Three. The Japanese Embassy has informed all diplomatic missions through this Embassy in writing that the Japanese cannot be responsible for the safety of nationals of those missions

793.94/9662

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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-

JR #473, August 25, 4 p.m., from Peiping via N. R.

missions visiting Japanese military fronts.

Four. The afternoon train for Tientsin has not left Peiping today. It is understood that the morning train has not gone beyond Fengtai because of damage to tracks.

Repeated to Nanking.

LOCKHART

WWC

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

DOCUMENT FILE

NOTE

SEE 393.1163 Nantungchow/5 FOR Telegram #0024-2254

FROM Navy Department () DATED Aug. 25, 1937 (Rec'd)
TO NAME 1-1127 870

REGARDING: Sino-Japanese conflict: Fourth bombing Hankow
area caused no damage. Report on Japanese
bombing at Nantungchow. No air attacks on
Yangtze ports today.

793.94/9663

793.94/1663

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

TELEGRAM RECEIVED

JR

1-1236

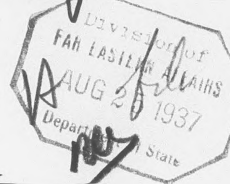
FROM COMSUBRON FIVE

Rec'd August 25, 1937

6 a.m.

From Naval Communications
For the information of the
Department of State.

COPIES SENT TO



0025. Tsingtao quiet and orderly apparent desire

and ability local Sino-Japanese settle peacefully
possible friction points as they arise is tending to
restore confidence and ease tension. Negotiation
to reopen shops still under way. Decision to evacuate
all Japanese men not yet made. 1401.

TWC

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F/FG

793.94/9664

793.94

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

TELEGRAM RECEIVED

JR

1-1336

FROM PLAIN

Nanking via N. R.

Dated August 25, 1937

Rec'd 5 a.m.

Secretary of State,

Washington.

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

517, August 25, noon.

Embassy's 515, August 25, 8 a.m.

Division of
FAR EASTERN AFFAIRS
AUG 25 1937
Department of State

One official source states further investigation reveal
that a total of 24 bombs were dropped, most in the same
vicinity with one, however, falling near a temple on Purple
Mountain between Sun Yat Sen Mausoleum and golf club.

Sent to the Department, Peiping, Shanghai, Hankow.

JOHNSON

WIC

793.94/9665

FILED
F/FG

AUG 23 1937

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

TELEGRAM RECEIVED

JR

1-1336

FROM PLAIN AND GRAY

Nanking via N. R.

Dated August 25, 1937

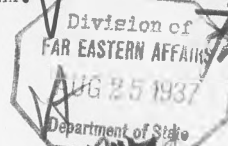
Rec'd 5 a.m.

Secretary of State,

Washington.

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

515, August 25, 8 a.m.



One. Nanking was raided at eight o'clock last

night. According to official sources nine Japanese bombers participated, dropping fifteen bombs (SPECIAL GRAY) (CONFIDENTIAL) on the military airfield to the southeast outside Kwanghua gate and destroying two Chinese planes. (END SPECIAL GRAY) Chinese claim that following the raid their pursuit planes shot down one bomber south of Chuyung which is about thirty miles from here on main highway to Hangchow.

Sent to the Department, Peiping, Shanghai, Hankow.

JOHN'SON

DDM:KLP

793.94/9666

FILED F/FG
AUG 28 1937

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

JR

GRAY

483

TELEGRAM RECEIVED

Nanking via N. R.

Dated August 25, 1937

Rec'd 5 a.m.

FROM

Secretary of State,

Washington.

518

517, August 25, 10 a.m.

My 498, August 23, 5 p.m.

Following telegram has been sent to Shanghai:

August 24, 5 p.m. My August 23, 3 p.m.

For the information of the Commander-in-Chief.

The following communication has been received from
the Minister for Foreign Affairs:

"I have the honor to acknowledge the receipt of your
letter of yesterday's date, requesting an assurance on the
Chinese side that the section of the Whangpoo River
between the barrier off Nantao and the line running from
the Soochow Creek to Pootung point will not be entered by
Chinese vessels for any warlike purpose.

In reply I have to state that, while the Chinese
Government must necessarily reserve its right which is
inherent in China's territorial sovereignty, for the free
use and passage of all kinds of Chinese vessels, for the
whole length of the Whangpoo, the Chinese military
authorities agree not to commit hostilities in the section
of the river in question, provided that Japanese warships
do not cross the Soochow Creek and Pootung point line and
refrain from taking hostile action in that section".

KLP:WIC

JOHNSON



793.94/9667

FILED F/FG
AUG 28 1937

793.94

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

5
RECEIVED
MARY E. WOOLLEY
DEPARTMENT OF STATE
WESTPORT-ON-LAKE CHAMPLAIN

NEW YORK

August 23, 1937.

1937 AUG 24 AM 9 22

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94

Secretary of State,
Washington, D.C.

My dear Mr. Secretary:

As Chairman of the Committee on International Relations of the American Association of University Women, may I express my satisfaction in your statement notifying Americans who insist on staying in China for their own profit that they need not expect help from the United States government. I am sure that the organized women in this country as I know them would approve that policy, and are anxious above all to preserve peace.

Very sincerely yours,

Mary E. Woolley

Ans'd
File
Ch
Division of
FAR EASTERN AFFAIRS
AUG 25 1937
Department of State
W
August 20 1937

793.94/9668

FILED/FG
AUG 21 1937

0531

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

August 30 1937

793.94/9668

793.94/9668

My dear Dr. Woolley:

I have received your letter of August 23, 1937, in regard to your desire, as Chairman of the Committee on International Relations of the American Association of University Women, that peace be preserved in connection with the situation in China.

The Department shares with you an earnest desire for the preservation of peace and is giving most solicitous attention to every phase of the Far Eastern situation and toward making effective the policies, especially the policy of peace, in which this country believes and to which it is committed. For convenience of reference I enclose a statement on this subject which I gave to the press on August 23.

Sincerely yours,

Cordell Hull

Routine

Enclosure:
Copy of press statement.

Dr. Mary E. Woolley,
Westport-on-Lake Champlain,
New York.

FE:EOC

VIII-28-37

A true copy of
the signed original.

S
g
H

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

57-1 484
TELEGRAM RECEIVED

JR

1-1336

FROM GRAY

Rome

Dated August 25, 1937

Rec'd 6:47 a.m.

Secretary of State,
Washington.

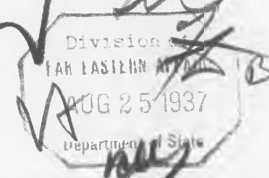
COMES SENT TO
O.N.I. AND M.I.D.

386, August 25, 10 a.m.

It is announced today that the first battalion of the Tenth Regiment of Savoy Grenadiers left Addis Ababa on August 23 for Massawa, where it will embark for Shanghai to reinforce the San Marco Marine battalion in the defense of Italian interests. It is understood that this battalion is composed of between 600 and 700 men, including supply troops.

PHILLIPS

JLS:PEG



793.94/9669

FILED
AUG 30 1937

F/FG

0533
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Hunsicker NARS, Date 12-18-75

TELEGRAM RECEIVED

FS

1-1330

FROM

GRAY

Tsingtao via N. R.

Dated August 25, 1937

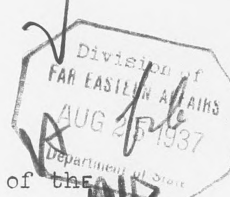
Rec'd 6 a.m.

Secretary of State,
Washington.

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

793.94
August 25, 11 a.m.

There has been a considerable lessening of the
tension in Tsingtao. This applies not only to
foreigners but also to all circles of Chinese and
Japanese. Strenuous efforts have been made by a group
of representative Japanese civilians to obtain a
restoration of normal conditions in every respect.
Japanese officials now endeavoring to effect opening
of Japanese shops and mayor has likewise issued
instructions that food shops must be opened.



KLP:WWC

SOKOBIN

FILED
AUG 12 1937

793.94/9670

F/FG

0534

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Tsinan via N. R.

Dated August 24, 1937

Rec'd 5 a.m. 25th

Secretary of State

Washington.

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



August 24, 11 a.m.

793.94
note
343.11

In a personal interview this morning General Han advised me to urge all Americans to leave Tsinanfu for Tsingtao within five days. He implied that hostilities might break out at any time after that period. At Shanghai it is learned that he gave the same advice to all district chiefs in the city. I am informing local Americans of this fact.

General Yu Hsueh Chung, Commander of the 51st army, is now in Tsinanfu and there are reports that he is eventually to succeed Han. In the event of large scale hostilities in Shantung, Yu will probably be placed in command with the result of superseding Han in (*) of the Province. In an interview with Captain Dorn, General Yu stated that Han is cooperating with the Central Government but implied that this is due to the force of circumstances.

Repeated to Department and Nanking.

DDM:HPD

ALLISON

(*) Apparent omission

793.94/9671

F/FG

FILED
AUG 25 1937

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

58-1

485

TELEGRAM RECEIVED

JR

1-1336

FROM

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

Tokyo

Dated August 25, 1937

Rec'd 6:30 a.m.

Secretary of State,
Washington.



312, August 25, 1 p.m.

One. In conversation with the British Charge d'Affaires
on August 23 the Vice Minister for Foreign Affairs asked
why the United States had not supported the British
proposal for neutralization of Shanghai as had the French.
Dodds replied that question should be addressed to me but
that he understood that our attitude was determined by
the belief that Japan had already closed the matter by
rejection.

Two. I report this otherwise trivial circumstance
to add to many which show how minutely the Japanese
Government is scrutinizing our attitude and acts with
regard to Japan and China, and how the American Government's
restraint and consideration of all circumstances is
noted and appreciated.

GREW

PEG:DDM

793.94/9672

AUG 30 1937

FILED

F/FG

0536

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

58-2 486

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

RECEIVED
Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

1937 AUG 25 PM 8 00 Washington,

August 25, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

8 PM

AMEMBASSY

TOKYO (Japan).

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

168

19672

Your 312, August 25, 1 p.m.

19672

In course of ~~a~~ lengthy conversation yesterday afternoon British Ambassador stated to Hornbeck that his Foreign Office still felt that there was some hope for the effecting of an arrangement for "neutralization" of Shanghai. There followed references by Hornbeck to the origin of and attitudes adopted toward a "neutralization of Shanghai" suggestion in 1932.

793.94/9672

This morning Department has received from Shanghai information regarding a statement made yesterday by Admiral Hasegawa to Reuters at Shanghai and confirmed by Japanese Consul General there in course of which Hasegawa is quoted as saying ~~GRAY~~ QUOTE with the situation aggravated by Chinese to such an extent as it is, we deem it important that a safety zone should be established in and around Shanghai UNQUOTE. END GRAY

To the Department, it is clear that British and French are confusing ~~and perhaps deliberately~~ two entirely different concepts. For your strictly confidential information, F/B

Enciphered by _____

Sent by operator _____ M., _____, 19____

0537

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

28-3

487

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Department of State

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NONCONFIDENTIAL CODE
PARTAIR
PLAIN

- 2 -

Washington,

the Department does not repeat not look with favor upon
either of these concepts insofar as it understands the
connotation of the terms in which they have hitherto,
in current connections, been mentioned. Recollecting various
QUOTE plans UNQUOTE which were suggested from various sources
in 1932, Department desires that, if and when anything further
is said to you in mention of suggestions or proposals relating
to Shanghai, you endeavor to draw out the propounder but be
yourself completely non-committal and report at once to the
Department.

Hill
SKH
—

Approved in
Department by
Secretary

PA/H:SKH:ZMK

SKH

FE

m.m.H.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 80

1—1402 U. S. GOVERNMENT PRINTING OFFICE

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

59-1 488
TELEGRAM RECEIVED

JR

1-1336

GRAY
FROM
Tokyo

Dated August 25, 1937

Rec'd 8:50 a.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 25 1937
Department of State
Handwritten initials and marks

793.94
315, August 25, 3 p.m.

One. The French Embassy states that it has information from Paris that the Chinese Government has accepted a proposal made jointly by the five ambassadors to cease fighting in the Whangpoo between specified limits on condition that Japanese vessels withdraw and that the area be not used as the scene of Japanese fighting. The French Ambassador here is instructed to join "eventually" in action taken by his colleagues to urge the Japanese Government to accept the proposal.

Two. We have as yet no information of this action of the five ambassadors at Hanking.

Reopened to Shanghai for relay to Hanking.

GREY

WIC:KLP

793.94/9673
FILED
F/FG
AUG 26 1937

0539

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

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Department of State
RECEIVED
DEPARTMENT OF STATE

59-2

489

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE

PARTIAL

PLAIN

Washington,

Revol Radio

1937 AUG 25 PM 5 39

August 25 1937.

6 PM

AMEMBASSY,

DIVISION OF
COMMUNICATIONS

NANKING, (CHINA).

177

Via NR

The substance of your 498, August 23, 5 p.m., and 517, August 25, 10 a.m., has been repeated to Tokyo for communication by the Ambassador to his interested colleagues.

With regard to the question of possible action at Tokyo see Tokyo's 313, August 25, 3 p.m. The Ambassador has been there informed that the Department is inclined to concur with your view that it seems unnecessary to take up this matter at Tokyo, but he has been authorized in his discretion to participate in such action as may be considered desirable.

793.94/9673

FE:JWB:VC

FE

P A/H

Enciphered by

Sent by operator M., 19.....

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

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

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Department of State
DEPARTMENT OF STATE

Washington,

1937 AUG 25 PM 5 49

August 26, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

TOKYO, (JAPAN).

Your 313, August 25, 3 p.m.

The Embassy at Nanking in its 498, August 23, 5 p.m.,
reported that the Ambassadors of Germany, Great Britain,
United States, France and Italy sent a joint note to the
Chinese Minister for Foreign Affairs stating that information
had been received that Admiral Hasegawa had orally agreed
to keep Japanese war vessels below a line running from
Soochow Creek to Pootung Point but had requested that a
similar agreement be obtained from the Chinese military
authorities not to use the area between the barrier off
Pootung and the line mentioned above for passage of Chinese
vessels for any warlike purpose. ^{repeat not} ~~and~~ requested an assurance
from the Chinese Government to such effect. The Embassy
stated that it seemed unnecessary to take up this matter in
Tokyo.

The Embassy at Nanking in its 517, August 25, 10 a.m.,
quoted the reply of the Minister for Foreign Affairs, the
essential portion of which ^{reads} ~~is~~ as follows:

Enciphered by

Sent by operator M.,, 19.....

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

793.94/9673

9673

0541

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

PREPARING OFFICE
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TELEGRAM SENT

Department of State

-2-

Washington.

5-9-4
 TO BE TRANSMITTED
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 NONCONFIDENTIAL CODE
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 PLAIN

QUOTE while the Chinese Government must necessarily reserve its right which is inherent in China's territorial sovereignty, for the free use and passage of all kinds of Chinese vessels, for the whole length of the Whangpoo, the Chinese military authorities agree not to commit hostilities in the section of the river in question, provided that Japanese warships do not cross the Soochow Creek and Pootung point line and refrain from taking hostile action in that section. UNQUOTE

You may communicate the foregoing to your interested colleagues. The Department is inclined to concur in the opinion of the Embassy at Nanking that it seems unnecessary to take up this matter at Tokyo but authorizes you in your discretion to participate in such action as you may consider desirable.

FE:JWR:VC

FE

PA/14

Enciphered by

Sent by operator M., 19.....

0542

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

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TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Tokyo

Dated August 25, 1937

Rec'd 8:10 a.m.

Secretary of State,
Washington.

314, August 25, 6 p.m.

793.94
Department's 166, August 24, 7 p.m.

I have today addressed letters to the French,
German and Italian Ambassadors and British Charge
d'Affaires embodying text of collective letter to the
Chinese Minister for Foreign Affairs and other substance
of Nanking's 497, ⁹⁶²⁷ August 23, 4 p.m., on the subject of
Tsingtao. I enclosed copy of my note No. 780 on August
23rd to the Foreign Minister on the subject (Embassy's
297, ⁹⁵⁸⁸ August 23, 1 p.m.) and asked for information of
any action by my colleagues.

Repeated to Shanghai for relay to Nanking.

KLP:WWC

GREW



793.94/9674

FILED

EB 1 2 1938

F/FG

0543
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

JR

GRAY
TELEGRAM RECEIVED

Peiping via N. R.

1-1236

Dated August 25, 1937

FROM

Rec'd 6 a.m.

Secretary of State,

Washington.

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



472, August 25, 4 p.m.

Shanghai's August 24, 7 p.m., paragraph number four.

Assuming that railway between Peiping and Tientsin

and between Tientsin and Mukden will still be available, travel via Manchuria to Japan would be possible but for past several weeks travel has been extremely slow and uncertain, usually requiring from 8 to 18 hours between Peiping and Tientsin and from 15 to 40 hours between Tientsin and Shanhaikwan. The greatest difficulty which might be encountered in evacuation from Peiping is possibility of Peiping-Tientsin line being taken over for exclusive military use and not (repeat not) being quickly available. A few Americans leaving Peiping recently have succeeded in obtaining accommodations on vessels sailing from Tangku to Japan. Efforts are being made to ascertain how many Americans now desire accommodations to proceed to the United States or elsewhere. The general military situation here unchanged except that irregulars to the west, southwest, and south in some respects are beginning to harrass the Japanese and there is still fighting at Fankou Pass and below Changhsintien with

793.94/9675

AUG 28 1937

FILED/FG

793.94
note
393.1115

893.77

0544
DECLASSIFIED: E.O. 11652, 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

-2-

JR #472, August 25, 4 p.m., ¹⁻¹³⁸⁶ FROM Peiping via N. R.

with apparently no decisive result on either side.

Sent to Shanghai. Repeated to Department and Nanking.

LOCKHART

JLS:WWC

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

TELEGRAM RECEIVED

JR

1-1236

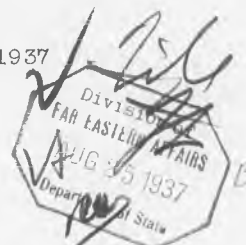
CINCAF

FROM: d August 25, 1937

11:11 a.m.

From Naval Communications
For the information of the
Department of State.

COMMUNICATIONS
DIVISION
U.S. DEPARTMENT OF STATE



793.74

0025. Chinese troops have withdrawn from Yangtzepoo and reliable report states withdrawal from Woosung Liuho and Kiangwan areas beginning. Chapei and Pootung still occupied in force by Chinese. Japanese advancing slowly believed occupied Lutien south of Liuho and advanced two miles west of Woosung. Unconfirmed reports additional Japanese landed near Nanhui southeast Shanghai. Shanghai area generally quiet except occasional bombing Chapei and Pootung by Japanese planes. Chinese planes made air attacks Yangtzepoo during night. Report that Japanese continue extensive air raids Hanking, Hingpoo Anking. Large fires in Hong Kong, Yangtzepoo, Comtung and Nantao still burning but situation near Settlement eased considerably already and with probable early evacuation Chapei sector danger foreign residents will be further reduced

793.94/9676

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AUG 26 1937

0548
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

JR 0028 from CINCAF naval communications August 25, 11:11a.r.

reduced. Police have reoccupied Yangtzepoo posts and
Municipal authorities expected exert every effort return
situation in Settlement to normal although danger from
misdirected air attacks still present. 1930.

HPD

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

60-1

430

TELEGRAM RECEIVED

JLS

GRAY

1-1236

FROM

NANKING VIA N. R.

Dated August 25, 1937

Rec'd. 10:50 a. m.

Secretary of State,

Washington

519, August 25, 1 p. m.

Referring to Tokyo's 301, August 23, 7 p. m., the
British Ambassador on August 23 addressed the following
note to the Chinese Minister of Foreign Affairs:

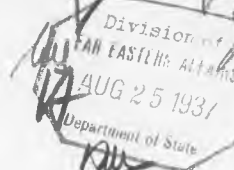
"I have the honor, because of instructions from His
Majesty's principal Secretary of State for Foreign Affairs
to inform Your Excellency's Government that His Majesty's
Government must reserve all their rights as regards holding
the Chinese Government responsible for damage to or loss of
either life or property that may be incurred by subjects
of His Majesty as a result of action taken by Chinese
forces in the course of the present hostilities in China."

I request that the Department instruct me as to whether
similar action should be taken by us. Repeated to the
Department. This telegram has been repeated to Tokyo.

JOHNSON

WTC KLP

See Sept
185 7 Aug
26, 8:00 PM
to Nanking



793.94/9677

FILED
SEP 1 1937

F/FG

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

JLS

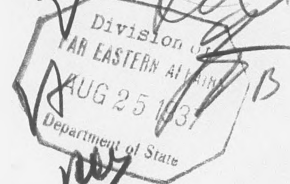
TELEGRAM RECEIVED

NANKING VIA N. R.
Dated August 25, 1937
FROM Rec'd. 10:45 a. m.

1-1336

Secretary of State,
Washington

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



520, August 25, 2 p. m.

Shanghai's 548 August 24, 5 p. m. to Washington.

79394
facts concerning falling of air bombs in International Settlement on August 23rd were communicated to Minister for Foreign Affairs on the 24th. *I have discussed* ~~Shanghai's~~ *discussing* matter with Donald states that the Chinese aviation authorities deny that Chinese planes were active over Shanghai at the time in question. Chinese authorities also state that none of China National Company planes have been converted for bombing purposes. HOWEVER, I am communicating information contained in Shanghai's 548 to Minister for Foreign Affairs today. Sent to Shanghai.

JOHNSON

W.C. WPD

*Correction made
10/14/37
H.E.T.*

793.94/9678

AUG 28 1937
FILED F/FG

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

TELEGRAM RECEIVED

JR

1-1336

GRAY

FROM

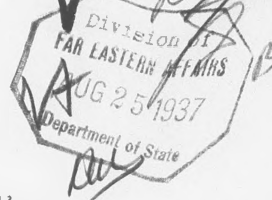
Hankow via N. R.

Dated August 25, 1937

Rec'd 11 a.m.

Secretary of State,
Washington.

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



793.9419679

522, August 25, 3 p.m.

Following telegram has been sent Hankow:

"August 25, 2 p.m. Your August 23, 3 p.m. 7592

Informal assurances have been requested from a responsible Chinese authority that the Lu Chun Ta Hseh (war college) will not (repeat not) be moved to Kuling although it may be placed at the foot of the mountain. However, this statement should not lessen the precaution urged in the Embassy's August 16, 3 p.m., that American residents move away from any center having military character".

JOHNSON

KLP:WTC

FILED
AUG 28 1937

793.94

note

393.11

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

TELEGRAM RECEIVED

JR

1-1236

SPECIAL GRAY
FROM

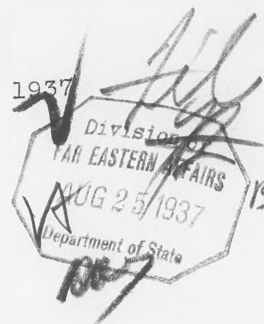
Canton via N. R.

Dated August 25, 1937

Rec'd 11:17 a.m.

Secretary of State,
Washington.

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



793.94
August 25, 5 p.m.

Reliable Wuchow source reports that division Kwangsi officials left there morning of third for Canton, further destination unknown; that he has been advised two other Kwangsi divisions are leaving Kweilin for North China by highway, Hengchou and rail route; that divisions average eight thousand men. A contingent of well equipped Kwangsi troops passibly belonging to first mentioned division entrained at Canton yesterday for North. Press states that best Kwangsi forces might be sent to Shanghai or North China battle front.

Mail copy to Hong Kong.

LINEELL

WNC:KLP

793.94/9680

FILED
AUG 30 1937

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

JR

GRAY AND PLATTIN
TELEGRAM RECEIVED

Amoy via N. R.

Dated August 24, 1937

FROM

Rec'd 11 a.m.

Secretary of State,
Washington.

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

August 24, 6 p.m. (GRAY)

CONFIDENTIAL.

About 1,500 Cantonese troops of the 157th Division with headquarters at Changchow, arrived at Amoy and placed city under martial law and occupied forts here. An equal number of troops reportedly moving up near Amoy Island on mainland.

Japanese have been evacuating since August 20th and evacuation was to have been completed by 24th. Acting Japanese Consul General says evacuation now temporarily delayed by search of Japanese subjects by Cantonese troops. Estimate of Formosans and Japanese departed said to be 3500 out of 10,000 said to be registered here. Japanese Consul General arriving Amoy on August 27th by air from Japan. (END GRAY) Large numbers of Chinese moving from Amoy to International Settlement Kulangsu and many others moving from city and Settlement to points on mainland to Nanking.

Repeated to Department and Peiping; by mail to Foochow, Swatow and Canton.

ALTAFFER

KLP:HPD



793.94/9681

AUG 25 1937

FILED

F/FG

793.94
note
893.00-
Martial Law

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

TELEGRAM RECEIVED

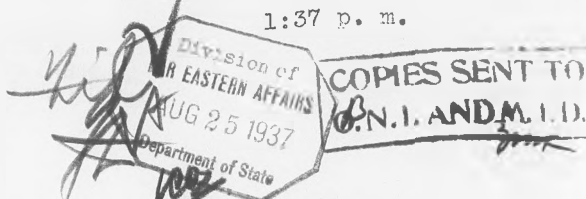
JLS

1-1236

ALUSNA

FROM Received August 25, 1937
1:37 p. m.

From Naval Communications
for the information of the
State Department.



773.74

0025. Capture Kalgan Japanese still unconfirmed in doubt, Nanlow Pass still indefinite, Chinese artillery firing bombing heard daily against bands regular irregulars now within few miles city, burst visible from Legation walls, military observer reports following China military dispositions; Machang twenty five eighty fifth Divisions part twenty ninth army; Tsangchow one hundred seventh one zero eight eleventh cavalry plus two divisions; Khoga fortieth between Pinhan Tsinpu Railroads thirty second army troop movements north Tsinan Shihkiachwang considered completed, fifty first army northern Shantung with Generals Yuh Sush Chung, Pail Tf pressing Han Fu Chu cooperate Nanking or resign later wavering probably joins Alt division and seventy fourth will defend Tsingtao: lack Chinese artillery reported great handicap, no indication Chinese offensive. Reuter's reports increasing Jap pressure for censor news 2035.

OPNAV

HPD

793.94/9682

FF/FG
AUG 30 1937

055

DECLASSIFIED: E.O. 11652, 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 852.01/243 FOR Memorandum

FROM State Department (Hull) DATED August 24, 1937
TO Secretary NAME 1-1127 678

REGARDING: Belgian Ambassador commented to the effect that entreaties
of the United States were not affecting the Sino-Japanese
military situation.

793.94/9683

9683

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

ddm

TELEGRAM RECEIVED

NANKING via N. R.

FROM Dated August 25, 1937

Rec'd 1:30 p.m.

Secretary of State

Washington

524
884, August 25, 6 p.m.

My 485, August 21, 1 p.m. and Tokyo's 302, August 23,
9 p.m.

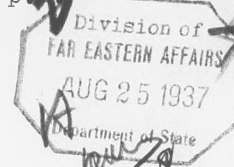
Following telegram has been sent to Tokyo:

"August 25, noon. Your 302, August 23, 9 p.m. We are grateful to you for what you have done in this matter. Please express appropriate thanks to Japanese authorities. As regards marking of embassies, warships and merchant vessels large American flags are spread on the lawns of both Embassy compounds easily seen from the air in the daytime and warships are similarly marked. At night, however, have stated before we cannot display illumination. All current turned off and city darkened, and independent illumination if possible would be locally electrical. We, therefore, hope that in night bombing Japanese will keep away from this general area."

JOHNSON

DDM

KLP



793.94/9684

SEP 1 1937

FILED/FG

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

TELEGRAM RECEIVED

RB

1-1236

FROM COMDR SOUTH CHINA PATROL

Rec'd August 25, 1937

6:43 p. m.

From Naval Communications
For the information of the
Department of State.

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

0125 South China ports quiet and situation unchanged
in this area, 2335.

793.94

SMS



793.94/9685

AUG 28 1937

F/FG

0558

DECLASSIFIED: E.O. 11652, 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

RB

FROM
COMDR YANGTZE PATROL
Rec'd August 25, 1937
8:42 p. m.

Secretary of State
Washington.

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



793.94

0025. All river ports unusually quiet today with no bombing raids. Air attack on Nanking last night carried out by nine light bombers believed from Japanese carrier. Thirty-four bombs dropped vicinity military air field doing considerable damage to field and two pursuit planes. Chinese claim one bomber shot down on highway to Hangchow thirty miles from Nanking. Anti-aircraft batteries did not open fire, reason unknown. 2200

SMS

NPL

793.94/9686

F/FG

61-1

491

FE

TELEGRAM RECEIVED

RB

1-1336

FROM

GRAY

Shanghai via N. R.

Dated August 25, 1937

Rec'd 5:12 p. m.

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

Secretary of State

Washington.

552, August 25, 2 p. m.

While the Japanese have been successful in effecting

the landing of their army forces at Woosung and at points between Woosung and Liuho on the Yangtze and between Woosung and the settlements on the Whangpoo, the question now is whether the Japanese have landed in sufficient force and can advance sufficiently rapidly to force the Chinese forces to retire to their prepared positions in the interior. Unless this is done large scale military operations will take place at the doors of the foreign settlements. There is some indication that the Chinese may be preparing to withdraw at least partially. We hope this may be the case.

Two. If heavy fighting occurs in and around the foreign areas, we of course face a dangerous situation, with the possibility of the Chinese forces breaking through our foreign defense lines and perhaps of the large Chinese population within our lines getting out of hand.

Three.



793.94/9687

FILED
F/FG
AUG 28 1937

793.94

0558
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

61-2

482

RB

-2-#552, August 25, 2 p. m. from
Shanghai

Three. With this before us as the extreme possibility of the situation, the American Emergency Committee is organizing so as to be able promptly as possible to effect the concentration of our nationals at places where they might be protected in large groups until the storm passed or until they might be moved down and evacuated on warships. We are moving quietly in this matter and are not (repeat not) permitting an alarmist attitude. Sent to the Department, Nanking and Peiping.

GAUSS

NPL

SMS

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

62-1

493

TELEGRAM RECEIVED

RB

1-1336

FROM

SPECIAL GRAY

Shanghai via N. R.

Dated August 25, 1937

Rec'd 5:25 p. m.

Secretary of State

Washington

557, August 25, 7 p. m.

Following is the full text of a memorandum handed to me by the Commander-in-Chief, Admiral Yarnell, today. My comments will follow by separate telegram.

"Memorandum for the Consul General:

One. Since the arrival of the Japanese Army, it seems to me that this situation has entered on a new phase.

Two. Until yesterday the Japanese landing party was fighting more or less on the defensive in the Hongkew section under the theory that they were part of the defensive forces of the International Settlement. With a considerable stretch of the imagination, the bombardment of widely spread areas by Japanese men-of-war anchored in the Whangpoo River within the limits of the Settlement might be included in the same understanding.

Three. With the landing of the Japanese Army at Woosung, Liuho, and at Chapoo on Hangchow Bay, the operations obviously

793.94/9688

F/FG

62-2

494

RB

-2-#557, August 25, 7 p.m. from
Shanghai

obviously change from a defense of the Settlement to an extensive campaign against the Nanking Government covering a wide field.

Four. It is understood that the Japanese naval landing party becomes a part of this field army.

Five. The question then arises as to what extent the Japanese forces are to be allowed to use the docks and warehouses of the Hongkew harbor in furtherance of their operations without protest from the neutral powers.

Six. The Nanking Government has protested several times against the use of the Settlement as a base of operations against their forces.

Seven. If this use is continued under present conditions, their objection becomes considerably more valid and acquiescence in this use by the neutral powers will be the cause of increasing bitterness on the part of Nanking.

Eight. It is recommended that the neutral powers arrive at some agreement on this matter and voice a warning to the Japanese Government against the further use of the International Settlement as a base for their war operations".

Sent to the Department, Nanking, and Tokyo.

GAUSS

SMS

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

TELEGRAM RECEIVED

RB

1-1336

GRAY

FROM

Shanghai via N. R.

Dated August 25, 1937

Rec'd 5 p. m.

Secretary of State

Washington.

561, August 25, 11 p. m.

Japanese military spokesman at Shanghai has stated

that foreign flags including American flag and Red Cross
and Swastika flags are being misused over buildings occupied
by Chinese troops and that American flag was flying over
four corners of Wing On Cotton Mill at Woosung from which
Chinese troops fired upon Japanese landing forces neces-
sitating bombing operations by Japanese ^{aircraft} ~~bomber~~. Foreign
flags have been on sale in Chinese shops here for some
time and it is impossible for consuls to prevent their
misuse. As to Wing On Cotton Mill, an American company
has a half million dollars mortgage on one of this group
of mills at Woosung. General Manager states he did not
authorize ~~prominent use~~ ^{flying} of flag. Probably hoisted by
Chinese management and Chinese troops occupied the mill
in resisting Japanese landing. Repeated to the Department,
Nanking, and Tokyo.

GAUSS

NPL

EMB



793.94/9689

AUG 28 1937

FILED/FQ

793.94
note
811.015293
800.015293

pc.
006.80151
10/21/31

wB
10/21/31

0562

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

166-1

688

TELEGRAM RECEIVED

RB

1-1886

FROM GRAY

Hankow via N. R.

Dated August 25, 1937

Rec'd 5:45 p. m.

Secretary of State

Washington.

August 25, 5 p. m.

Your August 22, noon, and August 23, 6 p. m., regarding withdrawal of Americans.

I have telegraphed and also written to Kuling and Kikungshan in the sense of your instructions. I informed leading businessmen and mission executives at Hankow at meeting yesterday of instructions and requested their cooperation in informing members of their organizations outside Hankow. In addition, I have sent circular letter to all Americans in this district. There are 147 different places in this district where Americans normally reside.

With reference to my telegram August 23, 6 p. m. and previous telegrams regarding air raids this vicinity, reliable information is that bombs have been dropped near Canton-Hankow Railway in the vicinity Yochow, Northern Hunan. Railway not damaged but possibility rail connection with Canton being broken in near future cannot be overlooked.

No



793.94/9690

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

166-2

689

RB

-2- August 25, 5 p. m. from Hankow

No (repeat no) Japanese planes reported today or yesterday
in this area.

Sent to Nanking. Repeated to the Department, Peiping.

JOSSELYN

NPL

SMS

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

TELEGRAM RECEIVED

JR

1-1336

FROM

COMSOPAT

Rec'd August 26, 1937

7:45 a.m.

From Naval Communications
For the information of the
State Department.

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

0125. South China ports quiet and situation unchanged
in this area. 2335.

DDM

793.94/9691

FILED F/FG
AUG 28 1937

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

TELEGRAM RECEIVED

JR

1-1336

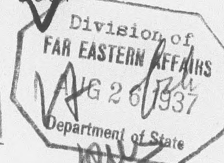
FROM COMSUBRON 5

Rec'd August 26, 1937

7:45 a.m.

From Naval Communications
For the information of the
State Department.

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



793.94
0026. Tsingtao situation same as yesterday. Some

Chinese returning and few more stores have opened. No
further information on evacuation of Japanese men. 1650.

DDM

793.94/9692

FILED

EB 12 1937

F/FG

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Aug. 30

~~922H~~

In view of # Five of
Peking's 495 of Aug. 30, 4:00 PM,
which states that "Rail Service
between Peking and Tientsin and
Tientsin and Shantungwan has
now been accelerated and other-
wise improved", I feel that
we need not ask Hankow
what it has done in
regard to the Admirals
telegram of Aug. 26. (attached)
on the subject of rail
service as indicated.

RCE

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

TELEGRAM RECEIVED

JR

1-1336

FROM CINCAF

Rec'd August 26, 1937

7:45 a.m.

From Naval Communications
For the information of the
State Department.

COPIES SENT TO
ADM AND M.I.D.
7mm

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State
File

793.94
note
793.77

0026. Reference difficulty and uncertainty use of
railway between Peiping and Shanghaiwan, recommend
strong representations be made to Japanese Government
by neutral powers for free and unhindered use of this
railway by their nationals. 0940.

793.94/9693

DDM

"Action American Ambassador China
Info. Amcon Shanghai, State Dept,
Amembassy Peiping, OPNAV.
(Naval Operations)

FILED F/E/G
SEP 2 1937

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

TELEGRAM RECEIVED



JR

1-1336

FROM COMYANGPAT

Rec'd August 26, 1937

7:45 a.m.

From Naval Communications
For the information of the
State Department.

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

0025.

793.94
All river ports unusually quiet today with no bombing
raids. Air attack on Nanking last night carried out by
nine light bombers believed from Japanese carrier.
Thirty-four bombs dropped vicinity military air field
doing considerable damage to field and two pursuit planes.
Chinese claim one bomber shot down on highway to Hangchow
thirty miles from Nanking. Anti-aircraft batteries did
not open fire, reason unknown. 2200.

DDM

793.94/9694

AUG 28 1937

FILED

F/FG

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

TELEGRAM RECEIVED

FS

1-1336

GRAY

FROM

Tientsin via N. R.

Dated August 26, 1937

Rec'd 8:40 a.m.

Secretary of State,
Washington.

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



30, August 26, 6 p.m.

5,000 Japanese troops and 32 field pieces came in from Manchuria during the past three days. Number disembarked TAKU unknown. Estimated total number to date from 80 to 150,000 but it is believed 100,000 conservative estimate. Increasing tenseness here during the last few days with expectation of greater activity of Chinese partisans.

DDI:HPD

CALDWELL

793.94/9695

AUG 28 1937
FTEWFG

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

63-1

495

TELEGRAM RECEIVED

FS

1-1236

FROM PLAIN AND GRAY

Shanghai via N. R.

Dated August 26, 1937

Rec'd 7:45 a.m.

Secretary of State,
Washington.

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



565, August 26, 10 a.m.

Press reports state that Vice Admiral Hasegawa, Commander in Chief Japanese Third Fleet, late yesterday afternoon proclaimed that navigation along the Lower Yangtze and along central China coast from Shanghai to a point south of Swatow is closed to Chinese shipping. The prescribed area extends from thirty two point four degrees north latitude and one hundred and twenty one point forty four degrees east longitude to twenty three point fourteen degrees north latitude and one hundred and sixteen point forty eight degrees east longitude. The prohibition will be enforced by the Japanese Navy. It does not (repeat not) effect foreign or Japanese shipping.

I have verified from Japanese Consul General that this press report is correct.

Sent to the Department. Repeated to Nanking.

DDM:WVC

GAUSS

793.94/9696

FILED / FG

AUG 28 1937

793.94
note
893.811

TELEGRAM RECEIVED

FS

1-1336

FROM GRAY

Nanking via N. R.

Dated August 26, 1937

Rec'd 4 a.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State

529, August 26, 1 p.m.

2. to Shanghai
AUG 26 1937

One. We have just received from USS GUAM copy of
message dated August 25th from Commander Yangtze Patrol,
Hankow, to Navy Department which seems to be a paraphrase
of Embassy's 515, August 25, 9 a.m.; and 518, August 25,
noon (repeated to you) and gives in plain language the
information therein which Embassy communicated in special
code. As indicated in last sentence, paragraph No. 2, of
our 487, August 22, 1 p.m., Chinese authorities do not
(repeat not) wish published information concerning success
or failure of bombing planes in hitting their targets
because the information might be of assistance to Japanese
airmen in future bombing operations, and Embassy has been
specifically requested not (repeat not) to make such
information public. This request by the Chinese is proper.
I feel that we must be extremely careful to avoid opening
ourselves to any possible criticism by either Chinese or
Japanese that we have indirectly or inadvertently made
available to the other military information which might

assist

793.94/9697

FILED
F/FG

0572
DECLASSIFIED: E.O. 11652, 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. 529, August 26, 1 p.m. from Nanking

assist operation. This is clearly required by our
position.

Sent to Hankow, repeated to Department, Peiping,
Shanghai.

HPD

JOHNSON

057

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Peiping via N. R.

Dated August 26, 1937

Rec'd 7:45 a.m.

793.94
393.1164
Yenching Univ.
Secretary of State,
Washington.

COMES SENT TO
U.N.I. AND A.I.D.

479, August 26, 4 p.m.

Embassy's 473, August 25, 4 p.m.



One. Reports continue to be received of clashes between Chinese irregulars and/or bandits with Japanese troops in the vicinity of Peiping. There is an unconfirmed report that approximately 500 inmates of a Chinese prison outside of the north city wall have been liberated by irregulars and have turned to banditry.

Two. The train service from Peiping to Tientsin which was considerably delayed yesterday is functioning again today.

Three. An officer and two men of the Japanese gendarmerie, together with a Japanese interpreter, visited Peiping National University yesterday and spent several hours searching the buildings and questioning the staff. The Japanese behaved politely, considering the circumstances, but took away with them records of student organization, some financial accounts, and some books.

Peiping

793.94/9698

FILED

F/FG

0574
DECLASSIFIED: E.O. 11652, 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. 479, August 26, 4 p.m. from Peiping

Peiping Normal University was similarly searched August 24.

Four. Of the universities in Peiping only Yen Ching and the Catholic University have announced that they will open this autumn.

Repeated to Nanking.

WWC:KLP

LOCKHART

DECLASSIFIED: E.O. 11652, 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

1-1386

FROM

GRAY

Tsingtao via N. R.

Dated August 26, 1937

Rec'd 10:10 a.m.

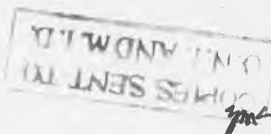
Secretary of State,
Washington.

August 26, 5 p.m.

There are indications that all Japanese men,
including consular staff, will shortly withdraw from
Tsingtao.

JLS:KLP

SOKOBIN



793.94/9699

FILED

AUG 12 1938

F/FG

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

TELEGRAM RECEIVED

DIVISION OF
EUROPEAN AFFAIRS

AUG 28 1937

File, J.H.
DEPARTMENT OF STATE

FS

1-1236

FROM

GRAY

Rome

Dated August 26, 1937

Rec'd 9:45 a.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State

387, August 26, 11 a.m.

My telegram No. 386, August 25, 10 a.m.

The Italian cruiser MONTE CUCCOLI was ordered
yesterday to proceed immediately to the Far East.

WWC:KLP

PHILLIPS

793.94/9700

AUG 30 1937

FILED

F/H

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

TELEGRAM RECEIVED

FS

1-1334

FROM

CINCAF

August 26, 1937

Rec'd 10:35 a.m.

From Naval Communications
For the information of the
State Department.

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

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State

793.94

0026. Japanese army consolidating position except in northern sector where advance being pushed, reliable reports Japanese occupied Kating after heavy fighting and additional forces landed Shangulin today. Chinese continue reinforce northern sector also large number troops concentrated at Hungjao Siccawei Shuching. No Chinese troops on either side Whangpoo below Shanghai, no change in Chapei Hongkew sector, Chinese regular troops still in north station. Fires in Settlement dying out and general conditions improving. Commander Japanese third fleet announced Chinese coast between Yangtze mouth and Swatow closed to Chinese shipping. No restrictions placed on foreign or Japanese ships. One hundred four marines arrived Shanghai in GOLDSTAR. Marine sentry Wing on mill fired on from Chapei being investigated. Chinese Ambassador en route Shanghai by automobile seriously wounded by machine gun fire from Japanese plane. 2000

793.94/9701

AUG 30 1937

FILED/FG

0578

DECLASSIFIED: E.O. 11652, 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
CORRECTED COPY

RB

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

EGK

SPECIAL GRAY

Nanking via N.R.

Dated August 25, 1937

Rec'd 4 a. m. August 26.

Secretary of State

Washington.

523, August 25, 4 p. m.

One. Donald, adviser to Chiang Kai Shek has shown us a map found on the body of a Japanese pilot whose plane was recently brought down near here. The map was printed in 1923 and has various penciled arrows and circles which are obviously bearings and targets the latter being:

One. Three circles covering central military academy grounds.

Two. A circle covering the Executive Yuan and general staff.

Three. One circle covering the Central Party headquarters. The section of the map which includes the military air field outside Kwanghwa gate was missing. On map we gave Mackay the three circles of the first target cover the quadrangle marked 7 and the 2 contiguous quadrangles immediately to the south which are bounded on the south



793.94/9702

FILED
AUG 27 1937

0578
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

RB

-2-#523, August 25, 4 p. m. from
Nanking

south by Chukiang Road and divided by Chungyang Road.
The second includes the comparatively new National Govern-
ment headquarters in the area on Mackay's map marked L,
2 and 9.

Two. Donald states that General and Mrs. Chiang
today went to Soochow by train with a view to visiting
the Shanghai front. Sent to Department only.

JOHNSON

HPD

SMS

TELEGRAM RECEIVED

lw

1-1336

FROM

SPECIAL GRAY

Nanking via N.R.

Dated August 25, 1937



Secretary of State

Washington

523, August 25, 4 p.m.

One. Donald, adviser to Chiang Kai Shek (?) a map found on the body of a Japanese pilot whose plane was recently brought down (?) here. The map was 1923 and has various penciled arrows and circles which are obviously bearings and targets the latter being one 3 circles covering central military academy grounds.

Two. (?) circle (?) (?) Executive Yuan and (?)

Three. One circle covering (?) central party headquarters. The section of the map which includes the military air field outside Kwanghwa (?) was missing, (?) map we gave Macken the three circles of the first target cover the (?) marked 7 (?) 2 contiguous quadrangles immediately to the south which are bounded on the south by Chukiang Road and divided by Chungyang Road. The second includes the comparatively new National Government (?) in the area on (?) map marked L, two (?) 9.

Two

793.94/9702

FILED

F/EG

058
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

lw 2, No. 523, August 25, 4 p.m., from Nanking.

Two (?) (?) General and Mrs. Chiang (?) went to (?)
by train (?) visiting the Shanghai front. Sent to Depart-
ment only.

JOHNSON

HPD

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

TELEGRAM RECEIVED

1-1230

FROM

MG

GRAY

Nanking via N.R.

Dated August 26, 1937.

Rec'd 10:05 a.m.

Secretary of State,
Washington.

552, August 26, 5 p.m.

Embassy's 523, August 25, 5 p.m.

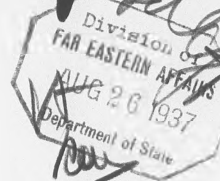
The same information has been sent in separate
telegrams to Peking, Shanghai and Tsinanfu.

JOHNSON

PEG

WVG

*re authorization to send to US
presidents of consular officers &
American employees*



FILED F/FG
AUG 28 1937

0583

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

64-1

496

TELEGRAM RECEIVED

MG

GRAY

1-1886

Tsingtao via N.R.

FROM

Dated August 26, 1937.

Rec'd 7:45 a.m.

Secretary of State,
Washington.

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



August 26, 11 a.m.

The attitude of the local Japanese Consul General is disquieting. He called on me yesterday and dwelt at length on the presence of the revenue guards (see my despatches of May and June) which he stated not (repeat not) he personally but his Government regarded as a menace to the peace of Tsingtao. He proposed that I ask Chinese to withdraw revenue guards for some distance and Japanese would withdraw some (repeat some) of their men of war. I declined to convey this request in view of (one) repeated statement of the Mayor to me in respect to his determination not to alter disposition of troops outside of Tsingtao and also his lack of authority over Central Government forces, (two) as well as my desire that this Consulate be uninvolved in unnecessary mediation, inasmuch as to date both sides have ostensibly observed their announced intention of nonaggravation of the situation and of maintaining the present peaceful status quo in Tsingtao.

SOKOBIN

VWC

KLP

793.94/9704

FILED

AUG 26 1937

F/FG

65-1

497

TELEGRAM RECEIVED

HG

1-1336

FROM

Tokyo

Dated August 26, 1937

Rec'd 10:20 a.m.

Secretary of State,
Washington.

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

LEGAL ADVISER
AUG 30 1937
DEPARTMENT OF STATE

Division of
FAR EASTERN AFFAIRS
AUG 26 1937
Department of State

316, August 26, 5 p.m.

Yoshizawa handed to Dooman this afternoon a copy
of the Foreign Office statement issued today with regard
to the arrest and search of Chinese vessels, the text
of which we understand has been transmitted to the
United States by press correspondents. Dooman inquired
whether, with reference to the last sentence of the
statement, any consideration had been given to the status

of Chinese vessels owned wholly or in substantial
part by third party nationals and to the treatment of
cargo so owned on arrested Chinese vessels. Yoshizawa
declined to make any comment but he stated that the
Foreign Office would be glad to give sympathetic con-
sideration to any case involving property rights of
American nationals, if and when such case should arise.

Repeated to Shanghai for relay to Nanking.

GREW

PEG

WTC

793.94/9705

AUG 30 1937

FILED

F/FG

0585

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

FL-Hm

65-2

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
WASHINGTON, D. C.
Washington,

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ✓
PARTIAL
PLAIN

1937 AUG 27 PM 3 07
August 27, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

3 pm

AMEMBASSY,
TOKYO, (JAPAN)

17/ RUSH.

Your 316, August 26, 5 p.m.

Please telegraph/text of Foreign Office statement/or/
essential parts thereof.

H-ee
SKH

793.94/9705

✓
AUG 27 1937 PM

FE:JWB:VC

FE
mmh

PA/H
guth

Enciphered by _____

Sent by operator _____ M., _____, 19____

0586

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

66-1 493 *FE*

TELEGRAM RECEIVED

lw

SPECIAL GRAY

1-1336

FROM

Shanghai via N.R.

Dated August 26, 1937

Rec'd 8:40 a.m.

Secretary of State

Washington

564, August 26, 9 a.m. *9688*

Reference my 557, August 25, 7 p.m.

Commander-in-Chief's memorandum presents problem of Japanese use of part of International Settlement as a military base. Further problems likely soon to arise and which should have some advance consideration are possible Japanese demands to suppress, control or take the over/post offices, telegraph cable and radio facilities, the seizure of other Chinese Government revenue administrations, and perhaps the Central Bank whose operations are ~~essential~~ ^{IMPORTANT} to stability of Chinese currency. Most of these institutions are in the International Settlement or the French concession.

Two. Some of these questions recently arose at Tientsin with respect of British and French concessions. We were not involved and I am not informed as to their final settlement.

Three.



793.94/9706

FILED
F/FG
SEP 13 1937

66-2

497

lw 2, No. 564, August 26, 9 a.m. from Shanghai.

Three. As there has been no declaration of war, it seems to me that the Japanese cannot maintain they have the rights of an army of occupation entitled to control or suppress these activities or to confiscate government properties. However, if the situation is not liquidated promptly these problems will come up one after the other and we will be involved in the decisions to be made. I would therefore appreciate instructions for my general guidance.

Four. It is believed that after they have fully occupied the Shanghai area the Japanese may be disposed to consider some plan for "neutralization" or a demilitarized zone or a free city, provided it does not exclude them from participation.

Five. Sent to the Department, repeated to Nanking and Tokyo.

GAUSS

KLP
JLS

0588

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

TELEGRAM SENT

PREPARING OFFICE
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Department of State

DEPARTMENT OF STATE

Washington,

September 3, 1937.

AMERICAN CONSUL,

SHANGHAI (CHINA) DIVISION OF
 COMMUNICATIONS
 AND RECORDS

Your 557, August 25, 7 p. m. and 564, August 26, 9 a. m.

One. With reference to paragraph eight of the Commander-in-Chief's memorandum quoted in your 557 and to your 447 of August 10, 8 p. m., the Department would expect that the consular representatives of the interested powers, in consultation with the interested naval commanders at Shanghai, would, if and when they consider that circumstances and developments warrant such action, make representations, in such form and manner as might be agreed upon, to the appropriate Japanese authorities at Shanghai against the use of the Settlement as a base for Japanese military operations.

Two. With regard to the problems suggested in your 564, we feel that insistence by the Municipal Council and the Consular Body upon respect for their responsibilities and functions in the field of administration of the International Settlement is fully warranted and constantly desirable. In so far as any interference with Chinese Government offices, revenue services, communications facilities, et cetera, located in the Settlement might constitute disregard for

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

Sp Gray

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PARTAIR

PLAIN

Naval Radio

7 PM Special

793.94/9706

F/JA

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

TELEGRAM SENT

66-4

501

TO BE TRANSMITTED
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 PLAIN

PREPARING OFFICE
 WILL INDICATE WHETHER

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 OR

Charge to
 \$

Department of State

Washington.

-3-

or usurpation of responsibilities and functions of the Council and the Consular Body with regard to the administration of the Settlement, it would seem to be incumbent upon the Council and the Consular Body to endeavor to avert or remove, if practicable, such interference through appropriate local representations.

Three. You will realize of course that the formulation now of a specific or even general plan of action to meet problems of an undetermined character would not repeat not be feasible. The form and line of any action taken to meet a specific problem would of necessity be conditioned upon the character, manner, and circumstance in which each problem might present itself, and also upon agreement among the governments or their representatives ^{advising} ~~with~~ common interests and responsibilities.

Four. With regard to paragraph two of your 564, there follows a brief summary of pertinent developments at Tientsin in so far as known to the Department: (1) British and French Consuls General have informed the Japanese Consul General that Japanese troops could not pass through the British and French concessions (the Japanese have indicated acquiescence);

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Sent by operator M., 19.....

0590

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

66-5

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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
502 CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington,

-3-

(2) the British and French authorities have refused to permit the establishment of Japanese censorship of postal and telegraph communication handled in their respective concessions; (3) our Consul General has, under authorization, informed his Japanese colleague that Japanese censorship of American mail in Third Special Area would be an unwarranted invasion of the rights of American nationals concerned and would constitute grounds for protest by the American Government, and other consular officials in Tientsin are taking similar action; (4) reports indicate that the Japanese co-district inspector has taken over the Chinese salt revenue offices in the British and Italian concessions; and (5) with regard to the Chinese Maritime Customs in Tientsin, you have received Nanking's 576, August 31, 8 p.m.

Hull

SEP 5 1937. Ph

FE JCV: SMJ

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m.m.H.

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f.w.

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Enciphered by

Sent by operator M., 19.....

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

67-1

503

TELEGRAM RECEIVED

MP

GRAY

1-1336

FROM Tokyo

Dated August 26, 1937

Rec'd 11:35 a.m.

Secretary of State,
Washington.

317, August 26, 6 p.m.

Embassy's 314, August 25, 6 p.m.

One. Replying to my letter, the British Charge
d'Affaires today informs me that on August 25 he addressed
to the Minister for Foreign Affairs a letter in the
following terms:

"My Dear Minister

I have today received from my Government a
telegram instructing me to approach Your Excellency
with the request that the Japanese Government should
agree to declare Tsingtao a safety area on the basis
that Chinese troops will not advance beyond a determined
line provided that the Japanese agree not to land forces.

In view of the large numbers of British nationals,
including women and children, now at Tsingtao whose
lives would be endangered and the evacuation of whom
would involve great difficulty and hardship, His
Majesty's Government consider that every effort should
be made to avert hostilities in this area.

His

JWB

21. to 23. 1937



793.94/9707

F/EG

67-2

504

MP

2-#317 From Tokyo August 26, 6 p.m.

His Majesty's Ambassador at Nanking has received instructions to approach the Chinese Government in the same sense".

Two. The French Ambassador informs me that on August 25 he addressed to the Foreign Minister a note referring to the action of the five ambassadors and expressing the hope that all hostilities in and about Tsingtao be avoided. The German Counselor made similar oral representations at the Foreign Office, according to the German Ambassador. The Italian Ambassador stated his Counselor supported the recommendation.

Three. Although my note number 780 of August 23 (Embassy's 297, ⁹⁵⁸⁸ August 23, 1 p.m.) as authorized by the Department was comprehensive and forceful, acting under the authority of Department's 163, ⁹⁵⁸⁸ August 24, 4 p.m., for the purpose of a united front in representations regarding Tsingtao I have today sent to the Foreign Minister an informal note associating my Government with my colleagues in support of their recommendation.

Four. The German Military Attache has today been informed at the War Office that the situation at Tsingtao is now much less dangerous than a few days ago.

Repeated to Shanghai for relay to Nanking.

GREW

HPD

DECLASSIFIED: E.O. 11652, 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 SENT

Department of State
DEPARTMENT OF STATE

Washington,

1937 AUG 27 PM 5 16

August 27, 1937.

AMEMBASSY,

DIVISION OF
COMMUNICATIONS
AND RECORDS

TOKYO, (JAPAN).

173 Your 317, 9707 August 26, 6 p.m.

Consul at Tsingtao reports that evacuation of Japanese nationals, excluding consular staff and a few men in important service, has been ordered by the Japanese Government. It is stated that the order for evacuation is based on QUOTE desire to avoid any possibility of a Sino-Japanese clash in Tsingtao UNQUOTE and that evacuation will be completed within five days.

The Department suggests that you might request Foreign Office for confirmation of the foregoing and at the same time take occasion to urge upon the Japanese Government an early and favorable reply to your note mentioned in your 297, August 23, 1 p.m. and Departmental Review!

EE:JWB:VC

FE

PA/H

AUG 27

Enciphered by

Sent by operator M., 19.....

F/FG

0594
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

68-1

506

TELEGRAM RECEIVED

MP

GRAY

1-1836

FROM Tokyo

Dated August 26, 1937

Rec'd 11:45 a.m.

Secretary of State,
Washington.

319, August 26, 9 p.m.

The following promemoria was delivered to the
Japanese Vice-Minister by the British Charge d'Affaires
on August 23:

"It is suggested in the Prime Minister's statement
to the press on the 20th August that the British
proposal for the protection of Japanese nationals in
the International Settlement at Shanghai is intervention.

I am to explain that this proposal should not be
regarded as intervention. It was not made for that
purpose but as the only possible means apparent to His
Majesty's Government by which the immense British
interests at stake at Shanghai might be saved. It is
earnestly hoped that as the Chinese Government are
considering this proposal the Japanese Government will
not close the door. Every day that passes means further
great damage to life and property in Shanghai and a
very early and favorable decision is of the greatest
importance.

Repeated to Shanghai for relay to Nanking.

PEG HPD

GREW



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0595
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

1-1836

GRAY
FROM
Tokyo

Dated August 26, 1937

Rec'd 1:40 p.m.

Secretary of State, **COPIES SENT TO**
Washington. **O.N.I. AND M.I.D.**

318, August 26, 8 p.m.

Apprehension as to American intentions has been reflected in Japanese editorial comment as a consequence of the Secretary's statement of August 23. Brief summary of editorials follows.

One. HOCHI: If British and American peace declarations are directed specifically at Japan, Japan can only reject them. The Secretary of State's demand for avoidance of hostilities at Shanghai is not so antagonistic as Mr. Stimson's declarations but it clings to legalistic concepts and reveals serious misunderstanding. It fails to recognize that the Shanghai difficulties are too complex to submit to international discussion or diplomatic solution.

Two. NICHI NICHI: The Secretary of State advises Japan to settle her difficulties by peaceful means; but why give Japan that advice? No one wishes for peace more than Japan, which must pay a terrific bill for hostilities. Japan has patiently exhausted all possibility of peaceful settlement. President Wilson, with regard to Mexico,

defined



793.94/9709

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AUG 30 1937

-2-

JR 518, August 26, 8 p.m., from Tokyo.

defined the entry of troops into a backward nation, not as war but as a ~~punitive expedition~~; atrocities by Chinese against Japanese give Japan the same justification. The United States and other countries must understand that special conditions prevail in the case of a backward country such as China.

Three. TOKYO ASAHI: Shares the views of the NICHU NICHU and adds that the important point with regard to the Secretary of State's peace views is whether China will modify its attitude. Comment in opposition to invocation of the neutrality act has emphasized that invocation would be unfavorable to China. The editorial expresses the hope that these arguments will be laid aside and the act be made a contribution toward peace in the Far East.

GREW

PEG:WNC

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

69-1

509

JR

TELEGRAM RECEIVED

Ranking via N. R.

1-1330

FROM Dated August 26, 1937

Rec'd 12:40 p.m.

Secretary of State,
Washington.

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

535, August 26, 6 p.m.

CONFIDENTIAL.

Our 405, August 12, 10 a.m.

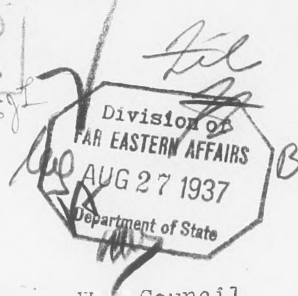
One. Announcement concerning the new War Council

to take charge of Government affairs during the emergency is being delayed for unknown reasons but probably due to desire for secrecy because of reported cooperation therein by Chinese Communist leaders. The Government doubtless feels that reports of Communist cooperation might swing Italian and German sympathies toward Japan; the German press has already been quoted here as stating that the Soviet Union is supplying arms and ammunition to China and as referring to Japan as fighting against Communism in China. Our latest information is that in addition to Chiang Kai Shek as President and Wang Ching Wei as Vice President the following definite appointments have been made:

(1) Finance, H. H. Kung (with temporary substitute not yet agreed upon);

(2) Military Affairs, General Hwang Shao Hsiung, Hupeh Chairman;

(3) Political



793.94/9710

SEP 1 1937
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508

-2-

JR #533, August 26, 6 p.m., from Nanking via P. R.

(3) Political Affairs, Chang Chun;

(4) Peoples training, Chen Li Fu, party leader and
Central Executive Committee member.

It is reported but not confirmed that (?) Tze Tung
has been given a post on the Council. .

Two. Chen Tu Hsiu, well known Communist leader
and former Central Executive member who was sentenced in
1932 or 1933 to eight years imprisonment for being a
Communist was recently set free. Observers here consider
his release significant as indicating the changed attitude
of the National Government toward Chinese Communists.

Sent to the Department, Peiping, Shanghai for Shanghai
repeat to Tokyo.

JOHNSON

KLP:HPD

70-1

509

TELEGRAM RECEIVED

1-1336

FROM

RB

GRAY

London

Dated August 26, 1937

Rec'd 2:55 p. m.

Secretary of State

Washington.

RUSH.

558, August 26, 6 p. m.

The Foreign Office states that no communique was issued last night, as has been erroneously reported in the press, following the talks between the Prime Minister, Eden and Halifax. Representatives of the press merely received oral guidance. The account of the meeting given this morning in the TIMES is confirmed by the Foreign Office as being substantially accurate and is as follows: The Conference was largely concerned with an exchange of information; broad outlines of British policy in the immediate situation in China were confirmed and the Government is persistent in its efforts to have hostilities removed from Shanghai. At the same time warning is renewed that both the Japanese and Chinese Governments will be held responsible for the loss of British lives and property and Japan is reminded that compensation will be claimed for the



793.94/9711

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SEP 2 1937
F/E G

793.94

70-2

510

RB

-2-#558, August 26, 6 p. m. from
London

for the occupation of premises and for any damage done during such occupation. The Prime Minister and his associates likewise welcomed the appeal made by the American Secretary of State for a cessation of hostilities. The Ministers "observed with satisfaction the close collaboration that has been maintained with other governments, especially the American and French. They regard it as most important that such collaboration should continue".

The TIMES in a leading editorial today on the Far Eastern situation went out of its way to make the following statement: "The situation is, of course, an impossibly difficult one; but when in the course of time the tide of war shall have ebbed from Shanghai, the prospects of salvage work by the foreign powers would probably have been improved by closer Anglo-American diplomatic cooperation at the outset".

In a conversation this afternoon, I casually invited the attention of a Foreign Office official to this statement and said that I regretted that the TIMES should have expressed so useless and misleading an opinion. The Foreign Office official agreed and said that it was an example of "irresponsible journalism".

There

0601
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

20-3

511

RB

-3-#558, August 26, 6 p. m. from
London

There is no reason, in my opinion, to attach undue significance to the visit of the Prime Minister to London for one day. Mr. Chamberlain has been kept informed of every major development and his presence in London immediately prior to an announced visit to the King at Balmoral Castle perhaps indicates little more than a desire to coordinate information from his closest advisers with a view to making a report to the Sovereign and to affirm to the public his personal direction of British foreign policy.

JOHNSON

PEG

DDM

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

TELEGRAM RECEIVED

1-1336

FROM

RB

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

egL

COMSUBRON

Rec'd August 26, 1937

7:54 p. m.

From Naval Communications
For the information of the
Department of State.

0027 Authentic information received evacuation to
begin immediately from Tsingtao of all Japanese men only
ones to remain Consul General and staff and military and
naval intelligence officers. 0110

793.94
note
393.94

SMS

NPL

FILED
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793.94/9712

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

RB

CNC ASIATIC FLEET

Rec'd August 26, 1937

7:53-p. m.

From Naval Communications
For the information of the
Department of State.

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

Division of
EASTERN AFFAIRS
AUG 27 1937
Department of State

793.94

0026. Suggest copies of dispatches from Consul
General, Shanghai to State Department be obtained by
Navy Department. Will save much duplication of radios
1520.

marked "Sec'y of State as information."
This telegram was addressed by the Admiral
of the Asiatic Fleet to the Navy Dept in
Washington.

RM

SMS

NPL

793.94/9713

1937 3 1937

FILED F/FG

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

TELEGRAM RECEIVED

RB

1-1226

~~FROM~~ YANGTZE PATROL

Rec'd August 26, 1937

8:27 p. m.

From Naval Communications
For the information of the
Department of State.

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



0026 Yangtze River ports quiet. Reported air attack
on Nanking 2000 last night did not reach city 2237.

793.94

SMS

NPL

793.94/9714

FILED
AUG 30 1937
F/FG

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

TELEGRAM RECEIVED

RB

1-1336

FROM

PLAIN

SWATOW VIA N. R.

Dated August 26, 1937

Rec'd 8:32 p. m.

Secretary of State
Washington.

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



August 26, 4 p. m.

According to radio announcements today Japanese have declared blockade on Chinese shipping between latitudes 34 degrees 2 minutes north and 23 degrees 14 minutes north and longitudes 121 degrees 44 minutes east and 116 degrees 48 minutes east which includes Swatow. Foreign shipping will not be interfered with. Eight Japanese destroyers reliably reported sighted off Swatow presumably in connection with blockade.

Situation quiet and exodus of Chinese has practically ceased.

Hong Kong and Shanghai Bank opened branch in Swatow to afford temporary banking facilities.

KETCHAM

SMS

NPL

AUG 19 1938

FILED

F/FG

793.94/9715

793.94
note
793.94112

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

71-1

~~PAH~~

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 13, 1937.

~~CONFIDENTIAL~~
~~SECRET~~

Reference Nanking's 526, August 26,
10 a. m., concerning defense matters at
Tientsin.

The joint defense plan or "plan of
combined action", referred to in the telegram
under reference, was designed to meet certain
situations, namely, an anti-foreign movement,
violations of terms of the Boxer Protocol by
Chinese troops engaged in civil war and the
maintenance of safe passage to the sea when
such is threatened by marauders or Chinese
troops out of control. As the present situa-
tion does not fall within the scope of this
plan and as Japanese armies are fighting
Chinese Government forces and are in occupa-
tion of the Peiping-Tientsin area at the
moment, it is obvious that the plan is *at present*
inapplicable.

The Consul General, in his telegram
quoted in the message under reference, refers
to the proposal of the Italian Consul that the
Japanese be asked to agree to control by an
international force, excluding the Japanese,
of a small area in the third special area
(now under Japanese control) between the
International Bridge and the Italian Con-
cession and expresses the opinion that the
Japanese would not agree to such a proposal
and doubt as to the wisdom and need of

making

71-2

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

- 2 -

making such a request. The Consul General raises the question of cooperation of the American force at Tientsin with similar British, French and Italian forces in case there should be further serious disorders and points out that as the American barracks (in the first special area) adjoin the British Concession there would inevitably be certain cooperation with the British which, aside from that fact, would be necessary due to the presence in the British Concession of the Consulate General and many American residents.

In reply to the Consul General's request for instructions in the premises, particularly with regard to the key question whether in case of serious trouble the Concessions, or at least the British and the French, and the American barracks and immediate vicinity, could be considered as a unit for defense purposes, the Ambassador states that "the problem presented is so complicated by local requirements that I feel that I must be guided by you in cooperation with the Commanding Officer of the 15th Infantry". The Ambassador calls Tientsin's attention to Department's No. 138, August 10, noon, in which the Department outlines its concept of the mission and function of the United States armed forces in China, and expresses the view that some arrangement should be reached under which American nationals could be concentrated for safety in the British

Concession

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

71-3

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

- 3 -

Concession and our forces could cooperate with the British at least to the point of relieving the British of protecting American nationals.

In my opinion, the Embassy's instruction is appropriate and adequate and no action on the part of the Department is needed.

M. M. H.

MSM
MSM/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

71-4

512

TELEGRAM RECEIVED

RB

1-1136

FROM SPECIAL GRAY

Nanking via N. R.

Dated August 26, 1937

Rec'd 5:13 p. m.

Secretary of State

Washington.

526, August 26, 10 a. m.

I have received following telegram from Tientsin:

"August 24, 4 p. m.

Joint defense plan referred to in Legation's despatch
to the Department number 848, March 6, 1931, is so clearly
inapplicable under present conditions that no effort has
been made to put it into effect, but Italian Consul, whose
Concession is isolated from other concessions, is urging
adoption of modified joint defense plan by the British,
French, Italian and American forces. Military commanders
have stated that Italian Concession could not be included
owing to lack of communication. Italians now urge that
Japanese be asked to agree to control by an international
force, excluding the Japanese, of a small area between the
International Bridge and the Italian Concession but excluding
the East Station. This is part of third special area and
is under Japanese control, but at the moment contains only
police,



793.94/9716

F/FG

71-5

513

RB

-2-#526, August 26, 10 a. m. from
Nanking

police, Japanese troops being stationed in immediately adjoining parts of the third special area, all of which was put under martial law temporarily by the Japanese night before last. I have agreed only to refer the proposal to the Embassy for instructions. I do not believe that the Japanese would agree to such a proposal and doubt the wisdom and necessity of making such a request.

This brings up the question of cooperation of American forces with the British, French, and Italian forces in joint defense measures in case there should be further serious disorder here. During the present trouble the British, French, and Italian troops have each patrolled their own concessions only; the American troops have encircled their own barracks and adjacent American homes in the first special area, and when no police were on duty sent mounted patrols through that area and posted detachments at American homes and business establishments in the first and third special areas. The American barracks, although in the first special area, adjoin the British area, are covering a section of the British boundary and making inevitable certain cooperation with the British, which, aside from that fact, would be necessary owing to
the

71-6

514

RB

-3-#526, August 26, 10 a. m. from
Nanking

the presence of this Consulate General and of many American residents in the British area. I should appreciate receiving any instructions which the Embassy or the Department may see fit to give in regard to not only the question raised by the Italians but also the matter of a new joint defense plan and cooperation of the American forces with the British, French, and Italian forces. The key question is whether in case of serious disorder the concessions, or at least the British and French, and the American barracks and immediate vicinity could be considered as a unit for defense purposes, insofar as troops assigned at the discretion of their commanding officer to sectors other than the immediate vicinity of their barracks and American property outside the concessions."

And have sent following reply:

"August 26, 10 a. m.

Your August 24, 4 p. m.

Problem presented is so complicated by local requirements that I feel I must be guided by you in cooperation with Commanding Officer of 15th Infantry. In reaching a decision you should be guided by Department's 138, August 10, noon, repeated to you August 18, 8 a. m.

The primary

71-7

515

RB

-4-#526, August 26, 10 a. m. from
Nanking

The primary function of American armed forces at Tientsin is to provide special protection for American nationals. I understand that most American nationals live either in first special area or in British Concession. In case of emergency it would seem to me that some arrangement should be reached between you and the British whereby American nationals could be concentrated for safety in the British Concession, our forces cooperating with the British at least to the point of relieving British of the necessity of protecting American nationals until they could be evacuated if necessary to a place of safety. I must leave to you and to the Commanding Officer of the 15th Infantry the conduct of the operations for which you are respectively responsible, using each your own best judgment, keeping in mind the principles laid down in Department's telegram No. 138 of August 10, noon.

Repeated to Peiping."

JOHNSON

SMS

NPL

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

TELEGRAM RECEIVED

RB

FROM

PLAIN

Nanking via N. R.

Dated August 26, 1937

Rec'd 6:35 p. m.

Secretary of State

Washington.

531, August 26, 7 p. m.

Department's 182, August 25, 10 p. m.

The Department's thanks have been communicated to
Buck. His message was addressed, however, to the Secretary
of the Treasury and he merely asked the Embassy to serve
as the channel of communication.

JOHNSON

SMS

NPL

august 31 1937



AUG 28 1937

793.94/9717

FILED
SEP 7 1937
E/FG

0614

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Washington,

157 AUG 28 PM 2 31

August 28, 1937.

AMEMBASSY,

DIVISION OF
NANKING COMMUNICATIONS
AND RECORDS

189 Twenty-eighth
Your 531, August 26, 7 p.m., last sentence.

Department assumes that when you ^{sent this} ~~drafted the statement~~
~~under referenced~~ you ^{had} ~~did~~ not repeat not ^{yet had} ~~before~~ before you the
Department's 179, August 25, 8 p.m.

Plain
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

793.94/9717

793 94/9717

Hull

5148

FE:MMH:EJL

FE

PA/H

mmh

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

9717

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

TELEGRAM RECEIVED

EDA

1-1236

WASHINGTON, D. C.

FROM

Received August 26, 1937

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

From Naval Communications.
For the information of the
Department of State



0126 Eight Japanese destroyers reported off Swatow.
No change conditions Canton, Amoy, and Swatow 2130.

SMS:NPL

793.94

793.94/9718

FILED
SEP 1 1937

F/FG

72-1

516

FE

TELEGRAM RECEIVED

ED:1

GRAY

1-1536

FROM NANKING VIA N.R.

Dated August 26, 1937

Received 5:32 p.m.

Secretary of State

Washington

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

Division of
FAR EASTERN AFFAIRS
AUG 27 1937
Department of State

530, August 26, 3 p.m.

Your 181, August 25, 9 p.m.

Hu Shih called on me on August 21 and stated that he was still optimistic about peace negotiations. He said that when he arrived in Nanking on July 28 he went to see the Generalissimo and the Minister of Foreign Affairs and urged upon them the necessity of keeping open diplomatic relations with Japan and of their accepting responsibility of attempting to find a peaceful settlement even to the point of being ready to discuss thoroughly with the Japanese all possible fundamental differences between the two countries. His idea was first a truce with restoration of the status quo ante bellum and after three months a second and final step would be an official peace conference at which all matters could be discussed and settled. He said that authorities were favorably disposed and had even invited Kawagoe to come to Shanghai to meet an emissary, but that all this was stopped when trouble began at Shanghai on the 13th. Hu Shih stated that the

Shanghai

793.94/9719

SEP 7 1937

FILED F/EG

793.94

72-2

517

EDA - 2 - #530, August 26, 3 p.m. from Nanking

Shanghai trouble had completely obliterated his first opinions, but that he was still optimistic and had recently again sought out the Generalissimo; however, he had found him somewhat less interested in peace measures.

Hu Shih then referred to the proposal of the consuls at Shanghai which called for the evacuation of Shanghai by the forces of both sides. He said that he felt that General Yui's response to this proposal, while official, was not completely final, and that there was a possibility that responsible Chinese authorities might yet be willing to accept it. I told Hu Shih that if responsible persons in the Chinese Government were to place before me and my colleagues a definite undertaking to accept the consular proposal as a basis for discussion, I felt no doubt that we would be willing to transmit this in order that it might be placed before the Japanese Government. Hu Shih stated that he expected to attend a meeting on the night of the 21st and would see whether something could be done along this line. I have not heard from him since. I did not report this conversation to Washington as I did not consider it of sufficient importance. I decided to await further word from Hu Shih which he referred to.

I do

0618

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

72-3

518

EDA - 3 - #530, August 26, 3 p.m. from Nanking

I do not know what is meant by the Davidson neutral zone plan unless it is the consular proposal referred to by Hu Shih and reported in Shanghai's 473, ⁹³³⁸ August 13, 9 p.m., to the Department. On the other hand the press at Shanghai at one time designated the British proposal referred to in the Department's telegram 165, ⁹⁴⁷⁰ August 19, 10 p.m., as having been put forward by British Acting Consul General Davidson at Shanghai.

Sent to the Department. Repeated to Peiping.

JOHNSON

SMS:NPL

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

TELEGRAM RECEIVED *JAB*

JR

1-1336

CINCPAC
FROM

Rec'd August 27, 1937

3:15 a.m.

From Naval Communications
For the information of the
Department of State.

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



793.94

0027. At zero two fifty this morning a bomb from an
unseen plane exploded two hundred yards from submarine sail
thirty-seven at middle ground buoy in Yangtze River. Both
horizontal and vertical national colors were illuminated
by powerful lights. Submarine was en route from Tsingtao
to Cavite and had come into Yangtze River to land sick
man needing emergency operation. Request you urge on
Chinese Government that orders be given to their planes
not to drop bombs on unidentified or neutral vessels.
Consul General, Shanghai, has been requested to make
similar representations to Japanese Consul General. 1230.

793.94/9720

FILED
F/FG
AUG 29 1937

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

TELEGRAM RECEIVED

JR

1-1336

COMMANDER-IN-CHIEF ASIATIC FLEET
FROM

Rec'd August 27, 1937

7:52 a.m.

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

From Naval Communications
For the information of the
State Department.



0027. Local press carries item that blockade of Chinese coast was declared by Japanese Government from 1800 twenty-five August against Chinese vessels in area from latitude thirty-two forty, longitude one twenty-one forty-four to latitude twenty-three fourteen to longitude one sixteen forty-eight. Item states that legal adviser to the Japanese third fleet has announced that foreign vessels will be liable to boarding by Japanese naval authorities to determine nationality in case of doubt. Request information whether blockade has been announced officially to our government. 1835.

WWC

793.94/9721

AUG 19 1938

FILED

F/FG

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

TELEGRAM RECEIVED

JR

1-1336

FROM PLAIN

Tsingtao via N. R.

Dated August 27, 1937

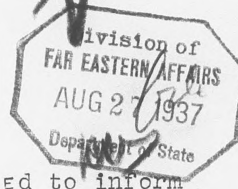
Rec'd 1:30 a.m.

Secretary of State

Washington.

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

August 27, 9 a.m.



Japanese Consul General has just called to inform

me that official evacuation of all Japanese nationals with the exception of consular staff and few men in important service has been ordered by Japanese Government. Evacuation will be completed within five days. Japanese Government order for evacuation based on "desire to avoid any possibility of a Sino-Japanese clash in Tsingtao".

SOKOBIN

WNC

FILED

EB 12 1938

793.94/9722

F/FQ

793.94
note
393.94

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

73-1

519

TELEGRAM RECEIVED

JR

This telegram must be _____ Paris
closely paraphrased be-
fore being communicated
to anyone. (CODAT)

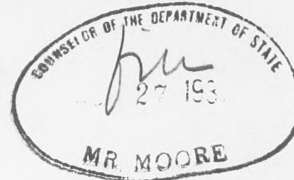
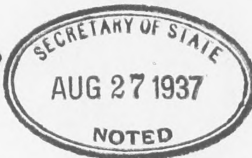
FROM

Dated August 26, 1937

Rec'd 1:37 p.m.



Secretary of State,
Washington.



793.94

1202, August 26, 3 p.m. (SECTION ONE)

STRICTLY CONFIDENTIAL FOR THE SECRETARY:

Delbos, who has just returned to Paris, dined with
me alone last evening and we had an exhaustive conversation
with regard to foreign affairs.

First China.

Delbos said that he believed Great Britain, France and
the United States should make a united appeal to Japan
and China to enter negotiations for the establishment of
peace in the Far East. He said that he understood it
would be difficult for the United States to enter any
joint demarche with France and England; but he hoped
that it might be possible for the Secretary of State
to summon the Japanese Ambassador (and immediately
afterward the Chinese Ambassador) at the same moment that
he should summon the Japanese and Chinese Ambassadors in
Paris and that Eden should act simultaneously in London.
He believed that those charged with the direction of
foreign affairs in Paris, London and Washington should

793.94/9723

FILED

F F G

73-2

520

-2-

J R #1202, August 26, 3 p.m. (SECTION ONE) from Paris..

say to the Ambassadors of both countries in the most polite manner that they had no intention of abandoning any of their rights, privileges, or obligations in China; that the present hostilities in China were infringing gravely on those rights, privileges and obligations; that menace to world peace was involved; and that it was felt that China and Japan should cease fighting and attempt to reach an adjustment of the dispute by peaceful means.

(END SECTION ONE)

BULLITT

DDM

73-3

521

TELEGRAM RECEIVED

KLP

1-1836

FROM CODAT
Paris

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

Dated August 26, 1937.

Rec'd. 3:19 p.m.

Secretary of State,
Washington.

1202, August 26, 3 p.m. (SECTION TWO)

Delbos added that the Russians would of course support any such demarche if their support should be desired. He personally was feeling violently hostile to the Soviet Government at the moment. The insults which had been poured upon him by the Communists when he had spoken at the celebration at the Pantheon in honor of Jaures recently had given him a severe emotional shock. He had feared at one moment that he was about to be murdered. Nevertheless he felt that the Russians should be made use of, if they could be useful. The Russian Government had informed him that it was entirely ready to threaten the Japanese with intervention if any approval from either England, France or the United States should be forthcoming.

His views with regard to the Japanese attack on China were the following: He believed that the final objective of the Japanese attack was not China but the Soviet Union.

The

73-4

522

- 2 -

1202 from Paris - August 26, 3 p.m.

The Japanese desired to seize the railroad from Tientsin to Peiping and Kalgan in order to prepare an attack on Inner and Outer Mongolia and later on the TransSiberian Railroad in the neighborhood of Lake Baikal. He felt that the Japanese had chosen the present moment for this attack because they were fully cognizant of the disorganization of the Russian army produced by the recent slaughtering of its leading officers.

In his opinion the vital question was whether Russia would feel strong enough to intervene before the Japanese had overwhelmed Chiang Kai Shek. He felt that the interests of England, France and the United States were identical in the present Far Eastern conflict. Neither Japan nor Russia should control the Far East. If the present war should go on and Russia should not intervene Japan would first control China and later drive the Soviet Union off the Pacific and establish Lake Baikal as the Japanese frontier. The Far East would become a Fascist area. If on the other hand the Soviet Union should intervene and should defeat Japan there was a considerable chance that social revolution in Japan would follow and the entire Far East might become Bolshevik. Both eventualities were entirely opposed to the ideals and interests of France, England and the United States. Therefore it was desirable to do everything possible to stop the war in China as rapidly as possible.

KLP

BULLITT

73-5
523

TELEGRAM RECEIVED

EDL
This telegram must be
closely paraphrased
before being communi-
cated to anyone

—CODAT

PARIS
FROM

Dated August 26, 1937

Received 5:35 p.m.

Secretary of State

Washington

1202, August 26, 3 p.m. (Section three).

France was ready to cooperate in any maneuver that might be invented by either Great Britain or the United States, even though it might involve the use of force.

The Chinese Ambassador had informed him yesterday afternoon that the Chinese Government had decided to appeal to the League of Nations at the September meeting. He believed that the League must act in this matter as strongly as possible. The aggression of Japan on China was flagrant and if the League should refuse to take cognizance of it, the League would become a complete farce. The whole world would realize that naked force was the only factor of importance in world affairs.

893.248
873 112
The French Government had decided yesterday to continue to supply airplanes to China. The decision had been made on the basis of a somewhat dishonest subterfuge. The production of munitions and most airplanes was now entirely in the hands of the French Government. There were, however, a number of airplane factories which were

not

0625

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

73-6

524

EDA - 2 - #1202, August 26, 3 p.m. from Paris Section 3.

not nationalized. The Chinese Government would be permitted to buy all the airplanes it wanted from those French factories, and the French Government would explain to the Japanese Government that the French Government had no control over private enterprise in this matter.

BULLITT

SMS:TPF

73-7

525

TELEGRAM RECEIVED

RB

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

FROM

Paris

Dated August 26, 1937

Rec'd 8:10 p. m.

Secretary of State

Washington.

1202, August 26, 3 p. m. (SECTION FOUR)

Parenthetically he stated that the Japanese had not shown any great concern over the French supplying arms and ammunition to the Chinese Government; but when the Japanese Government had learned that a retired French General had been invited to go to China to assist on the staff of the Chinese armies, the Japanese Ambassador in Paris had made a protest of the most violent nature.

Delbos added that he feared the Japanese military were becoming as crazy as the German naval authorities had become when they sank the LUSITANIA. The French Ambassador in Tokyo had telegraphed him yesterday that a series of facts and events had compelled him to reach the conclusion that Japan was likely to declare war on the Soviet Union although the Soviet Union might remain completely passive. At this point he remarked that the Soviet Union undoubtedly would supply large numbers of airplanes to the Chinese Government.

Inasmuch

73-8

526

RB

-2-#1202, August 26, 3 p. m. from
Paris (SECTION FOUR)

Inasmuch as I gather that you have stated a number of times to the Chinese and Japanese Ambassadors in Washington that we intend to defend our interests in China and have urged that China and Japan compromise their differences by peaceful means, I wonder if you might not care to have Delbos and Eden make similar statements at some future time simultaneously. If so I am certain that Delbos will make any statement that you may care to have him make to the Chinese and Japanese Ambassadors, and if by any chance you should wish to prepare a text, I should not despair of persuading him to employ it verbatim.

Two. Delbos gave me a long and highly entertaining account of Van Zeeland's recent visit to him in the south of France. He said that Van Zeeland had shaved off his moustache and had sneaked down to a small village near the village where he was staying, quite forgetting that Delbos' face was well-known in every hamlet. The result was that everyone had begun to inquire with whom Delbos was dining at a village inn and Van Zeeland had been recognized, much to his displeasure.

Delbos said that Van Zeeland's purpose in coming to visit him was to discuss a possible visit to Hitler. (SEE my

1024 July 21, 9 p.m.

13-9

527

RB

-3-#1202, August 26, 3 p. m. from
Paris (SECTION FOUR)

1024, July 21, 9 p. m.). Van Zeeland had said that he had finally drawn up a plan that he felt might interest Hitler. He would like to go to Berchtesgaden to discuss it with Hitler; but would desire first to visit France officially and would announce in advance to Hitler that he was coming as the representative not simply of Belgium but of France and England as well. It was agreed that if the Spanish situation should develop favorably Van Zeeland should visit Paris in the latter part of October and visit Hitler shortly afterward. He would not accept Hitler's proposal for a guarantee to Belgium on all fours with the French and British guarantees of April last (See my 516, April 22, 9 p. m.) until it should become evident that no new Locarno Pact could be agreed upon.

BULLITT

SMS

73-10

TELEGRAM RECEIVED

528

CODAT

EDA

This telegram must be
closely paraphrased
before being communi-
cated to anyone

PARIS

FROM

Dated August 26, 1937

Received 8:41 p.m.

Secretary of State

Washington

746,341 Neutral Guarantee
Secured

1202, August 26, 3 p.m. (Section five)

Delbos went on to say that he and Van Zeeland both hoped that it might be possible to work out a new Locarno agreement during the next month and a half. The crucial question was that of Spain. If there should be some sort of settlement of the Spanish question he felt that it might be possible to establish a new Locarno Agreement. The basis of any satisfactory settlement must be the withdrawal of "volunteers". He, Delbos, did not care in the least whether Franco should win or not. If Franco should win as now seemed probable because the parties which support the Valencia Government are fighting among themselves and morale in Madrid is growing low and Franco will soon have great reinforcements from the Santander front, France would be ready to come to terms with Franco at once and have most friendly relations with him provided he should ship out of Spain the Italian and German forces now there. Delbos went on to say that whereas Franco now needed intensely German and Italian military support the moment he should

73-11

529

EDA - 2 - #1202, August 26, 3 p.m. from Paris Section 5.

he should have won the war he would need equally urgently British and French financial support. He believed that Franco would then be ready to ship the Germans and Italians out of Spain in return for French and British money. The way would then be clear for a new Locarno agreement and Van Zeeland's visit to Hitler.

75163
Three. Delbos said that he was in disagreement with Chautemps' policy of rapprochement with Italy. Before he had left for his vacation Chautemps had told him and Blum that he intended to attempt to come to terms with Italy. Both he (Delbos) and Blum loathed Mussolini intensely and believed that Chautemps' attempts to reach reconciliation with Italy would be interpreted by Mussolini as a sign of weakness. They (Delbos and Blum) believed that Mussolini merely would be encouraged to further violence. Delbos said he was furious with Eden and Chamberlain for having inaugurated the rapprochement with Italy. He would see Eden at Geneva in the latter part of September and intended then to ask Eden as bluntly as possible why Great Britain without informing France had abandoned the policy on which he and Eden had agreed, to wit: that every effort should be made to reach reconciliation with Germany but that Italy should be treated with contempt and disdain as a relatively unimportant jackal.

BULLITT

SMS:IPL

73-12

530

TELEGRAM RECEIVED

RB

1-1336

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

FROM

PARIS

Dated August 26, 1937

Rec'd 8:27 p. m.

Secretary of State

Washington.

1202, August 26, 3 p. m. (SECTION SIX)

Chautemps had always been known as a friend of Italy
and after the British move he (Delbos) and Blum had not
objected to Chautemps' doing what he could to improve
relations with Italy. They (Delbos and Blum) both re-
mained completely skeptical, however, and believed that
Chautemps' friendliness with Italy would merely result
in further outrages by Italy.

751.62

Four. Delbos said that he was still intensely
desirous of reaching some sort of agreement with Germany.
Francois-Poncet, however, had been unable to begin work on
any constructive program. Hitler reigned but did not rule.
He remained at Berchtesgaden most of the time playing
pinochle with his cook, his butler and his chauffeur while
Goebbels sat in Berlin and directed Germany's destinies.
Goebbels today definitely was more powerful than Goering

or

73-13

531

RB

-2-#1202, August 26, 3 p. m. from
Paris (SECTION SIX)

or anyone else.

Delbos concluded by saying that he felt a visit by Van Zeeland to Hitler was the only hope of improving relations between France and Germany.

8600.50
8600.51

Five. Delbos referred to the desperate economic and financial situation of Poland and discussed the pitiable poverty of the Jews and the enormous unemployment among agricultural laborers which he asserted had led recently "to real peasant revolts". He said incidentally that he had decided to appoint Noel, now French Ambassador in Poland, to the post of French Ambassador in Washington and had summoned Noel from Warsaw to Paris to propose this appointment to him. He had, however, discovered after Noel's arrival in Paris that Noel did not speak English. He had, therefore, ordered him back to Warsaw and was still undecided as to whom he should appoint to Washington. (Incidentally, he said he had decided to appoint Bargeton Ambassador in Brussels and to replace Bargeton by Massigli).

BULLITT

SMS

NPL

73-14

532

TELEGRAM RECEIVED

EDA

CODAT

This telegram must be
closely paraphrased
before being communi-
cated to anyone

FROM PARIS

Dated August 26, 1937

Received 9:10 p.m.

Secretary of State

Washington

1202, August 26, 3 p.m. (Section Seven).

8600.00
Delbos said that he believed Poland could do nothing except continue more or less on her present road with a continually decreasing standard of living and continually increasing misery. Beck was pursuing a policy which was entirely correct insofar as direct relations between France and Poland were concerned; but he was pursuing also a policy of violent hostility to Czechoslovakia which was the direct result of his close relationship to Germany. Incidentally the Polish Ambassador in Paris, Lukasiewicz who is Beck's intimate said to me recently that Poland would look with approval on a German dismemberment of Czechoslovakia. Beck consistently opposed every French policy designed to protect Czechoslovakia and Central Europe from German attack. Poland was slowly sinking into a hopeless economic abyss. The President of Poland who had the powers of a dictator was afraid to use any of them. The Prime Minister was a cipher. General Ryd-Smigly desired to run the political life of the country without

73-15

533

EDA - 2 - #1202, August 26, 3 p.m. from Paris Section 7.

without involving himself in politics and Colonel Beck was nourishing the idea that there could be war in Europe without Poland becoming involved and that Germany could swallow Czechoslovakia without Poland becoming the next morsel.

751.608
Six. Delbos went on to discuss the position of Czechoslovakia and made the statement that not only would France go to war in case Germany should attack Czechoslovakia directly; but also would go to war in case Germany should provoke a revolt of German speaking inhabitants in Bohemia and would support such a revolt by shipments of munitions and "volunteers".

I ventured to doubt that the people of France would march if Germany should maneuver such a revolt cleverly; but Delbos insisted and detailed his reasons for believing that even in case Germany should provoke the most clever revolt of the German speaking inhabitants of Bohemia the people of France would march in support of the Czechoslovak Government.

751.00
Seven. With regard to the internal situation Delbos said that at the Cabinet meeting yesterday afternoon agreement had been reached on the nationalization of the railroads. He said that the details of the scheme had not yet been

0637

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

73-16

534

EDA - 3 - #1202, August 26, 3 p.m. from Paris Section 7.
been worked out but it had been agreed that all railroads
should be nationalized by the Government acquiring a
majority of the stock in each road. I had the impression
that Delbos had not paid much attention to the dis-
cussion of the railroad situation and that this infor-
mation may not prove to be entirely accurate.

END OF MESSAGE.

BULLITT

SMS:NPL

0638

DECLASSIFIED: E.O. 11652, 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

74-1
TELEGRAM SENT

535

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Collect
Charge Department
OR
Charge to
\$

Department of State

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

Washington,

August 27, 1937.
4 pm

AMEMBASSY

455- PARIS (FRANCE)

Strictly confidential for the Ambassador.

Your 1202, August 26, 3 p.m.

793.94
In reply to your inquiry I feel that if
either Delbos or Eden or both should as of their
own volition and without indication of being
inspired by us, make a strong and emphatic public
statement, ~~along the general lines of my statement~~
~~of August 23~~ the effect would be decidedly helpful.
For your ~~personal~~ ^{confidential} guidance, we do not intend to
initiate a concert of effort in the Far East; we
continue to believe in the advisability of approach-
ing the problem through independent but parallel
lines.

793.94/9723

Eu: PM: ASD

PA/H

FE

A-W

S

PM

SKH

m.m.H

WFW

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

July 20, 1937.

Subject: The Situation in the Far East.

993.94

The present military situation in Hopei Province may be briefly summarized as follows: The Japanese have approximately 20,000 troops in the Tientsin-Peiping area and more are reported to be en route to north China. The 29th Route Army (Chinese) in the Tientsin-Peiping area has an estimated strength of over 30,000 men. The Chinese have moved into southern Hopei approximately 50,000 soldiers (10,000 at Paoting and 40,000 at Shihchiachuang). It is probable that more Chinese troops are en route to Hopei Province.

The present diplomatic situation vis-à-vis troop movements may be briefly summarized as follows: The Japanese Government (aide memoire of July 17) has requested the Chinese Government to "put an immediate stop to all their provocative actions" (movement of troops northward). The Chinese Government (aide memoire of July 19) describes the northern movement of troops as "precautionary measures for self-defense", expresses regret that no reply has been received to the Minister of Foreign Affairs' oral proposal on July 12 to the Counselor of the Japanese Embassy that military movements cease and troops on both sides withdraw to their original positions, and offers a proposal that "the two parties jointly fix a definite date on which both sides shall simultaneously cease all military movements and withdraw their armed forces to the position occupied prior to the incident."

793.94/97231

77231

0640

DECLASSIFIED: E.O. 11652, 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 -

On July 16 the British Chargé d'Affaires at Tokyo read to the Japanese Vice Minister a telegram from the British Ambassador at Nanking which contained statements to the effect that Chiang Kai-shek entertains no intentions whatsoever of starting hostilities, that the Chinese Government is ready to withdraw troops to their positions prior to the incident and to terminate all troop movements in the affected area if similar action is taken by the Japanese Government, and that the Minister for Foreign Affairs suggests that on July 17 all troop movements on both sides shall stop. On July 18 the Japanese Vice Minister told the British Chargé d'Affaires that the Japanese Government was not prepared to act on the "standstill" proposal communicated by the Chargé d'Affaires on July 16 as this was a matter for local consideration.

The Japanese Government has given no indication of willingness to entertain or act upon the proposals emanating from the Chinese Government. A similar proposal made by the American Government to the Chinese and Japanese Governments would also probably prove ineffectual. Furthermore, coming at this time and under the circumstances, a proposal by this Government might be viewed by the Japanese Government as an effort to support the previous Chinese proposals, and might have the effect of injecting a source

0641

DECLASSIFIED: E.O. 11652, 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 -

source of irritation into an already strained atmosphere which would tend to inflame Japanese opinion and make it more difficult for counsels of moderation to prevail. An inquiry by the American Government to the Japanese Government with regard to its attitude toward the Chinese proposals would, it is feared, prove equally ineffectual and meet with a similar response in Japan.

It is believed that the only probable accomplishment of making an approach of the character under consideration would be the satisfaction to this Government (and to the American people if publicity were given to the approach) that flows from a well-intentioned endeavor to rectify a situation which we deplore. However, it is felt that such satisfaction would not warrant the risk taken of possibly aggravating the situation. That we deplore the threat to peace imminently inherent in the present situation we have made clear to the Japanese Government (and to the Chinese Government), and it might in due course be advisable for us to do so again either by action in Washington or in Tokyo. That there is no diplomatic action, not supported by a willingness to use force or sanctions, which this Government can take to prevent hostilities has it seems been made clear to us both by the attitude of the Japanese and in opinions expressed by our Ambassadors in Tokyo and Peiping.

JCV
FE:JCV/JWB:EJL

FE

524

75-1

536

FE

TELEGRAM RECEIVED

MG

1-1336

FROM

GRAY

Hong Kong via N.R.

Dated August 26, 1937.

Rec'd 6:45 a.m. 27th.

Secretary of State,

Washington.

August 26, 9 p.m.

Hong Kong British press continues to be violently

anti-Japanese to a degree remarkable for British newspapers. British civilian opinion is anti-Japanese but less outspoken than the press.

British military headquarters informed me yesterday that while they personally believe more troops should be sent to Shanghai the War Office is not in full and complete sympathy with them however, one battalion of the Middlesex Regiment which arrived here August 24th is prepared to proceed Shanghai upon 12 hours notice.

Comment on the attitude of the United States has been practically nil until today when the HONG KONG TELEGRAPH in answering editorial dealing with the Secretary of State's appeal to Japan and China to "refrain from resorting to war" said that "with the facts as they are, however" the time has arrived for something more definite and pointed by foreign spokesman than a uniform appeal to both sides.

U.S. AND M.I.D.
COMES SENT TO

Division of
FAR EASTERN AFFAIRS
AUG 27 1937
Department of State

793.94/9724

FILED
SEP 1 1937
F/FG

3643
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

75-2

537

MG

Page 2,
From Hong Kong
August 26, 9 p.m.

sides. Japan is the guilty party, not China, and should
be plainly warned that this is the view which other nations
take of her actions."

Nanking informed by radio, Shanghai by mail.

DONOVAN

WWC

DDM

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

167-1

690

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Shanghai via N. R.

Dated August 27, 1937

Rec'd 11:04 a.m.

Secretary of State,
Washington.

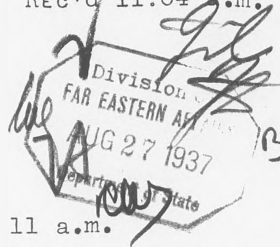
577, August 27, noon.

Reference my 532, August 22, 11 a.m.

As authorized by Department data concerning location
American Mission properties has been communicated to
Japanese Consul General. I am also communicating it to
Shanghai office of the Chinese Ministry for Foreign
Affairs. I have also sent to Japanese Consul General
information concerning American property in Nanking
received last night from Ambassador at Nanking. Inform--
ing Tokyo. Repeated to Nanking.

PEG:KLP

GAUSS



793.94/9725

SEP 7 1937
FILED

TELEGRAM RECEIVED

MM

1-1330

FROM

GRAY

Peiping via N.R.

Dated August 27, 1937

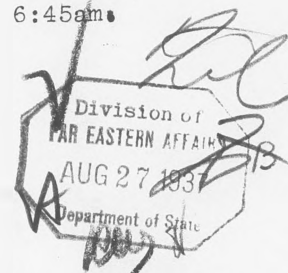
Rec'd. 6:45am.

Secretary of State

Washington, D.C.

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

EJL



483, August 27, 4pm.

Embassy's 479, August 26, 4pm.

793.94
note
793.515

One. The Embassy is reliably informed that the Mayor has persuaded the Japanese of the necessity of arming the Chinese police inside and outside the city and that rifles have already been provided to one fourth of them. This should lessen somewhat the nervousness of local Chinese. This nervousness has increased as the result of such factors in the situation as continuing occasional arrests and searching of property of persons of some substance, continuing ^{instances} of impressing of Chinese men for ^{labor for the} ~~(?) outnumber~~ Japanese military, ^{instances} of Japanese oppression of ^{shopkeepers} ~~(?)~~ and non-payment for goods, and many alarming and ill-founded rumours.

Two. The press today publishes a notice of the Police Department that East Hopei notes will hereafter circulate in Peiping. At present only notes of the Hopei (?) Provincial Bank can be obtained from Chinese banks in Peiping and not (repeat not) notes of banks of Central China.

793.94/9726

F/EG

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

mm 483, August 27, 4pm. from Peiping via N.R. -2-

China. Depositors have BEEN able since August 20 to draw from Chinese banks only five per cent of their balances, provided the amount does not exceed two hundred dollars. When a fixed deposit becomes due it must be transferred to the depositor's current account.

Three. So far as can be ascertained the military situation in the Peiping area remains unchanged, except as indicated below.

Four. The local Japanese military now (?) that the Japanese forces occupied Kalgan on the night of August 25-26; took Pataling August 26, which constitutes (?) of the highest point of Nankou Pass; and entered Huailai this morning.

Repeated to Nanking.

LOCKHART

HPD

064

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

FE

TELEGRAM RECEIVED

FS

1-1336

GRAY & PLAIN

FROM Foochow via N. R.

Dated August 26, 1937

Rec'd 3:15 a.m. 27th

793.94 Secretary of State,
Washington.

August 26, 9 a.m.

CONFIDENTIAL.

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

Division of
FAR EASTERN AFFAIRS
AUG 27 1937
Department of State

Presumably reliable Chinese informant in conversation alleges that three Japanese warships are at mouth of ~~(?)~~ *Shanghai* north of Lembtou. It is reported that troops are being sent to the latter place. An American from an island off Lembtou asserts that Chinese have commandeered all boats there to move troops to points within Lembtou Strait which they are said to be planning to block or mine, cutting off passage into and out of Min River. At Foochow no junks are available for the transportation of coastal cargoes and it is reliably reported that they have been commandeered by the authorities and that no boats are being permitted to leave the mouth of the Min River although Chinese river police deny that either is true.

During the last few days from six to ten Japanese airplanes have appeared over various points in north Fukien, and yesterday's press reports that three visited Fuching to the south of Foochow on the 24th.

Some

793.94/9727

FILED

F/FG

TELEGRAM RECEIVED

FS 2-August 26, 9 a.m. from Foochow

1-1336

FROM

Some Chinese troops, number unknown, are reported to be concentrated in the southeast tip of Nantan Island on which Consulate stands, while 80th Division is reported to have been disposed in defense positions close to Foochow. That other ^{other measures have been taken} (*) contemplating defence of the city.

Apparently encouraged by the police, the populace of Foochow is still streaming out of the city some sections of which are said to have been reduced to half their normal number of people.

Movement of troops from Kiangsi to Chekiang via Shantung, Kienyang and Pucheng in Fukien has continued daily for more than a week, last named concentration city is said to be Chinese troop concentration point.

At the request of the USS BARKER which relieved the TULSA I, am ascertaining if any Americans in this district wish to return to the United States.

To Nanking, repeated to Department and Peiping, by mail to Amoy.

KLP

WARD

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

76-1

Copies hereof to be sent to 538

Copy also to

and

TELEGRAM RECEIVED

JR

1-1336

FROM GRAY

Shanghai via J. R.

Dated August 27, 1937

Rec'd 10:55 a.m.

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS

AUG 30 1937 *hs*

Secretary DEPARTMENT OF STATE

Washington.

AUG 28 1937

Division of
FAR EASTERN AFFAIRS

AUG 27 1937

Department of State

583, August 27, 6 p.m.

I understand that plans exist for withdrawing

Chinese revenue organizations such as the Customs and
Salt from the treaty ports to interior points in event
of loss of such ports to the Japanese. Such withdrawal,
of course, would leave the Japanese free to create their
own organization, while if the existing foreign directed
organizations remained on the spot, it might be possible
so to arrange that they might serve to protect the
important foreign trade interests and loan obligations
that are involved. Sent to Hanking. Repeated to
Department.

GAUSS

PEG:WVC

SEP 1 1937

FILED

F/FG

793.94/9728

793.94
note
693.002

0650

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

77-1 539 *Spec Gray*

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

937 AUG 28 PM 2 59

Washington,

August 28, 1937.

Naval Radio

AMEMBASSY, DIVISION OF
COMMUNICATIONS
AND RECORDS

3pm

Special Key

NANKING (China).

190

Shanghai's 583, August 27, 6 p.m.

In the opinion of the Department this is a point which
you might if opportunity affords mention casually and orally
to high officials of the Chinese Government as one appearing
to warrant serious consideration.

793.94/9728

793.94/9728

Free

FE:MMH:EJL

FE
mm/H.

PA/H
5/15

Enciphered by

Sent by operator M., 19.....

9728

DECLASSIFIED: E.O. 11652, 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

ALUSNA

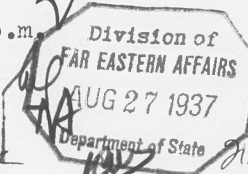
FROM

August 27, 1937

Rec'd 1:10 p.m.

From Naval Communications
For the information of the
State Department.

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



0027. Chinese continue holding Northern end Nankow

Pass. Capture Kalgan by Japanese still in doubt, despite
latter assertions. Approximately 20,000 (number in doubt,
garbled group) Jap troops have arrived via Manchukuo since
twenty August, making total 125,000. French estimate
160,000, Japs concentrations along Sinpu and Kinhan rail-
roads sufficient coupled with increased activity to mop
up bands in rear warrant belief two point offensive
planned after few more dry days. City quiet. Nearly
8,000 Nippon troops, 5,000 horses, 150 light artillery
near Temple Heaven. Heavy concentrations also Fengtao.
2025.

ALC

793.94/9729

F/FG FILED

SEP 2 1937

28-1

540

TELEGRAM RECEIVED

FS

1-1336

GRAY

FROM

Tokyo

Dated August 27, 1937

Rec'd 12:21 p.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 27 1937
Department of State

322, August 27, 7 p.m.

Senior aide to Navy Minister stated this afternoon
to Naval Attache as follows:

Question. What was meant when you stated "blockade
aims principally at destroying the fighting power of
the Chinese and will not unnecessarily seize Chinese
vessels and confiscate the cargoes aboard them" and
"Japanese will duly respect peaceful commerce being
carried on by the third powers and will never interfere
with it".

Answer. The purpose of the blockade is to prevent
war supplies getting to the Chinese forces. As no war
exists Japan will not interfere with the commerce of
any nation other than China. Interference with Chinese
trade only to the extent of confiscating war supplies
on Chinese ships. By "peaceful commerce of third
powers" is meant ordinary commerce which now might
include cargo of a warlike nature.

A

793.94/9730

F/FG

FILED

SEP 9 1937

793.94
note
793.94/112

78-2

541

FS 2-No. 322, August 27, 7 p.m. from Tokyo

A hypothetical question was asked as to what would happen to a Canadian Pacific or Dollar Line vessel bound for Shanghai with war material known to be destined for Chinese forces. The answer was "No interference would be made with that vessel". When asked as to the "status of Chinese vessels owned wholly or in part by third party" the answer was "war supplies, if on board would be confiscated, vessel and remainder of cargo would be subsequently freed".

Armies in Shanghai are consolidating positions while awaiting the arrival of supplies such as ammunition and, probably, artillery. Army transports were said to be used for this purpose. No offensive has been undertaken as yet, except as necessary to gain and maintain positions. Combined fleet has retired. They have had their inning and will undoubtedly not be used for this purpose again. No army aircraft are operating in Shanghai area yet, fields in that vicinity not having been completely prepared. When asked whether the army expected to move against Hangchow, the reply was that such was a general staff matter. When asked at the purpose of landing troops in Hangchow Bay, Senior aide stated landing there was only a rumor.

Situation in Tsingtao quiet, has not changed in the

last

0650
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

78-3

542

FS 3-No. 322, August 27, 7 p.m. from Tokyo

last 48 hours. Japanese nationals, however, are being
evacuated.

Repeated to Shanghai for relay to Nanking.

PEG:VWC

GREW

0655

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

GRAY

Nanking via N. R.

Dated August 27, 1937

Rec'd 2:30 p.m.

1-1336
COPIES SENT TO
FROM
O.N.I. AND M.I.D.

Secretary of State,

Washington.

535, August 27, 3 p.m.

CONFIDENTIAL.



793.94

The largest and heaviest air attack so far experienced at Nanking occurred early this morning. Approximately twelve bombers made three attacks between midnight and three-thirty a.m. and dropped a large number of bombs in various parts of the city, Meteorological Observatory, Military Academy, military and civil air fields and Mausoleum Park district being apparent objectives. In one of the poorer sections just inside southeast wall which is very crowded, deaths among the population are believed upon investigation to approach 100, at least 50 having been burned in one block of small dwellings which was wiped out by fire presumably caused by incendiary bombs.

Sent to the Department, Peiping, Shanghai, Hankow.

JOHNSON

PEG:WWC

793.94/9731

FILED / FG

0656

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

79-14 543-2

TELEGRAM RECEIVED

FS

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

FROM

Tokyo

Dated August 27, 1937

Rec'd 1:35 p.m.

Secretary of State,

Washington.

321, August 27, 4 p.m.

CONFIDENTIAL FOR THE SECRETARY.

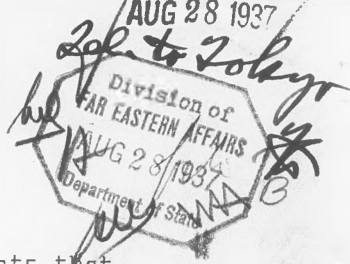
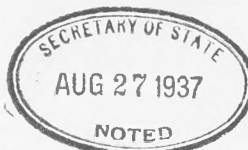
One. Recent despatches from London state that

79394
note
711.94

following a conference between the British Prime Minister Eden and Halifax on August 23 the British Government will renew efforts to persuade the American Government to participate in a "joint declaration" on the situation in the Far East. There is extensive speculation over the character of such proposed declaration but it is generally anticipated that it is to be vigorous. On the basis of extensive experience in Japan on the part of several of my advisers and myself I venture respectfully to submit certain of our more fundamental views concerning the present Sino-Japanese conflict in hope that they may be found helpful in formulating future policy and action.

Two. Divergent opinions exist as to the question of premeditation and the immediate responsibility for the outbreak of the conflict but these points have probably

not



793.94/9732

FILED
F/FG

79-2

544

FS 2-No. 321, August 27, 4 p.m. from Tokyo

not yet been established. In our opinion they are not now of great practical importance.

Three. The important consideration is that the seeds for the present conflict were sown long ago and regardless of dates or provocative acts the conflict was eventually inevitable. While it is believed that the Japanese at first hoped to settle the Marco Polo Bridge affair as a local episode it was soon found that regardless of the wishes of Nanking or Tokyo the situation had rapidly developed out of hand and that the settlement of Japan's anomalous position in North China had now become unavoidable by either side.

Four. The present hostilities are an inevitable corollary of the Manchurian conflict which left Japan with an eventual choice of two alternatives: either to establish complete control in North China or to be prepared for an eventual retreat from Manchuria. There could never have been any doubt whatever as to the choice of alternatives. Japan's effort during the past four years to obtain its objective gradually and by political maneuvers rather than by open force miscarried. Eventual conflict then became inevitable. There then remained only the question as to how far the conflict could be localized. There is every reason to believe that Japan would

77-3

545

FS 3-No. 321, August 27, 4 p.m. from Tokyo

would have welcomed localization but whether through Japan's own inept tactics (in Shanghai and elsewhere) or through uncontrollable circumstances any such hope was soon shattered. General warfare was unloosed and there can be no question but that the Japanese Government solidly supported by the public is determined to see it through.

Five. Predictions as to the final outcome are of course premature. Japanese confidence in overwhelming military victory within a few months appears to be complete. They believe that their mechanized army and air forces can attain their objectives. They seem incapable of pausing to consider that after repeated victories in battle and the possible virtual destruction of the Chinese armies as organized units the real war may only then begin. We doubt if they stop to think of the possible effects of almost endless guerilla warfare, of the wiping out of Japan's commercial and industrial stake in China and of the immense financial appropriations and other drains which may progressively deplete the Japanese Exchequer. We hold that they have no real conception of these risks and are unable to visualize or appraise the long range outlook as opposed to the more immediate prospective. Herein in our opinion lies the considerable risk

79-4

546

FS 4-No. 321, August 27, 4 p.m. from Tokyo

risk that Japan may conceivably emerge from such a campaign shorn of much of her prestige and power.

Six. We agree with Mr. Johnson's thesis (Nanking's 410, August 12, 6 p.m.) that China could not afford to refuse to meet Japan's challenge and we are in complete accord with his opposition to any American step which might be considered as urging China to purchase peace with the loss of sovereign rights. We are equally of the opinion that any attempt by the United States to thwart by manifestation of disapprobation on legal or moral grounds the development of Japan's China policy would have no beneficial effect and if persisted in would tend to obliterate the elements of friendship on the part of Japan towards the United States which have been and are daily being developed by our government's tactics, methods and manner of procedure in the present conflict.

Seven. We feel that the fundamental objectives of the United States in the present situation should be: (1) to avoid involvement; (2) to protect to the utmost the lives, property and rights of American citizens; and (3) while reserving complete neutrality to maintain our traditional friendship with both combatants. The last point will need the making of special endeavor toward solidifying our relations with Japan. In a day and age
when

0660

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

79-5

547

FS 5-No. 321, August 27, 4 p.m. from Tokyo

when national egotism is rampant we believe that the Japanese are capable of gratitude in large measure for manifestations of good will and that by encouraging confidence in our impartiality between and friendship toward both contestants we can accomplish more than by any other method. They still constantly remember and speak of our friendship at the time of the great earthquake in 1923. They likewise constantly remember the Exclusion Act and our methods at the time of the Manchurian affair. Today as a result of the policy and methods now being pursued by the present Administration in Washington they are already exhibiting marked signs of appreciation. Similar appreciation is not (repeat not) being manifested towards Great Britain. Looking at these considerations from a purely material point of view we believe that they constitute a practical asset to American interests and that the importance of this asset will increase in direct ratio to our continuance of the policy and methods which we are now following. We have before us an important opportunity which should not be missed. If and when the time comes for the United States to act toward terminating hostilities Japan will be more disposed to heed ~~(*) from us~~ ^{our Counsel} if she has confidence in our good will and impartiality than if her attitude toward us be one of suspicion and resentment.

Eight.

79-6

548

FS 6-No. 321, August 27, 4 p.m. from Tokyo

Eight. It is far from our intention to advocate the development of friendship with Japan at the expense of friendship with China. We merely wish to emphasize the importance of having constantly in mind the considerations brought about in this telegram in connection with every action taken by our Government. We feel that much may be accomplished by appealing either alone or in concert with other powers for restraining or circumscribing warfare in specific localities where foreigners and foreign property are in danger but we also feel that until there has occurred a stalemate or until military victory by one of the contestants has been achieved moral intervention by the powers which could be interpreted as partial to either contestant would have no (repeat no) good effect.

Nine. The Military and Naval Attaches and my entire staff concur in the foregoing.

KLP

GREW

0662

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

79-7

TELEGRAM SENT

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PREPARING OFFICE
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Charge Department

Department of State

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Washington,

\$

August 28, 1937.

157 AUG 28 PM 2 09

DIVISION OF
COMMUNICATIONS
AND RECORDS
TOKYO (Japan).

This code is sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone. B

3pm

✓

176

I appreciate having the estimate and comment given
in your 321, August 27, 4 p.m.

2 free

793.94/9732

CR V
AUG 2 1937

PA/H:SKH:ZMK

FE
m.m.H.

Enciphered by

Sent by operator M., 19

D. O. R., No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

F/FG

0663

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

79-8

549

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Department of State
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PLAIN

Washington,

September 2, 1937.

793.94/9732

AMEMBASSY,

1937 SEP 2 11 17 PM
It should be carefully paraphrased before
being communicated to anyone. C-1

TOKYO (Japan) DIVISION OF
COMMUNICATIONS
CONFIDENTIAL

187

Your 321, August 27, 4 p.m. / 9732

2 pm

With your outline of the Embassy's estimate and views before me, I hope that you will find it useful, toward understanding and interpreting our position, to have an outline of our general reaction to developments in the situation under reference and our present thoughts in regard to policy and methods.

The course which this Government has pursued with regard to the Far East during recent years has been animated in part by the thought that it would be advantageous to encourage effort on the part of the Japanese and the Chinese to develop attitudes of real cooperativeness toward each other and toward the rest of the world. The hostilities which have been and now are going on between those two countries have produced a situation which leaves little room for hope of there being in the near future developed by and between them reciprocally any such attitude or practice.

In the light of the methods which the Japanese military forces are employing, especially of their complete unresponsiveness

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/9732

0664

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

77-9 550

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Department of State

- 2 -

Washington,

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in action to suggestions which have been quietly and patiently offered them by this and other Governments that they give reasonable consideration to the rights, interests, susceptibilities, safety, etc., of persons and countries not parties to the conflict, there is warrant for doubt whether the elements that actually control Japan's policies and action set any appreciable value upon the friendship of other nations or the efforts toward cultivation of good will, confidence, and general stability which this and other Governments have made.

This Government has endeavored in the current crisis to follow a course of absolute impartiality. We realize that manifestations of disapprobation on legal or moral grounds are not likely to bring the hostilities to an end. However, in shaping our course, it is necessary for us to have constantly in mind not only the possible serving of that objective, not only the possible effects of possible steps upon Japan or upon China or upon both of those countries, but the attitude and wishes of our own people, the principles in which this country believes, the courses pursued by other countries, and various general and ultimate as well as immediate and particular objectives.

My statement of July 16 made clear the principles which

Enciphered by _____

Sent by operator _____ M., _____ 19 _____

0665

DECLASSIFIED: E.O. 11652, 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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PLAIN

- 3 -

Washington,

are guiding this Government, principles in general support of which more than fifty states of the world have expressed themselves affirmatively. My subsequent statement of August 23 make it clear that we regard these principles as applicable to the Pacific area. We consider those principles fundamental to a well-ordered existence of and in the society of nations. It is evident that neither Japan nor China in their present courses of action are acting in accordance with those principles and that the course which Japan is pursuing is in direct conflict with many of them.

I am gratified to know that the Japanese have felt that our course ~~has~~ has been indicative of a desire on our part to be fair and impartial. However, our first solicitude will have to be not for the maintenance of unqualified good will toward us by either or both of the combatants; it will have to be for the welfare of our own people and the broad interests and general policies of the United States; it will be guided by laws and treaties, public opinion and other controlling considerations. I share your view that among our fundamental objectives there should be (1) to avoid involvement and (2) to protect the lives, property and rights of American

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Sent by operator M., 19.....

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

79-11

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Washington,

- 4 -

citizens. I doubt whether we can pursue those objectives and at the same time expect to pursue the third of the objectives which you suggest. I therefore do not repeat not feel that we should make it a definite objective to solidify our relations with either of the combatant nations. We are opposed to the courses which they are pursuing, especially the course which Japan is pursuing. We have no repeat no desire to injure either country, we wish to be a good neighbor to both, but we should not repeat not permit ourselves to be hampered in the making of our decisions by being especially solicitous that what we do shall not repeat not be displeasing to one or the other or both of the combatant countries.

We do not(repeat not) desire that the Japanese shall entertain any impression that this Government looks with less disapproval or less of apprehension upon the course which Japan is pursuing than does the British Government or that we condone Japan's course in any sense whatever.

Public opinion in this country has been outraged by the strategy and methods which the combatants, especially the Japanese military, are employing. It has become increasingly critical of Japan. ~~and sympathetic toward China.~~ Events of

Enciphered by

Sent by operator M., 19.....

0667

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

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79-12

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- 5 -

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last week, especially the circumstances of the shooting of
the British Ambassador and the statement of the Japanese
Premier that the representations of the powers are of little
or no importance, intensified this divergence in popular
thought and feeling from the standard of impartiality. The
Chinese bombing of the HOOVER has, of course, tended somewhat
to ~~check that tide.~~ effect this.

544

I do not (repeat not) intend, in addressing either the
Japanese or the Chinese authorities, to call names or to make
threats; I heartily approve of the dignified and tactful manner
in which you are conducting your approaches to the Japanese
Government; but I desire that it be fully understood by the
Japanese that this Government looks with thorough disapproval
upon the present manifestation of their foreign policy and
the methods which the Japanese military are employing in pursuit
thereof. I feel it desirable that you overlook no opportunity
to impress upon Japanese officialdom the importance which we
attach to the principles laid down in my statement of July 16
and the significance of my statement of August 23, and to
suggest to them that by the course which she is pursuing Japan
is destroying the world's good will and laying up for herself

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Sent by operator M., 19

0668

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

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79-13

TELEGRAM SENT

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- 6 - Washington,

among the peoples of the world a liability of suspicion, distrust, popular antipathy and potential ostracism which it would take many, many years of benevolent endeavor on her part to liquidate.

This Administration has repudiated nothing in the record of the efforts which the American Government made, on behalf of peace and of principles, at the time of the Manchuria affair. In the present crisis, we have endeavored to dissuade the present combatants from entering upon and from continuing their hostilities; but we have not repeat not offered to mediate. I am by no repeat no means sure that we shall wish to assume the role and the responsibilities of a mediator. For the present at least, I should not repeat not want to encourage on the part of either side a belief and expectation that, having rejected currently our many suggestions that they exercise restraint, they can whenever it may suit their convenience rely upon this Government to serve them as a friendly broker. I should want them both to feel that, if they wish from us good will and from us any form of impartial assistance the time for them to show appreciation of our policies and methods, by being considerate of

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Sent by operator M., 19.....

0669

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

TELEGRAM SENT

79-14

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- 7 -

Washington,

our legitimate interests and our essential solicitudes,
is now.

dfree

PA/H:SKH:ZMK

gmb
FE
AMW

Enciphered by _____

Sent by operator _____ M. _____ 19 _____

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

TELEGRAM RECEIVED

1-1336

FROM

RB

CINCAF

Rec'd August 27, 1937

3:25 p. m.

From Naval Communications
For the information of the
Department of State.

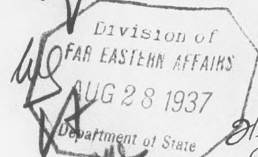
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793.94

0027. Japanese forces Liuho Lotien Woosung Triangle
aided by heavy bombing attacks and gunfire from ships
in river advancing slowly attempting join north end line
in Hongkew sector. Heavy fighting reported indicating
southward movement temporarily halted bombing attacks
concentrated on Kiangwan Nannsiang Kating and Taitsang
which line now held by five Chinese divisions. No activity
reported south of Shanghai but reinforcements into Siccawei
Hongjao areas made. Reported troops in Chapai relieved
by division from Nanking. Settlement area generally quiet
except for usual night air raids on Yangtzepoo District,
except planes and sniping on Nippon ships from Pootung.
Bomb from unseen plane exploded two hundred yards from
sail thirty seven at Middle Ground Buoy at 0250. No damage.
Investigation firing on marine sentry yesterday shows bullet
was probably stray from Chapai. 2200

DDM

ALC



793.94/9733

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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

88-1

556

FE

FS

TELEGRAM RECEIVED

PLAIN

Nanking via N. R.

1-1338

FROM Dated August 27, 1937

Rec'd 3:40 p.m.

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
AUG 28 1937
Department of State
EJL

793.94

538, August 27, 6 p.m.

Following communication has been addressed to the
Minister for Foreign Affairs: "Dear Mr. Minister:

I have a telegram from the Commander-in- Chief of
the United States Asiatic Fleet stating that at 2:50
this morning a bomb from an unseen plane exploded two
hundred yards from a submarine, S-37, of the United
States Government, anchored at Middle Ground Buoy in the
Yangtze River. Both horizontal and vertical national
colors were illuminated by powerful lights. The sub-
marine was en route from Tsingtao to Cavite and had
come to the Yangtze to land a sick man who needed an
emergency operation.

May I urge the necessity that orders be given to the
planes of the Chinese Government not to drop bombs on
unidentified or neutral vessels? Similar representations
are being made to the Japanese."

ALC

JOHNSON

See 894.50/100

793.94/9734

FILED F/F/G

0672

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

80-2
Gray
TELEGRAM SENT

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PLAIN

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Department of State

DEPARTMENT OF STATE

Washington,

937 AUG 27 PM 6 44

DIVISION OF
COMMUNICATIONS
AND RECORDS

AUG 27 1937

7pm

Naval Radio

Amembassy

Nanking (China) *via N.R.*

188

9734

Your 538, August 27, 6 p.m. *Last paragraph!*

Care should be taken to avoid 'misuse' of the words 'quote'
neutral 'unquote and 'quote belligerent 'unquote.

ell

sig

793.94/9734

FE:MMH

FE

mmh

See 894.50/100

Enciphered by

Sent by operator M., 19.....

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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0673
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
TELEGRAM RECEIVED

RB

1-1336

FROM COMDR SOUTH CHINA PATROL

Rec'd August 27, 1937

7:19 p. m.

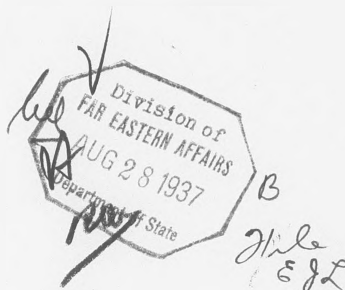
Navy Department
Washington Information Fourth Marines
Amembassy Nanking.

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

0127 Situation unchanged Canton, Swatow, Amoy and
Longchow 2230.

793.94

SMS



793.94/9735

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SEP 2 1937

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

TELEGRAM RECEIVED

EDA



FROM

GRAY

SHANGHAI VIA N.R.

Dated August 27, 1937

Received 8:17 p.m.

Secretary of State

Washington

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



582, August 27, 5 p.m.

In connection with the Japanese naval blockade of the coast between Shanghai and Swatow, the NORTH CHINA DAILY NEWS today reports an interview with Dr. Jumpei Shinobu, Professor of International Law acting legal adviser to the Third Fleet, to the effect that while foreign vessels cannot be seized, detained or compelled to change their course, they will be liable to boarding by Japanese naval vessels to ascertain their true nationality in case of doubt. The adviser is quoted as saying, "Inasmuch as this is not a war time blockade we shall be unable to stop foreign vessels from carrying armaments to China, however, we can take such effective measures as exercising the privilege of ^{PREEMPTION} ~~???~~ towards foreign intermediaries found to be carrying cargo which in war time would constitute contraband".

Sent to the Department. Repeated to Nanking and Tokyo.

GAUSS

SMS:EMB

793.94/9736

F/FG

0675
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



THE WHITE HOUSE
WASHINGTON

*Rec'd from
S. File
H.E.J.*

August 26, 1937

MEMORANDUM TO THE SECRETARY OF STATE FROM SENATOR PITTMAN:

Japan has authoritatively announced that it will visit and search neutral vessels carrying cargoes to Chinese ports.

In these circumstances, the discretion of the President may be foreclosed and it may become his duty to put into force and effect the neutrality Act as against both China and Japan.

This mandatory action on the part of the United States automatically calls for action under the Treaties of Washington adopted _____, 1922.

The Government of the United States, through its Department of State invites the signatories to the Treaties relating to China to consult with the Government of the United States before United States shall make pronouncements relative to the statements of the Government of Japan.

NOTE: Senator Pittman is leaving for the West this afternoon. May be reached now at his home; Phone: Cleveland 9626.

APR 17 1944
FILED

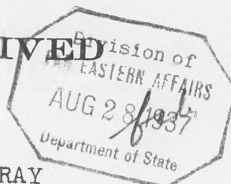
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PS/DA 8

0678

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

TELEGRAM RECEIVED



RB

1-1336

FROM

GRAY

Tsingtao via N. R.

Dated August 27, 1937

Rec'd 3:35 p. m.

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

Secretary of State

Washington.

August 27, 3 p. m.

793.94
note
393.94

With reference to my telegram of August 26, 11 a. m.
and August 27, 9 a. m., the order for evacuation of Japanese
men was stated by Consul General to be directly a result
of his failure to obtain withdrawal of revenue guards and
accordingly Japanese wish to avoid any possibility of a
clash. In considering the Japanese official request to
the Chinese for the safeguarding of Japanese property,
it is understood that the Chinese authorities are endeavor-
ing to obtain a Japanese guarantee in writing of non-
attack as a *quid pro quo* for Chinese protection of such property.

I gathered that the Japanese consular staff while remaining
in Tsingtao for the time being will also leave when the
evacuation of 4,000 remaining Japanese has been completed.

While naturally Japanese will suffer huge losses in
business, the loss to Chinese Government from consolidated
taxes on cotton yarn will be very serious one at this time.

Mixed

Corrected 8/14/38

A.E.H.

793.94/9737

FILED

SEP 1 2 1938

F/FG

0677
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

RB

-2-August 27, 3 p. m. from Tsingtao

Mixed opinions exist as to future Japanese action but no evidence of Japanese hostile preparations is discernible and personally I am still optimistic that Tsingtao will escape hostilities.

SOKOBIN

KLP

SMS

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

81-1

557

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File

TELEGRAM RECEIVED

FS

GRAY

1-1336

FROM

Tokyo

Dated August 28, 1937

Rec'd 11:15 p.m. 27th

Secretary of State,
Washington.

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

Division of
EASTERN AFFAIRS
AUG 28 1937
Department of State

RUSH

323, August 28, 9 a.m.

Department's 171, August 27, 3 p.m.

The following is complete text of statement issued
to the press by the Foreign Office on August 26, 1937:

"Although Japan has been forced to adopt measures
of self-defense in the face of lawless attacks upon her
forces by Chinese armies and their wanton disregard of
Japanese lives and property and violations of Japan's
rights and interests in China, it has always been the
desire of the Japanese Government to minimize the scope
of the present affair. However, the Chinese armies by
their repeated outrages and provocations have intensi-
fied still further the gravity of the situation.

In these circumstances, with a view to prompting
China's reconsideration and to effecting a speedy
settlement, the Japanese naval authorities found it
necessary to close to traffic of Chinese vessels the
Chinese sea coast from 32 degrees 4 minutes north
latitude

793.94
note
793.94112

793.94/9738

FILED F/FG

SEP 10 1937

81-2

558

FS 2-No. 323, August 28, 9 a.m. from Tokyo

latitude and 122 degrees 44 minutes east longitude, to
23 degrees 14 minutes north latitude and 100 degrees
48 minutes east longitude, beginning at 6 p.m., August
25, 1937.

The above measure is solely one of self-defense
against the lawless acts of the Chinese, and applies
only to Chinese vessels. It may be added that peace-
ful commerce carried on by the third powers will be
fully respected, the Japanese Navy having no intention
of interfering with it."

SMS

GREW

DECLASSIFIED: E.O. 11652, 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

1-1338

FROM

PLAIN

Shanghai via N. R.

Dated August 27, 1937

Rec'd 2:30 a.m. 28th

Secretary of State,
Washington.

584, August 27, 7 p.m. / 9697

Reference Nanking's 529, August 26, 5 p.m.; and

Department's 288, August 26, 8 p.m. / 9697

Matter already referred to Commander-in-Chief who
has taken appropriate action.

WWC

GAUSS

Division of
FOR EASTERN AFFAIRS
AUG 28 1937
Department of State

793.94/9739

FILED
SEP 1 1937
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0681
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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 & PLAIN

1-1336

FROM Canton via N. R.

Dated August 28, 1937

Rec'd 5 a.m.

793.94
793.94112
Secretary of State,
Washington.

August 28, noon.

Referring to my telegram of August 19, 5 p.m., rail
freight is now being carried over new spur connection with-
out transshipment from Hong Kong to Hankow.

Japanese announcement of blockade against Chinese
shipping has increased recent practice of keeping Chinese
owned ships tied up in south China ports. Local Chinese
circles see little important effect, aside from increasing
likelihood of international complications, unless blockade
is applied to fishing vessels.

Government and Kuomintang have assumed more direct
and vigorous role in pushing popular war supporting
activities. Kwangtung authorities have promulgated
regulations specifying amount and methods of national
defense contributions to be made by government employees,
commercial organizations and civil population according to
occupation and income. Local Kuomintang has been leading
series of patriotic mass demonstrations to encourage
voluntary contributions and now appears to be openly
supervising

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

Division of
FAR EASTERN AFFAIRS
AUG 28 1937
Department of State

793.94/9740

FILED
SEP 1 1937

F/FG

068
DECLASSIFIED: E.O. 11652, 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-August 28, noon from Canton

supervising maintenance of merchants boycott.

Local Kwangsi military representative states that
a considerable Kwangsi force is being assembled for
use in "resisting Japanese aggression".

Mail copy to Hong Kong.

WWC

LINNELL

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

TELEGRAM RECEIVED

FS

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

FROM COMSOPAT

August 27, 1937

Rec'd 8:04 a.m. 28th

INFO: COMSUDRON FIVE COMDESTON FIVE, CINCAF, COMYANGPAT,
FOURTH MARINES, AMEMBASSY NANKING.

0127. Situation unchanged Cantoh, Swatow, Amoy
and Lontchow. 2230

793.94

793.94/9741

F/EE
SEP 1 1937

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

TELEGRAM RECEIVED

FS

1-1336

COMYANGRAT

FROM

August 28, 1937

Rec'd 7:30 a.m.

COPIES SENT TO

ACTION: OPNAV

INFO: COMSUBRON FIVE, COMDESRON FIVE, CINCAF, COMSOPAT
FOURTH MARINES, AMEMBASSY NANKING, ALUSNA PEIPING
NITE

0027. Air raid again over Nanking last night. Other
river ports quiet. 2236

793.94

793.94/9742

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SEP 1 1937

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

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

DA

TELEGRAM RECEIVED

FS

1-1336

COMSUBRON FIVE

FROM August 28, 1937

Rec'd 7:30 a.m.



Action: OPNAV, CINCAF

Info: COMDESRON FIVE, COMYANGPAT, COMSOPAT, FOURTH
MARINES, AMEMBASSY NANKING, ALUSNA PEIPING
ROUTINE

0028. Evacuation all Japmen continuing, ordered
completed thirty August except Consul General and staff
expect remain pending further decision. City orderly
quiet, local Government reassuming civic functions tend-
ing restore normalcy. 1145

793.94

793.94/9743

FILED
AUG 21 1938

F F G

82-1

559

TELEGRAM RECEIVED

FS

GRAY

1-1338

FROM Tokyo

Dated August 28, 1937

Rec'd 5:28 a.m.

Secretary of State,
Washington.

326, August 28, 2 p.m.

Department's 173, August 27, 6 p.m.



One. When Dooman called this morning on the Vice Minister for Foreign Affairs to present the note referred to in the Department's No. 169, August 26, 7 p.m., he asked Horinouchi whether reports of the evacuation of Japanese nationals from Tsingtao were correct. Horinouchi replied that the Japanese Consul General had ordered evacuation of nationals and that evacuation is now in process.

Two. Horinouchi stated that the Japanese Government would reply to our note mentioned in my 297, August 23, 1 p.m. "within a day or two". He added that reply had been withheld awaiting the results of negotiations which have been taking place between the Japanese Consul General and the Mayor of Tsingtao.

Repeated to Shanghai for relay to Nanking.

DDM:HPD

GREW

793.94/9744

831 21 33

F/FG

0687

DECLASSIFIED: E.O. 11652, 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

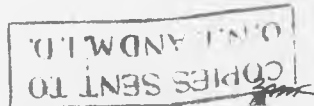
1-1336

FROM ALUSNA HOME

August 27, 1937

Rec'd 2:30 a.m. 28th

From Naval Communications
For the information of the
State Department.



0026. Italian Cruiser MONTE CUCCOLI will sail
immediately for Far East 0930

793.9d
note
865.33



793.94/9745

FILED
SEP 2 1937
F/FG

0688

DECLASSIFIED: E.O. 11652, 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

1-1338

FROM

Nanking via N. R.

Dated August 27, 1937

Rec'd 8:04 p.m.

Secretary of State,
Washington.

536, August 27, 4 p.m.
Department's 175, August 24.

On August 24 following letter was communicated to

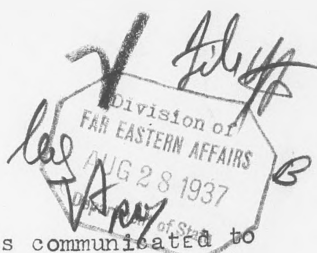
Minister for Foreign Affairs:

"My dear Mr. Minister:

I regret to inform you that at about one o'clock on the afternoon of August 23 two air bombs landed in that part of the International Settlement south of Soochow Creek. One fell near the Standard Oil Company Building and about one block from the American Consulate General on United States Navy warehouse; the other bomb fell on Nanking Road near the wing on department store.

Mr. Anthony Bilyingham of San Diego, California, was seriously injured and Miss Blanche Tenney, an American citizen, was slightly injured by the bomb which fell near the wing on department store.

Investigation tends to establish that the bomb which dropped on United States Navy warehouse near American Consulate General was an eight hundred kilogram bomb of Italian



0685

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

FS 2-No. 536, August 27, 4 p.m. from Nanking

Italian manufacture."

This was supplemented on August 25 by another letter as follows:

"Dear Mr. Minister: With reference to my letter of August 24 I now have a telegram from the American Consul General at Shanghai stating that there is substantial information, although no conclusive evidence, suggesting that bombs which dropped in International Settlement, South of Soochow Creek, on August 23 were of Chinese origin. Observers in Shanghai reported that a large twin motor silver covered monoplane, believed by some to be a China National Aviation Company plane converted into bombing purposes, escorted by one other plane, appeared at a great height over clouds over the Settlement and dropped bombs at the time of the incident.

As I ^{state} ~~(*) still (*)~~, there is no conclusive evidence that bombs were of Chinese origin but I feel that you should be informed of the impression that appears to exist in Shanghai as to the origin of these bombs."

Sent to the Department. Repeated to Peiping and Shanghai.

SMS:

JOHNSON

~~(*) Apparent omissions~~

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

TELEGRAM RECEIVED

ML

1-1336

FROM

GRAY

Tokyo

Dated August 28, 1937

Rec'd 6:52 a. m.

Secretary of State

Washington

RUSH

325, August 28, 1 p. m.

My 323, August 28, 9 a. m.

One. In conversation this morning with the Vice Minister for Foreign Affairs, Dooman informally and not under instruction urged the need for authoritative elucidation of the principles under which the "China blockade" would be carried out. The Vice Minister for Foreign Affairs replied that if the Embassy wished to set forth in a memorandum points with regard to which clarification is desired, he would undertake to have prepared an authoritative statement.

Two. I recommend authorization to present to the Foreign Office as soon as possible a memorandum in the following sense:

"Reference is made to the last sentence of the statement issued on August 26, 1937, by the Foreign Office, with regard to the declaration published on August 25 by the
Commander



793.94/9747

AUG 28 1938

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0691
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Quatefen NARS, Date 12-18-75

ML -2- Tokyo Aug.28, 1937 6:52 a.m. #325

Commander of the Japanese Third Fleet now at Shanghai to the effect that navigation by Chinese vessels in certain waters off the coast of China would be prohibited. The American Embassy would appreciate a statement by the Foreign Office with regard to the following points:

(a) Are vessels flying the Chinese flag wholly or in substantial part owned by third party nationals to be regarded for the purposes of the declaration as "Chinese vessels"?

(b) What action is proposed to be taken by the Japanese navy with regard to any cargo wholly or in substantial part by third party nationals carried on vessels flying the Chinese flag and ~~that~~ ^{NAVIGATING} the waters specified in the declaration?

(c) Have instructions been given by the Japanese Government to Admiral Hasegawa to refrain from stopping, in order to verify documentation or for any other purpose, vessels flying the flag of third party countries"?

Three. If the Department approves the making of the foregoing inquiry, I would appreciate expression of Department's views with regard to the text of proposed memorandum.

Repeated to Shanghai for relay to Nanking.

GREW

HPD

0692

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

\$

TELEGRAM SENT

Department of State

DEPARTMENT OF STATE

Washington,

157 AUG 28 PM 2 14

August 28, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

TOKYO, (JAPAN).

✓ 177 Rush

Your 325, August 28, 1 p.m. / 9747

The Department desires that you take no repeat no
action in this matter pending further instructions from
the Department.

793.94/9747

AUG 28 1937

FE: JWB: JHS: VC

FE

PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 80

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

069

DECLASSIFIED: E.O. 11652, 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

793.94/9748

SEE 701.93/1000 FOR 701. #234, 10pm

FROM U.S.S.R. (Henderson) DATED Aug. 20, 1957
TO NAME 1-1127 GPO

REGARDING:

Soviet attitude toward the China-Japanese conflict.

Sympathies of U.S.S.R. with China as long as she
maintains active resistance to Japan.

0694

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

AIR MAIL.

DUPLICATE

Department of State

TO
RECEIVED
DEPARTMENT OF STATE

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, July 20, 1937.

1937 AUG 27 PM 2 53

DIVISION OF
COMMUNICATIONS
The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo.

Sir:

I have the honor to report that Mr. Choji Koshimura, Secretary in Charge of Foreign Affairs in the Government General, called by appointment at my residence yesterday afternoon and spent an hour and a half explaining to me the Japanese point of view regarding the present disturbances in North China.

After going in detail over the various incidents and the subsequent action taken by the Japanese Government in each case (most of which I already knew from press reports), he assured me that it was the policy of his Government to do all in its power to avoid a conflict with China except as a last resort and asked me not to give credence to the anti-Japanese propaganda being disseminated in Taiwan by certain factions. I asked him what he meant by that, and he referred particularly to radio broadcasts from Nanking which he described as untruthful, misleading, and designed to create agitation among the Formosan Chinese.

It is learned that Mr. Koshimura is making
similar

793.94/9749

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0695
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

similar calls on various members of the consular corps.

A regulation prohibiting the reception of radio programs from stations outside the Japanese Empire, under penalty of \$1,000 fine, has recently been rigidly enforced.

Public meetings have been held in various cities in Taiwan to manifest unity and declare support of the Government's policy toward China. On July 18th the Governor General held a conference of all Governors and high officials, including the military, to discuss the situation.

Anxiety has been expressed over the possibility of an air attack on Taihoku from southern China in the event of hostilities in the north, and, of course, spy fever is rampant.

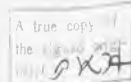
The public has been requested to ignore wild rumors and to credit only official announcements made by the proper authorities. The Assistant Chief of the Division of Foreign Affairs of the Government General heads the committee in charge of assembling and distributing such information as is released by the military.

Up to the present no disturbances in Taiwan arising from the situation in North China have been reported.

Respectfully yours,

Alvin T. Rowe, Jr.,
American Vice Consul.

File No. 820.02
ATR/tkh
Two copies to Department
Copy to Consulate General, Tokyo.



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

AIR MAIL.

TO
RECEIVED AMERICAN CONSULATE,
DEPARTMENT OF STATE
Taihoku, Taiwan, Japan, July 28, 1937.

1937 AUG 27 PM 2 52

793.94
1000
1000
DIVISION OF
COMMUNICATIONS
U.S.A.
The Honorable
Joseph C. Grew,
American Ambassador,

Tokyo, Japan.

Sir:

19749
With reference to my letter of July 20, 1937,
concerning my conversation on the situation in
North China with Mr. Choji Koshimura, Secretary in
Charge of Foreign Affairs in the Government General,
I have the honor to report that Mr. Koshimura paid
me another call yesterday afternoon lasting two
hours, during which he reviewed the events of the
past week in China.

In answer to my enquiry he informed me that
foreign residents of Taiwan are considered exempt
from the regulation prohibiting the reception of
radio programs from stations outside the Japanese
Empire.

After sketchily commenting upon the aims of
Japan in the North China area, Mr. Koshimura
significantly presented to me a copy of the book
entitled Philippine Independence and the Far Eastern
Question, by Pio Duran, Associate Professor of Law
at the University of the Philippines, Manila, which
strongly advocates a protective alliance and close
economic cooperation with Japan, rather than with
"any

793.94/9750

FILED

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-2-

"any Occidental power", upon the acquisition of full independence by the Philippine Islands. In his discussion of the provision in the Tydings-McDuffie Law contemplating the negotiation of a treaty for the perpetual neutralization of the Philippines, the author asserts: "If it be the fate of the Philippines forever to be under the control and domination of a foreign power, the Filipinos, I am sure, would rather see their country under the sovereignty of an Oriental nation than owe allegiance to a Western power."

Well attended public meetings continue to be held almost daily in Taihoku and throughout the Island, at most of which a military officer exhorts his listeners to be loyal and obedient and to unite in support of the Government during "the crisis." So far there have been no reports of disturbances of any kind in Taiwan.

Respectfully yours,

AKH
Alvin T. Rowe, Jr.,
American Vice Consul.

File No. 820.02
ATR/tkh

2 copies to Department.
1 copy to Consulate General, Tokyo.

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

TELEGRAM RECEIVED

1-1336
lw FROM
This telegram must be closely
paraphrased before being com-
municated to anyone. (B)

Tokyo

Dated August 28, 1937

Rec'd 6:33 a.m.

Secretary of State

Washington

324, August 28, 11 a.m.

Our 321, August 27, 4 p.m.

Please include Commercial Attache in paragraph
number nine.

GREW

PEG
HPD

Joint declaration on situation in Far East.



793.94/9751

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FILED
SEP 1 1937

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Conversation.

*Copies sent to Tokyo, Peiping,
London, Paris + Rome - Aug. 23.*

August 20, 1937.

The Secretary of State.

The Chinese Ambassador,
Dr. C. T. Wang.

Present: Mr. Hornbeck.



Subject: Chinese-Japanese Situation in the Far East:
Nine Power Treaty and League of Nations.

The Chinese Ambassador called at noon today at his own request.

The Secretary opened the conversation with the statement that the China situation is apparently becoming worse. The Ambassador expressed concurrence in that view. The Secretary mentioned news which has been received of the dropping of a shell on the American flagship U.S.S. AUGUSTA. The Ambassador said that he had seen news of this. The Secretary asked questions regarding the location in the river of the AUGUSTA and the nearest Japanese vessels. The Ambassador answered the questions apparently with accurate knowledge of the situation.

The Ambassador then said that he had come under instructions to inform the Secretary of moves which China has in contemplation: China is thinking (1) of appealing to the League of Nations, and in that connection the Foreign Office wishes to know whether the American Government, although not a member of the League, would give support;

support; and (2) of invoking the Nine Power Treaty, in which connection the Foreign Office wishes to know whether the United States, the treaty having been negotiated in Washington, would call for a consultation among the signatory powers. There followed some observations with regard to the implications and possibilities of such procedures. The Secretary made no commitment.

The Secretary then reverted to the subject of the location of American and Japanese naval vessels at Shanghai, and it was established that the AUGUSTA is located at a point south of Soochow Creek and ~~at a point~~ off the Bund. The Secretary then talked of agreements and practices on the basis of which it has been understood that the International Settlement area is one supposed to be immune from military operations, a place where security would prevail. The Secretary emphasized the importance of respect for its status as such. The Secretary said that the Chinese authorities had suddenly ordered our ships to separate themselves by five miles from the Japanese ships. The Ambassador stated that he did not know of this. The Secretary referred the question to Mr. Hornbeck. Mr. Hornbeck explained that we had been informed that the Chinese authorities had asked that our ships either move to somewhere five nautical miles distant from the Japanese ships or prevail on the Japanese ships to move away from our ships to such a distance. There followed some discussion of the impossibility as a practical matter of compliance with such a request.

The

- 3 -

82-3

562

The Ambassador then reverted to the subject of a Chinese appeal to the League and for an invocation of the Nine Power Treaty. He said that he was instructed to get an indication of the American Government's reaction. He said that his Government wished to consult us before acting, as it did not want to put us in an embarrassing position and did not want to invite a rebuff. He said that for his Government formally to make the request and to meet with a refusal would have, if it became known, a very unfortunate effect, a very unfortunate reaction in China. The Secretary indicated assent. The Secretary then spoke of the statement of policy which he had made on July 16 and asked whether that would not more than cover the subject. The Ambassador said that it did, so far as principle was concerned, but what his Government was now seeking was action. The Secretary asked whether Mr. Hornbeck would wish to make any comments or ask any questions. Mr. Hornbeck said that it would seem that what the Chinese Government was seeking was not so much an "invocation of the Nine Power Treaty" as something in the nature of consultation and conference on the part of the powers which happen to be signatories to the Nine Power Treaty. He wondered what the Chinese Government might have in mind for an agenda. He wondered what the Chinese Government would estimate likely to be the concrete effect of action such as it was suggesting. The Ambassador said that it would be for the powers concerned to make up the

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

- 4 -

83-4

563

the agenda, and the Chinese Government might contribute to the making. He said that one effect at the outset might be moral effect. He repeated that he was desirous of having the American Government's reaction. He expressly inquired whether he might call again tomorrow. The Secretary said that we would take the matter under consideration and would keep the problem in mind and as soon as we had anything to tell the Ambassador would let him know.

The Secretary and the Ambassador then exchanged expressions of serious solicitude over the gravity of the situation, and the conversation there ended.

574

PA/H:SKH:ZMK

070
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Huatzen NARS, Date 12-18-75

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564

TELEGRAM RECEIVED

lw

This telegram must be closely
paraphrased before being com-
municated to anyone. (B)

Berlin (Part Air)

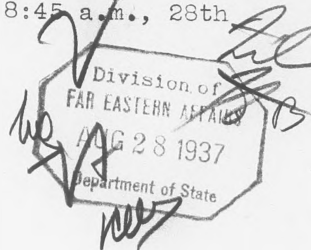
Dated August 26, 1937

FROM

REC'd 8:45 a.m., 28th

Secretary of State

Washington



793.94
202, August 26, 8 p.m.

In a talk with von Schmieden, Chief of the Far East-
ern Division of the Foreign Office, he formally restated
the German neutral position mentioned in the Embassy's
No. 180, July 29, 6 p.m.
852.00/6115

He said that Germany had remonstrated with both
Japan and China over the continuance of the conflict, as
had Great Britain and other powers but "along lines
somewhat modified owing to their special relations with
Japan". He said that they were greatly concerned over
the safety of their nationals and of their interests.
They would not, however, send a war vessel or take any
similar steps as, unlike other countries, they had no
extraterritorial rights, were not parties to the Boxer
protocols and that thus such action would be misconstrued.
Moreover, they wished at this time to keep their naval
units in European waters.

I may say that it appears rather evident here that
Germany finds herself caught between her special relations
with

793.94/9753

SEP 4 1937

FILED

F/FG

84-2

565

lw 2, No. 202, August 26, 8 p.m., from Berlin.

with Japan under the anti-Communist treaty and her interests in China, and that, regarding the latter, she is thinking less of their present value than of a prospective increase. It will be recalled that the anti-Communist Treaty was a project carried through by Ribbentrop and that it has been understood here that the Foreign Office has never been enthusiastic about it. Von Schmieden, in what he had to say, appeared to confirm this Foreign Office attitude. He said that the Japanese were making a great propaganda effort out of Russian aid to China but that this effort was aimed chiefly at influencing Germany and that as far as he could ascertain Russian material assistance was, if it existed at all, extremely limited. The maintenance of full military forces along the border and the general Russian attitude was, of course, a moral support for China but while the Soviets might be furnishing some airplanes any such assistance was handicapped by lack of fuel and oil. Japanese military action was undoubtedly serving to unite China and he had indications of the Japanese directly stirring up communistic activity in China in order to point it out to the world and to Germany.

Incidentally in respect of what von Schmieden said above regarding Russian border forces the Counsellor of the

Russian

84-3

565

lw 3, No. 202, August 26, 2 p.m., from Berlin.

Russian Embassy spoke of this in a conversation with me saying that these forces were being maintained at their full strength and to a certain extent being built up in preparation for any eventualities but that Moscow was not giving any material assistance to China at the present time.

Von Schmieden's general approach to the entire problem was that German concern respecting the Far East was common with that of all western powers or at least he endeavored to convince me that such was the case. He said that the eventuality least to be desired was either a decisive Japanese or Chinese victory. Of the two a Japanese victory was more to be feared as he believed that Japan in such a case would act to eliminate western interests from China and in general from the Far East. On the other hand, in the event of a Chinese victory, while the Chinese would undoubtedly take a strong general anti-foreign attitude they might sustain certain western interests as a continued offset to Japan.

He asked me what the United States would do under the Neutrality Act in relation to the situation. I replied that as the press had reported the Neutrality Act was naturally being considered in connection with all other pertinent questions but that I had no knowledge whatsoever of any specific action being contemplated. This naturally brought up the question of a possible Japanese naval blockade of China. It was felt that this would physically be easy of accomplishment

84-4

567

ML 4, No. 202 August 26, 2 p. m. from Berlin

accomplishment but would require a declaration of war. He said that he did not believe that Japan would declare war as it would not suit her propaganda purposes. He believed, nevertheless, that Japan could create a blockade equally as effective as a declared naval blockade by an extension chiefly by the use of airplanes of such action as she was taking at Shanghai which obviously would create such a risk for shipping as to paralyze all trade. He added that this would be equally hurtful to Japan's trade, that Japan was already suffering SEVERE commercial losses and he speculated as to what effect this might have on Japanese policy.

In respect to Germany's neutral or opportunistic position in regard to China there may be cited the circumstance that it appears to be understood that Kung, Chinese Finance Minister, on his recent visit to Berlin arranged for the purchase of German munitions and supplies. Incidentally I have been told on fairly good authority that for the most part this was second rate material which the Germans were glad to dispose of.

The Military Attache informs me in regard to Germany's maintenance in Nanking of a "Military Attache's office" said to comprise over one hundred officers who have been advising Chiang Kai Shek and assisting in training his forces that the Japanese Military Attache here recently took up with the War Ministry the question of the withdrawal or

at

84-5

568

ml 5, No.202 August 26, 2 p. m. from Berlin

at least the reduction in number of these officers. According to statements of German General Staff officers the War Ministry declined on the ground that it would be dishonorable in view of the long and friendly relations which had existed between the Nanking office and Chiang Kai Shek. The Japanese Military Attache is reported to have adopted "a reasonable attitude" in the face of this response.

Although the precise nature of German policy on any point is exceedingly difficult to ascertain and must be left largely to inference it would seem to be apparent in the first place that Berlin is naturally and seriously concerned over German commercial losses in China with special reference to her recent hopes of a substantial increase in profitable trade. There is, of course, the point that Germany might bargain with Japan for a special protection of her interests in return for moral or perhaps other support. I did not feel it to be opportune in my talk with Schmieden to ask a direct question on this score. His whole attitude seemed to be, however, that whatever Japan might promise at present the prospects of Germany's being able to salvage anything out of a general Japanese success were regarded as exceedingly slender. In the second place I think it may also be felt that Germany's maintaining a middle position is not only a policy of sustaining as friendly as possible relationships with both parties but with possibility of undertaking

84-6

569

ml 6, No. 202 August 26, 2 p. m. from Berlin

undertaking a profitable move as occasioned by future developments but that it is based upon a desire to come to a bargain with European or with western powers in general to take common action with them respecting all Asia in return for political and commercial concessions in Europe and commercial advantages elsewhere. On this score the German-Japanese treaty lends itself to employment as a form of blackmail.

I learn from reliable sources that the Japanese Ambassador here has been pressing the Germans hard to accord Japan strong moral support. His line has been that Germany should portray Japanese action as a struggle against Communism. The Chinese Ambassador in a recent conversation informed me that he has protested to the Foreign Office against the anti-Chinese tone of the German press in particular that for the most part, items were appearing under a Tokyo rather than a Shanghai date line. The attitude of the German press impressively commented upon here as an evasion of strict neutrality since the stressing of the Communist angle in China is tantamount to an attack on the Chinese position in general. It is true that to a degree this is the tone recently adopted by the German press as suggested by the leading editorial of the ANGRIF of August 24 entitled Moscow's shadow over China. It is construed here as a more or less decisive swing toward Japan. At present,

- however,

0709

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

84-7

570

ml 7, No. 202 August 26, 2 p. m. from Berlin

however, I do not feel that it can be regarded as more than a phase of the German attitude which will doubtless exhibit attention of phases none of which should be interpreted as definitive.

By air mail code copies to Paris, Moscow, London, Tokyo.

GILBERT

KLP

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

TELEGRAM RECEIVED

FS

1-1336

FROM CINCAF

August 28, 1937

Rec'd 11:55 a.m.

TO: NAVY DEPARTMENT

Administrative Restricted

Routine



file
m.m.H.

793.94
note
893-0146

0028. Consider augmentation of naval forces here to be necessary. This consideration is based on the following: present gravity of Sino-Japanese situation, probable future developments and Navy's responsibility for safeguarding our nationals. I consider light cruisers to be unsuitable because of age, lack of repair facilities on this station, and because living space arrangement is unsuitable for emergency passenger carrying. Four heavy cruisers will best fulfill the requirements for the following reasons, experience of commanding officers, self sustaining qualities, steaming radius and carrying capacity. 2000

793.94/9754

SEP 7 1937

RECEIVED

SEP 7 1937

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

85-1

TELEGRAM RECEIVED



FS

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

FROM Berlin

Dated August 28, 1937

Rec'd 8:45 a.m.

Secretary of State,
Washington.

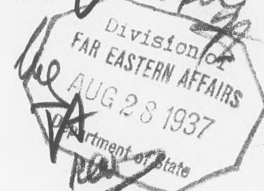
206, August 28, 11 a.m.

Supplementing from a somewhat different political angle my No. 202, ⁹⁷⁵³ August 26, 8 p.m., concerning the expressed attitude of the Foreign Office toward Japanese action in China, a colleague who is a close personal friend of von Mackensen, at present acting head of the Foreign Ministry, informs me in strict confidence that the latter expressed himself to him heatedly respecting Japanese action and policy.

Von Mackensen stated that Japan's entanglement in China which he believed would be indefinitely protracted had practically nullified the value to Germany of the German-Japanese understanding respecting Russia which received a form of outward expression in the anti-Communist agreement.

In association with the considerations discussed in my telegram under reference, I feel that von Mackensen's preoccupations lie at the core of the question and to the extent the Foreign Office may play a part in the determination of German external policy, its views should be

given



793.94/9755

SEP 2 1937 FILED/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

85-2

572

FS 2-No. 206, August 28, 11 a.m. from Berlin

given careful consideration in their possible effects
on Germany's role in the European situation.

Copies in code by mail to London, Paris, Rome,
Moscow, Tokyo.

JLS:KLP

GILBERT

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



86-1 |
573
10
RECEIVED
DEPARTMENT OF STATE

1937 AUG 25 PM 3 04

AIDE-MEMOIRE

DIVISION OF
COMMUNICATIONS
AND RECORDS

Division of
FAR EASTERN AFFAIRS
AUG 19 1937
Department of State

URGENT

Copies sent to Tokyo, Peiping, London, Paris + Rome

His Majesty's Government in the United

Kingdom have instructed His Majesty's Representatives
at Nanking and Tokyo to place the following proposal
before the Chinese and Japanese Governments in the
hope of easing the present situation at Shanghai:-

"If both the Chinese and the Japanese will
agree to withdraw their forces, including men-of-war,
from the Shanghai area, and will both agree that the
protection of Japanese nationals in the International
Settlement and on extra-settlement roads should be
entrusted to foreign authorities, His Majesty's
Government will be prepared to undertake this
responsibility if other Powers will join them in
doing so".

His Majesty's Representatives have been
instructed, when making this communication to the
Chinese and Japanese Governments, to emphasize that
in this matter His Majesty's Government are actuated
solely by a desire to keep the International Settlement
free from hostilities, and to explain that the
commitment contemplated would be of a temporary nature
to hold good during the continuance of the crisis.

His Majesty's Government would be glad to

learn/

793.94/9756

FILE F/FG722

86-2

574

-2-

learn whether the United States Government would be prepared to accept with them joint responsibility in carrying out the proposal outlined above, and whether they would be prepared to instruct their Representatives at Nanking and Tokyo accordingly. His Majesty's Government feel that the scheme affords the only possible chance, slender as it is, of restoring the situation at Shanghai and averting even greater danger in the near future. It was put forward by His Majesty's Ambassador in China, who has discussed it with his diplomatic colleagues and found a large measure of support for it.

BRITISH EMBASSY,

WASHINGTON, D.C.,

August 18th, 1937.

0715

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

86-3 2

575

793.94/9756

Reference is made to the British Embassy's urgent aide memoire of August 18, 1937, setting forth a proposal, which the British Government has instructed its representatives at Nanking and Tokyo to place before the Chinese and Japanese Governments in the hope of easing the present situation at Shanghai, to the effect that if the Chinese and the Japanese Governments will agree to withdraw their forces, including men-of-war, from the Shanghai area, and will both agree that the protection of Japanese nationals in the International Settlement and on extra-settlement roads should be entrusted to foreign authorities, the British Government will be prepared to undertake that responsibility if other interested governments will join it in doing so.

Careful and close attention has been given to the British Government's inquiry whether the American Government would be prepared to accept with the British Government joint responsibility in carrying out the proposed

action

0716

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

86-4

576

-2-

action and would be prepared to instruct the American Ambassadors at Nanking and Tokyo accordingly.

Shortly after receipt of this inquiry, this Government received in a telegram from the American Ambassador at Tokyo information to the effect that the British Charge d'Affaires at Tokyo had presented to the Japanese Vice Minister for Foreign Affairs the British Government's proposal under reference and that the reaction of the Vice Minister to the proposal was of a character which could only be construed as unfavorable. There has subsequently appeared no indication of an affirmative interest on the part of the Japanese Government in this proposal. In the light of this evidence, it appears to this Government that the question of a possible assumption of a joint responsibility such as is envisaged in the British Government's proposal has already been disposed of, adversely, by the attitude of the Japanese Government in regard to the proposal. However, toward avoiding any possible misunderstanding, it should not be expected that this Government would be favorably inclined toward any project envisaging

~~joint~~

0717

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

86-5

577

-3-

~~joint~~ military or police responsibilities over and
above those which relate to the already existing missions
of its armed forces now present in China.

Department of State,

Washington, August 19, 1937.

PA/H:SKH/ZMK
8/19/37

FE

A true copy of
the signed orig-
inal.
FE/zms

CH

0718
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

87-1

~~Hi~~

~~140~~ Aug. 24

~~PAX/H.~~

~~Do you wish
communications
such as this
acknowledged?
Normally, the
Dept. would not
acknowledge.~~
m.m.H

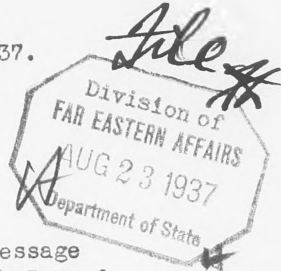
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

87-2

578 E



ASSISTANT SECRETARY OF THE TREASURY
WASHINGTON



793.94/9757

Dear Dr. Hornbeck:

The following is the text of the message sent August 23d by Professor Buck, which I read to you over the telephone:

"More frank expression of Chinese attitude toward American policy in the present crisis continues to reach me. A Chinese leader and friend assisting new director of political and foreign affairs states feeling of close friendship of Chinese for America fast dwindling. Yesterday Wang Ching Wei stated China wants and needs help of a friend now and spontaneously and not a wreath on her grave. Feeling is that invocation of neutrality act will be discrimination against China although unintended. Friend stated American fear of offending Japan untenable because Japanese civilians who oppose present aggression would welcome it. Opinion among many Chinese and Americans is that if both parties are properly approached, and concerted and continued effort made, peace is still possible."

Sincerely yours,

Wayne C. Taylor

Dr. Stanley K. Hornbeck,
Office of Secretary of State.

793.94

AUG 28 1937

9757

DECLASSIFIED: E.O. 11652, 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

1-1236

FROM

This message was received
in Navy cipher and must be
paraphrased before being
made public.

CINCAF

Rec'd August 28, 1937

3:55 p. m.

ACTION: NAVY DEPARTMENT

INFO: COMYANGPAT; 4TH MARINES

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

0028 Present indications are Chinese intend make
stand at Kiangwan Chapei, Nanhhsiang, Kating but this
section cannot be held if Japanese offensive Lotien
successful in which case Nanking troops will probably
withdraw to line through Chapusung, Kangtring, Puanteng,
Taitsing. Believe at least two weeks necessary accomplish
this. Consider advance by Nippon beyond above points
improbable, and if attempted will require much larger
force than now available in Shanghai area which estimated
50,000 reliably reported as third, eleventh, and fourteenth
divisions. 0040

SMS

SEP 7 1937
F/FG

793.94/ 9758

0721

DECLASSIFIED: E.O. 11652, 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

1-1336

FROM COMMANDER ASIATIC FLEET

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

Rec'd August 28, 1937

3:55 p.m.

As information Fourth Marines
Shanghai, Amconsul Shanghai

Division of
FAR EASTERN AFFAIRS
AUG 30 1937
Department of State

793.94

0028. Little progress made by Japanese forces in
Liuho, Lotien sector today. Troops still being landed
in considerable number. Japanese air attacks concentrated
Kating, Pootung, Kiangwang, and Shanghai South Station area.
Two air raids by Chinese planes made on Yangtzepoo during
night. Chinese troops still hold Kiangwan area. No reliable
information concerning operations Japanese troops southeast
Shanghai. Settlement conditions quiet with large numbers
Chinese refugees leaving area daily. Food situation good
only small rise in price of commodities. Health conditions
continue good no outbreaks epidemics. PRESIDENT LINCOLN
sailed with fifty Americans, forty Filipinos, and thirty
other nationalities today. No untoward incidents. Des-
troyer escort provided entering and leaving port. 1940

SMS

793.94/ 9759

FILED
SEP 1 1937 F/FG

0722

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

FE

TELEGRAM RECEIVED

lw

1-1226

FROM COMDR SOUTH CHINA PATROL

This message was received in Rec'd August 29, 1937
Navy cipher and must be para-
phrased before being made public. 7:20 a.m.

792 44

Navy Department
Washington Information Fourth Marines
Amembassy Nanking.

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

Division of
FAR EASTERN AFFAIRS
AUG 30 1937
Department of State

0028 Rear Admiral Lin, commanding naval strategic
points Amoy, arrested twenty seven August, charges
suspicion treason neglecting duty; Mayor Li and police
chief Shen reported also in same predicament. Japanese
have evacuated Amoy except large number Formosians,
military replacing civil authorities. Chinese maritime
custom cruisers anchored Hong Kong. Canton-Hangkow
railroad has been connected with Canton, Hong Kong
road also with Whampoa. 2030

KLP

793.94/9760

FILED
F/FG
-EP 2 1937

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

TELEGRAM RECEIVED

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

1-1336
FROM CINCAF
Division of
EASTERN AFFAIRS
AUG 30 1937
Department of State
Received August 29,
1937
2:46 p.m.
From: CINCAF
INFO: AMCON SHANGHAI COMSUBRON 5, COMDESRON5, ALUSNA
PEIPING COMYANGPAT COMSOPAT FOURTH MARINES
AMEMBASSY NANKING.

793.94

0029 No change in military situation Shanghai
area or in sectors to north and south of city. Japa-
nese extending lines south of Woosung to join force
in Yangtzepoo. Artillery both forces active during
night in Chapei sector. Two wild shots from Chinese
six inch battery struck Pootung point about two hundred
yards from AUGUSTA. Japanese bombing and shelling
concentrated on Chapei in effort silence this battery
believed unsuccessful 1925
SMS

793.941, 9761

F / EG
SEP 1 1937

DECLASSIFIED: E.O. 11652, Secs 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

lw

COMDR YANGTZE PATROL

1-1236

FROM Rec'd August 29, 1937

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

3:30 a.m.

Navy Department
Washington Information Fourth Marines

Division of
Far Eastern Affairs
AUG 30 1937
Department of State

793.94

0028 No developments Yangtze River ports today
Nanking and above. 2225

KLP

793.94/ 9762

FILED
SEP 1 1937

F/FG

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

TELEGRAM RECEIVED

BB

1-1336

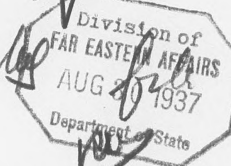
FROM

CONSUBRON FIVE

August 29, 1937

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

From Naval Communications
For the information of the
State Department



793.94

0029. Tsingt-ao area remains quiet measures taken
have obviously done much in restoring confidence in native
and foreign population that peace will continue unbroken
here evacuating Japanese proceeding rapidly and in
orderly manner 1750.

793.94/ 9763

FILED

AUG 12 1937

F/FG

0728
DECLASSIFIED: E.O. 11652, 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 811.918/282 FOR Memorandum.

FROM State Department (Welles) DATED July 21, 1937
TO Undersecretary NAME 1-1127 GPO

REGARDING: Conversation with German Ambassador who inquired regarding situation in China. He stated that he was instructed to advise that his Government had advised both the Japanese and the Chinese Foreign Offices that its attitude was one of complete impartiality and merely expressed the hope that a peaceful solution of controversy would be found.

drp

793.94/9764

7964

0727
DECLASSIFIED: E.O. 11652, 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

1-1336

PLAIN

FROM

Amoy via N. R.

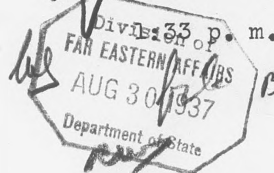
Undated

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

REC'D August 28, 1937

Secretary of State

Washington.



Japanese Consul General just advised by telephone that he and staff were completing Japanese evacuation by departing today. Amoy quiet under control of Cantonese troops.

To Nanking. Repeated to Department and Peiping.
By mail to Foochow, Swatow and Canton.

ALTAFER

KLP

793.94/ 9765

FILED
EB 12 1938

F/FG

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

TELEGRAM RECEIVED

lw

1-1235

FROM

GRAY

Tientsin via N.R.

Dated August 28, 1937

Rec'd 8:28 p.m.

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

Secretary of State

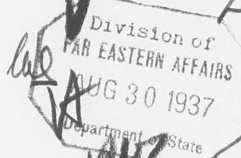
Washington

31, August 28, noon.

On August 26 and 27 3,000 Japanese troops and 15
field pieces came in from Manchuria.

CALDWELL

SMS



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

FE

TELEGRAM RECEIVED

RB

1-1336

FROM

GRAY

Foochow via N. R.

Dated August 27, 1937

Rec'd August 28,

8:32 p. m.

Secretary of State

Washington.

August 27, 7 p. m.

CONFIDENTIAL.

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

Division of
EASTERN AFFAIRS
AUG 30 1937
Department of State

Well-placed Provincial Government official has just telephoned to state in strict confidence that the situation vis-a-vis Japan in Amoy has become much more tense today with the arrest this morning of the Commander of the Amoy fortifications by 151st Division of Nationalist Army, presumably for pro-Japanese activities, although Japanese Consul there has not yet left but is awaiting instructions.

To Nanking, Repeated to Department, Peiping, and Amoy.

WARD

SMS

NPL

SEP 2 1937

FILED
F/FG

793.94/9767

DECLASSIFIED: E.O. 11652, 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

1-1836

CORRECTED COPY
FROM

GRAY

Hankow via N. R.

Dated August 28, 1937

Rec'd 5:09 p.m.

Secretary of State,
Washington.

August 28, 4 p.m.

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

Division of
FAR EASTERN AFFAIRS
AUG 31 1937
Department of State

Information believed reliable is that 58th division departed Hankow beginning August 26 in three steamers for down river, probably Nanking, that 34th, 41st and 48th divisions are being transferred from East Szechuan and West Hupeh to North China, part going over land from Shasi to Hwayuan, Hupeh on Peiping-Hankow Railway.

Americans just arrived from Kutsoling, report heavy troop movements north through Kaopaitien; large troop concentration at Peoting and extending system of trenches, Chinese Army guards and requisitioning supplies along Ping-han Railway.

Records and personnel of Ministry of Railways, Communications and Director of Posts arriving Wuhan. Sent to Nanking. Repeated to Peiping and Department.

SMS:NPL

JOSSELYN

793.94768

FILED

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

TELEGRAM RECEIVED

RB

1-1826

FROM

GRAY

Hankow via N. R.

Dated August 28, 1937

Rec'd 5:39 p. m.

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

Secretary of State

Washington.

August 28, 4 p. m.

Information believed reliable is that (?) division departed Hankow beginning August 31 in three steamers for down river, probably Nanking, that 34th, 41st and 48th divisions are being transferred from East Szechuan and West Hupeh to North China, part going over land from Shasi to Hwayuan, Hupeh on Peiping-Hankow Railway.

Americans just arrived from Kutorling, report heavy troop movements north through Kaopaitien; large troop concentration at Paoting and (?) system of trenches, Chinese Army guards and rice supplies along Ping-han Railway.

Records and personnel of Ministry of Railways, Communications and Director of Posts arriving Ping-han. Sent to Nanking. Repeated to Peiping and Department.

JOSSELYN

SMS

NPL



793.94/ 9768

FILED F/FG
SEP 1 1937

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

TELEGRAM RECEIVED

lw

1-1220

FROM GRAY

Shanghai via N.R.

Dated August 28, 1937

Rec'd 7:15 p.m.

Secretary of State
Washington

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



590, August 28, 1 p.m.

It is now reported that the Chinese are beginning a tactical withdrawal to prepared positions away from Shanghai as the Japanese Army forces begin their advance from Liuho and Woosung areas. Chinese pressure on eastern section of the northern district has already relaxed, there is no heavy fighting on other sectors in northern area, Chinese units are reported as having withdrawn to stem the Japanese advance which has not yet reached full force, steady Japanese bombing operations continue and are now being conducted in area south of Shanghai near east Nantao where Chinese troops, probably from Pootung, have been reported to be gathering in considerable force, and except for occasional air raids particularly at night the Chinese air force has been little in evidence.

Two. Situation in the foreign area south of

Soochow

793.94/ 9769

FILED
SEP 8 1937
F/EG

073
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

lw 2, No. 590, August 28, 1 p.m, from Shanghai.

Soochow Creek and in French Concession improving, a number of shops and offices are reopening and confidence is returning.

Three. While we cannot yet feel assured that the serious danger to the foreign areas has passed, we feel encouraged to believe that it is diminishing. Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

SMS

0734

DECLASSIFIED: E.O. 11652, 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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

AUG 31 1937

August 28, 1937

CONFIDENTIAL

The Situation in the Far East

✓
✓
Mr. Secretary:

During the week in review, in north China military operations, although impeded in some sectors by heavy rains, are taking place over a widening area; at Shanghai the Japanese landed large army reinforcements, and elsewhere carried out air raids over a wide area. The military operations at Shanghai have caused appalling losses of civilian life and destruction of property, although in the International Settlement general conditions have shown improvement.

Northwest of Peiping the Chinese continue holding the northern end of Nankow Pass despite a heavy Japanese bombardment, and capture of Kalgan by the Japanese is still in doubt. The total Japanese forces operating in north China are conservatively estimated at 125,000. Military operations along the railway approaches to Tientsin and Peiping have been impeded by heavy rains.

Heavy

793.94/9770

-2-

Heavy reenforcements from the Japanese army were landed around Shanghai under cover of gunfire from Japanese warships. In the northern sector of the Shanghai campaign the Japanese forces began to push an advance before which the Chinese have been obliged to fall back with heavy losses; elsewhere the Japanese landed forces have been consolidating their positions. In the air the Japanese have established their supremacy. Their air raids, which are causing great havoc, are not confined to the Shanghai area but have extended to interior points, especially Nanking. The British Ambassador to China, who was proceeding by motor car from Nanking to Shanghai, was seriously wounded by fire from a Japanese plane. This incident has added to the strain in Anglo-Japanese relations.

On August 26, the Japanese proclaimed a blockade of Chinese shipping along the lower Yangtze and the China coast from Shanghai to a point below Swatow.

Our Consulate at Tsinan has been closed and the Consul ordered to proceed to Tsingtao where about 900 Americans and many more European nationals are concentrated. The Japanese, however, are evacuating their nationals from Tsingtao. Our Embassies at Tokyo and Nanking have requested assurances from the Japanese and Chinese

0738
DECLASSIFIED: E.O. 11652, 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-

Chinese Governments that Tsingtao will not be made a base of military operations. Similar requests have been made at Tokyo and Nanking by the German, British, French and Italian Embassies.

The Department has directed our Embassies at Tokyo and Nanking to address notes to the Japanese and Chinese Governments stating that the American Government must reserve all its rights as regards holding the two governments responsible for losses of lives or property of American citizens as a result of actions by the forces of the two countries.

W.H.

Jms
EE: JWB: VC: SMJ

88-1

579

TELEGRAM RECEIVED

MB

GRAY

1-1886

FROM

Shanghai via N.R.

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

Dated August 29, 1937

Rec'd 5:40 a.m.

Secretary of State,

Washington.

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



596, August 29, 9 a.m.

I find that in the pressure of the past week I have omitted to inform the Department of the following pro forma exchanges which I now summarize to complete the record.

Communication dated August 14th from the Mayor of Greater Shanghai to me and to other consular representatives stated that Japanese armed forces had attacked and invaded Chinese territory; that measures of self defense had been adopted but that in pursuance of the established policy of the Chinese Government adequate protection would be accorded to all foreign life and property in areas under Chinese control. The Mayor stated however that the Chinese military requested the settlement authorities to restrain the Japanese forces from using the settlement as a base of operations and that in the event the settlement was so used no responsibility would be assumed for such consequences as might arise from measures taken by Chinese

793.94/ 9771

FILED

F/FG

88-2

580

- 2 -

MB #596, August 29, 9 a.m. from Shanghai via N.R.

Chinese troops in self-defense.

On August 15th Senior consul made oral representations to both Chinese and Japanese informing them that the consular representatives concerned must continue to hold both sides responsible for any loss or injury to foreign national interests arising out of the present conflict; requested both sides to refrain from using the foreign areas as bases for military operations; and protested the flying of Chinese and Japanese planes over these areas and the bombing and firing consequent thereto.

GAUSS

DAS

89-1

581

TELEGRAM RECEIVED

EDA

GRAY

1-1336

FROM

SHANGHAI VIA N.R.

Dated August 29, 1937

Received 2:48 p.m.

Secretary of State

Washington

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

Division of
FAR EASTERN AFFAIRS
AUG 30 1937

600, August 29, 5 p.m.

Military situation. Fighting around Shanghai began on August 13. For the first few days Chinese forces held air supremacy and on the 18th land forces all but succeeded in driving a strong wedge into Japanese sector. Japanese tanks, armored cars, and strong support from war vessels probably determining factor. Inability of Chinese air force to hit Japanese war vessels and Japanese barracks near Hongkew park, all heavily protected with anti-aircraft guns, and Chinese lack of artillery doubtless enabled Japanese to hold out until army reinforcements arrived on the 23rd, prior to which time Chinese probably had about 80,000 men in the field, Japanese naval landing party not more than 12,000. From 18th Japanese air superiority, due to the number of planes available, has been increasingly apparent and they are now bombing Chinese positions several times daily at will dropping up to 14 bombs at once. Chinese air activities at Shanghai now confined

to

793.94/ 9772

FILED

F/FG

89-2

582

EDA - 2 - #600, August 29, 5 p.m. from Shanghai

to night raids.

Rough estimates of the forces in the field in this area at the present time are Chinese 100,000 and Japanese 30,000. The line of fighting according to foreign military observer runs from a point somewhat north of Liuho, slightly west of Liuho and Lotien to Kiangwan, thence west through the North Station in Chapei along the north bank Soochow Creek around the Settlement beyond the Hangchow Ningpo Railway line to the Whangpoo near Kiangnan arsenal. ^{Further} ~~Further~~ south, Japanese troops are reported at Chuansha and Nanhui.

Fighting in the Lotien area has been especially severe. In almost all sectors the Japanese are greatly assisted by their naval guns and bombers. No reports have been received of prisoners taken by either side.

Foreign physicians comment that the vast majority of cases of Chinese soldiers being received at their hospitals in Shanghai are ambulatory cases indicating that the more severely wounded are largely without assistance. Estimates of Chinese casualties in the fighting thus far run as high as 50,000 and must in fact be very large. Sixteen temporary hospitals in the Settlement are reported to have nearly 4,000 soldiers wounded. Reliable information concerning Japanese casualties is totally lacking.

A large

89-3

583

ETA - 3 - #600, August 29, 5 p.m. from Shanghai

A large Japanese hospital ship is in the harbor.

It is reported that the Japanese treatment of the noncombatant Chinese population in the Hongkew and Yangtzepoo area was most inhuman but the proof in support of such reports has yet to be forthcoming. It is to be remarked that Japanese air force bombing operations and machine gun firing from planes has been directed not only at troops and military positions but at non-combatant Chinese. For example, the bombs dropped at the South Station near Nantao, Shanghai, yesterday noon killed several hundred Chinese refugees awaiting train transportation out of Shanghai and wounded many hundred more.

Foreign military observers are of the opinion that the Chinese forces will by choice or necessity soon retreat to their next line positions which would remove the fighting from the immediate vicinity of Shanghai to the Thitsang Anting Tsinpu line.

Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

SMS

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

90-1

584

TELEGRAM RECEIVED

RB

1-1230

FROM

GRAY

Nanking via N. R.

Dated August 28, 1937

Rec'd 5:42 p. m.

Secretary of State

Washington.

542, August 28, noon.

On August 27, 4 p. m. Tientsin quoted the Department's
14/7579 August 24, 4 p. m. to Tientsin in regard to censorship
of mail at Tientsin and commented as follows:

"I have consulted all consulates general except
Japanese (Belgian, British, German, French, and Italian)
and they will make similar representations upon being
informed that I am doing it. I intend to make only oral
representations to the Japanese Consul General in terms
of the Department's telegram if the Embassy approves.
Please instruct".

I have replied as follows:

"August 28, 10 a. m. Action proposed in your
August 27, 4 p. m. approved."

JOHNSON

SMS

NPL

Division of
FAR EASTERN AFFAIRS

AUG 30 1937

Department of State

793.94/9773

SEP 4 1937

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note
893.711

0743

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

TELEGRAM RECEIVED

RB

1-1236

FROM

GRAY

Nanking via N. R.

Dated August 28, 1937

Rec'd 7:06 p. m.

Secretary of State
Washington.

546, August 28, 9 a. m.

CIRULAR.

773.94
12-193

Fifteen women of the Embassy including employees are being evacuated to Hankow temporarily. Air raids at Nanking continue almost daily with increasingly heavy bombardment. Landing of additional Japanese troops at Shanghai is expected to alter the situation there in the near future. No confirmed reports of definitive change in North China situation. Evacuation of Japanese men from Tsingtao is beginning. Kuling Kikungshan Hankow have been designated as temporary concentration points for Americans in Yangtze Valley preliminary to evacuation from China.

JOHNSON

SMS



793.94/ 9774

FILED
F/FG
SEP 2 1937

0744
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

91-1
585 FF
TELEGRAM RECEIVED



EDA

1-1336

FROM

GRAY

NANKING VIA N.R.

Dated August 29, 1937

Received 2:48 p.m.

Secretary of State

Washington

554, August 29, 1 p.m. AUG 30 1937

Tele. to Nanking and Tokyo
If the Department approved please inform Tokyo that British, German, Italian, French Embassies and I wish that our several ambassadors at Tokyo would represent to the Japanese Government that the railway which connects Hankow with Canton and Hong Kong is now being used by foreign nationals being evacuated from China and that we hope that every care will be used by Japanese military planes not to machine gun or bombard trains or otherwise interrupt use of that line for evacuation of foreigners.

Sent to the Department. Repeated to Peiping.

JOHNSON

SMS

793.94/ 9775

SEP 1 0 1937

FILED

F/FG

0745

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

91-2

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
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TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 AUG 30 PM 1 25

August 30, 1937.

AMEMBASSY, DIVISION OF
COMMUNICATIONS
AND RECORDS
TOKYO, (JAPAN).

180 111 9775
Nanking's 554, August 29, 1 p.m., is repeated for
communication by you to your interested colleagues as
follows:

QUOTE If the Department approves please inform Tokyo
that British, German, Italian, French Embassies and I wish
that our several ambassadors at Tokyo would represent to
the Japanese Government that the railway which connects
Hankow with Canton and Hong Kong is now being used by foreign
nationals being evacuated from China and that we hope that
every care will be used by Japanese military planes not to
machine gun or bombard trains or otherwise interrupt use of
that line for evacuation of foreigners. UNQUOTE

The Department approves of your associating yourself
with your interested colleagues in making appropriate repre-
sentations to the Japanese Government in regard to this matter.

793.94/9775

AUG 30 1937

Enciphered by FE:JWB:VC

Sent by operator M., 19

PA/H

0746

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

91-3

TELEGRAM SENT

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Department of State
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Washington,

1937 AUG 30 PM 1 25

August 30, 1937

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AMEMBASSY,

DIVISION OF
COMMUNICATIONS
AND RECORDS

NANKING, (CHINA).

193

Your 554, August 29, 1 p.m., has been repeated to Tokyo.
Department has authorized Ambassador Grew to associate him-
self with his interested colleagues in making appropriate
representations to the Japanese Government.

793.94/9775

173.44/9775

H-ee
SKH

JWB
FE:JWB:VC

FE

PA/H

AUG 30 1937

Enciphered by

Sent by operator M., 19.....

0747

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

PREPARING OFFICE
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91-4
TELEGRAM SENT

586 *Grey*
TO BE TRANSMITTED
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✓ NONCONFIDENTIAL CODE ✓
PARTIAL
PLAIN

Department of State
U.S. DEPARTMENT OF STATE

Washington, Via Naval Radio
1937 SEP 1 PM 5 24
September 1, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

6 fm

AMEMBASSY,

NANKING, (CHINA). *via NR*

200
793.94/9775

Department's 193, August 30, 2 p.m. /

The Embassy at Tokyo reports that it has addressed a X
note to the Minister for Foreign Affairs in the sense of
your 554, August 29, 1 p.m.; that the British and French
Embassies are addressing to the Minister for Foreign Affairs
similar notes and that the German and Italian Embassies
envisage only an oral approach to the Foreign Office.

793.94/9775

Hull
SKY

✓
SEP 1 1937. PM

JWB
FE:JWB:VC

REU
FE
m. m. d.

✓
PA/H

Enciphered by _____

Sent by operator _____ M., _____, 19 _____

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

92-1

587

TELEGRAM RECEIVED

1-1236

FROM

RB

PLAIN

Nanking via N. R.

Dated August 28, 1937

Rec'd 6:19 p. m.

Secretary of State

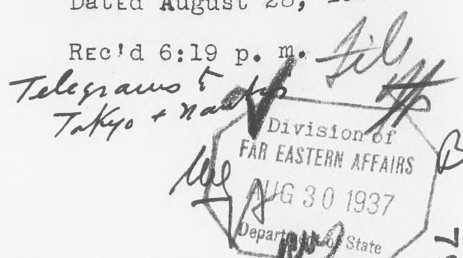
Washington.

549, August 28, 7 p. m.

Acting upon request from Tientsin the German, British, French, Italian representatives and I addressed the following note to the Chinese Foreign Office August 27:

"We have the honor to state that a collective message has been received from the consular representatives of our respective nationalities and from the Belgian Consul General at Tientsin stating that in view of the recent aerial bombing of Shanghai and persistent rumors of contemplated bombing of Tientsin, which rumors cannot be confirmed there but may nevertheless be of serious importance, the consular representatives have consulted together and have decided to request that representations be made both to the Chinese and to the Japanese authorities, in the hope of preventing any aerial bombing of Tientsin. They point out that such bombing must inevitably bring grave danger to all the foreign population of Tientsin.

We



793.94/9776

F/FG

0748
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

92-2

538

RB

-2-#549, August 28, 7 p.m. from
Nanking

We urge that the statements of the foreign consular offices be given most serious consideration by the National Government, in view of the gravity of the issues involved, and that suitable assurances be given by the National Government. We are communicating with our respective diplomatic missions in Tokyo, asking that similar representations be made by them and similar assurances be sought from the Japanese authorities.

My colleagues request that this telegram be repeated to the American Ambassador at Tokyo for transmission to the diplomatic missions of the nations listed in order that suitable representations may be made by them.

Sent to the Department. Repeated to Peiping and Tientsin.

JOHNSON

SMS

NPL

0750

DECLASSIFIED: E.O. 11652, 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

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92-3
TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Washington,

1937 AUG 29 PM 1 14 August 29, 1937.

AMEMBASSY,

NANKING (China).

DIVISION OF
COMMUNICATIONS
AND RECORDS

3 PM

✓ 192

Your 549, August 28, 7 p.m., has been repeated to Tokyo for communication to the interested Ambassadors. Ambassador Grew has been informed that the Department approves of his associating himself with his interested colleagues in an appropriate approach to the Japanese Government on this matter.

793.94/9776

793.94/9776

H-ee

sent

JWB
FE:JWB:ZMK

FE

Enciphered by

Sent by operator

M.,

19

D. C. R.—No. 50

1-1482

U. S. GOVERNMENT PRINTING OFFICE

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

92-4
TELEGRAM SENT

PREPARING OFFICE
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Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
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Washington,

1937 AUG 29 PM 1 40

August 29, 1937.

793.94/9776
AMEMBASSY,

178
TOKYO (Japan).

DIVISION OF
COMMUNICATIONS
AND RECORDS

2 PM
Nanking's 549/9776 August 28, 7 p.m., is repeated for
communication by you to your German, British, French and
Italian colleagues as follows:

QUOTE Acting upon request from Tientsin the German,
British, French, Italian representatives and I addressed the
following note to the Chinese Foreign Office August 27:

SUBQUOTE We have the honor to state that a collective
message has been received from the consular representatives
of our respective nationalities and from the Belgian Consul
General at Tientsin stating that in view of the recent aerial
bombing of Shanghai and persistent rumors of contemplated
bombing of Tientsin, which rumors cannot be confirmed there
but may nevertheless be of serious importance, the consular
representatives have consulted together and have decided to
request that representations be made both to the Chinese
and to the Japanese authorities, in the hope of preventing
any aerial bombing of Tientsin. They point out that such
bombing must inevitably bring grave danger to all the foreign
population of Tientsin.

Enciphered by

Sent by operator M., 19.....

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/9776

F/FG

0752

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

92-5

PREPARING OFFICE
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
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PARTAIR
PLAIN

Washington,

- 2 -

We urge that the statements of the foreign consular offices be given most serious consideration by the National Government, in view of the gravity of the issues involved, and that suitable assurances be given by the National Government. We are communicating with our respective diplomatic missions in Tokyo, asking that similar representations be made by them and similar assurances be sought from the Japanese authorities. END SUBQUOTE

My colleagues request that this telegram be repeated to the American Ambassador at Tokyo for transmission to the diplomatic missions of the nations listed in order that suitable representations may be made by them UNQUOTE.

The Department approves of your associating yourself with your interested colleagues in making an appropriate approach to the Japanese Government on this matter.

H-ee

JWH

FE:JWB:ZMK

FE

PA/H

Enciphered by

Sent by operator

M.

19

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

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

93-1

590

TELEGRAM RECEIVED

MB

GRAY

1-1236

FROM

Nanking via N.R.

Dated August 29, 1937

Rec'd 9:16 a.m.

Secretary of State,

Washington.

555, August 29, 2 p.m.

My 554, August 29, 1 p.m.

Del. to [illegible]
Division of
FAR EASTERN AFFAIRS
AUG 30 1937
Department of State
Telegram to Nanking

In view of the fact that there are American citizens still scattered throughout the country who will have to use the railways and existing motor roads as their only means of leaving for places of comparative safety, and in view of all widespread bombing operations now being carried out by the Japanese military throughout Chinese territory I wonder whether the several governments could not properly make representations to the Japanese Government with a view to persuading it to refrain from these inhuman attacks upon defenseless cities, hospitals, trains and motor-cars, etc. Sooner or later some incident is going to happen resulting in the death or injury to a lot of American citizens going about their legitimate occupations within the interior of China where such dangers should not exist. Japan declares that it is not at war with China and yet its planes are conducting raids far in the interior dropping deadly missiles

793.94/ 9777

14776
AUG 30 1937

0754

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

93-2

591

- 2 -

MB #555, August 29, 2 p.m. from Nanking via N.R.

missiles in deliberate disregard of the rights of
other nations.

Sent to the Department, repeated to Peiping.

JOHNSON

KLP

0755

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

93-3

PREPARING OFFICE
WILL INDICATE WHETHER

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TELEGRAM SENT

Gray

TO BE TRANSMITTED
CONFIDENTIAL CODE
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Department of State
DEPARTMENT OF STATE

Washington,

957 AUG 30 PM 6 1/2 August 30, 1937.

Spind

AMEMBASSY

DIVISION OF
COMMUNICATIONS
AND RECORDS

TOKYO (Japan).

183

The Department has received from Nanking a telegram reading substantially as follows:

793.94/9777
note
793.1115

~~XXXX~~ In view of the fact that there are American citizens still scattered throughout the country who will have to use the railroads and motor roads as their only means of leaving for places of comparative safety, and in view of widespread bombing operations now being carried out by the Japanese military throughout Chinese territory, I wonder whether the several Governments could not repeat not properly make representations to the Japanese Government with a view to persuading it to refrain from these attacks upon defenseless cities, hospitals, trains and motor cars, et cetera. Sooner or later some incident is going to happen resulting in the death or injury to American citizens going about their legitimate occupations within the interior of China where such dangers should not repeat not exist. Japan declares that it is not repeat not at war with China and yet its planes are conducting

793.94/9777

Enciphered by

Sent by operator M., 19.....

0756

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

93-4

PREPARING OFFICE
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Washington,

-2-

raids far in the interior dropping deadly missiles in
 deliberate disregard of the rights of other nations. ~~REDACTED~~

~~REDACTED~~

The Department desires that unless you perceive
 objection you call at the Japanese Foreign Office and invite
 attention to the situation described in the telegram quoted
 above, in the hope that the Japanese Government will cause
 appropriate instructions to be issued to its military forces
 in the field. It is suggested that you leave an aide memoire
 at the Foreign Office.

It is desired that you inform your principally in-
 terested colleagues of the action you propose taking and
 suggest for their consideration the advisability of taking
 action along similar lines.

Hull
 SICK

793.9A/9777
 Enciphered by FE:MSM:VOI:SMJ

Sent by operator _____ M., _____, 19____

D. C. R., No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

[Handwritten initials and marks]

[Handwritten "PA/CH" and other marks]

0757

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

93-5

TELEGRAM SENT

May

592

PREPARING OFFICE
WILL INDICATE WHETHER

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Department of State
DEPARTMENT OF STATE

Washington,

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

937 AUG 30 PM 6 51 August 30, 1937.

AMEMBASSY,

NANKING (China). *via N.R.*

DIVISION OF
COMMUNICATIONS
AND RECORDS

✓ 196

Your 555, (August 29, 2 p.m.)

Substance of telegram under reference has been telegraphed to Tokyo with suggestion that Grew call at the Foreign Office, bring attention to the situation described, leaving an aide-memoire, and in anticipation of that action, inform his principally interested colleagues of his intention and suggestion that they consider taking action on similar lines.

793.94/9777

793.94/9777

Hull
sch

PA/H:SKH:ZMK

FE

M.W.

Enciphered by

Sent by operator M., 19.....

D. C. R.-No. 80

1-1402 U. S. GOVERNMENT PRINTING OFFICE

CH

TELEGRAM RECEIVED

EDA 1-1336

FROM

GRAY

NANKING VIA N.R.

Dated August 29, 1937

Received 2:46 p.m.

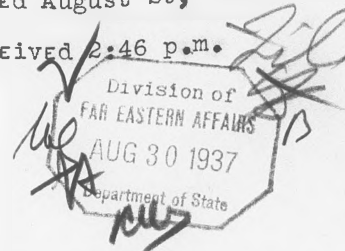
Secretary of State

Washington

557, August 29, 4 p.m.

One. By letter of today I am asking Minister of Foreign Affairs to arrange as far as Americans are concerned for removal of restriction upon withdrawal of funds from Chinese banks which is operating to prevent Americans at Kuling and other places from purchasing transportation pursuant to the advice of the American Government that they leave China. The situation is acute at Kuling, which has been designated as a temporary concentration point for evacuating Americans proceeding out via Canton. Some 400 Americans are now at Kuling, the only banking facilities there are Chinese and it is practically impossible to arrange for transfer of funds in those cases in which Americans have deposits in American banks. My letter speaks of laying aside the question of the illegality of the banks' restraint injuring American property and asks that the restriction be removed as matter of comity.

Two.



793.94/9778

FILED

F/EG

0755
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hunter NARS, Date 12-18-75

EDA - 2 - #557, August 29, 4 p.m. from Nanking

Two. Please take up this matter informally with Ministry of Finance, Shanghai, and urge acquiescence in the Embassy's request.

Three. Sent to Shanghai. Repeated to Department, Peiping.

JOHNSON

SMS

94-1

593

FE

TELEGRAM RECEIVED

lw

1-1886

FROM

GRAY

Tsingtao via N.R.

Dated August 30, 1937

Rec'd 2:10 p.m., 29th

Secretary of State

Washington

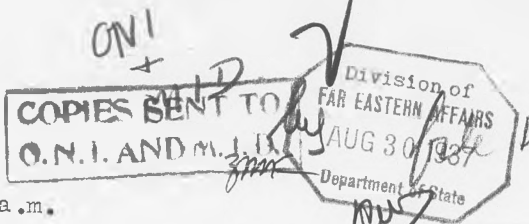
August 29, 11 a.m.

Evacuation of Japanese proceeding without incident.

Even the principal Japanese hospital is closing, but there will remain perhaps a total of 300 Japanese nationals, such as electric light company and Chinese Government employees, out of a normal population of 16,000 Japanese. All Japanese shipping between Tsingtao and Dairen and between Tsingtao and Japan is ceasing at the end of this month.

Japanese Rear-Admiral quoted in the newspapers as stating that the present hostilities are punitive measures against those possessing anti-Japanese spirit and Communists and not against the Chinese people. "It can accordingly be expected that at comparatively quiet places, such as Tsingtao, Sino-Japanese friendly relations will be restored as soon as the anti-Japanese and communist elements are out of the Shanghai and Tientsin-Peiping areas."

Japanese



793.94
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793.94

793.94/9779

FILED

SEP 1 1937

F/FG

0761
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

94-2

594

lw 2, August 30, 11 a.m. from Tsingtao

Japanese Consul General from Tsinanfu now in Tsingtao emphatically stated to Allison yesterday that Japanese troops would not land in Tsingtao.

Yokohama Specie Bank and Bank of Chosen have asked a local American business man to look after their property while Japanese are gone.

Everything quiet here.

SOKOBIN

KLP

0762
DECLASSIFIED: E.O. 11652, 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

COMYANGPAT

August 30, 1937

Rec'd 7:27 a.m.

From Naval Communications
For information of the
State Department.

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

0029. Yangtze River ports quiet. 2353



793.94/9780

FILED F/FG
SEP 1 1937

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

TELEGRAM RECEIVED

1-1336

FROM

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

SINS

COMSGPAT

Rec'd August 29, 1937

8:11 p.m.

Division of
FAR EASTERN AFFAIRS

AUG 30 1937

Department of State

793.94
note
702.9493
From Naval Communications
For the information of the
Department of State.

0029 Officials reported in my twenty-third yesterday released on twenty-eight August and resumed former duties. Japanese Consul and staff suddenly evacuated Amoy afternoon twenty-eighth. Forenoon twenty-ninth thirty-five Chinese planes maneuvered over Canton in excellent formation, believed some of these planes came from Kwangsi. 1645

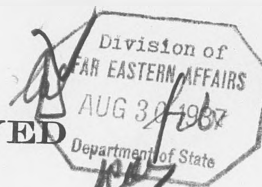
sms

793.94/9781

FILED
F/F-G
SEP 1 1937

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

TELEGRAM RECEIVED



FS

1-1336

FROM

COMSUBRON FIVE

August 30, 1937

Rec'd 7:10 a.m.

ACTION: CINCAF, OPNAV
INFO: COM DESRON FIVE, COMYANGPAT,
COMSOPAT, FOURTH MARINES
EMBASSY NANKING, ALUSNA
PEIPING

COPIES SENT TO
DIA AND CIB
ROUTINE WP

0030. Evacuation Japanese Nationals being completed,
principal Japanese hospital closing. American Consul re-
ports about three hundred Japanese Nationals out of a
normal population of 16,000 will remain including Consul
General and staff employees of electric light company and
of Chinese Government. All Japanese shipping between
Tsingtao and Dairen and between Tsingtao and Japan ceasing
end this month. Japanese Consul General from Tsinan now
in Tsingtao and admiral Shimokura both quoted as saying
that friendly relations here will be restored as soon as
possible and that no troops will land. Yokohama Specie
Bank and Bank of Chosen have asked a local American business-
man to look after their property while Japanese are gone.
City continues quiet and orderly. 1400

793.94/9782

FILED

EB 12 1937

F/FG

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

95-1

TELEGRAM RECEIVED

FS

1-1336

This message was received in Navy cipher and must be paraphrased before being made public.

FROM

CINCAF

August 30, 1937

Rec'd 8:22 a.m.



0030. It is my intention unless otherwise directed to notify the Japanese Admiral that under existing conditions I cannot recognize the right of Japanese men of war to stop and search United States merchant vessels and that I shall instruct the vessels of my command accordingly. 1835

793.94/9783

793.94
793.94/112

FILED
AUG 22 1938

F/FG

22

EE

TELEGRAM RECEIVED

FS

CINCAF

1-1336

FROM

August 30, 1937

Rec'd 9:40 a.m.

INFO: AMERICAN CONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYGANPAT
COMSCPAT
FOURTH MARINES
AMEMBASSY NANKING
ALUSNA PEIPING
SECRETARY OF STATE, WASHINGTON.

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



793.94

0030. No change in military situation vicinity Shanghai. Heavy fighting reported in Kiangwan and Liien sectors but results these actions not yet apparent. Chinese troops believed making firm stand. Japanese lines now reported extend from Honkew through Kiangwan to Woosung but this unconfirmed. Chinese snipers still active both sides Whangpoo. Conditions improving in Settlement. Members Shanghai Volunteers except Russian Company returning regular work required be available duty on one hour's notice. Limited steamship service North China ports being resumed SS SHENGKING departs tomorrow. Arranging with Japanese authorities permit Americans reenter Hongkew Yangtzepoo remove property and merchandise. PRESIDENT HOOVER reports being bombed by Chinese planes. Extent casualties damage unknown. Have directed EDSALL proceed her assistance. 1840

ALC

COMMANDER IN CHIEF ASIATIC FLEET

793.94/9784

SEP 1 1937

FILED F/FG

0767

DECLASSIFIED: E.O. 11652, 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 893.775 - Manchuria/2 FOR Communication

FROM Dairen (Grunmon) DATED July 29, 1937
TO NAME 1-1127 GPO

REGARDING: Railway Accidents - Manchuria.

Sabotage: Report of three cases: Train No. 16 from Harbin to Dairen wrecked July 21 by removal of two rails; train between Dairen and Chinchow wrecked by removal of spikes which held track in place; burning of oil storage tank in wharf section of Dairen.

mr

793.94/ 9785

9785

TELEGRAM RECEIVED

FS

1-1336

FROM GRAY

Shanghai via N. R.

Dated August 30, 1937

Rec'd 7:10 a.m.

Secretary of State,
Washington.

606, August 30, 1 p.m.

Reference Nanking's August 29, 4 p.m.

I discussed matter with Hsu Kan, Vice Minister for Finance this morning. He took position that he could not by administrative action set aside restrictions which are uniformly applicable. (*) *Discussion* developed that while restrictions permit of withdrawals of only five per cent or maximum of \$150 each week, the banks have authority to give special consideration to written applications for withdrawals for payrolls, travelling expenses and overhead. I urged that the matter could be facilitated under the provision concerning travelling expenses. Vice Minister acquiesced in this view and gave directions in my presence to instruct banks to facilitate applications but, of course, he is not to be understood as making a special exception for Americans.

Sent to Nanking. Repeated to Department and Peiping.

PEG:WWC

GAUSS

(*) Apparent omission



793.94/9786

SEP 7 1937
FILED 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

EMC

GRAY
TELEGRAM RECEIVED

Peiping via NR

1-1336

Dated August 30, 1937

FROM

Rec'd. 7:10 a. m.

Secretary of State

Washington

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



495, August 30, 4 p. m.

Embassy's 483 / 9726 August 27, 4pm.

793.94

One. The political situation in that part of Tsopei Province occupied by the Japanese continues unsettled. Evidently the higher Japanese authorities have not yet decided what form of control is desirable. This does not prevent a certain group of local Japanese, however, from going ahead with plans for autonomy. A number of Japanese in plain clothes attended a meeting August 27, of the North China People's Self Government Association which was active in 1935 and of which the leading Chinese faction is reported to be General Hsu Lan Chou, former subordinate of Chang Hso Lin and Tu Chun of Heilungkiang Province.

Two. The Peiping Local Maintenance Committee continues nominally to direct the affairs of the city, but the most powerful Chinese at present is the Chief of Police, Pan Yu. The chairman of the committee, General Chiang Chao, who is concurrently Mayor, is apparently really trying to improve the situation of the people, but

793.94/9787

SEP 2 1937
RHPG

EMC 2--Peiping, August 30, 1937, #495.

but is allegedly meeting with difficulties because of non-cooperation and non-support by the Japanese military. For example, Chiang had believed that he had persuaded the the Japanese of the advisability of rearming the Chinese police, but so far very few rifles have been returned to them.

Three. The Association of District Maintenance Committees of Hopei does not appear to be functioning in the province. The efforts of the Association seems to be directed mainly toward returning refugees in Peiping to their homes.

Four. With regard to the military situation, Japanese claims that Chinese forces in the Nankou-Kalgan area are retreating westward have not been definitely established, but the absence of artillery fire at Nankou for past several days indicates Japanese successes in that sector. There seems to be no (repeat no) important forward movements on the Japanese front on the Tientsin-Pukou and Peiping-Hankow Railways in progress at the moment.

Five. Rail service between Peiping and Tientsin and Tientsin and Shanhaikwan has now been accelerated and otherwise improved.

Six

077
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Huatzen NARS, Date 12-18-75

EMC 3-Peiping, August 30, 1937, #495.

Six. The **PEIPING** CHRONICLE has been authorized by
the local Chinese forces to resume publication (see
Embassy's No. 467, August 23, 5 p. m.).

Repeated to Nanking.

LOCKHART.

WWC

KLP

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

96-1

596

TELEGRAM RECEIVED

EMC

GRAY

1-1330

FROM Nanking via NR

Dated August 30, 1937

Rec'd. 9:55 a. m.

Secretary of State

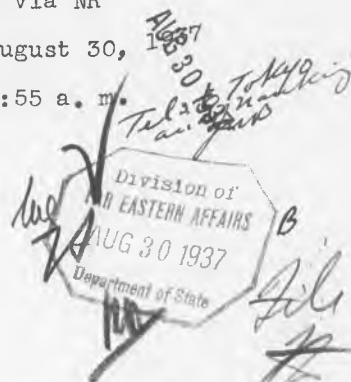
Washington

561, August 30, 2 p. m.

My 485, August 21, 1 p. m.

One. On the morning of August 29 the diplomatic representatives of Germany, Great Britain, France and Italy, asked that I telegraph the following message to the American Ambassador in Tokyo for transmission to the diplomatic representatives with request for action on our behalf:

Two. "The diplomatic representatives in Nanking of the five powers concerned have already asked that Japanese bombing operations be excluded from an area in this city wherein they and some of their nationals reside and where foreign shipping is anchored. They feel, however, that other aspects of the matter demand equal consideration. For example the extensive bombing of the city on the night of August 26 placed in danger the lives and property of noncombatants, both foreign and Chinese, and it has seemed to the same diplomatic representatives



793.94/9788

SEP 2 1937

FILED E/FG

96-2

597

EMC #2-- Nanking, August 30, 1937 - #561.

representatives that the appropriate Japanese authorities, when this fact is brought to their attention, may desire to limit future action in accordance with the restraints which considerations of humanity and of international comity usually impose on the bombing of the political capital of a country, especially when no state of war exists. Both before and after the earlier request for the protection of a defined area was made, there occurred bombing operations over the city which extensively damaged the buildings and killed several of the employees of the National Central University and also resulted in the burning alive of numerous peaceful Chinese in one of the poorer quarters. These scenes of destruction have been visited by foreign diplomatic officers. The Governments and people of the nations of the indicated diplomatic representatives are in friendly relations with China as with Japan. Basing their appeal, therefore, on these friendly relations, and on the principles of ordinary humanity they request the discontinuance of activities which despite their military objectives result actually in the indiscriminate destruction of property used for educational and other non-military purposes, and in the wounding and painful death of civilians". Repeated to Peiping.

JOHNSON.

DDM
WVC

0774

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

96-3

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Gray

598
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

Naval Radio

937 AUG 30 PM 6 18 August 30, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

7 pm

793.94/9788

AMEMBASSY,

NANKING, (CHINA).

✓ 195
Your 561, August 30, 2 p. m., has been repeated to
Tokyo for communication by the Ambassador to his
interested colleagues. The Ambassador has been authorized
to associate himself with them in appropriate representations
to the Japanese Government.

793.94/9788

Hull
SKH

OR
AND SP *ALA*

JWB
FE: JWB:SMJ

KWB
FE
mmh

PA/H
SKH

Enciphered by

Sent by operator M., 19.....

D. C. B.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

CH

0775

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

96-4
Telegram SENT

Department of State
DEPARTMENT OF STATE

Gray
Washington,

937 AUG 30 PM 6 18

August 30, 1937.
7 pm

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

DIVISION OF
COMMUNICATIONS
AND RECORDS
AMEMBASSY,
TOKYO, (JAPAN).

162 Department's 158, August 21, 10 p.m.

Nanking's 561, August 30, 2 p.m., is repeated for

7-3174/9788 communication by you to your interested colleagues as follows:

QUOTE One. On the morning of August 29 the diplomatic representatives of Germany, Great Britain, France and Italy, asked that I telegraph the following message to the American Ambassador in Tokyo for transmission to the diplomatic representatives with request for action on our behalf.

Two. SUBQUOTE The diplomatic representatives in Nanking of the five powers concerned have already asked that Japanese bombing operations be excluded from an area in this city wherein they and some of their nationals reside and where foreign shipping is anchored. They feel, however, that other aspects of the matter demand equal consideration. For example the extensive bombing of the city on the night of August 26 placed in danger the lives and property of noncombatants, both foreign and Chinese, and it has seemed to the same

Enciphered by

Sent by operator M., 19.....

793.94/9783

0778

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

96-5

TELEGRAM SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

-2-

Washington,

diplomatic representatives that the appropriate Japanese authorities, when this fact is brought to their attention, may desire to limit future action in accordance with the restraints which considerations of humanity and of international comity usually impose on the bombing of the political capital of a country, especially when no state of war exists. Both before and after the earlier request for the protection of a defined area was made, there occurred bombing operations over the city which extensively damaged the buildings and killed several of the employees of the National Central University and also resulted in the burning alive of numerous peaceful Chinese in one of the poorer quarters. These scenes of destruction have been visited by foreign diplomatic officers. The Governments and people of the nations of the indicated diplomatic representatives are in friendly relations with China as with Japan. Basing their appeal, therefore, on these friendly relations, and on the principles of ordinary humanity they request the discontinuance of activities which despite their military objectives result actually in the indiscriminate destruction of property used for educational and other non-military purposes, and in the wounding and painful death of civilians. END SUBQUOTE UNQUOTE

Enciphered by

Sent by operator M., 19.....

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

TELEGRAM SENT

Department of State

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department
OR

Charge to
\$

-3-

Washington,

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

You are authorized, in association with your interested colleagues, to make appropriate representations to the Japanese Government in regard to this matter.

Hall

5104

FE:JWB:VC

FE

PA/H

OR
AUG 31 1937 PM

2m.m.H.

5104

Enciphered by

Sent by operator M., 19

D. O. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

CH

0778

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

TELEGRAM RECEIVED

1-1330

FROM

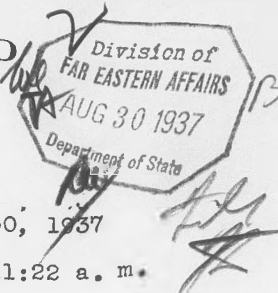
EMC

This message was received
in Navy cipher and must be
paraphrased before being made
public.

CINCAF

August 30, 1937

Rec'd. 11:22 a. m.



793.94

0030. In view of fact intend holding certain
units of subron five in China change recommendation in
my 0007 1330 to also cancel cruise of subron five. 1400.

HPD

793.94/9789

FILED
SEP 7 1937

F/FG

0778

DECLASSIFIED: E.O. 11652, 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 message was received in ~~FROM~~
Navy cipher and must be para-
phrased before being made
public.

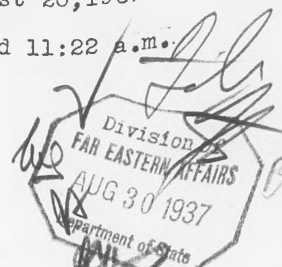
ALUSNA PEIPING

August 20, 1937

Rec'd 11:22 a.m.

743.94

INFO: COMSUBRON FIVE
CONDESRON FIVE
CINCAF
COMYANGPAT
FOURTH MARINES
AMERICAN EMBASSY NANKING



0030. Bombing and artillery fire in outlying districts considerably decreased. Estimated five thousand Sino irregulars western hills still worrying Japanese outposts, shops continue closed to avoid constant pilfering, extortion by Jap. soldiers with increasing resentment part Chinese: Peiping quiet, orderly, two trains daily for Tientsin and Shanhaikwan with service improving. 1500

743.94/9790

SEP 7 1937

FILED

F/FG

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

97-1

599

TELEGRAM RECEIVED
PLAIN

FS

1-1336

FROM

Nanking via N. R.

Dated August 30, 1937

Rec'd 11:04 a.m.

American Consul Shanghai
AmEmbassy Peiping.

Secretary of State,
Washington.

563, August 30, 4 p.m.

793.94
Your 544, ¹⁹⁶²⁴ to the Department August 23, 10 p.m.; also
your 548, ¹⁹⁶⁵⁷ August 24, 5 p.m.

I have just received following letter from the Ministry
of Foreign Affairs.

"Referring to your letter addressed to the Minister
for Foreign Affairs on August twenty fourth regarding the
falling of air bombs in that part of the International
Settlement south of Soochow Creek on August twenty-third,
I have the honor to state that it is most regrettable that
a number of persons were killed or injured as a result of
the incidents and that two American citizens also received
injuries. After a preliminary investigation by the Chinese
authorities concerned, it has been established that ever
since the opening of hostilities in Shanghai the Chinese
air force has never used any eight hundred kilogram bombs."

Sent to Shanghai. Repeated to Department and Peiping.

DDM:WWC

JOHNSON



793.94/9791

FILED

F/FG

078

DECLASSIFIED: E.O. 11652, 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 76193 (Aggressor)/3 FOR Tel.#552, 11am

FROM China(Nanking) (Johnson) DATED Aug. 29, 1937

TO NAME 1-1127 GPO

REGARDING:

The signing of a non-aggression pact between U.S.S.R. and China
is not intended to have any affect on the present conflict between Japan
and China.

793.94/9792

9792

0782

DECLASSIFIED: E.O. 11652, 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
EU

BB

GRAY

Manking via N.R.

Dated August 29, 1937

Rec'd 5:40 a.m.

Secretary of State

Washington

552, August 29, 11 a.m.

The Minister for Foreign Affairs invited the British and the French Ambassadors and myself to receive from him this morning the announcement that on August 21 the Chinese Government signed with the Soviet Government a non-aggression treaty. He stated that text of treaty with accompanying statement has been communicated to Chinese missions abroad for communication to other governments and for the press. Treaty is to be made public in to-morrow's press in China.

He stated that treaty was simple in nature providing (1) that neither party would take direct aggressive action against the other, (2) that where a third party takes aggressive action against either of the parties to the treaty, neither party will assist the aggressor against the other, (3) that all treaties bilateral and multi-lateral to which the contracting parties are signatories are not affected by newly signed treaty.

Minister

0783
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

BB -2- 352, August 29, 11 a.m. from Nanking

Minister for Foreign Affairs explained to us that this treaty was not expected to have any effect upon present Sino-Japanese hostilities, that it was simply a partial fulfillment of Chinese policy to cultivate and cement friendly relations with her two powerful neighbors. He said that in the statement which is to be published with the text of the treaty it would be said that China was equally prepared to enter into a similar treaty with Japan.

The Minister for Foreign Affairs also emphasized that despite this treaty the Chinese Government adhered to the policy of ^{opposing} communism as enjoined by Kuomintang power.

Minister for Foreign Affairs is understood to have separately informed the German and Italian Ambassadors of above treaty on August 27 and 28 respectively.

Reported to Embassy at Peking.

JOHNSON

KLP

0784
DECLASSIFIED: E.O. 11652, 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

August 26, 1937.

793.94 Conversation:

Mr. Frederick J. Libby, executive
secretary of the National Council
for Prevention of War;

Mrs. Boeckel;

Mr. Hamilton.



Mr. Frederick J. Libby, executive secretary of the National Council for Prevention of War, called by appointment. He was accompanied by Mrs. Boeckel. I opened the conversation by saying that I would have to say at the outset that in view of the great pressure of work I would unfortunately not be in position to talk for very long with Mr. Libby and Mrs. Boeckel; that I would be very glad to hear what they had to say; but that I could not undertake to enter into any general discussion.

Mr. Libby handed me the attached statement containing ten questions. I glanced at the questions and said at once that I was not in position to give an interview along the lines of the questions; that the attitude of the Department and statements with regard to policy were in the hands of the Secretary; and that the Secretary made manifest that attitude and policy by making reply to inquiries addressed to him at the daily press conferences and by issuing public statements

793.94/9793

F/B FILED 7743

- 2 -

statements to the press on such occasions as seemed appropriate. I referred Mr. Libby and Mrs. Boeckel to the statements of July 16 and August 23. They said that they were perturbed by the reference in the statement of August 23 to the "interests" of the United States; that they thought it inadvisable for the American Government to attempt to protect American property by the use of military; and that they wondered whether it was the policy of the American Government to protect American interests in China by means of armed force. I called their attention to the statement in the press release of August 23 reading as follows:

"In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies -- especially the policy of peace -- in which this country believes and to which it is committed."

I pointed out that especial emphasis was given in that sentence to the policy of peace. I said also that I could assure them in all sincerity and with earnestness that the primary mission of the small detachments of American armed forces now in China was the protection of American lives.

Then, in reply to my question, Mr. Libby explained that the "Three-Point Policy" mentioned in the ninth question was as follows: (a) the setting of a date for the evacuation of Americans from China; (b) the withdrawal of

American

- 3 -

American men-of-war and military forces; and (c) the making effective of the Neutrality Act. In this connection they referred to the procedure followed in the Spanish situation. I pointed out that China is a much larger country than Spain, that there are many more American nationals in China than there were in Spain, and that it is a very difficult matter and requires a considerable period of time to afford all Americans in China opportunity to evacuate. I also pointed out that some Americans would be loath to follow any advice given them.

They then referred to their belief that the neutrality law should be made applicable to the Far East. I said that I assumed that their views on this point were contained in the article in last night's newspaper which I showed them (attached). They said that that article correctly represented their views.

I said that it was of course clearly understood that any remark which I had made was not for quotation or attribution to me or to the Department. They indicated that they would be governed accordingly.

Mr. Libby indicated that he would like to see the Secretary but I told him that I would bring the memorandum of his conversation with me to the Secretary's attention; and I said that the Secretary was of course, as Mr. Libby would realize, extremely busy. Mr. Libby appeared to be satisfied with this statement. Both he and Mrs. Boeckel said that they were confident that the Secretary was an ardent and sincere believer in peace.

MMH:EJL

P/WW

anning s Bishop

L about fundamental discussion that would anything to an ordinary stopped almost at the mobilization of the

There was, appar-system that could

the war had been ree years, and we managed to find pretty good ideas, er relevant under

One of the hu-the catastrophe, have a humor-

as the gratitude of es to Woodrow Wil-for bringing Amer-sical resources into stating its aims.

ar," "To make the nocracy." The Al-ghting for three lson uttered these the Allies said these in the conflict. view of the out-led to a reason-

immediate applica-ug told that an-ar is imminent to-will inevitably in-States. If that is the Chinese and a few ideas be-strike our first

t into a Euro-our sympathy long is it go-beaten thru is death to uctive pur-oy destruction e war is not r from the

Putting all this together we may conclude that business did remain fairly active until around May or June and that with the pause in building it fell off.

Just how much building was checked it is not yet possible to say. All we have is the record of contracts awarded. These showed a rise up to April and they have not been as high since. Now reports seem to indicate that not all of the contracts awarded were carried for-

is certain—the con-struction industry has passed its peak for this year and the peak was passed sooner than the opti-mists expected.

There is now nothing in sight to offer a clue as to what will be the course of building next year. It will probably not be preceptibly larger than this year.

The optimists who were predict-ing a great boom last January have now given place to pessimists who insist we are on the eve of a crack. They are doubtless a little premature.

Copyright, 1937

Stand on Neutrality Explained

Frederick J. Libby, executive secretary of the National Council for Prevention of War, today issued the following statement setting forth the reasons back of the demand of a large part of the peace forces in this country for the application of the neutrality law to the Far East. The statement was provoked by the arguments issued Monday by the director of the League of Nations Association, which does not want the neutrality law applied.

Mr. Libby's statement follows:

"The neutrality law—and it should be remembered that it is now the law of this country adopted by Congress by overwhelming vote—is designed primarily to keep this country out of the wars of Europe and Asia, and to put peace above profits as the President himself has urged the American people to do.

"The argument that in applying the law the President will intensify the war between China and Japan injects our Government unduly into this conflict. Our common sense tells us that a state of war between China and Japan does exist. We did not start this war. Our State Department has labored to prevent it. To recognize it now as a fact is not to become responsible for its consequences. If Japan decides that it is to her interest to blockade the ports of China, she will do so regardless of what we think.

"There has been no demand from the peace forces, as Sen. Pittman

implied in his speech last night, that our nationals in Shanghai be abandoned to their fate. What we have demanded is that their private interests shall not be permitted by our Government to endanger the peace of the nation. For them to insist upon carrying on business as usual under the protection of American guns between the contending forces is contrary to the interests of the nation as a whole.

"A definite date ought, in fairness to the nation, to be set by the State Department for their evacuation, as was done in Spain, after which our naval and military forces will withdraw, leaving those who wish to continue their business to do so at their own risk.

"There is one other reason why this crisis is more momentous than our people yet realize and a real parting of the ways for our country. If we now join with British and French imperial interests in the Far East in a joint policy of protecting our rights and investments there, we are going to find ourselves entangled with these empires, both in Asia and in Europe, for years to come.

"If, on the other hand, we now pursue the independent policy embodied in the neutrality law, as I strongly believe the American people want to do, we shall stand a far better chance of staying out of a European war if one develops and shall be free to promote peaceful change thruout the world instead of defending the status quo."

1. Will you kindly define the policy of the State Department in the Far Eastern conflict?
2. How far is the policy affected by Japan's blockade of Chinese ships from Chinese ports?
3. What would you say to the argument that the President's failure to declare that a state of war exists is an extension of his powers under the Act?
4. What are the reasons for shelving our policy in the Italian-Ethiopian and Spanish wars?
5. Is the press explanation of our sending more Marines to China officially correct?
6. Is the statement of the Army and Navy Journal correct that the War and Navy Departments have urged the withdrawal of our military forces for a long while and that the State Department has insisted on keeping them in China?
7. To what extent are we collaborating with the British and the French?
 - a) Are we jointly defending the possessions of the three nations?
8. Is it proposed to defend our property in China as against both the Chinese and the Japanese by force of arms?
9. Have you anything to say regarding the "Three-Point Policy" which we are advocating?

10. Is Sen. Roper's statement supported by the State Dept.?

- * 1. Setting of date for evacuation
2. Withdrawal of ships + military forces
3. Neutrality.

0785
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

DEPARTMENT OF STATE

FOR THE PRESS

AUGUST 23, 1937.

STATEMENT BY THE SECRETARY OF STATE

CONFIDENTIAL RELEASE FOR PUBLICATION AT 8 P.M. EASTERN
STANDARD TIME. NOT TO BE PREVIOUSLY PUB-
LISHED, QUOTED FROM OR USED IN ANY WAY.

At his press conference on August 17, the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of Marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation at Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over three million, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai, there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation, the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reinforcement. These armed forces there have no mission of aggression. It is their function to be of assistance toward maintenance

of

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of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than fifty governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which in the opinion not alone of our people but of most peoples of the world should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles embodied in many treaties, including the Washington Conference treaties and the Kellogg-Briand Pact of Paris.

From the beginning of the present controversy in the Far East, we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or entanglements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies -- especially the policy of peace -- in which this country believes and to which it is committed.

This Government is endeavoring to see kept alive, strengthened and revitalized, in reference to the Pacific area and to all the world, these fundamental principles.

NATIONAL COUNCIL FOR PREVENTION OF WAR
MEMORANDUM

Date August 26, 1937
From Mrs. Boeckel To Mr. Hamilton
Subject Interview on neutrality

For your convenience, I have appended this note to the documents and clippings which I am sending you and which express our point of view on the question of applying neutrality to the Far East. They include --

1. A statement of our three-point policy;
2. The statement of members of the House of Representatives, asking for application of the neutrality law;
3. A national broadcast by Senator Nye;
4. The statement of Senators Nye, Bone and Clark, asking application of the law;
5. & 6. Secretary Roper's statement and Monitor story to which I referred as having created apprehension as to the objectives of present policy.
7. Editorials from Philadelphia Record, Wall Street Journal and Sacramento Bee, which you may not have seen.

The Monitor story, if correct, would indicate that the hope of the people, when the neutrality law was passed, that it meant a change in policies likely to involve us in war was not being fulfilled.

Forrell

Nine New States Join

Nine new states joined the publicity parade this year, the Council finds. Michigan went at the job in earnest with a \$300,000 appropriation for advertising through June 30, 1939, to be divided among three tourist associations. Michigan is also making its highways attractive to out-of-state visitors by setting up rest lodges at four corners of the State, at which motor travelers can get information about the vacation possibilities of the State and even about its neighbors. Roadside picnic spots developed by the State Conservation department are also designed to speak louder than words to the family taking its vacation on wheels.

Oklahoma has stepped right up to the front of the line by voting \$100,000 for its newly established Oklahoma State Travel and Tourist Bureau to spend in the next two years. And its neighbor, Arkansas, not willing that anyone should get that far without a visit to its lovely Ozarks, has set aside \$12,000 for a State Publicity Advisory Commission.

States with an ocean beach naturally want to make bids for the folks who set out to see their native land, and New Jersey did it this year to the tune of \$150,000, for its state council. Colorado is putting in a good word for the Rocky Mountains by authorizing an expenditure of \$150,000 over the next two years.

ernment refused to supply arms and because of the Czechoslovakian attitude toward Spain's non-intervention, an official communiqué said today.

The Government statement disclosed that the Portuguese Minister to Czechoslovakia left Prague for Vienna yesterday with the Legation staff, leaving the task of looking after Portuguese interests in the middle European republic to the Italian Minister.

Czechoslovakia's refusal to permit Portugal, the peninsular neighbor of Spain, to buy war materials was due, the communiqué asserted, "to third party influences and pressure exerted by those interested in delaying Portugal's rearmament."

The dispute had its origin two years ago, the communiqué continued, when Portugal placed a large order for machine guns with the Ceskoslovenske Zbrojovka factory in pursuance of her rearmament program.

But the factory informed the Portuguese Minister at Prague July 23, that the Czechoslovakian Government had refused permission to supply the armament because of the attitude Portugal had assumed with regard to non-intervention in the 13-months-old Spanish civil war.

The Portuguese Minister expressed his surprise, several notes were exchanged and finally démarches were made, it was said.

More than a month ago Portugal contributed to the disabling of the 27-nation Spanish non-intervention system by withdrawing facilities for a patrol of her frontier to prevent arms and soldiers from reaching Generalissimo Francisco Franco, the insurgent leader.

Laid to "Third Parties"

The Lisbon communiqué said that the Prague Government had offered several different explanations of its attitude, including the statement that equivalent measures had been taken regarding an order for arms placed by Mexico.

It was also pleaded that Czechoslovakia's own arms requirements

Young Democrats Deny McNutt Seeks Control

INDIANAPOLIS, Ind., Aug. 19 (AP)—Frank Wickhem of Sioux Falls, S. D., president of the Young Democrats of America, describes as "utterly ridiculous" reports that Paul McNutt

Drawn by a Staff Artist

Mrs. Dixie Graves

Her Husband, Gov. Bibb Graves of Alabama, Is Expected to Name Her to the United States Senate When Senator Hugo L. Black Resigns to Take His Place on the Supreme Court

Congress

(Continued from Page 1)

session if need be, to thwart the purpose which was obviously the will of the majority of senators.

Second McKellar Victory

This was the second one-man victory of Senator McKellar, for almost alone he is blocking Senate action on the House reform bill to put presidential postmasters under the civil service.

In some respects the House version of the housing bill is more liberal than the Senate measure; in others less so. This gives Administration leaders opportunity to angle in con-

sion, adding a further burden to the shoulders of a long-suffering citizenry. We believe that every enlightened citizen and every civic or professional group will be heard on this outrageous appointment."

Protest

These protests follow publication yesterday of a letter by Samuel Seabury, chief counsel for the Hofstadter Legislative Committee, which investigated the Walker mayoralty, upon whose findings the Citizens' Union charges were based—a letter which the city affairs committee today characterizes as "admirable."

Mr. Walker came out simultaneously with a reply to Judge Seabury, in which he turns the pages of the record of the investigation and its aftermath to justify his conduct. He charges Mr. Seabury with having tried his case in the newspapers and with using "the same old warmed-over hash of innuendo, half-truth and misrepresentation" in his letter to the Transit Commission.

"In no instance was he (Mr. Seabury) ever able to support his statements with credible or corroborated testimony," he says. "I repeat again that neither Mr. Seabury nor anyone else has ever been able to prove one act in my more than 22 years of service, of malfeasance, misfeasance or non-feasance in public office."

Mr. Walker then comes strongly to the defense of Russell T. Sherwood, his financial agent while he was Mayor and whom Mr. Seabury has repeatedly attacked.

"A man who has been in public life as long as I have becomes reconciled to the unfortunate practice of character assassination," he continues. "But should not common decency dictate that a private citizen of irreproachable character be granted some protection against political venom? The truth about Russell T. Sherwood is that he was never interested in politics, never held a public position and enjoyed an enviable reputation for honesty and integrity with everybody who knew him."

Sherwood's Trip

Mr. Walker reviews the record of Mr. Sherwood's honeymoon trip to Mexico and the efforts of Mr. Seabury to bring him back to New York to testify before the Hofstadter committee. He asserts that Mr. Sherwood made no attempt to evade the service of the Seabury subpoena servers, and that with these agents he went to an American lawyer, who informed him "in the presence of Mr. Seabury's men" that he was under no obligation to answer the subpoena.

"The lawyer further advised him to return the mileage fee he had received from the subpoena servers, which he did," Mr. Walker says. "Mr. Seabury's men accepted the return of fees and left."

"It was after that," he continues, "that the Seabury technique reached its top. He went to court and charged Mr. Sherwood, who committed no greater offense than to follow his lawyer's advice, with being a fugitive from justice, and succeeded in getting from the court an order fining Mr. Sherwood \$50,000. But that was not all. The order did not provide for the fine alone, but com-

Indefinite Postponement of Neutrality Law by U.S. Foreseen

By a Staff Correspondent of
The Christian Science Monitor

WASHINGTON, Aug. 19—Postponement indefinitely of application of the Neutrality Act to the Sino-Japanese struggle is seen by observers here to be the likeliest explanation of the extreme care with which the State Department and President Roosevelt are explaining and defending their every act in the crisis.

Application of the act to a war is mandatory, but it remains with the President to define war. As long as hostilities in Asia continue on anything comparable to their present plane, it would be possible to postpone application of the act throughout the entire episode, on the basis of arguments now advanced by the President and his foreign affairs advisers.

A series of unusual confidential discussions by high officials of the government with correspondents here during the past three days in regard to the Chinese situation is apparently setting the stage for the future.

Far Eastern Policy

What will be decided observers do not profess to know. But the care and detail with which officials have undertaken to explain why the United States is sending more marines to Shanghai and is not invoking the Neutrality Act is scarcely justified by the small volume of criticism which so far has been directed at their immediate Far Eastern policy.

There have been some attacks on this policy in both House and Senate with the charge being made that the marines are to protect British, not American, interests, and with demands voiced that the United States withdraw all its military forces from China to avert any incidents which might complicate American relations with Japan—or others.

Criticism of such extent as there has been is, however, no more and

Paris Backs London On Shanghai Truce

By the Associated Press

Paris, Aug. 19
France joined Great Britain today in proposing an immediate truce in the disastrous battle between China and Japan, which is endangering thousands of foreigners at Shanghai.

The Foreign Ministry, upon receipt of the British suggestion, at once dispatched a note of approval to London.

It was understood that China and Japan would be asked to abandon their Shanghai lines and allow England, France and the United States to safeguard the interests of the warring nations.

in fact less than is normally expected in respect to any Administration policy.

In contrast to this correspondents have for three successive days been treated to extremely lengthy and careful discussions by the highest officials—discussions which have been frequently repetitious, but which have succeeded in hammering home the salient reasons in their minds.

Alongside of these confidential

(Continued on Page 7, Column 6)

Delay on Neutrality Action

(Continued from Page 1)

discussions has occurred one discussion which it is permitted to quote. Secretary of Commerce Daniel C. Roper, yesterday, emphasized a "pretty healthy and growing trade" with both China and Japan and argued that it would be a mistake to jeopardize this trade by application of the neutrality act.

Fitting these two developments together some observers incline to the belief that the Administration is building up a case against the Neutrality Act in general, and against any use of it in particular against China and Japan, even though the hostilities between these countries takes on unmistakably the characteristics of protracted war.

Whether this is the likely course of action is at the moment perhaps less important than the actual stage which is being so carefully set. The following description reflects as closely as is permitted by journalistic usage here in Washington the opinion of President Roosevelt, Secretary of State Cordell Hull and the subordinate State Department officials whose convictions are dominating American policy toward China at the moment.

The background theory on which the Administration is operating is that America is today in a position not of its own choosing. Our grandfathers and our fathers involved this country in certain commitments, and certain relationships in the Far East. At the moment it is academic and useless to discuss whether or not this involvement was desirable or wise. It exists and this fact cannot be evaded.

It is equally academic to be concerned at the moment over the eventual question of American withdrawal or non-withdrawal from the Orient. The immediate situation is likened to a man who has put his family and his property on board a ship along with other men who have done the same thing. All of them agreed when they got on the ship to defend it against any dangers.

The United States could jump off that ship now if it wanted to. But in so doing it would be acting in a manner unfair to the others. The man who got off might save himself by doing so, but he would be a coward in the eyes of the others who remained. They would feel that he was shirking his duties and obligations.

Departing from the ship analogy, it is pointed out that the United States has often been accused by British, French and other foreigners of coming into Shanghai under the coattails of their troops and taking advantage of the protection paid for by other nations. It is insisted that the United States must do its part now in defending the common interests of foreign nationals in Shanghai, and this the Administration has decided to do by sending more marines.

This does not mean that American marines, or British or French troops will be used against Jap-

anese or Chinese regular troops. They are to protect the International Settlement at Shanghai against unorganized mobs. If Japan should officially announce its intention to take over the settlement all the other foreign troops would undoubtedly be removed. On the other hand, if the regular Chinese forces succeeded in driving the Japanese out of the Shanghai area and announce their intention to take over the settlement the same course would be pursued.

This attitude is described as being one of insistence on orderly processes rather than precipitate flight. All of the western powers involved have decided to stand together—or withdraw from Shanghai together. But they insist that whatever they do be done in an orderly manner, and not in flight from a situation which some still believe will resolve itself peacefully.

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

Roper Defends American Trade In Orient Against War Ban

WASHINGTON, Aug. 19 (AP)—Secretary of Commerce Daniel C. Roper served notice yesterday that the United States does not want "to sacrifice any proper trade relationships" with Japan and China through application of embargo provisions of the Neutrality Act.

Answering reporters' questions, the Cabinet member asserted that the Sino-Japanese conflict "is so unequal" that invocation of the law might have the effect of "favoring one nation."

Saying that "we do not want to do this," Mr. Roper added there was a question as to "how effective application of the Neutrality Law would be in carrying out the purposes of our people to maintain peace."

He predicted that Japan and China would transfer their purchases to other nations should exports from the United States be banned.

Ernest G. Draper, Assistant Secretary of Commerce, commented that "they could buy practically every-

thing they get from us from other countries."

After China and Japan had found new markets, Mr. Roper continued, they would be reluctant to resume dealings with this country.

He asserted that sales of cotton, gasoline and oils accounted for the bulk of the United States' \$165,519,000 exports to Japan during the first half of this year. He added that it would be "a real question" to decide whether such exports should be classified as sinews of war and embargoed.

China has been an important buyer of American airplanes and also has purchased some heavy guns in this country. Its purchases from the United States aggregated \$31,355,000 during the first six months of this year.

On Capitol Hill yesterday, Representative Hamilton Fish (R) of New York complained that the Administration's order sending 1200 additional marines to China was "an utterly mistaken policy that may involve us in an Asiatic war."

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PHILADELPHIA, AUGUST 25, 1937

LET'S MAKE UP OUR MINDS

Let's fish or cut bait.

Let's make up our minds what we want to do in the Far East, and then do it.

But let's stop preaching feeble homilies to the embattled combatants.

Do we want to keep out of trouble?

Or do we want to save China?

If we want to keep out of trouble, then we ought to speed the evacuation of Americans from the Shanghai area and remove our armed forces before we become entangled in the Sino-Japanese war.

If we want to save China, for itself or for ourselves, if we want to block Japan's rise to greater power in the Far East, then let's join in a firm declaration with Great Britain and warn Tokio to keep hands off.

But this business of hesitating on the burning deck between the lifeboat of neutrality and fighting the fire gets us nowhere.

Secretary Hull, with the best of intentions, keeps referring to his note of July 16 in which all the nations of the earth were urged to hit the sawdust trail for peace.

He brings up the Kellogg Pact and the Nine-Power Pact.

In the Sino-Japanese war they aren't worth the paper they're written on unless we are prepared to go to war to enforce them.

Do the American people want to go to war to enforce these treaties?

We hardly think so.

Would it be idealism?

Idealism got us into plenty of trouble once before, in 1917.

Is it imperialism? Is the State Department really thinking of prestige and spheres of influence and the balance of power in the Pacific and the open door in China?

Is it thinking of our own potential interests in the vast—if ever pacified—Chinese market?

If it is, its thinking is out of step with the American people's.

Prestige, spheres of influence, balance of power—these are the shibboleths that entangle nations in war.

Our sympathy is with the Chinese. We think the Japanese military will destroy themselves in China. We think the Japanese people could gain more by peaceful penetration and trade.

But that's their affair, not ours.

We have a neutrality act.

The neutrality act provides for embargoes on munitions when and where a war breaks out.

It also provides that the President MAY embargo other supplies.

Let's start by imposing the arms embargoes.

Let's stop quibbling about whether war has been declared, whether this is war de jure, de facto, or de hello.

When one nation bombards the biggest city in another country, it may not be war de jure, but it certainly isn't baseball.

Chiding Japan is like suggesting a vegetable diet to a tiger gorging its kill. The only effect is to make the tiger want to eat us as well as his present victim.

Unless we are prepared to wade in and forcibly stop the conflict, let's hold our peace instead of preaching it.

Current Opinion

"NO WAR" IN CHINA

(Wall Street Journal)

Continued failure of the President to declare that a state of war exists between Japan and China has reached the distinctly awkward point. Coming as it does only a few months after Congress hastened to broaden the neutrality legislation then existing in order to prevent shipments of arms to Spain, rushing the measure through under whip and spur, the absurdity of maintaining the fiction that a war is not in progress on Chinese soil is doubly striking.

At the time of enactment of our so-called "neutrality law" there was no thought that it was to be applied in a discretionary manner. In fact this point was brought up and defeated, the only option left in the bill being the decision resting with the President which determines when a state of war exists. Naturally, this power had to be vested in some governmental agency, or there would have been no law at all. But it was not the purpose of Congress to so leave matters that the President would exercise these powers in other than a literal matter, that is, strictly as a fact finder.

Of two things, one should be done: either the President should proclaim a state of war existing between China and Japan, or the neutrality law should be repealed. The present situation is patently disingenuous and is susceptible of complete misunderstanding by the world. It may be bad not to have neutrality legislation or the neutrality act may contain serious flaws, but beyond doubt the worst course that can be pursued is to apply the law in one case and not in another when it is obvious that a state of war does in fact exist in both. Eventually such a policy will bring other governments to the point at which not only application of the neutrality act will evoke charges of partiality, but "failure" to apply it would also argue favoritism. Such a result is so far from our professedly neutral "good neighbor" attitude that it would represent the very worst culmination which could be reached.

Very likely application of our neutrality act to the Sino-Japanese affair now may result in substantial loss of trade and may be denounced as supporting an aggressor nation. But that should have been considered before we so blithely enacted the measure. Now not consideration but either repeal or impartial enforcement is required.

Aug 21/77
By Gustafson

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

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American Retirement

From China Is Desirable

According to an Associated Press dispatch from Washington, the president is known to believe that the American marines and soldiers stationed in China since the Boxer rebellion should be withdrawn completely as soon as it is practical to do so.

The country will be glad to know the president holds to such convictions respecting the withdrawal of American troops from the Oriental war zone.

And that withdrawal principle should be applied to our naval vessels and nationals as well.

This does not mean the Americans and their families long resident in China should be suddenly abandoned and left to their fate.

They must be assisted to a place of safety just as would be passengers on a burning ship or refugees on a flood surrounded island.

This work of succor must be continued until finished. But when it is finished, complete American retirement from the troubled area is called for.

Our troops belong there in fact no more than in those parts of Latin America from which they have been recalled during the last three years.

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

FOR YOUR INFORMATION

WASHINGTON INFORMATION LETTER PEACE ACTION SERVICE

A Department of the National Council for Prevention of War

532 17th STREET, N. W., WASHINGTON, D. C.

No. 81

August 24, 1937

WHAT TO DO

1. Write to the President asking him to carry out the following three-point policy at once: - a) Set a date for evacuation of American nationals. Any who remain after this date do so at their own risk. (This policy was followed in Spain), b) Withdraw our military and naval forces from China and, c) Apply the neutrality law to the Sino-Japanese war.
2. See your Congressman when he gets home. Tell him that you want the three-point policy carried out by the President. Ask him to tell the President about your views.
3. Ask your newspaper editor for support in the press for the three-point policy.
4. Get resolutions from farm, labor, church and women's groups in support of the three-point program. See that copies are sent to the President and given publicity in your local newspapers.

75th Congress record offers hope for peace....
Neutrality the major Washington interest.....
Destroyer leasing project postponed....185 names
on war referendum discharge petition as Congress
adjourns....Iron and steel exports boom.....Test
vote on combining Army and Navy defeats proposal
2 to 1....Army gets \$25,000,000 for housing.....
Action on aircraft carrier modernization postponed
until 1938....Third Deficiency Bill easy
on war expenditures....International monetary
conference proposed....War debts get Congressional
attention....Trade agreements under fire from
Republicans....Fish speech shows awareness of
peace as a political issue.

The adjournment of Congress on August 21 met with mixed feelings in Washington. It is safe to say that the majority of the Senators and Congressmen were anxious to finish the session without delay. At the same time, a great many were bitterly disappointed in the failure of Congress to take action on important domestic issues such as the wage and hour bill and farm legislation and to demand a clear cut announcement of policy in the Far East before Congress went home. At

Washington Information Letter No. 81

Page 2

the present time there is no indication as to whether or not Congress will be called back to Washington for a special session in November. That will be determined by the President but not until he has had an opportunity to get the reaction of the country to the things accomplished and things left undone by the first session of the 75th Congress.

From the peace point of view, the session was not one of too great disappointment. The national defense program once more claimed approximately a billion dollars from the American taxpayers without any progress being made toward a definition of what we propose to defend. Although this is disappointing, it is balanced by the strengthening of the neutrality law, the extension of the trade agreements program for three years, the securing of hearings, scheduled for 1938, on the question of arms nationalization, the absence of any infringement on civil liberties, such as the military disaffection bill of the 74th Congress, the progress on the war referendum in the House where 185 Congressmen signed the discharge petition, and the amending and shelving, for at least this session, of the now notorious Hill-Sheppard war profits bill.

Looking toward the second session of the 75th Congress there appear to be certain trends which will be important to those interested in peace. The Ludlow war referendum will undoubtedly be debated in the House in 1938 since only 33 additional signatures are necessary in order to bring the measure out of committee. The growth in arms exports and the danger of war abroad will undoubtedly make for pressure on the question of a peacetime arms embargo. The problem of nationalization of munitions will also be up for a thorough study due to the efforts of the Nye, Clark, Bone group in the Senate. There are little prospects for any change in our national defense policy except that the present Far Eastern situation may lead to an early withdrawal of American armed forces from that area. The fight will have to be continued during the entire session against the dictatorial Hill-Sheppard measure for its supporters will not rest after the set backs they have received during this session of Congress. The problem of economics and peace, especially in relation to the effects of our reciprocal trade program and the gold and silver purchase policy on our domestic industrial, financial and agricultural situation will undoubtedly come in for a thorough airing by opponents of these policies. All in all, a busy and a potentially profitable second session is in store for those who are interested in a policy designed to ease world tensions and to keep out of foreign wars.

Neutrality: Washington interest continues to center in the field of foreign affairs on the problem of our policy in the Far East. It is clear that the Administration is not desirous of invoking the Neutrality Act at present. Indicative of this fact is the plan to send 1200 additional Marines to Shanghai and the cautious statements being issued by the State Department and the President. However, the present trend is for a day to day program, one which leaves the door open to use of the Neutrality law. Careful explanatory statements and the announcement that they were proceeding on a day to day policy show that there is doubt in the mind of the Administration whether their present policy is in line with the will of the American people.

There has been considerable confusion in the press and in public statements regarding the purpose and the effect of the Neutrality law. The Administration, as always, is desirous of a free hand in determining American foreign policy. The immediate issue of evacuating our nationals from the war torn China has been confused with the policy of non-participation in foreign wars. Everyone is agreed that American nationals must be gotten out of China as soon as possible.

On the other hand supporters of the neutrality legislation, those who fought for the law during the last three years, see no reason why in the face of an actual war the clear intent and purpose of the Act should not be utilized immediately. Opponents of the Neutrality law are now seeking to discredit the law without even giving it a test by a tremendous stretching of the facts and the raising of old arguments which were threshed out when the Neutrality law was placed on the books. The two main arguments that have once again been raised are: (1) that the neutrality law which applies equally to all belligerents, discriminates in actual practice against one of the belligerents, (2) that American trade relations with countries at war should not be cut off because of a consequent financial loss to American business interests. The answer to these two statements is obvious.

Supporters of neutrality legislation, including members of the Senate and the House, have pointed out that there is a vast difference between invoking a neutrality law that applies to all belligerents and choosing one party to levy embargoes and restrictions against. That issue was settled in 1936 and 1937 when with Administration agreement Congress adopted a law that said there could be no discrimination in application of the act. Therefore, the choice is one of not having any Neutrality law at all or having a law which applies automatically to all parties. This view is also taken by Senator Pittman (D., Nev.), Chairman of the Senate Foreign Relations Committee. The American people had the experience of operating in the field of foreign policy without a Neutrality law during the years 1914-17. For that reason, they chose to demand of and receive from Congress a Neutrality law in 1935, 1936 and 1937. Practically everyone has agreed that the lack of a Neutrality law in the World War period helped lead to American involvement in the war. There is no reason to believe that in the event of any major war the same result would not be obtained in 1937.

On the question of a loss in trade - It was clearly recognized by the President during the 1936 election campaign, that there was a choice in the event of a foreign war between profits or peace. If the choice is profits, there is no necessity for a Neutrality law. On the other hand, if the choice is peace, there is every reason for a Neutrality law. The President, speaking at Chautauqua, New York, on August 14, 1936, pointed out the choice and at that time declared that the country must choose peace rather than profits in the event of a foreign war. While the President made this statement in the election campaign it is now apparent from the inactivity regarding the application of the Neutrality Act in the Sino-Japanese crisis there are many people in the executive branch of the Government who consider trade profits more important than keeping this country out of war or helping to starve a foreign war. Secretary of Commerce Roper, at a press conference on August 18, exhibited a great deal of concern regarding loss of our trade with China and Japan that would come from the invocation of the Neutrality Act. The National Council for Prevention of War, in an open letter to the President on August 19, called the President's attention to Secretary Roper's statement and cited the President's Chautauqua speech while asking the President to explain why his cabinet officers were issuing such public pronouncements. The Council statement also went on to point out that the purpose of the Neutrality law was two-fold - keeping the country out of war and to help starve wars by not supplying weapons or materials with which to fight.

In a statement released to the press on August 17, Senators Nye (R., N.D.), Clark (D., Mo.) and Bone (D., Wash.) asked for the application of the Neutrality Act and set forth their understanding of the workings of the Neutrality law. In a statement inserted in the Congressional Record on August 19, and issued to the press on the same day, twenty-five Congressmen including Ludlow (D., Ind.), Luckey (D., Neb.), Voorhis (D., Calif.), Kopplemann (D., Conn.), Anderson (D., Mo.), Coffee (D., Wash.), Smith (D., Wash.), Luecke (D., Mich.), Allen (D., Pa.), O'Day (D., N.Y.),

Hill (D., Wash.), Izac (D., Calif.), Phillips (D., Conn.), Fries (D., Ill.), Eicher (D., Iowa), Case (R., S.D.), Fish (R., N.Y.), Crawford (R., Mich.), Knutson (R., Minn.), Lambertson (R., Kan.), Amlie (P., Wis.), Sauthoff (P., Wis.), Bernard (F-L, Minn.), Buckler (F-L, Minn.) and Teigan (F-L, Minn.), called for application of the Neutrality law and stated that they, together with other members of Congress, were willing to remain in session in order to strengthen the law.

Both Congressional statements also attacked the interpretation of the effect of the law as stated by opponents of neutrality legislation. Whereas opponents of neutrality claim it would operate to the disadvantage of China, supporters of neutrality pointed to the fact that a contrary situation would be the result of applying the law. In the first place they say, Japan could at any time it desired, stop China from receiving any arms or other war materials because Japan controls the sea. In the second place, Japan, although it has an adequate supply of arms, must face the problem of financing its excursion into China. Only recently Japan negotiated a special financial arrangement with American banking interests which permitted her to obtain some American funds. This money is necessary, and more will be necessary as the situation continues, in order that Japan may finance her war activities. Therefore, application of the Neutrality Act with its consequent denying to both countries of funds with which to finance the war would operate in such a fashion as to hurt Japan rather than China. Putting both of these factors together, supporters of Neutrality legislation find no reason for believing that application of the Act would unduly favor Japan rather than China. It was also pointed out by the Senate group that it was the responsibility of the Administration that there was not included in the Neutrality law a ban on the sale and export of war materials. The House group in its statement of August 19, announced itself ready and willing to strengthen the law. What was particularly in the mind of this group was (1) the strengthening of the law by enactment of legislation prohibiting the shipment of arms abroad in peacetime and (2) placing restrictions on the export of scrap iron and scrap steel at all times and (3) perhaps including legislation which would ban the sale of important war materials which are not at the present time classed as munitions. It must be noted that the House group which issued the statement on August 19 is composed of representation from all political parties in the House. This leads to the conclusion that there is considerable non-partisan sentiment for the strengthening of the Neutrality law and for its application.

It must be admitted that there has not been any great demand from the public for the application of the Neutrality law in the Far Eastern situation, undoubtedly because, with the law on the books, the American people have been confident that it would be applied. The State Department has utilized this as a reason among others for delaying the application of the Act. There is no reason for doubting that the American people still want to stay out of foreign wars and that they do not want to choose profits rather than peace. This thought must be brought home to the State Department in the near future so that they are reminded once more of the desires of the American people.

Leasing of Destroyers: The bill to lease decommissioned destroyers to the governments of the South American Republics has been postponed until the next session of Congress. The chief reason for the postponement is the protest made by the Argentine government.

In reply to the Argentine protest, the United States and Brazil have drafted a joint statement defending the proposal at some length. The matter will have to be fought out when Congress reconvenes in January, 1938. At that time there will probably be an attempt to secure action on S.J.Res. 200 which has been

introduced by Senator Walsh (D., Mass.). The main question at issue will be whether it is wise for the United States to help encourage a growth of armaments in Latin-America or whether it is better to have the American Governments expend its energy on the development of peaceable policy leading to mutually advantageous economic relations between the Latin-American states and the United States. There should be no doubt as to the answer of the American people. They have repeatedly endorsed the Hull reciprocal trade policy being encouraged by the results obtained to date under this program. At the same time public opinion seems to be behind legislation which will keep the United States from arming other nations of the world. The bills for a peacetime arms embargo will undoubtedly come up for action in the next session of Congress. With such legislation on the statute books there would be no proposals for the lending of naval vessels to other countries.

War Referendum: At the close of the House session on August 19, there were 185 names of the necessary 218 names on the discharge petition filed by Congressman Ludlow (D., Ind.) for consideration of his war referendum constitutional amendment. These signatures will hold over until the next session. Therefore, it is only necessary to secure 33 additional Congressmen to sign the discharge petition.

Congressman Ludlow, speaking in the House on August 19, announced that the National President of the American Gold Star Mothers of the World War is supporting his war referendum proposal. The addition of this organization to the many hundreds of others who have come out in support of the referendum shows its widespread backing that this valuable anti-foreign war program has over the country.

Scrap Iron and Steel: The release of statistics early this month by the Bureau of Foreign and Domestic Commerce reveals the tremendous part that the United States is playing in helping to arm the world. A report of the Bureau on metal exports for the first half of 1937 reveals that these commodities are leaving the United States in a record volume. During the month of June alone, 520,297 tons of scrap exports, valued at over \$10,000,000 were sold abroad. During the first six months of the current year the aggregate export of scrap was 2,172,660 tons. The value of this export trade amounted to \$43,026,925. During a similar period of six months in 1936, 1,072,028 tons valued at \$13,052,193 were shipped abroad. The 1937 half year volume was some 200,000 tons in excess of the figure reached in the entire year of 1936.

The tremendous growth in scrap exports is paralleled by a rise in the export of iron and steel products. Iron and steel exports, excluding scrap, during the first six months of the current year aggregated 1,370,033 tons, valued at \$85,889,363. The 1937 exports exceeded by 147% in quantity and 107% in value, the totals for the corresponding period of 1936.

The tremendous growth in our export trade of steel and iron products point to the necessity for some clear thinking in the realm of foreign trade. There is a general agreement that the reciprocal trade program being carried on by the United States at the present time has been generally beneficial to American industry and agriculture. At the same time, however, it is important to distinguish between trade in productive items and trade in non-productive items such as war materials. While the line of demarcation is not a clear one, there is little reason for believing that the tremendous growth in exports of scrap iron and steel may be attributed to peaceful causes. The development of the United States as a market for war materials makes American industry increasingly

Washington Information Letter No. 81

Page 6

dependent upon the war economy of other nations, thus leaving the United States in an unfortunate position if war breaks out in the world.

If on the other hand, American economy is divorced from the arms race in foreign countries, it is felt on many sides in Washington that American industry would be strengthened and in a better position to resist the damaging results to our national economy if war should come in Europe or Asia. It is expected that this feeling will result in a very searching investigation of the export trade in scrap iron and scrap steel when Congress reconvenes in January. The Senate Military Affairs Committee has before it a number of bills dealing with the scrap situation and hearings are slated to be held early in the coming session.

National Defense: An unexpected move in the House on August 13, by Congressman Boileau (P., Wis.), in proposing his bill, H.R. 1488, for coordinating the Army and Navy into a single department of national defense resulted in a surprisingly favorable vote. The measure was introduced as an amendment to one of the Administration's reorganization bills. Without any advance preparation and with only a short explanation by Congressman Boileau, the measure received 51 out of 173 votes cast on the question. The test of strength was not a roll-call vote but a division. Thus, it is impossible to check up on those who favored or opposed the proposal.

The proposal of Congressman Luckey (D., Neb.), H.J.Res. 254, for a survey of our national defense policy has received an adverse recommendation from the War and Navy Departments. The two departments bitterly condemned the measure and upheld their present program and policies as being for defense only. The Navy Department went on to say that the current naval policy was established fifteen years ago and was an adequate guide to naval activities. The Navy's view of national defense as stated in the adverse recommendation "includes the defense of American shipping, sea-borne commerce, and general commercial and political interests overseas."

On August 17, Congressman Kopplemann (D., Conn.) introduced H.J.Res. 490, to establish a Board of National Defense. The Kopplemann resolution proposes a civilian overseeing of the defense establishments and of Army and Navy policy and programs. The Board would be composed of representatives from Farm, Labor, Organized Women, Church and Educational groups. It is not likely there will be action on this measure due to the adverse recommendation of the War and Navy Departments on the Luckey proposal.

Army Housing: The Army Housing Bill (H.R. 7645), carrying a total authorization of \$25,587,456 for construction and repair on military posts was approved by the Senate on August 13 after having previously passed the House. A similar bill, appropriating approximately \$6,000,000 for construction and repair work at naval shore establishments was approved by the Senate on August 13 but did not receive the approval of the House before adjournment.

Naval Affairs: The bill, H.R. 7560, providing for the alteration and modernization of the aircraft carriers Lexington and Saratoga at a cost of approximately \$15,000,000 was not approved before Congress adjourned. The measure was called up twice on the Consent calendar in the House but due to objections it was passed over. The bill will go over until the next session where there is a good chance that it will be adopted.

Washington Information Letter No. 81

Page 7

Third Deficiency Appropriations Bill: The Third Deficiency Bill, H.R. 8245, was approved by the House and Senate just prior to the adjournment of Congress. The bill which is the catch-all for last minute appropriations carried relatively few items for the Army and Navy.

The War Department originally expected to receive \$3,000,000 to begin construction on a new \$26,000,000 War Department building in Washington. This item was cut out by the President's economy program. The Navy which had hoped for funds to begin construction on the six auxiliary vessels, approved in the closing days of the session, did not receive any funds, although it received the authorization to use money from the 1937-38 naval appropriation bill to begin the formulation of plans for construction of two of the vessels.

International Monetary Conference: Congressman Somers (D., N.Y.), on August 17, introduced H.J.Res. 489, providing for an international monetary conference.

Citizenship: Congresswoman O'Day, on August 17 introduced a bill, H.R. 8259 to provide that religious views or philosophical opinions against war shall not debar aliens, otherwise qualified, for citizenship.

War Debts: Two proposals looking toward a further solution of the war debt problem were proposed in the last days of the session. Senator Berry (D., Tenn) introduced S.J.Res. 215, which was not voted on, providing for a setting up of an international debt commission to negotiate with foreign countries in regard to their indebtedness to the United States. Congressman Carter (D., Cal.), on August 21, introduced a bill, H.R. 8328, providing for the collection of moneys due the United States Government from defaulting foreign nations. The method proposed in the Carter bill is to utilize the tourist trade of the United States as a means of paying off the debts. Senator Lewis (D., Ill.) on August 18 introduced S.Res. 181 requesting that the Secretary of State report to the United States Senate if there exist any proceedings looking toward the collection or cancellation of debts owed the United States and requesting that the Secretary of State report to the Senate if there are any prospects for settlement of the war debt problem and when such a settlement might be expected. This resolution was tabled in the Senate.

Congressman Pierce (D., Ore.), in the appendix of the Congressional Record on August 16, set forth at length the war debt situation. In his statement, Congressman Pierce analyzed the various proposals made for the settlement of the debt question. Congressman Pierce's conclusion was that the debts could not be paid without such a tremendous international economic dislocation that it would not be a sound policy to demand collection of the debts.

Trade Agreements: An examination of the Congressional Record in the closing days of the session reveals that the Republicans are beginning to look upon the trade agreements program and the gold and silver purchase policies of the Roosevelt Administration as focal points of attack in the next Congressional campaign. Many Washington observers feel that, as the time draws near for the 1938 election, the three policies mentioned will become of primary interest. This will necessitate a great deal of study and thought as to what our policies should be in the field of international finance and international trade. It is particularly appropriate that the National Peace Conference, in September, is launching a nation-wide campaign of education on the question of economics and peace. This will undoubtedly lead to a stimulation of thought about this all important subject so that an intelligent and enlightened view of the situation will be

Washington Information Letter No. 81

Page 8

available for the voters who will make their choice of Congressmen in 1938.

Republican Strategy: Among the more important statements made by Republican leaders in recent weeks was the radio speech of Representative Hamilton Fish of New York on August 16. Congressman Fish, who may be looked upon as a leader of the Progressive wing of the Republican Party, in his radio speech delivered over one of the NBC chains from Washington, devoted considerable attention to the problem of peace and war in addition to discussing domestic issues. It has become apparent to Washington observers in recent weeks that Fish is deeply concerned about the question of American policy in a world which is full of war fears. The Republican policy as outlined by Congressman Fish may be summarized under the following points: (1) Mind our own business. (2) Be prepared to spend millions for defense but not a dollar to send American soldiers to foreign lands. (3) Remove American military and naval forces from China. (4) Remove American citizens from war zones or have them stay at their own risk. (5) Take the profit out of war and stay out of war by strict neutrality, friendly cooperation and peaceful relations with other nations. (6) Passage of peacetime arms embargo legislation. (7) Passage of the Ludlow war referendum.

This policy reveals a distinct awareness by one Republican leader, at least, of the importance of the peace issue in the current American political scene.

In conjunction with the Fish peace program, the question of trade agreements and monetary policies must not be overlooked. While Fish himself did not allude to these questions directly in his speech on August 16, there are a great many other important Republicans who view these two matters as among the items on which the 1938 and 1940 elections must be fought out.

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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

Statement published in the News, copy of which you have.
One paragraph was omitted in News story.

Frederick J. Libby, Executive Secretary of the National Council for Prevention of War today issued the following statement setting forth the reasons back of the demand of a large part of the peace forces in this country for the application of the neutrality law to the Far East. The statement was provoked by the arguments issued yesterday by the Director of the League of Nations Association, which does not want the neutrality law applied.

Mr. Libby's statement follows:

"The neutrality law - and it should be remembered that it is now the law of this country adopted by Congress by overwhelming vote - is designed primarily to keep this country out of the wars of Europe and Asia, and to put peace above profits as the President himself has urged the American people to do.

"The argument that in applying the law the President will intensify the war between China and Japan injects our Government unduly into this conflict. Our common sense tells us that a state of war between China and Japan does exist. We did not start this war. Our State Department has labored to prevent it. To recognize it now as a fact is not to become responsible for its consequences. If Japan decides that it is to her interest to blockade the ports of China, she will do so regardless of what we think.

"The argument that to apply the law will help Japan and hurt China ignores the purpose of the law and does not take all the facts into account. Japan's trade with us is much greater than China's. The law would put an embargo automatically on munitions, loans and credits to both belligerents, leaving to the President's discretion whether materials of war, like scrap iron, should be included. Both countries

- 3 -

would feel the effects of this embargo and to that extent it would tend to shorten the war, which was another of the purposes of the law.

"There has been no demand from the peace forces, as Senator Pittman implied in his speech last night, that our nationals in Shanghai be abandoned to their fate. What they do demand is that their private interests shall not be permitted by our government to endanger the peace of the nation. For them to insist upon carrying on business as usual under the protection of American guns between the contending forces is contrary to the interests of the nation as a whole. A definite date ought, in fairness to the nation, to be set by the State Department for their evacuation, as was done in Spain, after which our naval and military forces will withdraw, leaving those who wish to continue their business to do so at their own risk.

"There is one other reason why this crisis is more momentous than our people yet realize and a real parting of the ways for our country. If we now join with British and French imperial interests in the Far East in a joint policy of protecting our rights and investments there, we are going to find ourselves entangled with these empires, both in Asia and in Europe, for years to come. If, on the other hand, we now pursue the independent policy embodied in the neutrality law, as I strongly believe the American people want to do, we shall stand a far better chance of staying out of a European war if one develops and shall be free to promote peaceful change throughout the world instead of defending the status quo."

STATEMENT ON NEUTRALITY ISSUED BY 25 MEMBERS OF
THE HOUSE OF REPRESENTATIVES, AUGUST 19, 1937

"We believe that the overwhelming sentiment of this country is for keeping out of the conflict in the Far East. Congress enacted the neutrality legislation after careful study of world war experience as a protection against policies which would involve us in just such a conflict as is going on in China today. For reasons apparently based not on consideration of our own protection but of the effect of our policy on other countries, the neutrality legislation has not as yet been applied. We have every confidence that the President will in the immediate future carry out the mandate of that law and stop feeding the war which means destruction of thousands of lives in the Orient and the danger of war to all the world.

"Congress should not adjourn until every possible action has been taken to protect this country against being involved in the Far Eastern situation.

"The effect of the neutrality law, so far as the nations involved in the conflict are concerned, will be to make their situation more nearly equal. Japan can at any time blockade China and prevent its obtaining munitions from this country. The neutrality law would also prevent Japan's obtaining munitions and by preventing loans would make the purchase of raw materials more difficult.

"The law does not go as far as it should in providing control over the sale of war materials. We believe that it should be strengthened in this respect."

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The members signing the above statement were as follows:

DEMOCRATS

Louis Ludlow - Indiana
Henry C. Luckey - Nebraska
H. Jerry Voorhis - California
Herman P. Kopplemann - Connecticut
C. Arthur Anderson - Missouri
John M. Coffee - Washington
Martin F. Smith - Washington
John Luecke - Michigan
Robert G. Allen --Pennsylvania
Caroline O'Day - New York - At large
Knut Hill - Washington
Ed V. Izac - California
Alfred W. Phillips, Jr. - Connecticut
Frank W. Fries - Illinois
Edward C. Eicher - Iowa

REPUBLICANS

Francis H. Case - South Dakota
Hamilton Fish - New York
Fred L. Crawford - Michigan
Harold Knutson - Minnesota
Wm. P. Lambertson - Kansas

PROGRESSIVE

Thomas R. Amlie - Wisconsin
Harry Sauthoff - Wisconsin

FARMER-LABOR

John T. Bernard - Minnesota
R. T. Buckler - Minnesota
Henry G. Teigan - Minnesota

Please note this is declassified

NEUTRALITY AND THE FAR EAST

Radio Interview of Hon. Gerald P. Nye of North Dakota on Columbia Broadcasting System, Friday, August 20, 1937.

MR. TROUT: Senator Nye, you have publicly stated that you feel the neutrality law should be applied in the Far Eastern situation. Certain reasons and arguments have been offered for not applying it -- for instance, that it would favor Japan. I should like very much to hear what you have to say on this point.

SENATOR NYE: I can see no ground for holding that the law would favor Japan; but before I go into that, I should like to state very definitely that the purpose of the neutrality legislation was to keep this country out of war. The question of whether its application in any given instance would work to the greater disadvantage of one belligerent or another has nothing to do with this main purpose. By adopting a policy in advance and doing everything possible to make its application automatic Congress protected the Government against any charges of unfriendliness in putting the law into effect.

As a matter of fact, the application of the law to China and Japan would make the position of those countries more nearly equal. China can, at any moment that Japan wishes to establish a blockade, be cut off from munitions and all other supplies. The neutrality law would at least prevent Japan from getting munitions in this country, and by prohibiting loans will make it more difficult for her to obtain war materials.

MR. TROUT: It has also been suggested -- although the idea seems to me to contradict the earlier argument -- that Japan would regard enforcement of the neutrality law as an unfriendly act. Do you see anything in this suggestion?

SENATOR NYE: I have just said there can be no charge of unfriendliness in regard to a policy adopted in advance if it is automatically applied. The longer the delay in its application, the more open this Government is to the charge that it is attempting to weight the scales one way or another.

MR. TROUT: I noticed in the press this morning that correspondents who have been in touch with the State Department feel that that Department's reason for hesitating to apply neutrality to the Far East is that we are committed by old agreements to do our part in preventing any alteration of the status or privileges of foreigners in China. Do you think, Senator, this position can be justified?

SENATOR NYE: I emphatically do not. It indicates to my mind a real danger that the State Department has not fully grasped the fact that Congress intended when it passed the neutrality law to bring about what policy changes were necessary to protect the American people against foreign wars. I earnestly believe that any government which fails to make protection of the American people against foreign war the determining purpose in all its policies will find retribution at the hands of the people.

-2-

But these untenable arguments are no more than shabby excuses for the administration's failure to carry out the mandate of Congress and invoke the neutrality law. The only reason so far advanced in which it is possible to take any stock is that of Secretary Roper, who was quoted in the press of yesterday as saying that if we stopped trade with Japan and China, those nations would transfer their purchases to other countries, and would then be reluctant to resume dealings with this one. When I read that statement I seemed to remember something that the President said in 1936 in a preelection speech. I looked it up and here are his words which have turned out to be good prophecy. They come in his famous peace talk at Chautauqua:

"Nevertheless -- and I speak from a long experience -- the effective maintenance of American neutrality depends today, as in the past, on the wisdom and determination of whoever at the moment occupy the offices of President and Secretary of State.

"It is clear that our present policy and the measures passed by the Congress would in the event of a war on some other continent, reduce war profits which would otherwise accrue to American citizens...If war should break out again on another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches -- fools' gold -- would attempt to break down or evade our neutrality.

"They would tell you -- and, unfortunately, their views would get wide publicity -- that if they could produce and ship this and that and the other article to belligerent nations, the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world...To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace.

"If we face the choice of profits or peace, the nation will answer -- must answer -- 'We choose peace.' It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and for all practical purposes unanimous."

Those were the President's words, and Secretary Roper's statement proves how true they were; but the important thing is that Secretary Roper is a responsible member of the President's Cabinet, that he must have heard Cabinet discussions of the Far Eastern situation and that neither the President nor the Secretary of State has made any statement denying that the arguments he advances are the ones that are determining our policy.

Not only are such statements not denied, but Congress and the American people are being kept in the dark as to what policy this government does intend to follow. The quickest way to clarify it for our people and for the world is to invoke the neutrality law. Today's attack on the Flagship "Augusta" most clearly emphasizes the

-3-

imperative importance of determining now what our policy is and not leaving it to be determined by some such agitating incident as that reported this morning.

MR. TROUT: I understand, Senator, that the State Department feels there has been no widespread expression from the people in regard to what our policy ought to be. In the face of the overwhelming popular demand for the neutrality law, how can you explain this?

SENATOR NYE: It seems to me rather simple of explanation. It is my opinion that the people have taken it for granted that, having expressed their will in the neutrality legislation, that law will be carried out. Furthermore, as the President himself said in his speech which I quoted, no government is justified in leaving the country without guidance on matters which so vitally concern it. The President's words were, you must remember, "It is the duty of all of us to encourage such a body of public opinion in this country" -- on the matter of a choice between peace and profits -- "that the answer will be clear and for all practical purposes unanimous."

MR. TROUT: May I ask, Senator Nye, whether you, yourself, feel that the law will be applied?

SENATOR NYE: To say that I do not believe so would be to say that I think the President will refuse to carry out a clear mandate of Congress, and I know of nothing in his record or character to lead to such a belief. Difficult as it is to explain the delay, I have every confidence the law will be applied.

In August, 1935, Congress refused to adjourn until the neutrality legislation was passed. In passing the law, our belief was that an announcement by this country that it intended to starve wars would act as a deterrent to war. If the law is to have this effect it must be applied in every instance and applied promptly.

MR. TROUT: At least one important paper this morning definitely charged that the Administration was not going to apply the law, that it had in fact gone down with the wind.

SENATOR NYE: Such a charge to my mind was irresponsible and wholly unfounded. What is true, however, is that failure to apply the law has left the way wide open for the press to start an anti-Japanese agitation which may have very serious consequences, though I believe that earlier experiences when the press has encouraged a war spirit and created a war situation finally costing many thousands of American lives has taught the American people to take what it reads in its morning headlines calmly and to do some thinking for itself. I particularly regretted to see the Washington Post, looked upon as a responsible and dignified paper, raising the same old war-guilt cry against Japan that was raised against Germany and that the world now knows was unjustified. When the press calls upon us, as the Post does today, to "stop Japan," there is no way to carry out that phrase, so easy to write while you sit in a comfortable editorial chair, except to send thousands of our young men to die on the other side of the Pacific, for what cause no one knows. If it is a question of war with Japan

-4-

then that is a question for Congress to decide. It would be a question which the people themselves would have the right and power to decide if the war referendum amendment, introduced in the House of Representatives by Congressman Ludlow and which I myself introduced in the Senate, had received the backing of the administration and the Congress.

MR. TROUT: Do you believe that this referendum measure you speak of has a chance of being passed at the next session?

SENATOR NYE: I have no doubt whatever that it will be. Already more than 180 of the necessary 218 members of the House have signed a petition which will get it out of committee, and the present Japanese situation will unquestionably lead to a popular demand for its passage and ratification. In the meantime, the people should give the government no excuse for saying that they have failed to hear from the people on this question of keeping out of war in the Far East.

And for all that our memory seems to be very short, I somehow feel that there are still enough of the consequences of our participation in the last war to keep the American people thoroughly reminded that the last thing they want is wars on foreign fields, bringing as they always do the consequences of the last 18 years.

MR. TROUT: Thank you very much, Senator Nye.

###

STATEMENT OF SENATORS NYE, BONE AND CLARK ON APPLICATION OF NEUTRALITY LAW TO
FAR EASTERN SITUATION

The results of the application of the neutrality law to the Far East, it has recently been predicted in some quarters, would work to the detriment of this country and favor Japan at the expense of China.

It is important that there should be no misunderstanding about the purpose or effects of the present law.

1. It should be clearly understood that the purpose of the stay-out-of-war law is to prevent any President from being forced by the necessity of choosing sides and, as far as it is in the power of this government, to starve wars. By applying automatically a policy adopted in advance this government escapes all charge of favoritism. If the occasion ever arises in which the people of the country want to take sides - which means readiness to go to war - the necessary steps should be taken by Congress. The neutrality law prevents any commitment by the Executive to either side until Congress has expressed the will of the people.

2. The existing legislation will have, in the present instance, an adverse effect on both parties to the war. With or without this law on the books, Japan is able to blockade China, and to prevent shipments of arms and other contraband from reaching China. That military fact was not changed by our law. This law prevents arms from going to both sides. China, which can be blockaded as soon as Japan cares to do so, would not get the arms through the blockade whether this law was on the books or not. Under the law, however, neither side will be able to get arms from us.

Under blockade, China would not import arms or contraband from the United States or elsewhere. The neutrality law, by preventing loans to all belligerents, will make the trading position of Japan, so far as the United States is concerned, more nearly on a level with that of China.

Those who feel the policy of this country should be such as to react unfavorably on Japan, can place her in a less advantageous position than she will be under the neutrality law only by a declaration of an economic or military war

- 2 -

on Japan alone. But the power to commit the nation to war is the greatest power in the world. The neutrality law keeps it where the Constitution put it, in the hands of Congress.

3. The statement has been made that cargoes of arms and war materials now on the high seas would become "illegal" as soon as the neutrality law is invoked. This is incorrect. First, the law does not go into effect until the date of the President's proclamation. Second, the President's discretionary power is confined to insisting that cargoes of war materials, once he has listed them, should be sent entirely at the risk of the purchaser, and that they should not go into war zones in American ships.

4. The statement has been made that there is no danger of the involvement of the United States in the Far Eastern situation because it differs radically from the European situation. It is as dangerous for American ships to run cargoes of arms or of war materials through a Japanese blockade as through any other. The moment the Japanese impose a blockade and declare a war zone on the high seas (as England and Germany did in 1914) it will be plain that the present law prevents the sinking of American ships carrying munitions and contraband by keeping them out of the danger zones. Those who see no danger to the United States of involvement in the Far Eastern conflict if the neutrality law were not applied can base their position only on the hazard that Japan will not blockade China. This is a slight reed to lean upon.

5. The statement has been made that the President is estopped, because of the law, from doing valuable things to reestablish peace and protect American citizens in China. The Japanese aggression in Northern China has been threatened for some years. It has been demonstrated for some weeks. Now that the fighting has actually started for the possession of Northern China, it is hard to believe that any action—short of economic, which could finally become military, war on the part of the United States—would hold Japan back. It has been demonstrated ever since 1931 that the Japanese army's whole political position in Japan would

- 3 -

have to be weakened before it could be restrained from aggression in Northern China. There has been no move on the part of the great powers to make the world economic adjustments which would have weakened the army's position. Whether or not the imposition of sanctions by the signatories to the Nine-Power-Pact and the Pact of Paris would force it to yield, there is no ground for believing the powers willing to undertake a line of action which would seriously endanger their position in Europe.

The protection of American life in China can not be adversely influenced by the neutrality law. No nation would be any less cautious about giving the United States necessitous grounds to wage war against her.

6. It has been suggested that the invoking of the neutrality law would disturb the peace machinery in the Far East. It is an unpleasant but hard fact that there is no peace machinery in the Far East or elsewhere which can be disturbed. Machinery which would function effectively for economic adjustment has not been created. Ever since Great Britain refused to follow our Administration's lead and impose oil sanctions against Italy in 1935-36, the idea of effective economic embargoes has been dead. Neither Great Britain nor France desired to follow our lead in 1931-32 and restrain Japan from its conquest of Manchuria. Neither of them has shown any interest in doing it this time.

There is no objection to calling the nine powers into consultation, but the only effective power behind consultation is economic or military war. Since an economic war may rapidly become a military war, this is a subject for Congress to consider. Application of the neutrality law does not prevent Congress from taking any action it desires.

Analysis of the assumptions underlying the claim that the United States would be better off without the stay-out-of-war legislation indicates their error. This one thing should be added: The State Department had a choice in 1936 between the present law and a proposed one which actually would have prevented American industrialists from supplying Japan with great quantities of war materials. This

- 4 -

was a bill (S.3478) which would have held trade with warring nations down to normal. Since China cannot import anything through a blockade, the bill would have hurt Japan far more than China. Faced with this choice, the Administration gave no support to the bill limiting war trade to normal. It preferred the kind of bill it now has to that one. If it wishes to have the other kind of bill, limiting all trade, it is perfectly free to ask for it, and would doubtless be able to have Congress pass it. Spokesmen for the uncontrolled power of the Executive in foreign affairs have no right to blame Congress for a bill which does not go as far as they believe it should to hamper Japanese aggression. The bill which went further did not receive the Executive's support.

The munitions interests whose profits the stay-out-of-war legislation seriously affects, and those who wish us to act as policeman for the world oppose the neutrality law. The passage of that law had the overwhelming support of the people for the very reason that it protected the country against war for the sake of profits for a few individuals, and prevented the government from forcing the country into the role of world policeman.

FE
TELEGRAM RECEIVED

u.
1-1836
EMC

FROM

GRAY

Nanking via NR

Dated August 25, 1937

Rec'd. 11:10 a.m. *File*

Secretary of State

Washington

521, August 25, 3 p. m.

793.94
note
393.11

Following from Hankow: "August 25, 2 p. m., your August 23, 3 p. m. Inform the Legation assurances have been requested from a responsible Chinese authority that the Lu Chun Ta Hsueh (War College) will not (repeat not) be moved to Kuling although it may be placed at the foot of the mountain. However, this statement should not lessen the precaution urged in the Embassy's August 11, 3 p. m. that American residents move away from any center having military character."

JOHNSON

WIC

This message is in reply to a Service reporting missing number.



793.94/9794

SEP 7 1937
FILED

0817

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

TELEGRAM RECEIVED

FS

1-1336

FROM

SPECIAL GRAY

Nanking via N. R.

Dated August 30, 1937

Rec'd 12:13 p.m.

Secretary of State,
Washington.

793.94
562, August 30, 3 p.m.

Department's 179, ⁹⁶³⁴ August 25, 8 p.m.

I conveyed information to Buck and cautioned him about undertaking to convey messages of a political or military character. He understands and (?) will be more cautious in future. Message to him, mentioned in my 531, August 26, 4 p.m. was sent before Department's 179 was sent.

HPD:WWC

JOHNSON



793.94/9796

SEP 1 1937
F/FB

0818
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. 85

Copy for
Department of State

American Consulate General,

Canton, China, August 3, 1937.

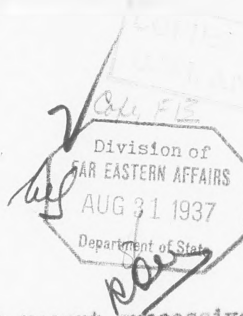
STRICTLY CONFIDENTIAL

For Distribution Check		Yes	No
Grade	To field		<input checked="" type="checkbox"/>
For	In U.S.A.	<input checked="" type="checkbox"/>	
Linnell / Chow		W.D.P. - END	

SUBJECT: Developments in Critical Sino-Japanese Relations.

RECEIVED
DEPARTMENT OF STATE
AUG 30 AM 10 54
1937

The Honorable
Nelson Trusler Johnson,
American Ambassador,
Peiping.



793.94/9797

ASSISTANT SECRETARY
OF STATE
SEP 5 1937

I have the honor to refer to recent successive
despatches and telegrams reporting local developments
in relation to the Sino-Japanese crisis and to submit
the following report on further events:
Japanese Warning to Canton Authorities:

Reference is made to paragraph 2 of my telegram of
August 4, 5 p.m., 1937, regarding private information
from a "usually reliable" source to the effect that the
Japanese consular authorities had informally intimated to
the Canton Municipal Government that continuation of the
stevedores' boycott might very likely lead to trouble.

While, for obvious reasons, this office must refrain
from revealing the identity of the informant, it has reason
to feel entirely satisfied that the information is factually
correct.

The informant has subsequently supplied the following
brief account of the matter:

A representative of the local Japanese Consulate General
called informally on August 3rd at the Canton Municipal
Government. He first stated that no coolies in Canton would
handle

F/LB
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- 2 -

handle goods for Japanese. He then claimed that Chinese employees of the Japanese Consulate General and Japanese firms were being constantly followed by plain-clothes men on their way to and from office. After these two assertions, he inquired whether the Canton authorities intended sincerely to cooperate in maintaining friendly relations and accordingly to stop the coolies' boycott and the shadowing of Chinese employees of Japanese; and he concluded with the pointed, though mildly spoken, statement to the effect that if such activities were not stopped by the Canton authorities, there might be found another way of stopping them."

Occurrence of Local Sino-Japanese Incident:

An incident which happened several days ago is of interest.

A Japanese, very drunk, went from Shameen into the city of Canton in the late evening and when spoken to by a Chinese policeman became violent and attempted to take the policeman's revolver away from him. Other Chinese intervened and the Japanese was compelled to return across the bridge to Shameen. It was at first reported that the Japanese was a sailor from the Japanese gunboat but it has now been learned definitely that he was a member of the staff of the Japanese Consulate General in Canton and that the Japanese Consul General has "reprimanded him severely".

Manifestations of Panic on Part of Chinese Public:

During the past few days there have developed very rapidly manifestations of panic on the part of the local Chinese population such as usually may be witnessed when war appears imminent. Very large numbers are leaving Canton for

Hong

- 3 -

Hong Kong and places in the interior, and an official of the Canton Municipal Government stated this morning that some 20,000 persons are estimated to have gone within the past week. Foreign banks in Shameen are being besieged by crowds of wealthier Chinese bringing valuables for storage. I was informed by an official of the Chinese post office that there was practically a "run" on the postal savings branch yesterday. The Chinese are taking their deposits out allegedly because of a fear that the Government may seize them if war is declared.

Respectfully yours,

Irving N. Linnell
American Consul General.

Copies sent:

- 2 to Embassy, Peiping (Original by Air Mail).
- 1 to Embassy, Nanking. (Air Mail)
- 5 to Department.
- 1 to Consulate, Swatow.

800

INL/ASC/ccw



5 Carbon Copies
Received *[Signature]*
[Signature] inclusive

98-1

~~SECRET~~
~~MSM~~
~~RCM~~
~~PLAN~~

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

September 20, 1937.

Mukden's No.133, July 30, 1937, to Peiping, entitled "Repercussion in Manchuria to North China Incident."

In Manchuria there is no medium for the expression of Chinese views. The Chinese people there are eager for news concerning hostilities in China but the official ban on "groundless talk" makes them extremely cautious. The city people secretly hope for deliverance from Japanese rule, but there is no evidence that the native population as a whole will do anything to further the Chinese cause.

The people seem to be kept under perfect control by nothing more than proclamations and existing police measures. The Concordia Society is trying to win the people's moral support of Japan's action and solicits contributions for the Kwantung Army. The response to these activities has been rich in words but poor in substance.

Newspapers from China are absolutely barred. The only news the people get is supplied by the Japanese press.

The Kwantung Army appears to have lost some of its political importance and is confining its activities principally to aerial defense measures. The "Manchukuo" Army, while not being called on to give military assistance, appears to be trusted by the Japanese

0828
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

98-2

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

Army.

There appears to be no reason to expect serious trouble from native forces behind the Japanese lines in Manchuria, and the country is too well policed and guarded to allow Chinese agents to enter and do any important damage.

HWS
FE:HES

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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

98-3

NO. ---

THE FOREIGN SERVICE
RECEIVED OF THE
DEPARTMENT OF STATE
UNITED STATES OF AMERICA

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

1937 AUG 28 PM 12 50

AMERICAN CONSULATE GENERAL
Mukden, Manchuria,
July 30, 1937.

793.74
873.01 *Manchuria*
SUBJECT: Repercussion in Manchuria
to North China Incident

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose herewith a copy of
my despatch No. 133 dated July 30, 1937, to the
Embassy at Peiping, China, entitled "Repercussion
in Manchuria to North China Incident".

Very respectfully yours,

Wm. R. Langdon

Wm. R. Langdon
American Consul

Enclosure:

Copy of despatch No. 133
to Embassy, Peiping, as stated.

In quintuplicate to the Department.

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FILED

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600

No. 133.

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, July 30, 1937.

SUBJECT: Repercussion in Manchuria
to North China Incident.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to report on repercussions in Manchuria to the Sino-Japanese hostilities in North China in so far as they have been apparent to this office.

Attitude of Native People

In my despatch No. 104 of April 14, 1937, "Attitude of the Native Population toward 'Manchukuo'", the following observations were made in the concluding paragraphs:

"It may be safely said that the existing regime is held in odium by the bulk of the native population"; and "not inexplicable is the hope sometimes expressed that, like a natural calamity, Japanese rule will pass and a native regime return".

In view of this feeling, it is natural that the outbreak of fighting in the Peiping area should have engrossed the interest of the literate elements of the

population

98-5

601

- 2 -

population. Since the outbreak Chinese are seen to cluster about every newspaper bulletin board, while combined daily sales of the three vernacular newspapers of Mukden (all owned and edited by Japanese) have jumped from 6,362 to 7,589.* In view of the danger to their personal safety, however, with proclamations posted everywhere threatening the severest punishment for "groundless talk", the people are most cautious about discussing the North China situation. With no free press or Chinese edited newspapers** also, there is no medium for the expression of Chinese views. Thus it is difficult to know positively how the Chinese of Manchuria feel. That city people secretly hope for deliverance from Japanese rule is reasonably certain to judge from rumors current among them and from the eagerness with which they ask for news. One rumor among the servant class was that the Central Chinese Army would enter Mukden before the end of the week. Even a high "Manchukuo" official of Chinese race at the outbreak took me aside to ask what news I had and whether - this question put sorrowfully - I did not think China still too weak to fight. The Christianized intelligentsia, who have for six years been the chief objects of suspicion, seem panic-stricken lest the old familiar inquisition be resumed.

On the other hand, there is no evidence that the native population will lift a finger to further the

* KOKUTSU release, July 26, 1937.

** Mukden's No. 283 of June 24, 1936. "Control and Distribution of News in Manchuria".

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98-6

602

- 3 -

cause of China. On the contrary, when one sees "Manchukuo" troops in open lots here and there manning anti-aircraft guns against improbable Chinese sky raiders and otherwise defending local peace, one is reminded of passages of Chinese history where Chinese of frontier regions, serving under banners of frontier tribes, aided the latter in incursions into North China.

Measures of Government

So meek and unwarlike is the population, to some extent by nature and to a further extent by reason of its thorough defencelessness, that no special measures appear to have been taken by the government to prevent disturbances or sedition. Indeed, the people seem to be kept under perfect control by nothing more than proclamations and existing police measures. However, the government is making efforts to win the people's moral support of Japan's action. The Concordia Society* appears to be charged with positive measures to obtain the people's "understanding", while the government's measures are generally of a negative character.

The most effective measure employed by the government is the complete isolation of the people from outside sources of news. Newspapers from China are absolutely barred, and even foreign residents no longer are allowed to receive their English-language dailies from Tientsin or Shanghai. The last Tientsin paper received

* Mukden's No. 304 of July 28, 1936, "'Manchukuo' Concordia Society".

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98-7

603

- 4 -

by this office was dated July 18. The only news the people get, therefore, is that supplied by KOKUTSU and DOMEI, which is not presented in any way favorable to China. In addition, the government, in its proclamations warning against disturbing the peace, explains the righteousness of its common cause with Japan. As of possible interest in this connection, translations of the two proclamations most widely placarded in Manchuria, that of the Commander-in-Chief of the Kwantung Army and that of the Minister of Peace Preservation, are enclosed.

1/2/-

Measures of Concordia Society

The Concordia Society's measures aim to work up enthusiasm for and positive support of Japan's action in North China. They consist in the main of calling together this group and that in public meetings and getting them to pass resolutions upholding Japan and offer cash contributions to the Kwantung Army. The following are typical of the wartime activities of the Society in Mukden:

July 14 - Municipality chapter of Society holds meeting at Yamato Hotel for notables (12 in all) of old Northeastern regime. Vice Provincial Governor Takeuchi and Japanese Gendarmerie Commander Kato explain North China situation after which they pass resolution thanking Japan and pledging support of her policy.

July 15 - Walled City Chamber of Commerce chapter calls meeting of chamber members. Agenda: to discuss stabilizing the monetary situation and taking up contribution for national defense. Resolution passed thanking Japanese Army for its self-sacrificing devotion and pledging aid to Japanese forces in North China "from the standpoint of racial concord."

July 23

78-8
604

- 5 -

July 23 - Korean teachers of primary schools hold meeting under Society's auspices and pass resolution pledging loyalty to Japanese cause and fostering of Japanese spirit among Korean children.

July 25 - Under Municipality chapter of Society, Japanese-"Manchukuo" religionists hold meeting and telegraph encouragement to Tientsin Army.

The impression gained from reading about these activities is that they are neither spontaneous nor true, but undertaken for effect, edification and propaganda. That the popular response to these activities has been rich in words but poor in substance is indicated by the insignificance of cash contributions to the Kwantung Army. To judge by the names of the outstanding donors, such money as has come in has come chiefly from Japanese residents. After a nearly three weeks campaign for funds, the Society's objective of Yen 400,000 was not being reached.*

Measures of the Kwantung Army

The Kwantung Army seems to have confined its activities to military matters. Its local defense measures have consisted chiefly of preparing against aerial attacks. Movements of troops and supplies have been carefully concealed. Between Mukden and past Suchiatun, the junction of the Antung-Mukden and the main South Manchuria Railway line, as well as most of the way between Chinchow and Shanhaikwan on the Peiping-Liaoning Railway, the blinds are drawn over the windows of passenger trains.

The Special Military Mission in Mukden has lost much of its earlier importance, when General Doihara

* KOKUTSU, July 26, 1937.

98-9

605

- 6 -

was its chief. Its functions then were of an important diplomatic character, to act as liaison between the Japanese Army and native leaders and the then important foreign interests. With the gradual substitution of Japanese for native leaders and in view of the present moribund state of foreign interests, the Mission is understood to have very little to do. The North China crisis, however, is providing some work for it. It now prepares a press release for foreigners and in a small way cooperates with the Concordia Society in working up public spirit. The Mission, among other things, is a founder-patron of the Koa Kyokai ("Raise Asia Society"), an organization of Koreans in South Manchuria, and since the outbreak in North China has been causing it to send encouraging telegrams to the troops at Tientsin, to offer to organize a Korean Volunteer Corps to fight at the front, to raise funds for the expeditionary force, et cetera. The Society, however, has only been able to raise Yen 2,000 since its campaign for funds began. It is understood that the services of Koreans in Manchuria have not been used in any way in connection with military matters.

The "Manchukuo" Army, while not being called on to give military assistance, appears to be trusted by the Japanese Army. Its motor transport facilities are helping the movement and loading of supplies, while its anti-aircraft artillery is participating in the prepara-

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608

- 7 -

tions against air-raids.

Activities of Hostile Elements

There seem to be no native forces in Manchuria at work to obstruct the prosecution of the Peiping campaign. The insurgents do not seem to have recovered from last winter's campaign against them, and even with foliage and tall crops have been extremely inactive in the past month. There have been one or two clashes with troops, but their nature cannot be associated with the cause of China. Thus there appear to be no reasons to expect serious trouble behind the Japanese lines from local hostile elements.

That enemy agents from below the Great Wall may find their way into Manchuria to harass the Japanese is a very real probability. The wrecking of the Hsinking-Dairen Express on the night of the 20th* is admitted by the authorities to have been the work of such agents. The lines of communication, military stores and other properties related to the war, however, are too closely guarded and the country is too well policed and garrisoned to allow enemy agents to do any important damage.

Very respectfully yours,

Wm. R. Langdon,
American Consul

* My telegram of July 24, noon, 1937.

Enclosures:

183

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

98-11

687

- 8 -

Enclosures:

- 1/- Translation - Proclamation of
the Commander-in-Chief of the
Kwantung Army, as stated.
- 2/- Translation - Proclamation of
the Minister of Peace Preser-
vation, as stated.

Five copies to the Department by despatch No. ----
dated July 30, 1937.
Copy to the Embassy, Tokyo.
Copy to the Embassy, Nanking.
Copy to the Consulate General, Harbin.

800
WRL:wyp

A true copy of
the signed orig-
inal.

wyp

0838
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

98-12
Enclosure No. 1/- to despatch No. 133 of Wm. R. Langdon,
American Consul, Mukden, Manchuria, dated July 30, 1937,
to the Embassy at Peiping, China, entitled "Repercussion
in Manchuria to North China Incident".

SOURCE: KOKUTSU,
July 20, 1937.

(T R A N S L A T I O N)

Ambassador Kenkichi Uyeda issued the following
warning to residents within the jurisdiction of the
Kwantung Bureau in view of the present situation in
North China:

"With respect to the present North China
Incident, the Empire, on the basis of a firmly
established policy, has been exerting every
effort to settle the issue locally and to re-
lieve the area from the perils of war for the
sake of the peace and welfare of the Orient.

The Chinese, however, ignorant of the true
intentions of the Empire, continue to commit
illegal acts, disregarding justice, trampling
down international morale and thus disturbing
the peace of the Orient.

There is a close connection between Man-
chukuo and North China and consequently any
change in the North China situation will greatly
affect Manchukuo. You should well understand
the Imperial Japanese Government's policies and
the international circumstances in which Japan
and Manchukuo find themselves. You should
strive to make effective the ideal of joint

defense

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- 2 -

defense by the two Empires. Therefore every Japanese must display a spirit of cooperation with Manchukuo subjects trusting in each other.

Acting as members of one nation both peoples must go on with their duties as a support of the country's first line of defense and retain their composure. Japanese must not express idly their private opinions which might disclose secrets of diplomacy or national defense.

Don't be led astray by wild and clever Chinese propaganda, but maintain a firm and immovable belief and go ahead with your duties. Those who attempt to disturb peace and order by groundless talk or try to make illicit profits by taking advantage of the North China situation shall be subject to punishment provided by law. Fully realizing the true significance of the situation the residents of the Kwantung Leased Territory should be cautious of rash and ill considered acts and cooperate in carrying out the firm national policies of the Empire".

- - - - -

2 0832
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

98-14
610
Enclosure 2/- to despatch No. 133 of Wm. R. Langdon,
American Consul, Mukden, Manchuria, dated July 30,
1937, to the Embassy at Peiping, China, entitled
"Repercussion in Manchuria to North China Incident".

SOURCE: KOKUTSU,
July 20, 1937.

The following statement was issued by Minister
Yu Chi-shan of the Department of Peace Maintenance
on July 20, 1937:

"In the Sino-Japanese trouble in North
China, China is at fault. Our ally, the Empire
of Japan, has determined to take all measures
necessary fully to cope with the situation and
has already called out part of the Imperial Army.
Manchukuo is cooperating with Japan by preparing
for all eventualities and taking measures to avoid
being taken without warning.

As long as China continues its ill considered
policy of permitting anti-Japan and anti-Manchukuo
acts, in spite of the earnest desire of Japan and
Manchukuo for a satisfactory settlement of the
situation without its spreading, Japan and Manchukuo
will confidently rise up and beat down the unright-
eous for the sake of the peace of the Far East.

The public in general are required to maintain
perfect calm and to rely upon the measures being
taken by the government and by our ally. Life and
business should continue normally and people should
not be carried away by wild rumors or commit thought-
less acts. In case anyone is led astray by Chinese

propaganda

98-15
- 2 -

propaganda and disturbs the peace and order of the country, he will be punished severely.

The Imperial favor is great and boundless and some days ago the Imperial Rescript of Amnesty was issued. Anyone who acts against this Imperial favor of the greatest benevolence and greatest mercy in such a manner as to cause detriment to the country or to bring trouble upon our ally is a traitor, a criminal against God and Humanity.

Furthermore, in case any person's rash and imprudent word or deed disturbs the peace and order he shall not be pardoned from severe punishment in accordance with the laws (even though his true intention is not to do harm) because of the serious nature of treason. Be discreet and cautious and do not fall in the path of punishment and be repentant too late.

Be particularly careful of the following acts:

- 1 - Revealing military and diplomatic secrets of Japan and Manchukuo;
 - 2 - Secret manufacture or repair of arms and ammunition;
 - 3 - Spreading wild rumors and disturbing the public peace;
 - 4 - Cornering, hoarding, or dumping goods and any similar acts detrimental to the ordinary course of business.
- - - - -

File No.

ENCLOSURE	CHARGE TO—
9222	FF Valis
9750 thru 9773	RP Giffen
9778	
9799	PS-Barton

793.94

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

0833

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



ASSISTANT SECRETARY OF THE TREASURY
WASHINGTON



August 24, 1937

ack'd orally



Dear Stanley:

I am enclosing copies of two messages
which we have received today from Nicholson.
I believe that they will be of interest to you.

Sincerely yours,

Weyne Taylor

Dr. Stanley K. Hornbeck,
Office of the Secretary of State.

encl.

793.94/9300

F/B 9800

0838
DECLASSIFIED: E.O. 11652, 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

August 23, 1937
2340 Shanghai time

From: Spagent, Shanghai, China
To: The Secretary of the Treasury

At three points around Shanghai more than fifty thousand Japanese regular army troops were landed last night and this morning. First at Lion Forest Fort near Paoshan on Yangtze River; second at Wenchao-pang a short distance south of Woosung; third at Changhaoping in same vicinity as Wenchao-pang. Heretofore the fighting in the Shanghai area has been confined to naval units from warships in the harbor and the advance guard of Chinese troops stationed in outlying districts. It has consisted of street fighting and sniping in Hongkew and Yangtzepoo, with occasional bombing from air and gunfire from ships in Whangpoo River. However with the landing of Japanese regular forces it is expected that Chinese troops in the vicinity might be forced to make a strategic withdrawal which would relieve the immediate pressure on the International Settlement. As this is being written, either a bomb or shell has fallen in the Ko department store district, known as the 42nd and Broadway of Shanghai, and killed several hundred innocent people. This is the third such catastrophe in the city.

0839

DECLASSIFIED: E.O. 11652, 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

August 23, 1937
11:50 P. M. Shanghai

From: Spagent, Changhai, China
To : Secretary of the Treasury

Nanking has taken steps in preparation for the reorganization of government machinery on an efficient and wartime basis. All such organization as the Control Yuan, Ministry of Industry, Interior, etc. will be suspended to save expenses. All regular salaries and allowances to officials will be discontinued and a small sum for living expenses will be allowed instead. Government will be controlled by a national defense council with General Chiang Kai Shek as chief executive and General Pei Chung Hsi, Kwangsi warlord, and one time bitter enemy of General Chiang, as chief of staff. Generals Feng Yu Hsiang, Chang Hsueh Liang, Yen Hsi Shan, and Cho Wen Lai, leader of Communist Party in Northwest, will each be given a command to oppose Japanese along several Japanese fronts in North and other parts of China. These people stand firm for a major war with Japan and united front with Soviets. All elements regarded as pro-Japanese, such as General Ho Ying Chin, Minister of War, Tai Chi Tao, President of Executive Yuan, Wu Ting Chang, Minister of Industry, Chang Kai Ngau, Minister of Railways, and others have been rendered inactive. Reliably reported General Ho is now under restraint and deprived of his power over army.

But reliable information from military officers in close touch with Nanking reveals fact that Gen. Chiang has not yet given important military positions to anti-Japanese leaders such as Feng Yu Hsiang, Chang Hsueh Liang, Pai Chung Hsi, Cho Wen Lai and others. This seems to be a great disappointment to the public. Well informed quarters here believe that this is diplomatic move, as Chiang feels it undesirable to definitely commit himself to issues of a major war with Japan and cooperation with Soviet Russia just at present. Nanking is watching development of European situation and attitude of such powers as Russia, France, and England before making next move. Appointment of such strong anti-Japanese leaders to important government positions just now is therefore regarded as premature. This is outward situation.

But actually Chiang is taking advice from the above groups more than from other elements. He is evidently carrying out the verbal pledges made in Sian during his captivity last winter by pardoning political prisoners, cooperating with the communists, putting up armed resistance against Japan, and now in reorganization of the government. It will be remembered that Chang Hsueh Liang made the point of reorganization very clear by submitting to him a list of pro-Japanese elements that should be expelled. Judging from above, Chiang is gradually doing away with the groups. At this time it is not possible to ascertain exact personnel of new government. But it is made clear that a national defense government is to be set up from a number of important military leaders as executive members with Chiang as Chief Executive. The appointment of such regional military leaders as Liu Hsiang of Sze, Chuen Lung Yun of Yunnan, Gee Hsi Shan of Shansi,

0840

DECLASSIFIED: E.O. 11652, 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 Fu Chu of Shantung, and others to defense government will take place. Chiang and Nanking government seem determined not to seek any compromise with Japanese unless Japan changes policy toward China. Chiang told seven Salvation leaders lately that price set by Japan for peace is beyond China's ability to pay, the conditions of which are as follows:

- 1) Recognition of Manchukuo
- 2) Recognition of Japan's special position in North China.
- 3) Cooperation for united front against communism.
- 4) China's diplomatic affairs with Europe and America to be handled through Japan.
- 5) Complete eradication of anti-Japanese sentiments in China.
- 6) Military measures to be employed by Japan in execution of above five items.

Most notable alleged appointment to War Cabinet will be that of T. V. Soong as Minister of Finance. This is being insisted upon by Gen. Pei Chung Hsian and Communist leader Cho Wen Lai who are bitterly opposed to H. H. Kung and Mme. Kung and their followers. In this event many important changes will take place in personnel of four government banks, especially Central Bank. It is said Kung will not return to China for some time. Proposed set-up will no doubt constitute a strong government and will mark end of present gangster regime, but trend to Communism should not be overlooked.

DECLASSIFIED: E.O. 11652, 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.

Undated

Rec'd August 30, 1937
11 a.m.

Secretary of State,
Washington.

Your August 24.

Embassy has not yet received duplicate copies
of Department 154 and Tokyo's 272.



JOHNSON

Regarding Sino-Japanese situation.

August 24 above referred to was a Service asking
Nanking if he had received Department's 154 and Tokyo's 272.

793.94/9801

FILED
F/FG
SEP 3 1937

0842
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

EE

TELEGRAM RECEIVED

1-1336

FROM

RB

COMMANDER YANTZE PATROL

Rec'd August 30, 1937

6:55 p.m.

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

From Naval Communications
For the information of the
Department of State.

Division of
FAR EASTERN AFFAIRS
AUG 31 1937
Department of State

B

793.94

0030 Attempted air attack on Hankow last night
turned back before reaching city. No new developments
other river ports 2300.

793.94/9302

NPL

FILED
SEP 3 1937

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

TELEGRAM RECEIVED

1-1336

FROM

RB

COMDR SOUTH CHINA PATROL

Rec'd August 30, 1937

8:55 p. m.

From Naval Communications
For the information of the
Department of State.

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

Division of
FAR EASTERN AFFAIRS
ANG 31 1937
Department of State

0130 British and Norwegian merchant vessels stopped
by Japanese destroyer at mouth of Min River and then pro-
ceeded to pagoda anchorage. No change at Amoy Swatow and
Canton. 2145

793.94/9803

793.94
note
793.94112

FILED
SEP 3 1937

0842

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

99-1 607

TELEGRAM RECEIVED

McL

Gray.

1-1336

FROM Tsingtao via N. R.

Dated August 31, 1937.

Received 1.50 a.m.

Secretary of State,

Washington.

URGENT. August 31, noon.

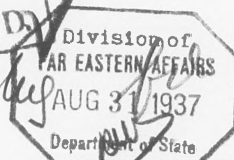
Japanese Consul General has just informed me

that he and his entire staff will withdraw by the 5th of September. Japanese Government has also ordered complete(repeat complete) evacuation at once of all remaining Japanese nationals. Japanese Consul General even asked that I ask Yamamoto, our Japanese clerk, to return to Japan. Reason given is reiterated desire to avoid any possible incident which might aggravate the situation.

SOKOBIN.

WNC

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



793.94/9304

FILED
AUG 31 1937

793.94
note
702.9493

DECLASSIFIED: E.O. 11652, 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

RB

1-1336

FROM

GRAY

Tientsin via N. R.

Dated August 30, 1937

Rec'd 3:44 p.m.

Secretary of State

Washington.

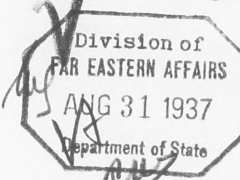
32, August 30, 6 p. m.

Following repeated series incidents due to passage of Japanese troops through French and British Concessions, culminating in attacks yesterday by Japanese troops on British and French Police trying to regulate their movements and on civilians, British Consul General and French Consul informed Japanese Consul General that no Japanese troops could pass British and French concessions after midnight tonight, whereupon Japanese announced that no Japanese troops would pass through those concessions after twelve noon today. Incidents have included reckless driving of military trucks, monopolizing of streets and complete disregard of all traffic officials by Japanese military and disorderly conduct of Japanese troops; French Consul recently reported to Japanese authorities 24 incidents in one day. Detailed information will be forwarded by despatch. 2,500 Japanese troops and 6 field pieces came in from Manchuria on the 29th.

CALDWELL

NPL:EMB

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



793.94/3805

FILED

0846
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

FE
TELEGRAM RECEIVED

FS 1-1236
This message was received FROM
in Navy cipher and must
be paraphrased before being
made public.

COMSUBRON FIVE

August 31, 1937

Rec'd 6:15 a.m.

ACTION: CINCAF; NAVY DEPARTMENT
INFO: COMDESRON FIVE
COMYANGPAT
COMSOPAT
FOURTH MARINES
AMEMBASSY NANKING
ALUSNA PEIPING



PRIORITY

793.94
note
702.9493
0030. Not yet officially announced but our Consul
states all Japanese evacuating Tsingtao prior five
September including Consul General and staff, manager
and employees of electric plant and interpreters. 1638

793.94/9806

FILED

ER 1 2 1938

F/

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

TELEGRAM RECEIVED

FS

1-1236

PLAIN

FROM

Canton via N. R.

Dated August 31, 1937

Rec'd 1:49 a.m.

Secretary of State,
Washington.

PRIORITY.

August 31, 10 a.m.

Six or more Japanese planes dropped bombs near spur
railway connecting Canton-Hankow and Canton-Hong Kong
Railways and on Canton military airdrome beginning five
forty five a.m. today. No damage to railway or airdrome.
Few coolies reported killed. Mail copies to Shanghai,
Hong Kong.

WWC

LINNELL

COPIES SENT TO
INDIVIDUALS

Division of
EASTERN AFFAIRS
AUG 31 1937
Department of State

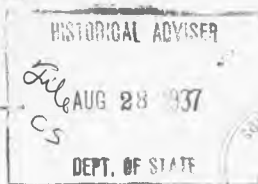
793.94/9807

FILED

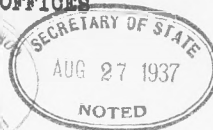
A

0848

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



GOOD OFFICES



August 4, 1937

793.94
ODE Sec. 1937

Mr. Secretary:

In connection with Ambassador Bingham's telegram No. 521 of yesterday regarding the suggested offer of good offices to China and Japan, I refer to the attached memorandum of August 8, 1936, on "Good Offices of the United States, 1914". President Wilson's offer of good offices was made under Article 3 of the Hague Convention for the Pacific Settlement of International Disputes:

Article 3. Independently of this recourse, the Contracting Powers deem it expedient and desirable that one or more powers, strangers to the dispute, should, on their own initiative and as far as circumstances may allow, offer their good offices or mediation to the states at variance.

Powers strangers to the dispute have the right to offer good offices or mediation even during the course of hostilities.

The exercise of this right can never be regarded by either of the parties in dispute as an unfriendly act.

The United States, China, and Japan are parties to this convention.

CS
Carlton Savage

HA:CS:AMH

793.94/9808

F/8808

0849
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

August 8, 1936.

Mr. Secretary:

If a European war becomes imminent this Government, with the hope of forestalling a general conflict, presumably will consider an offer of good offices to the powers concerned. In 1914 the United States probably lost whatever chance there was of stopping the war through the exercise of good offices, because the offer was delayed a week while Secretary Bryan consulted Ambassador Page in Great Britain. During that week the military machines of the principal European continental powers had gone into action, and the offer proved futile.

The facts of this 1914 episode, including the texts of the offer of the United States and the replies of the European powers, are briefly recorded in the accompanying memorandum.

Carlton Savage.

CS:LCM

GOOD OFFICES OF THE UNITED STATES, 1914

On July 28, 1914, the day Austria-Hungary declared war against Serbia, Secretary Bryan cabled Ambassador Page in Great Britain: "Is there in your opinion any likelihood that the good offices of the United States if offered under Article 3 of the Hague convention would be acceptable or serve any high purpose in the present crisis?" As the Ambassador did not respond satisfactorily, his opinion was again requested on August 1. He replied on August 3: "My very definite opinion is that there is not the slightest chance of any result if our good offices be offered at any continental capital. This is confirmed by the judgment of the British Foreign Office. We may have a chance after the war has reached a breathing space."

The Government decided to act, however, but only after the principal continental powers had entered the war. The offer of good offices was contained in a communication of President Wilson which Secretary Bryan requested our Ambassadors in Austria-Hungary, Germany, and Russia on August 4, and those in France and Great Britain on August 5, to deliver to the chiefs of state of those nations:

"As official head of one of the powers signatory to the Hague convention, I feel it to be my privilege and my duty under Article 3 of that convention to say to you in a spirit of most earnest friendship that I should welcome an opportunity to act in the interest of European peace, either now or at any other time that might be thought more suitable, as an occasion to serve you and all concerned in a way that would afford me lasting cause for gratitude and happiness."

The

-2-

The first reply to the President's communication was from France, August 6:

"...I am happy, Mr. President, that the present circumstances give a new proof of that love of peace with which France is ever inspired. For its preservation, the Government has made every sacrifice compatible with its dignity and its honor. Notwithstanding repeated provocations and numerous violations of territory, it has refused to be the aggressor. It was attacked at the same time that the territory of neutral powers was being violated.

"I highly appreciate the thought, which in this instance as in others, has inspired the head of the great American Republic. You may be certain that the French Government and people will see in this act a new evidence of the interest you bear in the destiny of France."

The reply from Austria-Hungary was dated August 7:

"I thank the President of the Republic of America for his friendly message which corresponds entirely with the peaceful sentiments which have guided me during my entire reign. Austria-Hungary will certainly accept with gratitude and in accord with its allies the mediation of your Government at such time as the honor of the flag will permit and when the objects of war shall be attained."

Ambassador Page reported the British reply on August 7:

"I have just come from a long conversation with Sir Edward Grey. He explained at length why England went to war only because war was forced upon her and therefore without any object except to keep her faith and to preserve her place among the nations. She will welcome mediation whenever a favorable time comes. If the war be brief, the chance may come quickly. If it prove a long-drawn, equal struggle, a chance may come when this fact becomes apparent. Sir Edward was most appreciative of the President's offer and requested me to convey the British Government's thanks."

Kaiser Wilhelm replied, August 14, with a long explanation of the circumstances preceding the entrance of Germany into the war. He concluded the reply with the statement, "I am most grateful for the President's message."

The

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

-3-

The reply from Russia, August 26, was sent by the
Minister for Foreign Affairs:

"Appreciating the humanitarian sentiments which dictated this step His Majesty has deigned to command me to transmit to the President his sincere thanks. Russia did not desire war and did everything to avoid it but from the moment this war was imposed upon her she cannot fail to defend her rights by force of arms. Under these circumstances it seems for the moment premature to contemplate the possibility of peace. Nevertheless I beg you to be so good as to be the interpreter to Mr. Woodrow Wilson of the thanks of His Majesty."

CS:LCM

085

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

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Foochow via N. R.

Dated August 30, 1937

Rec'd 11:45 p.m.

Secretary of State,

Washington.

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

August 30, 7 p.m.

793.94
note
193.74112

Japanese destroyer No. 13 now off Matsui Roads at mouth of Min River is stopping all ships to ascertain their nationality, destination, et cetera. Chinese official sources assert that Chinese coastal junks have been seized by Japanese and all Chinese coastal traffic cut off. Chinese are pushing preparations to block river by sinking stone laden barges in Kuantou Strait. Foochow quiet.

CONFIDENTIAL. High placed Fukien official stated today that the Government here expects further trouble in Amoy (repeat in Amoy).

To Nanking. Repeated to Department, Peiping and Amoy.

SMS:NPL

WARD



793.94/9809

FILED
SEP 3 1937
F/6

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

100-1 608 ~~FE~~

TELEGRAM RECEIVED

FS

1-1336

FROM

GRAY

Tokyo

Dated August 31, 1937

Rec'd 6:08 a.m.

Secretary of State,
Washington.

330, August 31, 3 p.m.

Department's 178, August 29, 2 p.m. /9776

One. All of my concerned colleagues to whom I circulated the recommendations from Nanking concerning Tientsin feel that since Japanese are in control in that city it would be superfluous and unwise to appeal to the Japanese Government to avoid aerial bombing there. We all feel representations in this case would merely tend to weaken our representations in other cases where real danger is involved. We therefore do not propose to take action.

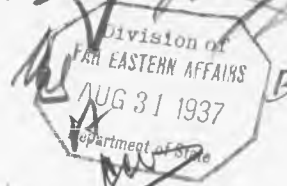
Two. My colleagues will be glad if Johnson will communicate the foregoing views to his concerned colleagues in Nanking.

Three. As my instructions from the Department are to act for association with my interested colleagues I likewise shall avoid making representations unless the Department desires me to take action alone.

Repeated to Shanghai for relay to Nanking.

WWC

GREW



793,94/9810

FILED

F/FG

TELEGRAM RECEIVED

PS

This message was received
in Navy cipher and must be
paraphrased before being
made public.

FROM COMSOPAT

August 30, 1937

Rec'd 6:15 a.m. 31st

ACTION:NAVY DEPARTMENT
INFO: COMSUBRON 5;
COMDESRON 5;
CINCAF
COMYANGPAT
FOURTH MARINES
AMEMBASSY NANKING

PRIORITY

0031 zero five four five.

Today nine Japanese planes appeared over Canton,
altitude about twelve thousand feet, Chinese anti-air-
craft guns opened fire without effect. Planes dropped
three bombs on airport and two near railroad, no damage
personnel or material. Great consternation among
thousands junks and sampans which moved from their
moorings along the Bund to anchorages between Shameen and
foreign gunboats. Rumors to effect Chinese fighting
planes pursued Japanese planes and brought down two but
thought improbable. 1015



793.94/9811

FILED
SEP 1 1937

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

TELEGRAM RECEIVED

ML

1-1336

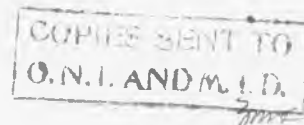
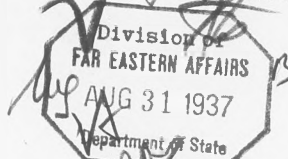
Cineaf

FROM

August 31, 1937

Rec'd 9:30 a. m.

INFO
Secretary of State
Washington



793.94

0031 Japanese gradually extending lines beyond Woosung with aid reinforcements landed Paoshan Woosung yesterday, today; reports indicate another advance will be attempted south. Chinese troops in Liuho Woosung sector now estimated fourteen divisions well equipped, morale good. Fighting Chapel Hongkew area continues, no change in lines, both sides using artillery intermittently, fragments sharpnel from Japanese battery Hongkew shelling Markham Road yards fell in American sector, no casualties. Japanese requiring Chinese residents and refugees Yangtzepoo evacuate order does not affect power plant. Conditions in settlement unchanged 1922.

793.94/9312

TWC

FILED
SEP 3 1937

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

TELEGRAM RECEIVED

MM

1-1336

FROM GRAY

Amoy via N.R.

Dated August 31, 1937

Rec'd. 9am.

Secretary of State

Washington, D.C.

August 31, 4pm.

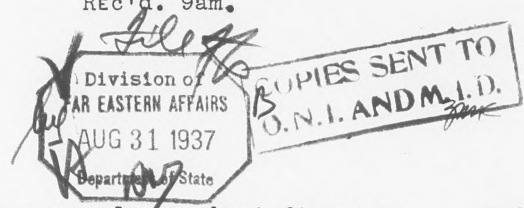
Changchow was bombed by Japanese planes about five a.m.

today. Information concerning damage and loss of life not yet received. To Nanking. Repeated to State Department, Peiping and Foochow.

ALTAFER

GW

KLP



793.94

793.94/9813

FILED

SEP 2 1937

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

TELEGRAM RECEIVED

GRAY

1-1236

FROM
Tokyo

Dated August 31, 1937

Rec'd. 9a.m.

Secretary of State

Washington

333, August 31, 6p.m.

Department's 180, August 30, 2p.m., Hankow-Canton
railway.

One. I have today addressed the following note to
the Minister for Foreign Affairs.

"Tokyo, August 31, 1937. Number 785. Excellency:
Under instruction from my Government I have the honor
to invite the attention of Your Excellency to the fact
that the railway which connects Hankow with Canton and
Hong Kong is now being used by Foreign Nationals who
are being ^{evacuated} from China. My Government accordingly
expresses the hope that every care will be used by
Japanese military planes not to machine gun or bomb
trains or otherwise interrupt the use of that line for
the evacuation of foreigners.

In thus approaching Your Excellency I wish at the
same time to associate myself with similar

representations



755.94/9814

FILED
SEP 7 1937

McC #2 Tel. #533, August 31, 6p.m. from Tokyo.

representations on this matter which I am informed certain of my colleagues are submitting to Your Excellency.

I avail myself, et cetera, Joseph C. Grew".

Two. My British and French colleagues are also addressing to the Minister for Foreign Affairs notes of a similar character.

Three. My German and Italian colleagues envisage only an oral approach to the Foreign Office and will not address written notes.

GREW

KLP

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

101-1 ✓ 609 FE

TELEGRAM RECEIVED

MM

GRAY

1-1336

FROM

Tokyo

Dated August 31, 1937

Rec'd. 9:15am.

Secretary of State

Washington, D.C.

RUSH.

329, August 31, 2pm.

Department's 177, August 28, 4pm.

ONE. On August 28 the French Ambassador sent his Counselor to the Foreign Office in connection with the "China blockade" (one) to make "serious reservations" concerning the attitude of the French Government and (two) to inquire as to the interpretation of the term "peaceful commerce" mentioned in the announcement. The Vice Minister professed entire ignorance of the announcement by the Navy which gave the Ambassador the impression that the step had been taken without consulting the Foreign Office. Horinouchi said he would investigate and reply.

Two. Yesterday the Vice Minister handed to the French Ambassador as an "oral" reply the following text:

(One) The closing of the traffic applies, as clearly stated in the declaration made on the 25th instant by Admiral Hasegawa, only to Chinese vessels and does not apply to the vessels of third powers. Consequently, arms and
ammunitions



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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

101-2 610
mm 329, August 31, 2pm from Tokyo. -2-

ammunitions carried on board the latter ships do not come within the scope of the present measure. However, since the above mentioned declaration was issued, there have been Chinese ships flying foreign flags in order to evade the application of the declaration, and the Japanese Government are faced with the necessity of inspecting the suspected ships in order to identify their nationality. The Japanese Government, of course, do not want to create unnecessary misunderstanding with the ships of third powers and, so, they would find it convenient to have advance notice of the ships entering the prescribed area, as to their names, their captains, and the matters concerning the capital invested in them. (2) As you are aware the Japanese Government have made it clear, in their statement of August 26th, that in the face of the present situation they were forced to adopt this measure with a view to prompting China's reconsideration and bringing about a speedy settlement. Under the present circumstances, if large quantities of arms and ammunitions were to be supplied to China from abroad, it would only strengthen both morally and materially her antagonism toward Japan, and thereby prolong and intensify the present conflict. The Japanese Government, therefore, hope that the governments of the third powers concerned will appreciate the delicate situation

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mm 329, August 31, 2pm from Tokyo. -3-

situation, and refrain, as much as possible, from doing anything which is likely to encourage China in this direction.

(3). The present declaration, as stated above, does not apply in the case of ships of third powers, and the Japanese Government do not, for the present, contemplate taking any action to prevent the importation of arms and ammunition into China by foreign vessels. But in view of the fact that such importation of war supplies is bound to increase Chinese opposition against Japan, future developments may compel the Japanese Government to devise more effective and suitable measures to stop all importation of arms and ammunition into China, August 30, 1937.

Three. Any inquiry from us would probably draw forth an identic reply. Therefore, if instructions from the Department to take action should cross this telegram I shall nevertheless delay action until this telegram has been received and acknowledged by the Department.

Repeated to Shanghai for relay to Nanking.

GREW

HPD

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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 SENT

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
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Department of State

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TO BE TRANSMITTED
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August 31, 1937

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

TOKYO, (JAPAN).

184
Your 329, August 31, 2 p.m.

~~Department desires that you take no repeat no action.~~

In the light of the contents of telegram under reference
and of your 322, August 27, 7 p.m., it seems to Department
that further inquiry would be neither helpful nor desirable.
Take no repeat no action.

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