

MICROCOPY

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43

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 43

1930-39

793.94/10851-11030
Oct. 1937



THE NATIONAL ARCHIVES
NATIONAL ARCHIVES AND RECORDS SERVICE
GENERAL SERVICES ADMINISTRATION

WASHINGTON: 1975

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

INTRODUCTION

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

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

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

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

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

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

D1

TELEGRAM RECEIVED

JR

1-1826

FROM

GOMYANGPAT

October 26, 1937

Rec'd Noon

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING CHINA
ALUSNA PEIPING



0026. Nine Japanese bombers with three pursuit
bombed Military Airfield Nanking at 1445 today. 2000.

CSB

793.94/10851

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

97-1

TELEGRAM RECEIVED

EG

1-1388

FROM

GRAY and SPECIAL GRAY

Peiping via N. R.

Dated October 26, 1937

Rec'd 11:50 a. m. *copy*

Secretary of State,

October 28 1937

Washington.

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

697 A, October 26, 5 p. m. *10832*

Embassy's 695, October 25, 4 p. m.

Division of
FAR EASTERN AFFAIRS

OCT 26 1937

Department of State

One. Competent, informed Japanese have supplied the information contained in this paragraph. Delay in formation of a new regime in North China is due to the fact that important military and civilian elements in Tokyo believe that a settlement of North China question should be and can be reached eventually by direct negotiations between Tokyo and Nanking and that the formation of such a regime would obstruct those negotiations. Kita, director of political affairs in Hopai, is in accord with the above view. A number of the most influential officers who might be opposed to this view are now in active service on various fronts where they cannot interfere in political matters; so this view will probably prevail. The presence of such officers at the fronts is probably the cause of a difference of opinion now evident among Japanese military as to what should be the southern limit of advances in North

793.04/10852

F/EG
FUE

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

97-2

EG -2- #697 A, October 26, 5 p. m. from Peiping via N. R.

North China.

Two. There continue to be reports that local Japanese authorities are urging local Chinese officials to persuade the National Government to make peace with Japan (Embassy's 653, ¹⁰⁶³⁷ October 13, 5 p. m. and 659, October 15, 5 p. m.). This factor, together with the slowing up of the Japanese advance in Shantung and Shansi, in conjunction with the approach of the Nine Power Conference, is creating an impression among some local Chinese which seems well founded, that Japan is anxious to end hostilities. In this connection and with reference to Tientsin's ¹⁰⁷⁹⁵ 39, ₄ October 21, 5 p. m., reporting the departure of Li Shih Hao from Tientsin for Central China, it is reliably reported that Chang Pi has gone to Shantung and Chen Chung Fu to Hong Kong for the purpose of devising a settlement of the North China situation.

Three. The solution of the North China situation seems to depend primarily upon the outcome of the conflict at Shanghai.

Four. A reviving interest among Japanese capitalists in economic development of North China, as reported in recent press despatches, appears to be premature because of the abnormal conditions still existing and the
absence

97-3

EG -3- # 697 A, October 26, 5 p.m. from Peiping via N. R.

absence of funds.

Five. Japanese inspired regulations of education in Peiping continues, with changes in text books, alternation of the character of sports affected by the abolition of boy scouts and girl guide organizations and of military drill. The study of the Japanese language two hours weekly in middle schools is compulsory.

Repeated to Nanking and Tokyo.

LOCKHART

CSB

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

97-4

October 26 1937

The Honorable

Norman H. Davis,

Delegate of the United States
 to the Conference of the Parties
 to the Nine Power Treaty,

Brussels, Belgium.

Sir:

There is enclosed for your information a copy of a
 telegram, no. 697 A, of October 26, 5 p.m., from the
 American Embassy at Peiping, which contains interesting
 information in regard to the Sino-Japanese situation.

Very truly yours,

For the Secretary of State:

Sumner Welles

Enclosure:

From Embassy, Peiping,
 telegram no. 697 A,
 October 26, 1937.

A true copy of
 the original
 [Signature]

FE/JCV:HES
 10-26

FE

OCT 26 1937

793.94/10852

F/MR

1004

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

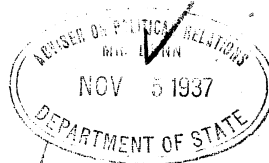
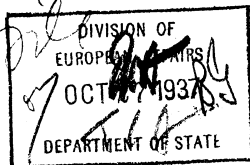


EMBASSY OF THE
UNITED STATES OF AMERICA

No. 202

Warsaw, October 15, 1937.

Subject: Explanation by Colonel Beck and
Polish Foreign Office of Polish
delegate's failure to vote on
Far Eastern situation during
recent session of League of Nations.



The Honorable

The Secretary of State,
Washington, D.C.

Sir:

In connection with the failure of the Polish
delegate, Minister Komarnicki, to vote in the
"Committee of 23" which handled the Far Eastern
Question at the recent session of the League of
Nations, I have the honor to forward herewith in
translation, a copy of the official Polish explana-
tion thereof as it was released by the POLSKA
INFORMACJA POLITYCZNA * on October 12, 1937, and to
quote in summary herein an oral explanation on the
same subject made to me by Colonel Beck, Polish
Minister for Foreign Affairs, shortly after his
return from Geneva.

The

*Official publication of Polish Foreign Office.

793.94/10853

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10853

- 2 -

The Department will recall that the Polish delegate to the "Committee of 23" who was reported to have endeavored to soften the committee's discussion of Japanese action and to weaken the tone of the proposed resolution, abstained together with the Siamese delegate from voting on the resolution. Since Colonel Beck was in Geneva at that time, it can safely be assumed that this action on the part of the Polish delegate was directed and supervised by him. Certain sections of the Polish press, particularly the Jewish and Socialist papers, criticized strongly, by implication, the action of the Polish delegate and many observers at Warsaw freely expressed the view that Polish sympathy for Japan, if not an actual understanding arising out of Polish desire to isolate and weaken the Soviet Union, offers the only valid explanation for the failure of the Polish Government to associate itself with the action of the League's committee.

I am inclined to believe that expressions of this nature, as well as the reception given by the press of western Europe to Polish abstention, influenced the Foreign Office to issue an official explanation through the POLSKA INFORMACJA POLITYCZNA. The following summary of this explanation which likewise covers the Nyon Question, indicates that Poland pleads League procedural matters as justifying the action of their delegate at Geneva*:

With

* The Polish official who drafted the statement observed to a member of my staff that it was intentionally vague on the Far Eastern question.

- 3 -

With the exception of the Palestine question the program of the Assembly could only interest Poland from the point of view of methods used in international proceedings which to be effective require that each member of an international conference be fully informed in advance of the principle, et cetera, involved. The "Crisis of the League" has arisen because rules and procedure have not been carefully observed and Poland has been in most cases obliged to assume a different attitude from that of other members of committees or even to abstain from voting on decisions. This was true in the recent cases of the Nyon question and the questions concerning the Far East.

The above statement was confirmed by Colonel Beck when he requested me to call on him and, in discussing League matters, we touched on the action of the Polish delegate in the "Committee of 23". The Polish Minister for Foreign Affairs phrased his explanation as follows:

"Komarnicki, Poland's representative, had refrained from voting in the case of both the Nyon and the Far Eastern questions for the following reasons: (a) Poland had not participated in the Nyon Conference, (b) In neither situation did Poland have any interests at stake, and (c) in view of the foregoing reasons, Poland did not choose to sit at the table and vote as the instrument of any given force. In this connection, he (Colonel Beck) recalled that part of Mr. Eden's speech prior to the Geneva meeting wherein Eden stated that Great Britain did not look for any nation to serve as the instrument of any other single or group of nations."

I desire to point out that Colonel Beck has on several occasions expressed to me his views with respect to the League of Nations and in them has consistently stressed what he terms the necessity of preventing the League from developing into an instrument of one group of powers (the Democratic States) to oppose another group of States (the Totalitarian countries). The recent action of the Polish delegation in connection with
the

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

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the Nyon and Far Eastern questions appears to me to have conformed fully with Colonel Beck's past policy and should not be interpreted in the light of a special move on the part of Poland applicable only to those questions. On the other hand, there is good reason to believe that Colonel Beck's recent policy with respect to the activities of the League was formulated largely on the basis of Poland's compelling desire to isolate and weaken the Soviet Union and her resultant benevolent attitude towards those countries, including Japan and the Fascist States, which have somewhat the same objective.

Respectfully yours,

A. G. Drexel Biddle, Jr.
A. G. Drexel Biddle, Jr.

Enclosure: Article in translation which appeared in POLSKA INFORMACJA POLITYCZNA of October 12, 1937.

AJDB/IMH/emq
711

(In quintuplicate)

Copy sent Consulate, Geneva.

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

Enclosure No. 1 to despatch No. 202, October 15, 1937,
from the Embassy at Warsaw, Poland, on subject of Ex-
planation by Colonel Beck and Polish Foreign Office of
Polish delegate's failure to vote on Far Eastern situa-
tion during recent session of League of Nations.

Source: POLSKA INFORMACJA
POLITYCZNA October 12,
1937 (Published in
Polish) Warsaw, Poland.

FULL TRANSLATION

REFLECTIONS ON THE LAST ASSEMBLY OF

THE

LEAGUE OF NATIONS

On looking back at the recently ended discussions,
which were held in Geneva, we must state that with the
exception of one problem alone, (that of Palestine, in
which Poland is directly interested, and the discussion
of which may be considered as a useful beginning of an
exchange of opinions) all the rest of the program of the
Assembly's work could only interest Poland from the point
of view of the methods used in international proceedings.

The Polish Government has often had the occasion to
remember that it attached special importance to the ques-
tion of the method of cooperation, and that Polish public
opinion had certain reasons to fear that the difficulties
of our times are not only the result of real differences
of interests between States, but also, in an equal measure,
of the confusion existing in the realm of international
cooperation.

Now, in our opinion, these methods of cooperation
must allow the rights and obligations of all parties to be
clearly defined, so that each member of an international
conference may be in advance plainly aware along what
principles

- 2 -

principles he will have to work.

The Polish Government has often remarked in its official declarations that the so-called "crisis of the League of Nations" comes above all from its rules being insufficiently observed. The last session of the Assembly of the League, gives us, unluckily, a deceptive picture from this point of view, the more so that there had seemed formerly to exist some slight inclination to improve the situation. The Polish delegation, therefore, being above all concerned in maintaining Poland's line of conduct, saw itself obliged in most cases to take a different attitude to that of the other members of this or that committee, or else to withhold from voting the decisions. We had no direct interest in the debated questions. Only the method mattered for us.

Let us take the example of the Mediterranean powers who met in Nyon in order to make a combined effort to establish, on the Mediterranean, normal conditions of navigation. This was an initiative for which in principle, the Polish Government felt only sympathy. But that which causes serious consideration, is the desire to impose the results of this regional conference on the normal organs of the League, to which belong States which have taken no part in working out the program that the Mediterranean powers have assigned to themselves.

Nor was normal procedure followed in questions concerning the Far East.

On the shores of lake Leman the difference that exists between responsible representatives of sovereign States and irresponsible elements, which try to smuggle
through

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

- 3 -

through certain doctrines, is too often forgotten.

It is, therefore, not surprising that the results of the elections to the Council of the League of Nations and of certain votes on suggested resolutions were for the Geneva circles a very eloquent surprise, which may be considered as a reaction against the atmosphere that accompanies the efforts of the League. The attempts at reform tried by the committee for the revision of the Pact will not be of much use if in practice one continues to act according to methods which have to so large an extent, weakened the League.

The Polish Government continues to be animated by the most sincere goodwill in its participation in international cooperation based on just principles, but it continues also to be firmly decided not to be an instrument of a policy contrary to its principles.

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

DOCUMENT FILE

NOTE

SEE 890.00/64 FOR Memorandum

FROM State Department (Stevens) DATED Oct. 16, 1937
TO Far Eastern Division NAME 1-1127 epo

REGARDING: Relations between China and Japan.

Situation in Far East: Reports in detail concerning-. Discusses attempt of Japan to set up regime in North China.

mr

790.94/10854

F/MR

19394
10854

0013

DECLASSIFIED: E.O. 11652, 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
S

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington, *via Naval Radio*

1937 OCT 26 PM 4 00

October 26, 1937.

AMEMBASSY

DIVISION OF
COMMUNICATIONS
AND RECORDS

PEIPING (China). *via NR.*

343

The NEW YORK TIMES carries a report under date line
Peiping October 26 to the effect that according to re-
liable reports trainloads of Japanese troops with field
equipment are moving northward through Shanhaikuan into
Manchuria.

reported The Department would welcome your estimate *in regard to this*
movement.

Hell
WRW

793.94

help
FE:MSM:VCI

WRW
FE
W. W. H.

CR *any*
Oct 26 1937.

793.947-10354A

F/MR

10854a

Enciphered by

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

D. C. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

TELEGRAM RECEIVED

1-1280

FROM

MBO

This message was received
in navy code and must be
closely paraphrased before
being communicated to anyone.

Alusna Peiping

October 27, 1937

Rec'd 9:00 a.m.

793.94

FROM: ALUSNA PEIPING
ACTION: NAVY DEPARTMENT
INFO: 2ND BRIGADE
COMSUBRON 5
COMDESGRON 5
CTMCAF
COMYANGPAT
COMSCPAT
AMEMBASSY NANKING



0027 Fighting Tsingpu near Yucheng but not serious.
Third Route Army strengthening Yellow River defenses. Han
does not want Kwangsi troops at front. Pannieh Tze Ex-
ecutive (#) that army has left Tsinan for South Nanking
leaving Han shift for himself, so still believe he awaits
favorable opportunity turn over North Shansi front remains
Hsinhsien. Japs unable break through Niantzekuan and
admit strong resistance there. Pinghan penetration vic-
inity Anyang 1540.

(#) Apparent omission.

CSB:

FILED
OCT 27 1937

793.94/10855

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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

98-1

TELEGRAM RECEIVED

EG

1-1326

FROM GRAY

Tokyo

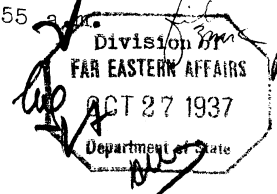
Dated October 27, 1937

Rec'd 8:55 a.m.

Secretary of State,
Washington.

495, October 27, 4 p. m.

Shanghai's 887, October 24, 7 p. m.



Today Dooman read to Yoshizawa the first paragraph of the telegram above cited and urged that the commanders of the Japanese naval and military forces at Shanghai be directed to see to it that lives of foreigners and other non-combatants in the foreign protected areas at Shanghai are not endangered by Japanese gun fire and by the flying of Japanese airplanes carrying bombs over such areas. Yoshizawa expressed regret that the actions of the Japanese forces should have made further representations necessary and said that he would at once take up this matter with the appropriate authorities.

Repeated to Shanghai for information of Nanking and Yarnell.

GREW

WWC

793.94/10856

F/FG
FILED
OCT 27 1937

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

COPY

RECEIVED
DEPARTMENT OF STATE

1937 OCT 26 PM 12 07

DIVISION OF
COMMUNICATIONS
AND RECORDS

October 18, 1937

November 8 1937

Honorable Franklin D. Roosevelt
President of the United States
Washington, D. C.

Dear Mr. President:

I am inclosing herewith copies of two talks delivered
by me over station WJBK of Detroit, Michigan, on the nights of
October 9th and 16th, 1937.

I am mailing these to you because I feel myself
sincerely in accord with your views on the subjects, and I hope
that I express sentiments which meet with your approval and
commendation.

Very truly yours,

/s/ Ira G. Kaufman

IGK:FL

Ira G. Kaufman
1150 National Bank Building,
Detroit, Michigan.

Division of
FAR EASTERN AFFAIRS

OCT 27 1937

Department of State

793.94/10857

F/FG 10857

FILED

OCT 28 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

THE JAPANESE SITUATION

While I am talking to you on this radio hour of Mr. Kurland's, there is occurring in a far off corner of this world of ours, a catastrophe which cannot but strike home a shudder in the heart of every mother and father and indeed in the heart of every human being of understanding years. I refer particularly to the war of Japan upon China.

I would like to be calm in considering this Japanese war. I would like to appraise if I could, the reasons for Japan's search for conquest and expansion. I would, indeed, like to understand the economic, the political, the human factors involved. I would like to discuss with you the size of Japan's population, the scarcity of her land, the lack of raw materials, the need for trade and commerce, the growth of the army, the political power it exercises. I would like to know all these. Yes !

But these are no longer of any importance in my scheme of things. They are no longer of any importance in any human beings scheme of things. No, not even the Japanese.

I can hear some of my radio listeners saying, "Why not?" I will tell you why not ! Because we are now concerned with something deeper, more fundamental than a nations need for expansion, her need for more raw materials or for more trade and commerce. We are now concerned with human lives, great masses of human lives; we are concerned with the arbitrary killing of human beings; with the cutting down of lives in the prime of youth, and in the weakness of babyhood and in the senility of old age. We tell ourselves to be calm, but how can we be calm, how can we reason. We see a picture of men being trained to

-2-

bayonet on the dead corpse of an antagonist; we see Red Cross hospitals bombed, we see defenceless street walking civilians--men and women and children--bombed and machine-gunned from the air. We see fishing fleets sunk with entire families aboard; we see homes demolished--the occupants killed without a chance for a final prayer before they go to meet their maker. We see an ancient civilization uprooted and exterminated. Is this then a legitimate attempt to gain any end? Is this then even war? Is it not rather a modern form of massacre? Does it not rather partake of a mass murder, more befitting a barbaric uncivilized tribe, than twentieth century civilized human beings?

The question therefore asks itself-- What can we do about it? I am told we must isolate ourselves. We must not let slip a single word of reproval. We dare not let our warm feeling of humanity flow out to the bereaved and the suffering. We dare not do these things lest we ourselves be drawn into the whirlpool of war and the consequent hurt to our own physical beings.

Does this, however, mean that we are to do nothing? Is there no way out other than to allow the Chinese tragedy to run its terrible course. Is there no way for common humanity to avert even more tragic consequences than those which have resulted up to the present? Do living human beings not matter, then, that they must face slaughter and disease and desolation without even a remonstrance from humanity?

The answer is already sweeping over England and making itself felt in France and in these United States. It will not be necessary for our government to take any unneutral

DECLASSIFIED: E.O. 11652, 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-

action or to engage in any war. It merely contemplates that you and I and each of us will exercise the right of every human being to buy from whom and what products he wishes to buy. It contemplates in short, a boycott against this nation which arrogates to itself the right to plunder and pillage and kill the defenceless. We will, in the words of our President, Mr. Roosevelt "Quarantine" such a nation. You may ask about the effectiveness of such a boycott. It has been estimated that if the people of Great Britain and the United States--Japan's principal customers--stop buying Japanese goods, the Japanese invasion of China, and all the fears of a resultant world war, can be brought to a halt within three months. It is yet possible that "Don't buy silk," is a slogan of boycott which may revive man's love for man and avert civilization from a course of destruction which must otherwise destroy civilization.

7020

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

November 6 1937

In reply refer to
FE 793.94/10857

My dear Mr. Kaufman:

The Department has received, by reference from the White House, your letter of October 18, 1937, addressed to the President, and in addition a copy of the statement in regard to the situation in the Far East made by you over station WJBK of Detroit.

The remarks made by you in regard to the situation in the Far East have been read with interest and your courtesy in making available the text of your speech is greatly appreciated.

Sincerely yours,

For the Secretary of State:

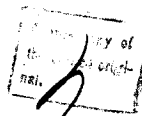
M. M. Hamilton
Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Mr. Ira G. Kaufman,

OR ✓
NOV 6 1937
1150 National Bank Building,
Detroit, Michigan.

KJP
FE:KFP:HES
11-5

ME
FE



793.94/10857

F/FG 10857

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

79394

DOCUMENT FILE

NOTE

SEE 852.00/6777 FOR #3477

FROM Great Britain (Johnson) DATED Oct. 19, 1937
TO NAME 1-1127 670

REGARDING: Speech of the Secretary of State for Foreign Affairs at
Llandudno, Wales, Oct. 15, dealing mainly with the
present situation in Spain and in the Far East. Trans-
mits text of the -, together with a summary of the
principal points.

ge

793.94 / 10858

F / MR

/0858

DECLASSIFIED: E.O. 11652, 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 851.00/1735 Confidential File FOR Tel#1527 7 p.m.

FROM France (Bullitt) DATED Oct. 26, 1937
/16 NAME 1-1127 670

REGARDING:

French Government taking very little interest in the
Brussels Conference and expresses the view that nothing effective can
be accomplished unless the U. S. is prepared to undertake the protection
of the possessions and interests of various European powers in the Far
East.

ML

CONFIDENTIAL FILE

793.94

793.94/10859

/00

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

99-1

FEA

TELEGRAM RECEIVED

EG

GRAY

Tokyo

J 184

FROM

Dated October 27, 1937

Rec'd 11:16 a. m.

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
OCT 27 1937
Department of State

497, October 27, 6 p. m.

Embassy's 493, October 26, 8 p. m.

My British colleague informs me that his

Government has accepted the Japanese note apologizing
for the killing of the British soldier in Shanghai and
the text is being given to the press in England.

Repeated to Shanghai for Nanking.

GREW

WTC:JLS

793.94
note
393.4123

793.94/10860

NOV 1 1937
F/FG
FILED

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

100-1

JR

TELEGRAM RECEIVED

Tokyo

FROM Dated October 27, 1937
Rec'd 11:25 a.m.

Secretary of State,
Washington.

496, October 27, 5 p.m.
Our 493, ¹⁰⁸⁴⁶ October 26, 8 p.m.

Division of
FAR EASTERN AFFAIRS
OCT 27 1937
Department of State

One. The British Embassy informed us today that owing to a leak the substance of a note sent by the Japanese Foreign Office to the British Embassy, which is similar to the note sent to us, was published in the London papers. Accordingly, the British Embassy on instructions from London asked the Japanese Foreign Office today for permission to publish the entire text. Permission was given today on condition that the British Government indicate at the time of publication that it considered the incident "closed".

Two. The Foreign Office substantially confirmed the foregoing but stated that it has no (repeat no) objection to the publication by the American Government of the note sent to us.

Three. We assume that if the Department decides to publish the text it will wish to refer to the repeated assurances of the Japanese Government that special effort was being made to safeguard the lives of nationals of
third

793.94/10861

(OCT 27 1937)

F/EG

1002

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

100-2

JR -2- #496, October 27, 5 p.m., from Tokyo.

third countries. In view, however, of the fact that permission to publish was given without any condition in the case of the American Government, the Department having in mind the effect on American public opinion may wish informally when releasing the note (a) to refer to the Japanese Government's having expressed regret without formal protest having been made by the American Government, (b) to express belief that the firing was not an intentional or deliberate attack upon Americans, and (c) to indicate that the expression of regret offered by the Japanese Government is appreciated.

Repeated to Shanghai for Nanking.

GREW

KLP

0024

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

100-3

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 OCT 27 PM 6 35

October 27, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

TOKYO, (Japan).

271

Your 496, October 27, 5 p. m.

This afternoon the Department issued to the press the text of the Japanese note. The press release concluded with a statement that you were being instructed to express to the Japanese Minister for Foreign Affairs the appreciation of this Government for the prompt expression of regret offered by the Japanese Government. Please take appropriate action with the Japanese Government.

Hull
(M.H.)

793.94/10861

793.94/10861

F/A

10861

FE:MMH:SMJ

FE
M.H.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

102
DECLASSIFIED: E.O. 11652, 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./512 FOR Despatch #3463

FROM Great Britain (Johnson) DATED Oct. 11, 1937
TO NAME 1-1137 876

REGARDING: Far Eastern situation. During the past week protests continued to be voiced by political and non-political organizations against the ruthless activities of Japan in China. Resolution adopted by the Labor Party Conference. Excerpts from editorials in the press.

fp

793.94/10862

F/NR

10862

-8-

FOREIGN AFFAIRS:

Far Eastern Situation

During the past week protests continued to be voiced by political and non-political organizations against the ruthless activities of Japan in China. The Labor Party Conference, for instance, on October 4, adopted a resolution condemning Japan and urging the application of economic and financial measures against that country. A popular meeting of protest, organized by the News-Chronicle (Liberal) was held at the Albert Hall in London on October 5 and was attended by some 8,000 persons. The Archbishop of Canterbury, who acted as chairman, spoke in a strong, although reserved, manner but other speakers were very vehement in their condemnation of Japan and their demand for economic sanctions. The speakers were enthusiastically cheered. At this and other meetings the British Government was urged to seek the co-operation of the American Government.

The News-Chronicle (Liberal) and the Daily Herald (Labor) have continued to urge a popular boycott against Japan. It has been reported that some individuals and some firms have been refusing to purchase Japanese goods. However, the recommendations for economic sanctions are apparently opposed by many business men and have definitely been opposed by the Government-supporting Conservative press. The Conservative press has pointed out that economic sanctions would be difficult to apply effectively, that their application would involve a dangerous risk of war, and that their application might induce Japan to endeavor to end the conflict by even more unrestrained means than at present.

In

7025

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

-3-

In this connection, there are quoted below excerpts from a letter addressed to the Daily Telegraph and Morning Post by Captain H. H. Salfour, a Member of Parliament:

"An economic boycott must be thorough. Half success will achieve no objective, and only result in ruin of thousands of investors at home and abroad, and traders, businesses and residents in the Far East.

A successful boycott could, and probably would be taken by an exasperated Japan as a hostile action. This means nothing less than war in the East.

We have the Singapore base unfinished; our capital ship programme incomplete until 1939; an air expansion programme based on parity in Europe, and this but partly ready. There is a tense situation in the Mediterranean; a large number of naval craft concentrated round the Spanish coast. If Japan rebelled against a boycott, it is Great Britain's strategic points, peoples and positions which would bear the brunt, and it is open to grave doubt if we are in a position, at the moment, to defend these strategic points and other interests."

In some quarters it is apparently believed that the Liberal and Labor Parties have, at least in part, endeavored to make political material out of the protest meetings against Japan. Excerpts in this regard from an editorial in the Daily Mail of October 6 follow:

"In the condemnation of the lamentable civilian death-roll caused by Japan's air raids the Daily Mail unreservedly shares. We are completely in accord with the dignified protests made by the British Government against 'the deplorable loss of life' in Canton, Hanking, and elsewhere, and if, unhappily, the Government is again obliged to remonstrate, The Daily Mail will give Ministers the closest support."

* * *

"It would indeed be strange if such a picture did not offend and sicken. But in this country there is one grave danger--that the abhorrence common to every mind should be appropriated by and made to serve the interests of any distinct political section of the community.

"and already in some quarters the national sympathy with China has been converted into a cause and skilfully exhibited as a political banner.

7030

DECLASSIFIED: E.O. 11652, 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-

"Whatever feelings of resentment and censure are roused, it is useless to translate them into wild and futile resolutions whether at Geneva, London, or Bournemouth.

Eventually Japan is likely to suffer economically and in various other ways from the adverse opinion which her acts have spontaneously created throughout the world.

"But resolutions pressing for trade sanctions and calling on the British Government to take the lead generally in fierce penal action, so far from harming Japan, will merely recoil with incalculable harm on this country."

* * *

"Though a power much nearer and more susceptible to sanctions measures than Japan, Italy won a speedy victory in Abyssinia and was thrown into the arms of Germany. The ill-judged interference during the Abyssinian campaign, which other nations left Britain to carry out almost alone, directly forged the Rome-Berlin axis.

"If this country listened once more to the people who believe Britain's mission is to police and lecture the universe and automatically to take the foremost hand in whatever trouble arises, we should only incur fresh odium and difficulties."

President Roosevelt's speech at Chicago on October 5 was generally welcomed here. The satisfaction with which it was received became greater day by day during the week and as other developments followed. The part of the speech that has been most frequently referred to was that in which the President said in effect that peace-loving nations must make a concerted effort to oppose those violations of treaties which to-day are creating a state of international anarchy from which there can be no escape through mere isolation or neutrality. The speech was generally interpreted as the definition of an attitude, not of a program, and as a moral contribution to peace, the practical effect of which was still to be measured. It was also taken to indicate the end of American isolation and

-11-

and impartiality with respect to the Sino-Japanese conflict. The latter interpretation was considered to be confirmed by the statement issued by the Department of State on October 7 concerning the American Government's attitude with respect to the League's condemnation of Japan. The query that was generally expressed in the press in regard to what action would be taken by the United States and how far it would go was considered to have been answered in part by the Secretary of State's statement on October 7 that the United States would presumably participate in a Nine-Power Conference if it were invited to do so.

The satisfaction felt by the British Government with the President's speech was evidenced by Mr. Eden's expression of his Government's gratification to the American Chargé d'Affaires on October 7 and by the Prime Minister's statements at the Conservative Party Conference on October 8. In general, the speech has been said to have expressed the feelings very broadly held in England.

The Liberal and Labor press, referring to excuses that the British Government could do nothing without American co-operation, took the opportunity afforded by the President's speech to renew their demands that the British Government take the initiative in effective action to bring pressure to bear upon Japan.

Almost all of the principal London newspapers gave prominence to reports that the President's speech had been published only in a much abbreviated form in Germany and Italy, and also emphasized the very favorable reception accorded the speech in France. The press here has also

stated

703

DECLASSIFIED: E.O. 11652, 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-

stated that the speech had a good effect in Japan where it previously had been held that the United States was indifferent to the Sino-Japanese conflict. In that regard, the following comments were made in an editorial in the Times, of October 8:

"With America passive Japan held the ace in every suit which the world could lead against her. But America is a Pacific Power whose destinies by virtue of her geographical position are closely linked with the fate of Eastern Asia. President Roosevelt's attitude has rallied the forces of peace and of international justice to a cause which--in its Far Eastern aspects--is profoundly relevant to the future of the United States."

With respect to the reaction to the speech in the United States the New York correspondent of The Observer (October 10) said that in checking Japan's aggression in China, the United States would go as far as the British, and no farther.

Concerning the general effect of the speech, George Glasgow, diplomatic correspondent of The Observer, wrote in part in that paper on October 10:

"A mere pronouncement by the President of the United States has had an immediate effect throughout the world. American participation in the solution of world problems would indeed be almost of itself decisive for success."

* * *

"If the United States were to play her part in the Far East, Britain could the more effectively play hers in Europe. Mr. Roosevelt has re-kindled hope in that sense."

At the end of the week the press here reported that the American and British Governments were engaged in preliminary conversations on arrangements for the proposed conference of the signatories of the Nine-Power Pact guaranteeing the integrity of China. The belief was expressed in the press

that

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

-13-

that the United States had given formal assurances that it would participate in the conference.

Statements that have been made by Japanese statesmen in efforts to justify their country's actions and to refute protests have been said in London newspapers to have fallen on incredulous ears here. Some press despatches from Tokyo at the end of the week suggested that the position of the more peaceful groups in Japan was becoming somewhat stronger.

0037

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

DOCUMENT FILE

NOTE

SEE 890.00/65 FOR Memorandum

FROM State Department (Myers) DATED Oct. 23, 1937
TO Far Eastern Division NAME 1-1127 ***

REGARDING: Relations between China and Japan:

Reports concerning Japan's attempt to capture Shanghai and
China's efforts to prevent it. Japan is concentrating on
this section of China seemingly in effort to organize a new
regime before opening session of Brussels Conference.

mr

795.94/10863

F/MR

10863

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

JR

CINCAF

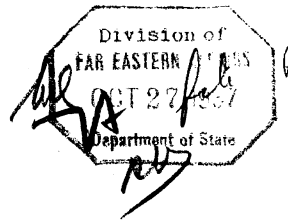
*underlined portions
to be removed for Candelight
Oct 27.*

FROM ~~October~~ 27, 1937

Rec'd 1:35 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMERICAN CONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMN EMBASSY NANKING
ALUSNA PEIPING



793.94

0027. Chinese completed orderly withdrawal Chapei Kiangwan sectors during night, now hold line from Liuho through point one mile east Kiating one mile east Nanziang to Soochow Creek at point about two miles west Jessafield Park, thence along south bank Soochow Creek. Isolated units along Changshan road north Soochow Creek continues resist Japanese advance. Few prisoners taken. Chinese state intend defend Soochow Creek line. Many refugees. Few unarmed Chinese soldiers entered Settlement through lines. Many large fires Chapei area. Japanese planes bombing near Keswick Road fired on by British. Four Chinese air raids during night, one Italian soldier three Chinese killed by bullets. Several transports Japanese reinforcements arrived Shanghai last three days. 2000.

CMB

793.94/10864

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E/FG
OCT 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

EG ***

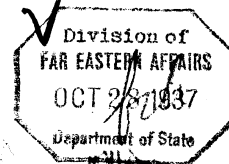
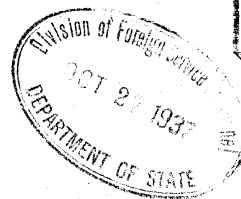
FROM COMSOPAT

October 27, 1937

Rec'd 1:12 p. m.

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCPAC
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
AMTSNA PEIPING



0127. Canton Foochow and Swatow quiet. 2000

RR

793.94.10865

F / FG
FILED
OCT 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

DISTRIBUTION

TELEGRAM RECEIVED

JR

FROM

COMYANGTZE PAT

October 27, 1937

Rec'd 1:35 p.m.

Division of
FAR EASTERN AFFAIRS
OCT 28 1937
Department of State

ACTION: OPNAV
SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING

793.94

0027. Yangtze ports quiet. 2300.

CSB

793.94/10866

FILED
OCT 28 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

101-1

01

TELEGRAM RECEIVED

GRAY

*summary to Bureau
for analysis Oct 28.*

FROM

Peiping via N. R.

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

Dated October 27, 1937

Rec'd 2:02 p. m.

AMERICAN EMBASSY NANKING

Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
OCT 28 1937
Department of State

Division of Foreign Service
OCT 27 1937
DEPARTMENT OF STATE

703, October 27, 4 p. m.

Embassy's 697, October 26, 5 p. m.

Japanese inspired limitation of freedom of the local press has increased with the issuing yesterday of instructions by the local censorship office to the Chinese press forbidding publication of news of the attitude of foreign nations, of defeat or movement of Japanese troops, of Chinese victories, and of activities in Peiping of Mongol and East Hopei officials, as well as news derogatory to Japanese troops, encouraging to Chinese troops, derogatory to Mohammedans, and offensive to emperors. At the same time permission was granted to publish news with regard to collapse of National Government troops, victories of Japanese troops, excellent state of affairs in Manchukuo, cooperation between Chinese troops and Communists and between the National Government and the Soviet Union, and appeals for cessation of fighting and for peace,

if

793.94/10867

OCT 1 1937

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

101-2

EG -2- #703, October 27, 4 p. m. from Peiping

if attributed to the people's will, as well as news
praising the Japanese troops.

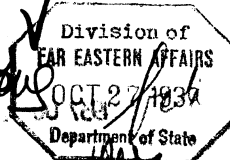
Repeated to Nanking and Tokyo.

LOCKHART

JLS:CSB

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

TELEGRAM RECEIVED



EG
This message must be
closely paraphrased be-
fore being communicated
to anyone.

FROM ALUSNA PEI PING
October 27, 1937
Rec'd 2:40 p. m.

TO: NAVY DEPARTMENT

INFO: SECOND BRIGADE
CINCAF
COMDESRON FIVE
COMSUBRON FIVE
COMYANGPAT
COSOPAT
AMERICAN EMBASSY NANKING

0027. Jap spokesman announces Nippon forced
Niangtzeluan today. 1725.

CSB

793.94/10868

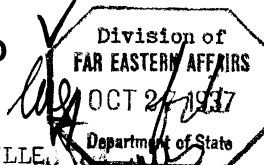
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FILED
OCT 27 1937

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

TELEGRAM RECEIVED

JR
This telegram must be
closely paraphrased be-
fore being communicated
to anyone.

FROM: USS ASHEVILLE
October 27, 1937
Rec'd 2:40 p.m.



TO: COMSOPAT

PASSED TO CINCAF AND NAVY DEPARTMENT BY COMSOPAT

0027. Reliably reported Quemoy Island off Amoy
occupied by small Japanese landing force. 1720.

CSB

793.94/10869

FILED
OCT 27 1937
TAC

F/FG

704

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

102-1

TELEGRAM RECEIVED

EG

GRAY

FROM

Shanghai via NARS.

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

Dated October 27, 1937

Rec'd 2:45 p. m.

AMEMBASSY PEIPING
AMEMBASSY NANKING

Secretary of State,
Washington.



893, October 27, noon.

My 891, October 25, 7 p. m.

793.94

Despite the most stubborn and determined Chinese resistance the Japanese succeeded yesterday morning in outflanking and capturing Tachang and in pushing through to the railway about two miles below Nanhhsiang. The Japanese offensive which has been characterized by the most intensive and suffering artillery and aerial bombardment and the liberal use of mechanized units, continued unabated yesterday and last night and resulted in the capture of Chenju railway station and the cutting of the railway at several other points; Nanhhsiang itself is seriously threatened inasmuch as the Japanese are within a mile of the town.

The capture of Tachang and the thrust through to the railway threatened completely to close the neck of the Chapei-Kiangwan salient and forced a general Chinese withdrawal from those sectors during the night.

This

793.94/10870

F/EG
FILED
OCT 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

102-2

EG -2- #893, October 27, noon from Shanghai via N. R.

This morning Japanese flags can be seen flying over North Station and many other buildings in Chapei. Chapei is a blazing mass of flames being fanned to greater intensity by a steady easterly wind; a thick and immense pall of smoke hangs over the entire area which is generally believed to have been fired by the Chinese to cover their withdrawal.

The extent of the Chinese withdrawal is not yet clear but for the present they appear to be taking up positions south of Soochow Creek from a point just beyond Jessfield Park. Any serious attempt to hold this section of the creek will endanger the western extra-settlement road district.

Sent to the Department, repeated to Nanking, Peiping.

GAUSS

WGC:CSB

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

FE

TELEGRAM RECEIVED

RE

FROM

PLAIN

Amoy via N. R.

Dated October 27, 1937

Rec'd 4:27 p. m.

Secretary of State
Washington.

COPIES SENT TO
ONE AND ALL



October 27, noon.

793.94

Quemoy island about 25 miles from Amoy attacked morning October 26 reportedly by seven Japanese naval vessels said to have followed short bombardment village on island by landing party in launches with machine guns. Island defended only by Chinese militia who escaped to Amoy. Attack said to have followed killing Japanese sailor by militia when Japanese attempted seize Chinese steam launch previous day.

Later in forenoon Japanese plane dropped about six bombs around Amoy forts killing one civilian. Action Nanking, information Department and Peiping.

ALTAFFER

793.94/10871

CSB

F/FG
FILED
NOV 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

103-1

FE

TELEGRAM RECEIVED

RB

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

Peiping via N. R.

Dated October 27, 1937

Rec'd 2:32 p. m.

Secretary of State
Washington.

Excerpt in paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence. E.J.L.

Division of
FAR EASTERN AFFAIRS
OCT 28 1937
Department of State

705, October 27, 6 p. m.

(GRAY) Your 343, October 26, 4 p. m.

note
793.94/119

The officer in charge of Camp Burrowes Chinwangtao reports that for several days Japanese troops have been moving north through Chinwangtao; that on October 22, 2500 soldiers had moved northward and on the 23rd 1300 more moved northward; that approximately 4000 wounded soldiers were being evacuated by sea through Chinwangtao weekly but he did not indicate how long this had been in progress. There is still taking place a small inward movement of troops but I do not believe that these are in excess of the northward movement. There has been a considerable movement of troops eastward from Peiping to Tientsin during the last few days. (END GRAY) It is very doubtful whether there will be any substantial increase in the number of Japanese troops in North China unless it should be determined to push further south beyond the Yellow

793.94/10872

F/FG

103-2

RB -2- No. 705, October 27, 6 p. m. from Peiping

the Yellow River or the Lunghai Railway. This seems unlikely unless the "feelers" now being put out looking to an early cessation of fighting come to nought. To push the campaign further to the south for any considerable distance would require reinforcements in large numbers.

✓ (GRAY) The Chairman of the Peace Maintenance Commission, who is concurrently mayor, broadcast an address last night emphasizing the need for a resumption of peaceful relations with Japan. There are increasing evidence of a desire in the North for peace negotiations and I believe that it might be (END GRAY) an opportunity to explore the possibility of obtaining some idea, as requested by Wang Ching Wei (see second sentence of paragraph five of Nanking's 846, October 22, noon) of the conditions under which the Japanese would be willing to negotiate. If the peace overtures which are now emanating from North China have been inspired by the Japanese, as is believed to be the case, it would seem that they might possibly (?) an intimation such as suggested. The Embassy was informed October 25 by a well informed and reliable Japanese of close connections with Japanese authorities that the Japanese Government has decided in detail what it wants from a settlement with China. He states, however, that he believed that the Japanese

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

103-3

RB -3- No. 705, October 27, 6 p. m. from Peiping

~~the Japanese desires would not be acceptable under the~~
present circumstances to the National Government.

Sent to the Department, repeated to Nanking and
Tokyo.

LOCKHART

CSB

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

CONFIDENTIAL

103-4

P A R A P H R A S E

A telegram (no. 705) under date October 27, 6 p.m., from the American Embassy at Peiping reads in part as follows:

The officer in charge of Camp Burrowes Chinwangtao reports that for several days Japanese troops have been moving north through Chinwangtao; that on October 22, 2500 soldiers had moved northward and on the 23d 1300 more moved northward; that approximately 4000 wounded soldiers were being evacuated by sea through Chinwangtao weekly but he did not indicate how long this had been in progress. There is still taking place a small inward movement of troops but I do not believe that these are in excess of the northward movement. There has been a considerable movement of troops eastward from Peiping to Tientsin during the last few days. It is not anticipated that the number of Japanese troops in North China will be greatly increased unless the Japanese decide to continue their campaign farther southward beyond the Yellow River or the Lunghai Railway, in which event their armies would have to be very substantially reinforced. Such a campaign is unlikely unless the present tentative suggestions for an early cessation of hostilities prove to be abortive.

The Chairman of the Peace Maintenance Commission, who is concurrently mayor, broadcast an address last night emphasizing

144
DECLASSIFIED: E.O. 11652, 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-

emphasizing the need for a resumption of peaceful relations with Japan. There are increasing evidences of a desire in the North for peace negotiations.

ARR
FE:ARR:SMJ

OK
FE

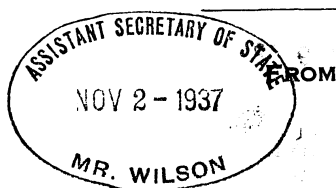
10/28/37

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

DISTRIBUTION

TELEGRAM RECEIVED

JR



GRAY

Tokyo

Dated October 28, 1937

Rec'd 12:17 a.m.

Secretary of State,
Washington.

500, October 28, 11 a.m.
Department's No. 269, October 27, 11 a.m.

The British Embassy is making today representations similar to those made by us yesterday, and reported in our 495, October 27, 4 p.m.

Repeated to Shanghai for information of Nanking and Yarnell.

GREW

CA

Re dropping of shells in International Settlement



793.94/10873

FILED
OCT 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

D:

TELEGRAM RECEIVED

JR

SPECIAL GRAY

AMEMBASSY NANKING
AMEMBASSY PEIPING

FROM Tientsin via N. R.

Dated October 28, 1937

Rec'd 7:45 a.m.

Secretary of State,
Washington.

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



63, October 28, 3 p.m.

It is reported that during daylight hours from October 20th to 26th Japanese brought in from Manchuria 3500 men and 8 field pieces; sent out by sea 2200 casualties sent out to Manchuria at least 20,000 men with large quantities of equipment including eight 75 and twenty-four 155 millimeter field pieces and that this movement of troops and equipment outward to Manchuria during the past two or three weeks has probably included some 40,000 men.

CALDWELL

RR

793.94/10874

NOV 1 1937
F 459D

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

DL

TELEGRAM RECEIVED

JR

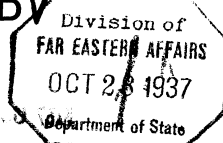
GRAY

FROM

Tokyo

Dated October 28, 1937

Rec'd 6:45 a.m.



Secretary of State,
Washington.

501, October 28, 5 p.m.
/10754

Department's 270, October 27, 6 p.m., use of Shanghai
as military base.

Action in the sense of the telegram under reference
was taken by the British Embassy yesterday and by us
today.

Repeated to Shanghai for Nanking.

GREW

RR

JUL 14 1938

FILED

793.94/10875

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

104-1

Left with me by
Mr. Mallet of the
British Embassy, Oct. 26, 1937

RECEIVED
DEPARTMENT OF STATE

1937 OCT 28 AM 10 15

DIVISION OF
COMMUNICATIONS
ALBANY, N.Y.

AIDE-MEMOIRE

Division of
FAR EASTERN AFFAIRS

OCT 27 1937

Department of State

October 27 1937

Reply drafted
Oct 26, 1937.
Telegram to Tokyo
Oct 26.

793.94
note
293 102 8

In reply to representations which His Majesty's Ambassador at Tokyo had made to the Japanese Government regarding the use of the International Settlement at Shanghai as a base of operations, Sir R. Craigie has received a note verbale attributing the Japanese military action in Shanghai to the concentration of considerable Chinese forces and the challenge to the Japanese landing party which necessitated defensive operations. These, it is stated, became extended owing to threatening Chinese action. Moreover the increase of Japanese personnel and material strength in the Northern sector was justified by their general obligation to police and defend the International Settlement and by their established right to protect Japanese residents there.

Japan, the communication continues, has, along with other Powers, extensive rights and interests in the Settlement, and is submitting to considerable sacrifices resulting from the present operations. Although unavoidably using part of the Settlement in connexion with the present military operations, the Japanese Government entertain the most serious regard for foreign rights and interests which they are taking care as far as possible to respect.

As/

793.94/10876

10876

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

104-2

-2-

As a result of this communication,
Sir R. Craigie has been instructed to inform the
Japanese Government that His Majesty's Government
in the United Kingdom cannot accept the argument
that all Japanese activities in the Settlement can
be justified as being defence measures, but that
His Majesty's Government do not wish to prolong
an unprofitable argument on this point.

His Excellency is further to point out
that the Japanese Government admit that they are
using part of the Settlement in connexion with the
present military operations, and that His Majesty's
Government must maintain their protest at this
action.

His Majesty's Government would be glad to
learn whether the United States Government are
prepared to adopt the attitude referred to above if
they receive a similar note from the Japanese
Government.

BRITISH EMBASSY,
WASHINGTON, D.C.,
October 26th, 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

104-3

793.94
 194
 893.1028

AIDE-MÉMOIRE

The receipt is acknowledged of the British Embassy's aide-mémoire of October 26, 1937, with regard to representations to the Japanese Government in the matter of the use of the International Settlement at Shanghai as a base of Japanese military operations.

The Japanese Government's reply to the American Government's representations in regard to the matter under reference follows substantially the lines of the reply to the British Government as described in the aide-mémoire under acknowledgment.

With reference to the statement that the British Ambassador in Tokyo has been authorized by the British Government to make further representations to the Japanese Government, and to the inquiry whether the

American

793.94/10876

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

104-4

-2-

American Government is prepared to take similar action,
 the American Government has authorized the American
 Ambassador in Tokyo to make further representations to
 the Japanese Government in the matter.

793.94/10754

A true copy of
 the signed original
 [Signature]

Department of State,

October 27 1937

CR

Washington,

27 1937.PM

FE:JCV:VCI
 10/28/37

[Signature]
 FE
 m.m.w

A-W

HRW

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

EG

PLAIN

QPO

FROM Hankow via N. R. 010

Dated October 28, 1937

Rec'd 10:55 a. m.

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL TIENTSIN

Secretary of State,
Washington.

October 28, 3 p. m. 10841
My October 26, noon.

Chinese press reports continuance of Japanese attacks in Shinkow area of North Shansi with general situation unchanged and capture of Yu Hsien in Northwest Hopei by Chinese guerrillas.

Heavy fighting reported in Niangtzeckwan area with Japanese attacks repulsed. Fighting on Pinghan Railway said central on Chang River with operations extending west to Liuhokow east to Nanking.

Repeated to Department.

JOSSELYN



793.94/10877

F/FG
FILED
NOV 1 1937

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

TELEGRAM RECEIVED

EG

gpo

FROM

COMSOPAT

October 28, 1937

Rec'd 10:54 a. m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
CO DESRON FIVE
CINCAF
COMYANGPAT
USS HARBLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING



793.94

0128. South China ports quiet. 2130

KLP

793.94/10878

F/FG
FILED
OCT 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

TELEGRAM RECEIVED

MBo

CINCAF

FROM

October 28, 1937

Rec'd 12:10 p.m.

FROM: CINCAF

INFO: 2ND BRIGADE USMC
COMSUBRON 5
AMERICAN CONSUL SHANGHAI
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING



0028 Military situation unchanged, Japanese attack-
ing along Nansiang Kiating line bringing up artillery tanks
to south bank Soochow creek which now held considerable
force by Chinese isolatz Chinese units still in Chapei.
Shelling bombing Chinese lines and Hungjao area continues.
Settlement quiet 1955.

CSB:

793.94/10879

F/FG
FILED
NOV 1 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

TELEGRAM RECEIVED

EG
This message was received from
navy code and must be closely
paraphrased before being com-
municated to anyone.

Alwana Peiping

October 28, 1937

Rec'd 12:45 p. m.

TO: NAVY DEPARTMENT

793.94
INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
COMYANGPAT
AMERICAN EMBASSY NANKING



002d. Single battery one hundred fifty fives
two of seventy fives minimum ten triple zero troop
reported left North China via rail for Manchuria
last week. Twenty two double naught casualties from
Chinwangtao by transport. No change Tsinpu front.
1835.
CSB

793.94/10880

F/FG

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

793.94

DOCUMENT FILE

NOTE

SEE 852.00/6788 FOR MEMO
FROM State Department
Under Secretary (Welles) DATED Oct. 22, 1937
TO NAME 1-1127 870

REGARDING:

Chinese-Japanese relations. Memorandum of conversation with the Soviet Ambassador on world conditions. The Ambassador expressed the opinion that nothing would come from the Brussels Conference and volunteered the information that his Government desired to attend.

ge

793.94/10881

F/MR

/0881

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

TELEGRAM RECEIVED

AC GPO FROM COMYANGPAT
October 28, 1937
Rec'd 1:44 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING



743.94

0026. Yangtze ports quiet. 2340.

793.94/10882

F/EG
FILED
OCT 1 1937

0063

DECLASSIFIED: E.O. 11652, 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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Charge Department
OR

Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

1937 OCT 27 PM 5 41

Washington,

October 27, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMEMBASSY,

BRUSSELS, (BELGIUM),

→ FOR AMDELGAT.

Telegram from the American Commander-in-Chief at
Shanghai received this afternoon states that the Chinese
completed an orderly withdrawal from Chapel and Kiangwan
sectors during the night and that several transports of Japanese
reenforcements arrived at Shanghai the last three days.

705.04/10882A

F/MR

FE:UCV:SMJ

FE

901 27 1937 PM

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

10882-2

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

TELEGRAM RECEIVED

EG

GPO

FROM

Albana Tokyo

October 28, 1937

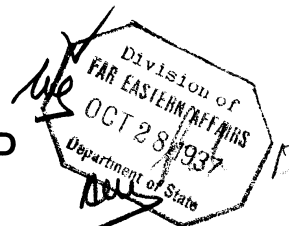
Rec'd 2:05 p. m.

ACTION: OPNAV

INFO: CINCAF

0028. Senior aid Navy Minister expressed to Naval Attache Navy's regret at firing naval plane upon American nationals October twenty four near corner Keswick and Great Western Roads, Shanghai. He further stated appropriate measures being taken prevent recurrences, disciplinary action upon those responsible and that his Government is prepared make necessary compensation for injuries received by American nationals. 0800

RR:W/C



793.94/10883

FILED FG
NOV 1 1937

006

DECLASSIFIED: E.O. 11652, 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

TELEGRAM SENT

Department of State

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

Charge to
This cable was sent in confidential Code
It should be carefully paraphrased when
being communicated to Japan
1937 OCT 28 PM 4 41

Washington,

October 28, 1937.
5 pm

AMEMBASSY,

BRUSSELS, (BELGIUM)

FOR AMDELGAT.

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94

Summary of Peiping's 703, October 27, 4 p. m.: Japanese inspired limitation of freedom of press has increased. Publication forbidden of news of the attitude of foreign nations, of Japanese defeats and Chinese victories, et cetera. Permission granted to publish news of cooperation between Chinese troops and communists and between National Government and Soviet Union, and news of appeals for cessation of fighting and for peace.

Extracts from Peiping's 705, October 27, 6 p. m.: End Gray

QUOTE It is very doubtful whether there will be any substantial increase in the number of Japanese troops in North China unless it should be determined to push further south beyond the Yellow River or the Lunghai Railway. This seems unlikely unless the SUBQUOTE feelers END SUBQUOTE now being put out looking to an early cessation of fighting come to nought. *** There are increasing evidences of a desire in the North for peace negotiations and I believe that it might be an opportunity to explore the possibility of obtaining some idea *** of the conditions under which the Japanese would be

Enciphered by

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

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/10883A

F/MF

10883A

DECLASSIFIED: E.O. 11652, 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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Charge Department
 OR

Charge to
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Washington,

- 2 -

"A1" willing to negotiate. If the peace overtures which are now emanating from North China have been inspired by the Japanese, as is believed to be the case, it would seem that they might possibly (garbled group) an intimation such as suggested. The Embassy was informed October 25 by a well informed and reliable Japanese of close connections with Japanese authorities that the Japanese Government has decided in detail what it wants from a settlement with China. He states, however, that he believed that the Japanese desires would not be acceptable under the present circumstances to the National Government.

UNQUOTE.

Extract from Tientsin's 63, October 28, 3 p. m.:

Special - Gray - QUOTE *** movement of troops and equipment (Japanese) outward to Manchuria during the past two or three weeks has probably included some 40,000 men UNQUOTE.

*Null
HAW*

002 28 1937.1M

FE:VCV:REK

FE

A-12

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

THE WHITE HOUSE
RE WASHINGTON
DEPARTMENT OF STATE

October 28, 1937

1937 OCT 28 PM 3 57

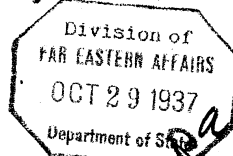
DIVISION OF
COMMUNICATIONS

Respectfully referred to the Secretary of State.

Original telegram sent to the Navy Department.

M. H. McINTYRE
Secretary to the President

File - m. h. mcintyre



FILED
NOV 1 1937

793.94/10884

10884

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

C
O
P.
Y

TELEGRAM

Minneapolis, Minn.,
October 28, 1937.

THE PRESIDENT.

According to an Associated Press dispatch from Shanghai
United States Marines have been ordered to return fire of attacking
aeroplanes. We protest this order of Admiral Yarnell and urge
immediate withdrawal of our Marines from China.

Enid Legislative Chairman
Minnesota Branch, Women's International
League for Peace and Freedom.

793.94/10834

F/FG
FILED
NOV 1 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

TELEGRAM RECEIVED

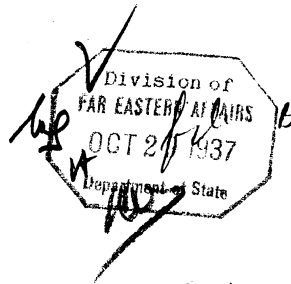
MB0 GPO

FROM COMSOPAT

October 29, 1937

Rec'd 9:32 a.m.

FROM: COMSOPAT
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
CO SUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING



0129 South China ports quiet. Hong Kong Macao Canton
passenger steamers resumed sailings 1345.

CSB:

793.94/10885

4

F/EG
OCT 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

105-1

SWB

FE

TELEGRAM RECEIVED

JR

CINCAF

October 29, 1937

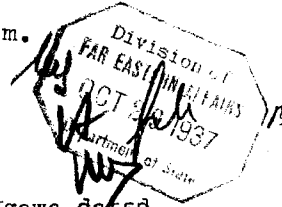
FROM

REC'd 6 a.m.

opo

ACTION: OPNAV

INFO: AMEMBASSY NANKING



793.94

0029. Following from Vice Admiral Hasegawa dated
and received twenty-eight October:

"My Dear Admiral Yarnell;

I have the honor to acknowledge receipt of your letter
of twenty-four October in regard to shells and bombs
which have fallen in the sector guarded by the United
States Marines forces.

The Commanding Officer of the United States Marines
has in the past made frequent representations to the
Commanding Officer of the Japanese Naval Landing Party in
regard to this matter, and I can assure you that the
Japanese forces also are desirous of preventing incidents
of this kind. I regret very much the incident of twenty-two
October, when an object dropped by a Japanese plane fell
in the United States Marine Sector, and on the following
day, I sent a member of my staff to express official regrets
to the Commanding Officer of the United States Marine forces.

The above incident occurred when three Japanese planes
in formations which had completed their bombing operations
in Chapei were returning to the north of Soochow Creek. One
of these planes, through error, dropped an emergency

gasoline

11

793.94/10886

FF/FG

105-2

JR #0029 from CINCAF. -2-

gasoline tank which being light was blown by a northeast wind into the United States Marine Sector and which burned when it struck. That it was not a bomb is clear from the facts that it did not explode and that the object came from only one plane of a three plane formation which had already completed bombing operations. I believe that you will agree with me in regard to the above facts.

I am in entire agreement with your statements that it is necessary to prevent these incidents, and I assure you that I have directed the Japanese Naval Forces to exercise greater care in the future.

Respectfully yours, K. Hasegawa, Vice Admiral
Commander-in-Chief Third Fleet." 1009.

DDM

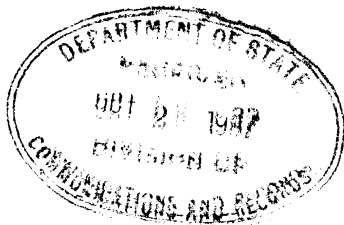
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



TREASURY DEPARTMENT

WASHINGTON

October 21, 1937.



OCTOBER 28 1937



Dear Mr. Hamilton:

I am wondering if the new magazine Pacific Digest has come to your attention. A copy was given me by the Editor as I passed through Hong Kong. The first issue is for October. It contains many translated articles from Chinese, Japanese and Russian on the current Far Eastern situation and is an invaluable source of information. There must be copies here and there in Washington by this time, but in case you would like to borrow mine, for approximately one day, I shall be glad to loan it to you.

All communications regarding the Pacific Digest should be addressed to the Hong Kong Agency, Room 307, B. E. A. Building, P. O. Box 854.

Sincerely yours,

J. Lossing Buck
J. Lossing Buck.

Mr. Maxwell M. Hamilton,
Room 376 $\frac{1}{2}$,
State Department,
Washington, D. C.

793.94/10887

F/FG

10887

707

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

October 28 1937

Dear Dr. Buck:

I have received your letter of October 21, 1937,
in which you call my attention to the new magazine,
Pacific Digest, which you say is a valuable source of
information on the Far East.

As we have not yet seen a copy of this magazine,
I should like to take advantage of your kind offer to
lend me your copy.

Sincerely yours,

M. M. Hamilton

Dr. J. Lossing Buck,
Room 194,
Treasury Department,
Washington, D. C.

OCT 28 1937

FE:ARR:SMJ

FE

10/26/37

793.94/10387

F/FG

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

TELEGRAM RECEIVED

AC

PLAIN

FROM

Hankow via N.R.

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL TIENTSIN

Dated October 29, 1937

Rec'd 6 a.m.

Secretary of State,

Washington.

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

October 29, 11 a.m.

My October 28, 3 p.m.



Chinese press confirms withdrawal westward of
Chinese forces from Niangtze-kwan to Pingting and
Yangchuan following Japanese flank attack from south
through Chiakuan and Kuyi on twenty seventh. Continued
heavy fighting reported Hsinkow area, North Shansi,
with Japanese reinforcements arriving from Suiyuan.

Chinese despatch state Japanese forces on
Pinghan front withdrawing northward from Chang River
and rail service resumed north as far as Anyang.

Sent to Nanking. Repeated to Peiping, Tientsin,
Department.

JOSSLYN

DDM

793.94/10888

F/FEA

OCT 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

JR

GRAY and SPECIAL GRAY

AMEMBASSY NANKING
AMEMBASSY PEIPING

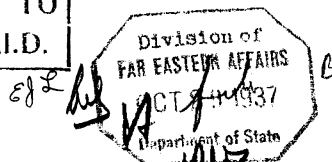
FROM Shanghai via N. R.

Dated October 28, 1937

Rec'd 3 a.m., 29th.

Secretary of State,
Washington.

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



900, October 28, 8 p.m.

My No. 892, October 27, noon.

793.94
not
843.102
A considerable Japanese force including artillery and mechanized units has advanced along the north bank of Soochow Creek and it is announced that they are preparing to cross. Strength of Chinese opposition on south of the creek and in the western Extra Settlement Roads areas is unknown. Some reports state that the main body of Chinese forces has withdrawn southwest and well away from the settlement but this lacks confirmation. No withdrawal of Chinese forces thus far from Pootung or ~~foo~~ ^{Nantao}. Chapei continues to burn and will probably be reduced to a mass of blackened ruins. The Japanese are mopping up in that area but have not yet dislodged several Chinese units which are making heroic but hopeless stand. A single Chinese plane raided Yangtzepoo last night but did no damage. Little Japanese aerial activity today.

Japanese Consul General told me this afternoon that the Japanese expect the Chinese to put up a stiff resistance in the western district beyond the British lines falling back

793.94/10889

F/H/LED
OCT 29 1937

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

JR #900, October 28, 8 p.m., from Shanghai via N. R.

back if necessary to Lunghwa and thence to Nantao but continuing as long as possible to rest one wing of their lines on the foreign areas. He was much concerned because of the extensive foreign property interests in the western Extra Settlement Roads area beyond the British defense lines and also expressed concern in reference to hostilities in Nantao adjacent to the French concession. He said to me and my British, French and German colleagues when we met him (?) on another matter that we should insist upon the Chinese not bringing hostilities close to these foreign areas. I asked him whether he suggested the neutralization of these areas around the western district and near the French concession, the troops of both sides being excluded. He replied "not exactly" and did not pursue the matter further.

Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

CSB

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

CHIEF CLERK AND
ADMINISTRATIVE ASSISTANT
OCT 29 1937
THE WHITE HOUSE
WASHINGTON
RECEIVED
DEPARTMENT OF STATE
October 29
DEPARTMENT OF STATE

1937 OCT 29 AM 11 04

DIVISION OF
COMMUNICATIONS
AND RECORDS
Respectfully referred to the State
Department.

Original forwarded to the Secretary
of the Navy.

M. H. McIntyre
M. H. MCINTYRE
Secretary to the President

793.94

File - insuff. address

DIVISION OF
FAR EASTERN AFFAIRS
OCT 29 1937
Department of State

793.94/10890

NOV 1 1937

FILED 6870

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

RECEIVED
DEPARTMENT OF STATE

C
O
P
Y
TELEGRAM
1937 OCT 28 AM 11 04

New York, N. Y.,
October 28, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

THE PRESIDENT.

The Order of Admiral Yarnell authorizing our Marines to
fire on Japanese airplanes is a step on the road to war.

Remembering the case of the Battleship MAINE we urge you to order
the prompt withdrawal of American warships and Marines from the
war zone in the Far East with warning to American citizens that if
they do not come out now they must stay at their own risk. We
also urge you to declare that a state of war exists between Japan
and China and that you immediately invoke the neutrality act.

New York City Chapter Fellowship of
Reconciliation.

793.94/10890

NOV 1 1937
F/FG
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

THE WHITE HOUSE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE \$300

PCR
State Department,
Washington, D. C.

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

TELEGRAM RECEIVED

JR

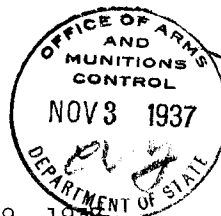
GPO

DEPARTMENT OF STATE
FROM

CINCAF

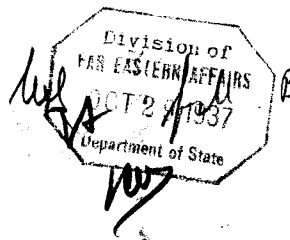
October 29, 1937

Rec'd 10:55 a.m.



ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94

0029. Little military activity during day Japanese consolidating gains preparing attack Kiating Nanziang Yangkazah no attempts made cross Soochow Creek where Chinese positions being strengthened rapidly. Chinese unit estimate two hundred holding godown in Chapei near Thibet Road fires in Chapei dying down. STEEL TRAVELER first American vessel enter Shanghai since August berthed at Pootung. Settlement quiet. 1950.

CSB

793.94/10891

F/F&D
10 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

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

FROM

Paris

Dated October 29, 1937

Rec'd 9:40 a.m.

Secretary of State,

Washington.

1540, October 29, noon.

CONFIDENTIAL.

793.94

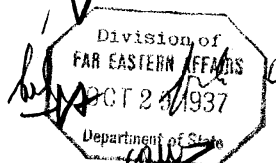
Associated Press story from Paris concerning the
Japanese position with regard to the conflict with China,
quoting a high Japanese authority, was based on an interview
had yesterday by Sharkey of the Associated Press with the
Japanese Ambassador here.

Sharkey states that he has been trying to obtain this
interview for the past two weeks and therefore believes
that the statement was prepared for him in advance and
has the authority of Tokyo.

Sharkey said the Japanese Ambassador informed him
that there would be a statement issued in Tokyo today
regarding the Japanese position.

BULLITT

KLF:EDM



793.94/10892

F/G

FILED
NOV 4 1937

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

PREPARING OFFICE
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 Charge Department
 OR
 Charge to
 \$

TELEGRAM SENT

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Department of State

Washington,
 October 29, 1937.

AMEMBASSY,

TOKYO (Japan).

RUSH.

Department's No. 272, October 29, 1 p.m.

The following 'confidential telegram' of October 29,

noon, from Paris is 'quoted for your information:

QUOTE Associated Press story from Paris concerning the Japanese position with regard to the conflict with China, quoting a high Japanese authority, was based on an interview had yesterday by Sharkey of the Associated Press with the Japanese Ambassador here.

Sharkey states that he has been trying to obtain this interview for the past two weeks and therefore believes that the statement was prepared for him in advance and has the authority of Tokyo.

Sharkey said the Japanese Ambassador informed him that there would be a statement issued in Tokyo today regarding the Japanese position UNQUOTE.

Handwritten signature: Kelly Acting

FE:MMH:ZMK FE A-W
 Enciphered by mmh
 Sent by operator M., 1937

793.94/10892

10892

note
 793.94
 274

DECLASSIFIED: E.O. 11652, 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

MBO

AMEMBASSY HANKING

FROM Peiping via N.R.

Dated October 29, 1937

Rec'd 9:03 a.m.

Secretary of State,
Washington.

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

707, October 29, 7 p.m.

Embassy's 705, October 27, 6 p.m.

One. No (repeat no) significant change has taken place during the last few days in respect to the Japanese fronts on the Tientsin-Pukow and Peiping-Hankow Railways. In Shansi it seems evident that the Japanese forces have occupied Niangtzukuan Railway station in Niangtzukuan pass but that instead of pushing west along the railway Japanese forces have advanced through flanking valleys so that they have now reached points approximately five miles north and five miles south of railway some ten miles west of Niangtzukuan station. No information is available with regard to the Japanese forces at Hsinkou north of Taiyuan.

Two. Japanese troops from North China in considerable numbers (see Tientsin's 63, October 28, 3 p.m.) continue move north. Many of these are from the Peiping-Suiyuan and Peiping-Hankow Railway areas and among them are said to be from Manchukuo contingents. It seems likely that the troops which are being withdrawn are south of those which

came

793.94/10393

793.94/10393

793.94/10393

MBo 2- No. 707, October 29, from Peiping.

came from Manchuria at the beginning of the trouble and which are no longer needed in view of the large numbers of troops which have arrived from other areas.

Three. Announcement will be made in a few days of the sale of British owned PEIPING CHRONICLE through the efforts of the Peiping chief of police presumably to Japanese International (interests?).

893.77A
Four. According to the Tientsin press W. H. Steele, American citizen for many years traffic manager of the Peiping Mukden Railway, has been replaced by a Chinese. Steele has been appointed an adviser of the railway.

893.51
Five. A campaign by Domei news agency has been apparent in the Chinese press during the past three days/ of the purpose which is evidently the weakening of banknotes of the three National Government banks. This may be a step in preparation for the establishment in North China of a new financial set up. It is known that plans for the financial future of North China has been under discussion in Tientsin during the past weeks by the Japanese authorities.

to Treasury

Repeated to Nanking, and Tokyo.

LOCKHART

RR:WWC

0085

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

PREPARING OFFICE -
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Charge Department
 OR

Charge to
 \$

TELEGRAM SENT

Department of State

DEPARTMENT OF STATE
 Washington,

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

1937 OCT 31 PM 12 39 October 31, 1937.

793. 74/10893

AMDELGAT,

BRUSSELS (BELGIUM).

DIVISION OF
 COMMUNICATIONS
 AT WASHINGTON

17 Summary of Peiping's 707, October 29, 7 p.m.

No significant change recently in Japanese fronts on the
 Tientsin-Pukow and Peiping-Hankow (Railways.) In Shansi Japanese
 forces seem to be making some progress towards Taiyuan. Cam-
 paign by Japanese news agency with the apparent purpose of
 weakening the bank notes of National Government banks may be
 interpreted as a step in preparation for the establishment
 in North China of a new financial set-up. It is known that
 plans for the financial future of North China have been under
 discussion in Tientsin during the past weeks by Japanese
 authorities.

Excerpt from Shanghai's 900, October 28, 8 p.m.

QUOTE (Japanese Consul General told me (Gauss) this
 afternoon that the Japanese expect the Chinese to put up a
 stiff resistance in the western district beyond the British
 lines falling back if necessary to Lungwa and thence to
 Nantao but continuing as long as possible to rest one wing
 of their lines on the foreign areas. UNQUOTE.

FE:TCV:REK:HES

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.-No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/10893

F/MR

10893

Weller
 Acting.
 (3.11.1)

AW
 JFW

DECLASSIFIED: E.O. 11652, 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

MEo

GPO

FROM COMYANGPAT

October 29, 1937

Rec'd 11:00 a.m.

ACTION: OPHAV

INFO: 2ND BRIG USMC

COMYANGPAT

COLSUBRON 5

COMDESRON 5

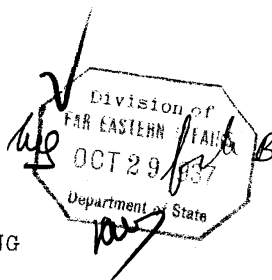
CINCAF

COMSOPAT

USS MARBLEHEAD

AMEMBASSY NANKING

AJUSNA PEIPING



0029...Yangtze River ports quiet. 2017.

CSB:

793.94/10894

F/A

FILED
OCT 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

MBo

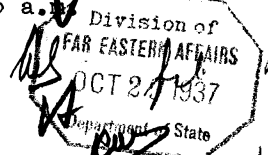
This message was received
in navy code and must be
closely paraphrased before
being communicated to anyone.

FROM Alusna Tokyo

October 29, 1937

Rec'd 10:45 a.m.

FROM: ALUSNA TOKYO
TO: NAVY DEPARTMENT
INFO: CINCAF



0028 The recent chief of Bureau of Military Affairs

Vice Admiral Soyemuto-Yoda has been given a sea assignment
the nature thereof Navy Department states cannot be disclosed
except is a most important and difficult position. Rumors
are that he is to command fourth fleet. Conjectures as to
latter's mission are protection Jap fishing interests if
fishing agreement not extended and protection west coast
Japan against Soviet threat entrance present conflict.
Blockade prevents supply munitions to China by third powers.
Occupation Hainan as base bombing operation; landing at
Haichow or Tsingtao 1630.

CSB:

793.94/10895

F/A

FILED

NOV 8 - 1937

793.94
894.30
793.9412

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

106-1

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
~~CONFIDENTIAL CODE~~
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
"A-1"

1937 OCT 29 PM 12 16

Washington,
October 29, 1937

AMEMBASSY,

NANKING (China)

RUSH.

325

DIVISION OF
COMMUNICATIONS
This cable not sent in confidential code.
It should be sent in plain text.
being communicated in code.

793.94
793.94119
According to an Associated Press report from Shanghai
of October 29 the German Ambassador was stated to be in
Nanking acting as a mediator and messenger carrying pro-
posed Japanese peace terms. The report states further that
the German Ambassador recently spent a week in Shanghai in
conference with the Japanese Ambassador and other high
officials.

The Department has received information to this same
general effect attributed to Suma.

Please telegraph urgently what you can discreetly
ascertain in regard to this report and your estimate as
to its significance.

OCT 29 1937

Telegraph Room: Send same telegram to
American Embassy, Tokyo.

FE:MMH:EJL

FE

Enciphered by mmh

nt by operator M., 19

D. C. R.—No. 50

1-1452 U. S. GOVERNMENT PRINTING OFFICE

793.94/10895A

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

107-1

TELEGRAM RECEIVED NOV 1 0 1937



~~FE~~
~~EB~~

MBo ^{apo}
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (A)

FROM
Nanking via N.R.

Dated October 30, 1937

Rec'd 7:28 a.m.

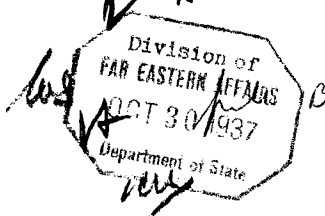
*telegram received
Brussels, Oct 30*

Secretary of State,
Washington.

RUSH.

860, October 30, 1 p.m.

Department's 325, October 29, 1 p.m.



793.94
not
793.94/19

German Ambassador has just returned from Shanghai where
he went to meet wife and escort her to Nanking. He informs
me that he saw Kawagoe and also Ito while there the latter
at an informal tea tendered him and his wife by member of
Japanese Embassy. He states that he received no impression
that Japanese had formulated any terms, that they merely
talked usual generalities. I do not believe that he is
acting in capacity described; he seemed very pessimistic.
"I have just returned from a conversation with Kung who in
reply to a question about rumors regarding peace overtures
stated that Chinese would not discuss peace terms with
Japanese prior to Brussels Conference to which Japanese
case has been referred."

JOHNSON

RR:

793.94/10896

FILED
OCT 1 8 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

February 15, 1939.

The attached communication, with others, was received today with an unnumbered despatch of December 2, 1938 from Nanking signed by Charles A. Cooper, Third Secretary, with a statement reading as follows:

"This correspondence, which was evidently prepared for transmission to the Department last year immediately prior to the preparations for the evacuation of the Embassy staff from Nanking, has only now been located in one of the cabinets in this office."

DCR

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

No. 233

AMERICAN CONSULATE
Tsingtao, China, October 26, 1937.

Subject: Situation in Shantung.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Nanking, China.

Sir:

I have the honor to report that just two days after my interview with the Mayor of Tsingtao as reported in this consulate's despatch no. 232 of October 22, 1937, subject: Situation in Shantung - Mayor's Denial of Negotiations with Japanese, there appeared in the TSINGTAO TIMES of October 24, the report of an official interview with the Chinese press containing a statement by General Han Fu-chu denying his complicity with the Japanese and affirming his loyalty to the Central Government. This statement is enclosed for the Embassy's information.

There is also enclosed a memorandum prepared by Vice Consul C. O. Hawthorne, concerning his conversation with an American Missionary newly arrived from the interior, with regard to relations between General Han and the Nanking Government. Reports from Captain Dorn, American military observer in Tsinanfu, continue to confirm his opinion of the absence of any well defined or directed policy in the north.

These expressions of opinion are being set down merely in an attempt to arrive at the reasons behind the

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DEPARTMENT OF STATE

NOV 1 1937

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File

793.94/10896

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NOV 1 1937

E/E

the

- 2 -

the apparent northern impasse. Several explanations suggest themselves for General Han's present passive policy in this northern province, but the political atmosphere is so tinged with suspicion and distrust that foreign observers in general would hesitate to fix the sole responsibility either upon Han or Nanking for the failure to make an honest resistance to the Japanese advance in the north. The foreign observer can only conclude that the onus for this failure should properly be born by both sides, i.e. Han and Nanking; in what proportions and to what degree only future events and future disclosures can decide.

Respectfully yours,

Samuel Sokobin,
American Consul.

✓
Enclosures:

1. General Han's press statement,
2. Vice Consul Hawthorne's memorandum

800
SS/AD

Original and 5 copies to Embassy, Nanking,
Copy to Embassy, Peiping,
Copy to Captain Dorn, Tsinanfu,

A true copy of
the signed original.
RD

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

SOURCE: TSINGTAO TIMES,
 Tsingtao, China,
 October 24, 1937.

GENERAL HAN FU-CHU MAKES A STATEMENT
 Pledges Loyalty To Central Government and Generalissimo.

Because there are current many rumours suggesting that the failure of the Japanese to bomb Tsinan is due to an understanding between the Japanese and General Han with resulting suspicions, General Han the Governor of Shantung gave this morning to the press an important statement concerning the Shantung situation. At the interview General Han answered graciously and promptly as follows:

"The Japanese enemy conjures up tricks in order to divide us and then destroy us separately. The nation is everything resisting and we have already administered to the invaders an unexpected surprise and shock. The Japanese are at their wits end and are deliberately spreading suspicions in order to carry out their iniquitous plans. However, to the intelligent, such crude stratagems are only ridiculous. As a military man, it is my duty to help protect the country and now as the preservation or destruction of the nation hangs in the balance I pledge my loyalty to the Central Government and to the Generalissimo and I shall resist to the bitter end. The facts speak for themselves. The Central Government already has an all inclusive plan of military campaigns which I cannot disclose. I trust our people will adopt a broad view and not entertain erroneous ideas. To sum up, facts speak louder than words, and rumours carry within themselves their own destruction."

Han Fu-chu

709
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

AMERICAN CONSULATE

Tsingtao, China, October 26, 1937.

MEMORANDUM:

Rev. O. W. Beckon, an American missionary who arrived at Tsingtao by rail last night from Sian, Shensi, called at the consulate this morning. In a conversation with him the following information was obtained.

He left Sian on practically the last train to depart from that place and had an uneventful journey until within about 100 miles west of Hsuehow, on the Lunghai Railway, when two Japanese airplanes appeared. The passengers disembarked and fled into the countryside and the train proceeded down the line about a mile. The planes bombed the train, the bombs landing within about 50 yards thereof. All the windows were broken and doors blown off, the 2nd class coach in which Mr. Beckon was traveling being particularly damaged by shrapnel. However, the train was eventually able to proceed. Mr. Beckon appeared greatly shaken by his experience.

He stated that the train was delayed considerably between Hsuehow and Tsinan because there were reportedly 20 troop trains ahead of his train, identity or destination of troops unknown.

Mr. Beckon stated that in the same compartment with him from Hsuehow to Tsinan was a secret agent from Nanking, with whom he became quite friendly; they both stayed at the Y. M. C. A. at Tsinan. The agent's name

is...

DECLASSIFIED: E.O. 11652, 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 -

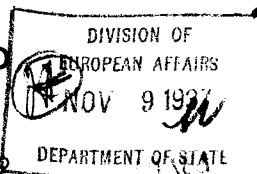
is Chang. He had spent eight years in Japan and speaks fluent Japanese as well as good English. Chang told Mr. Beckon that he had been sent by the Nanking authorities to interview General Han Fu-chu and then proceed to the northern front to observe and report the actual conditions obtaining there. He said that Nanking does not trust Han in the least and had sent him to endeavor to learn what Han's attitude really is vis-a-vis the Sino-Japanese conflict. Three Nanking emissaries had previously been sent on the same mission but had not been able to get beyond Tsinan. He was frank to state that he considered his mission a very risky one and extremely difficult of accomplishment.

Carl O. Hawthorne,
American Vice Consul.

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

108-1

TELEGRAM RECEIVED



JR

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

FROM

Tokyo

Dated October 30, 1937

Rec'd 2:11 a.m.

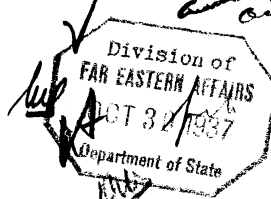
Secretary of State,

Washington.

RUSH.

502, October 30, 11 a.m.

Department's 273, October 29, 1 p.m.



Discreet approach reveals that the German Embassy has received no information that any discussion of the character suggested by the Associated Press despatch has taken place between the German and Japanese Ambassadors in China. "It is also revealed that the relations between the two Ambassadors had not been "very satisfactory" owing to the employment by China of German military instructors and also to Japanese suspicion that Trautman is "pro-Chinese and that Trautman took advantage of a recent visit to Shanghai to improve his relations with Kawagoe" (see our 464, October 9, 9 p.m.).

The German Military Attache is to return from Shanghai and the German Embassy has offered to give us any further information on this matter which he may bring.

Repeated to Nanking.

GREW

RR

793.94/10897

F/FG

11 1937

793.94

193 94 9

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

TELEGRAM RECEIVED

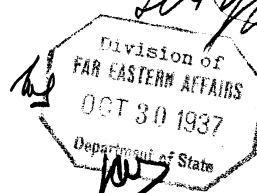
MBo

FROM: COMSOPAT

October 30, 1937

Rec'd 9:55 a.m.

FROM: COMSOPAT
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0130 South China ports quiet 1930.

CSB:

793.94/10898

FY/FG

NOV 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

TELEGRAM RECEIVED

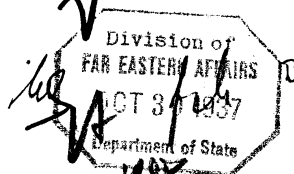
MBo ogo

FROM: CINCAP

October 30, 1937

Rec'd 9:55 a.m.

FROM: CINCAP
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
AMN CONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMHYANGPAT
COMSOPAT
USS HARELEHEAD
AMEMBASSY NANKING
ATUSNA PEIPING



0030 Little military activity during day. Situation unchanged. Japanese attacking line between Soochow creek Nansiang making preparations attack Chinese South Soochow creek which area bombed today. Japanese state isolated unit Chapai be attacked tonight. Three British soldiers thirteen Chinese killed Friday evening during shelling Jessfield area. Investigation being made. Japanese state batteries not firing at that time 2010.

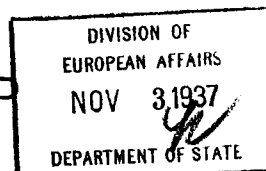
CSB:

793.94/10899

FVFE
OCT 31 1937

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

TELEGRAM RECEIVED



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

FROM

Paris

Dated October 30, 1937

Rec'd 7:35 a.m.

Secretary of State,

Washington.

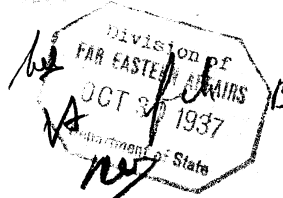
1543, October 30, 9 a.m.

CONFIDENTIAL

Associated Press story sent last night to New York
quoting high Chinese authority on the Far Eastern situa-
tion is based on interview had by Sharkey of the Associated
Press with Ambassador Wellington Koo.

BULLITT

GW:CSB



793.94/10900

FILED
NOV 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

109-1

TELEGRAM RECEIVED

AC

GPO

FROM

PLAIN, and GRAY

Peiping via N.R.

Dated October 30, 1937

Rec'd 6:48 a.m.

Secretary of State

Washington.

11. October 30 noon.

Reference paragraph 3, Embassy's 679, October 20,
7 p.m.

One. A local news agency reports from Kuweisui that the federated autonomous Government of Mongolia was organized October twenty-eight at that city, with Prince Yun as chairman and Prince Teh as vice chairman. The federation apparently includes the Ulanhab, Silingol, and Ordos Leagues and the Chahar Mongols. The only important leagues not (repeat not) included are the Alashan and Edsingol leagues, other than those within Manchukuo and outer Mongolia. Domei reports also that Paotou and Kuweisui (renamed Hoso at the meeting) are included.

Two. It is assumed that the federated form of the regime has been chosen by its Japanese sponsors in order that its future disposition may be flexible; that is it can more easily be enlarged through accretion or more easily be incorporated under some other regime. Repeated to Nanking and Tokyo.

LOCKHART

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

793.94/10901

F/FG

FILED

1937

793.94

note

893.01

Inner Mongolia

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

110-1

TELEGRAM RECEIVED

MBo

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

FROM Hong Kong

Dated October 30, 1937

Rec'd 2:22 a.m.

Secretary of State,

Washington.

October 30, 10 a.m.

STRICTLY CONFIDENTIAL.

Referring to my September 30, 7 p.m., and October 9,

4 p.m. regarding activities of Japanese submarines near Hong Kong, although the commission appointed by the Hong Kong Government to investigate the recent sinking of fishing junks by naval gunfire at Cheelong light near Hong Kong has not as yet announced its findings, I have been informed by Sir Athol MacGregor, Chief Justice of Hong Kong and Chairman of the Commission, that the Commission has found "that the sinking was caused by the barbarous, wanton, and unprovoked attack of a Japanese submarine." The Chairman further stated that the testimony of a British naval officer who appeared as an expert witness, but who had not actually seen the submarine, was very important factor in the Commission's findings with respect to the nationality of the submarine.

The Japanese Consul General declined to participate in the investigation in any capacity. The Portuguese Consul

sat

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793.94/10902

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

110-2

2- October 30, from Hong Kong.

sat as an observer. All sessions of the Commission were public and conducted on judicial lines with strict regard to the laws of evidence.

The Commission's report will not be made public for another ten days but it is probable that an advance copy will be supplied to this office for transmission to the Department.

Repeated to Tokyo, London, Nanking.

DONOVAN

GM:CSB

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

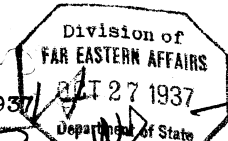
TELEGRAM RECEIVED

FROM

File
10/29/37
October 29 1937

20wu pn 39 govt

StLouis Mo 108p Oct 27 1937



Hon Cordell Hull

Washdc

Would appreciate material for speeches and interviews with
reference to present american policy in far east stop as
member of committee on freign affairs pressure is being brought
upon me to declare for application of neutrality act stop
respectfully

Thomas C Hennings Jr.

243p

793.94/109021

793.94

ask for letter to A. Nathan

F/FG

0104

DECLASSIFIED: E.O. 11652, 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

In reply refer to
FE 793.94 Hennings, Thomas C., Jr.

October 29 1937

VIA AIR MAIL

My dear Mr. Hennings:

I acknowledge the receipt of your telegram of October 27, 1937, in which you request that you be supplied with material, for use in speeches and interviews, in regard to American policy in relation to the Far East. I note your statement that pressure is being brought to bear upon you to declare for application of the Neutrality Act.

In response to your request, I take pleasure in sending you herewith several documents issued by the Department, as listed below, which may be of information and assistance to you.

There

The Honorable

Thomas C. Hennings, Jr.,
St. Louis, Missouri.

793.94/10902 1

2

F/FG

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

-2-

There is also enclosed a copy of a non-official publication, Far Eastern Survey, of September 15, 1937, which contains an interesting discussion of American neutrality in relation to the situation in the Far East. The Department cannot, of course, assume any responsibility for statements appearing therein, nor are those statements necessarily subscribed to by the Department.

In this connection I may add a few words of comment in regard to our policy as it relates to the situation in the Far East. [The policy of the Government, which applies equally and impartially to both parties in the present conflict, is designed primarily to safeguard the interests and to promote the welfare of this country. It demands respect for the rights of our citizens, but seeks to avoid involvement by this country in the disputes of others. It aims to uphold the principles of international law and to maintain the sanctity of treaties. In applying this policy to the Far Eastern situation there has been no abandonment in the slightest degree of our freedom of action, and there has been no resorting to interference in the affairs of the outside world.] We believe that, although it is essential for the preservation of peace in this country and throughout the world that this country avoid a policy carrying any suggestion
of

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

-3-

of aggression on the one hand, it is equally important that we avoid extreme isolation on the other. As we have repeatedly stated, to avoid being entangled in hostilities is a cardinal principle of our foreign relations and one which is never lost sight of. We feel that, unless we make our contribution toward the realization of the conditions upon which peace can be maintained, eventually our attempted isolation and our peace will break down under stress from an outside world ridden by force and war.

Impartial though we are and have been in applying our policies to situations abroad, I do not believe that assumption by this Government of an attitude of unconcern toward the present conflict in the Far East and toward its ultimate outcome would be consistent with the above-mentioned policies, especially the policy of peace, in which this country believes and to which it is committed.

As you are undoubtedly aware, this Government has accepted an invitation to meet with other States signatory to the so-called Nine Power Treaty in a conference to be held at Brussels for the purpose of examining, in conformity with a provision of that Treaty, the situation in the Far East and of studying peaceable means of hastening an
end

010

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

-4-

end of the conflict which prevails there.

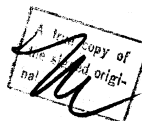
Sincerely yours,

Sumner Welles
Acting Secretary

Enclosures:

1. Press release, September 14, 1937.
2. Press release, September 15, 1937.
3. Press release, September 18, 1937.
4. Press release, September 20, 1937.
5. Press release, October 6, 1937.
6. Press release, October 18, 1937.
7. Publication, Far Eastern Survey,
September 15, 1937.

EX-105
137 29 1937



FE:WIT:NN

10/28/37

FE
H.M.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

THOMAS C. HENNING, JR.
5TH DIST. MISSOURI

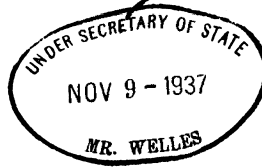
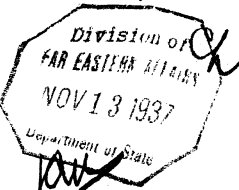
RECEIVED
DEPARTMENT OF STATE

1937 NOV 11 AM 9 56

DIVISION OF
COMMUNICATIONS
AND RECORDS

Congress of the United States
House of Representatives
Washington, D. C.

Saint Louis, Missouri,
November 4, 1937.



Hon. Sumner Wells,
Acting Secretary of State,
Washington, D. C.

Dear Mr. Wells:

May I express to you my deep appreciation for your prompt reply to my wire of October 27th, requesting suggestions and material with reference to the policy of the United States in the Far East. The material, as well as your own comments, have been most helpful.

With my kindest regards,

I am

Sincerely yours,

793.94- *Th C Hennings Jr.*

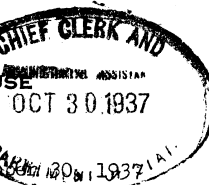
TCH-Jr.
MB

NOV 16 1937
FILE

DECLASSIFIED: E.O. 11652, 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
For Immediate Attention
AN ANSWER OR ACKNOWLEDGMENT SHOULD
BE MADE WITHIN THREE DAYS PURSUANT
TO DEPARTMENTAL ORDER NO. 571

THE WHITE HOUSE
WASHINGTON



October 20, 1937

793.94
Respectfully referred to the Secretary of State.

Original telegrams sent to the Navy Department.

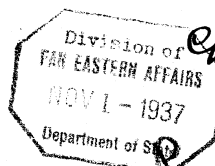
DEPARTMENT OF STATE

1937 OCT 30 AM 21

DIVISION OF COMMUNICATIONS AND RECORDS

H. McINTYRE
Secretary to the President

793.94/10903



16nd
1937

10903

DECLASSIFIED: E.O. 11652, 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

TELEGRAM

Boston, Mass.,
Oct. 29, 1937.

The President:

A group of Executive Board Members of the Women's
International League for Peace and Freedom urges you to order
withdrawal U.S. Marines and all armed forces from China. We
protest recent order given to Marines in A.P. Dispatch to shoot
in self-defense at air planes attacking them. This opens the
door to American involvement in War.

Martha Helen Elliott, President

793.94/10903

FILED
OCT 31 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

MBo

GPO

FROM COMYANGPAT
October 30, 1937.
Rec'd 4:54 p.m.

FROM: COMYANGPAT
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCAF
AMEMBASSY NANKING
AFUSNA

0050 Yangtze ports quiet 2254.

KLP:

793.94/10904

FILED
F/FG
OCT 4 1937

TELEGRAM RECEIVED

MBo GPO

FROM Shanghai via N.R.

This message was received
in navy code and must be
closely paraphrased before
being communicated to any-
one.

October 30, 1937

Rec'd 12:20 p.m.

FROM: RADIO SHANGHAI
TO: NAVY DEPARTMENT
INFO: CINCAF
ALUSNA PEIPING
AMEMBASSY NANKING

Division of
FAR EASTERN AFFAIRS
NOV 1 - 1937
Department of State

*unrecovered
sentences to
Congress of Nanking
Nov. 1. V.*

0030 From Ast Alusna Shanghai believe present sit-
uation Chinese right flank near Settlement capable strong
resistance. Numerous entrenchments on west side Hangchow
Railroad dangerously close British forts considered pro-
ductive ominous clashes if Japanese shell or bomb peri-
meter. Arrival heavier guns Pootung passages increased
activity that area. Heavy continuous Nippon bombing in
region between Hungjao Road Soochow creek one mile west
railway. Nanking forces morale high with material support
expected soon. In this event long siege probable. Ru-
mors Japanese sponsored peace overtures with likelihood
refusal by Central Government unless Nippon agrees com-
plete withdrawal all troops in China 1749.

CSB:

793.94/10905

NOV 4 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

LIS

GRAY

FROM Shanghai via N. R.

Dated October 30, 1937

Rec'd 12:11 p. m.

AMEMBASSY, NANKING
AMEMBASSY, PEIPING

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

Secretary of State,

Washington.

912, October 30, 4 p. m.

My No. 900 / 10889 October 28, 8 p. m.

There has been little change in the military situation since the Chinese withdrawal from Chapei to the south bank of Soochow Creek. Both sides appear to be consolidating their positions. The Chinese have erected new defense works in the Extra Settlement area south of the creek beyond the British defense lines but military observers are not yet certain whether the Chinese intend to make a serious effort to hold these present lines. In any event the position of the contending forces endangers the western residential district which last night was thrown into a panic when shells burst in this area killing three British soldiers and wounding two and killing and wounding a number of Chinese. It has not been definitely determined whether Chinese or Japanese batteries were responsible but from the direction of fire it is thought

793.94/10906

NOV 4 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 O. Gustafson NARS, Date 12-18-75

111-2

LIS 2-No. 912, October 30, 4 p. m., from Shanghai.

thought that the shells were fired by a Japanese battery located north of Soochow Creek. British military authorities have advised that residents of certain sections avoid exposing themselves and be prepared if necessary to withdraw therefrom. I have advised that Americans follow advice of the British military authorities protecting the area.

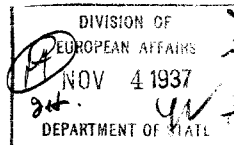
Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

RR

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

112-1



TELEGRAM RECEIVED

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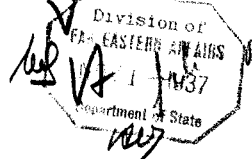
This telegram must be _____ Nanking via N.R.
closely paraphrased
before being communi-
cated to anyone.(A)

FROM

Dated October 30, 1937



Received 10:35 a.m.



Secretary of State,
Washington.

869, October 30, 2 p.m.

One. I asked Kung, Minister of Finance, this morning concerning the impressions gained by him during his European tour regarding the attitude of Germany and ~~France~~ ^{Italy} toward the Sino-Japanese conflict. He said that he felt that the Governments of both countries were well disposed toward China even though aligned with Japan on the nominal ground that Japan is fighting to stem Communism. He said that Germany's refusal to enter the Brussels Conference did not indicate lack of sympathy with China and would in reality assist China because Germany if present would be obliged to side with Japan. I inferred that he had received some explanation of this sort from German sources. In regard to Italy's openly expressed sympathy with Japan he remarked that he had had a very cordial reception in Rome; that Mussolini (?) condemn Japan's policy toward China without seeming to condemn Italy's conduct in Ethiopia and that in any event Mussolini being a dictator could change his policy at any time. He recalled that

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793.94 Conf

793.94/10907

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

112-2

LMS 2-No. 869, October 30, 2 p. m., from Nanking.

that Mussolini had placed Italian air force officers in active service at the disposal of the Chinese Government and he seemed convinced that China need fear nothing from Italy.

Two. Kung asked that when convenient I convey to the President and Secretary of State his deep appreciation of the friendly counsel and hospitality he had received in Washington and he expressed the belief that American statesmen understood the necessity of curbing Japan if the peace of the Pacific area were to be preserved and if the United States and other nations in addition to China were to retain liberty to determine such domestic questions as import tariffs and immigration without being threatened by Japan.

Sent to the Department, repeated to Peiping, Tokyo.

JOHNSON

GW:CSB

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

TELEGRAM RECEIVED

LMS

GPO

PLAIN GRAY and SPECIAL GRAY

FROM

Canton via N. R.

Dated October 30, 1937

Rec'd 2:55 p. m.

AMEMBASSY PEIPING
AMEMBASSY NANKING
AMCONSUL SHANGHAI
AMERICAN CONSUL SWATOW

Secretary of State,
Washington.

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

October 30, 8 p. m.

Since October 24 there have been no hostile operations of importance in this consular district. Most of the Japanese fleet which was recently operating in and near Pearl River Delta left for Fukien and the north.

Conditions in Canton are becoming more nearly normal. River traffic between Canton and Hong Kong is being restored progressively. On the twenty-eighth one of the largest passenger and freight steamers made its first voyage since the river was closed on October 1. Many Chinese are returning to Canton and shops are reopening.

The steamer KAITANGATA which was burned at sea October 24 was carrying aviation gasoline shipped by Standard Oil Company to (?) (?) Yunnanfu via Haiphong.

Increased attention to Western Kwangtung and Hainan which has been displayed by Japanese warships is causing

concern

793.94/10908

F/FG

FILED

1937

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

LMS 2-Frem Canton, dated October 30, 8 p. m.

concern to business.

Official sources state that Chen Chi Tang is visiting Kwangsi before proceeding to Nanking.

Past week has been characterized locally by (One) continued, numerous, vernacular press editorials urging adoption of sanctions against Japanese by Nine Power Conference; (Two) strong popular and press opinion that military setbacks must not discourage China from continued struggling until peace without surrender to Japanese aggression is assured; (Three) assurances, expressed editorially and reportedly by cable of local Chamber of Commerce to American Chamber of Commerce, that reports of Sovietizing of China are unfounded Japanese propaganda.

Mailed Hong Kong, Yunnanfu.

LINNELL

NPL: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

113-1

AC

TELEGRAM RECEIVED

Shanghai

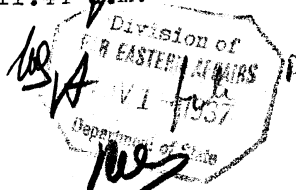
Dated October 31, 1937

FROM

REC'd 11:44 a.m.

Secretary of State,
Washington.

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



916. October 31, 8 P.M.

793.94
This noon at the instance of Admiral Yarnell I requested the Japanese Consul General to communicate to General Matsui, the Japanese military Commander-in-Chief, the request of the American, British and French Admirals and Italian and Dutch Naval Commanders for a meeting to discuss the serious situation in the Settlement areas resulting from indiscriminate firing. It was requested that the meeting be arranged for today or tomorrow morning, the Admirals being willing if necessary to go as far as Woosung; for the purpose. This evening at 5:40 o'clock the Japanese Consul General informed me that a special officer sent by the Military Attache of the Japanese Embassy to communicate the request to General Matsui had just returned with Matsui's reply to the effect that he regretted very much that because of military exigencies he can not have the pleasure of meeting the Admirals before November tenth. I report matter at the request of the Commander in Chief.

Sent to the Department. Repeat to Embassy at Tokyo.

GAUSS

RCC

793.94/10909

F/FG
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

Sent to Dept. by Embassy, Nanking
Oct. 9, 1937 OCT 1937 *F*

L. No. 504.

AMERICAN CONSULATE GENERAL,

Hankow, China, October 9, 1937

AIR MAIL

Subject: Protest from American Association
of Chengtu, Szechuan.

The Honorable Nelson Trusler Johnson,

American Ambassador,

Nanking.

AMERICAN EMBASSY

OCT 11 1937

NANKING, CHINA

Sir:

I have the honor to transmit herewith a copy of
a telegram received today from the American Association
of Chengtu, Szechuan, with a request that it be for-
warded to you and to the Department of State. I am
informing the American Association of Chengtu that I
have communicated their message to you for such action
as you may care to take.

Respectfully yours,

P. R. Josselyn
P. R. Josselyn
Consul General

Enclosure:

Protest from the American Association of Chengtu,
October 9, 1937

800

by ordinary mail
Original and two copies to Nanking,
One copy to Peiping.

793.94/10910

F/FG 10910

NOV 12 1937

7121
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Telegram received October 9, 1937 (12:30 p.m.)
Via Land Wire from Chengtu
Plain GB

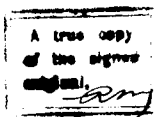
AMERICAN CONSULATE GENERAL
HANKOW

(October 9)

Please forward to American Ambassador and State Department "American community of Chengtu China protest the present Japanese military aggression in China We urge that our country the United States of America neither directly nor indirectly participate in this aggression but use all peaceful means to withdraw every material support from the aggressor nation We protest to our Government against American support of Japanese militarists by war materials American scrap iron drops in Japanese bombs on helpless civilian populations American cotton makes Japanese explosives American motor trucks transport Japanese armies American oil drives Japanese planes and tanks Let no specious neutrality repeat our world war profiteering We urge that our American people as a nation and as individuals take effective steps to withdraw assistance from the military aggressors Let Americans support the people of Japan and China who are struggling against predatory militarism."

Robert A. Peterson
President Chengtu American Assn.

Alicia Morey Graham
Secretary



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

TELEGRAM RECEIVED

CA

CINCAF

FROM

Dated Oct. 31, 1937

Recd 11:20 a.m.

Plain

*Amended in view of
unauthorized nature
Nov 1 V.*

ACTION: Opanav,

Information 2nd Brigade

Amcon Shanghai

Comsubron 5

Comdesron 5

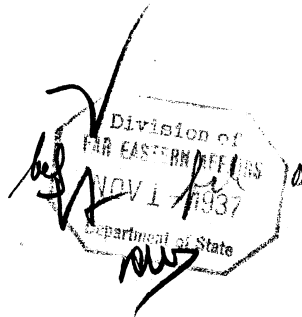
Comyangpat

Comsopat

USS Marblehead

Amembassy Peking

Alusna Peiping.



793.94/10911

793.94

0031 Japanese have crossed Soochow Creek vicinity
Rubicon Village, continue bring up troops preparing drive
south, little activity other sectors which unchanged.
Chinese units Chapel withdrew into Settlement during night,
interned by British. Eight shells unknown origin fell
Jesfield area wounding three British soldiers. British
have fired at Japanese planes several times during day,
many shells in bund area during night and shells and bullets
western district 1945.

KLP

NOV 3 1937

F/HC

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

CA

TELEGRAM RECEIVED Plain

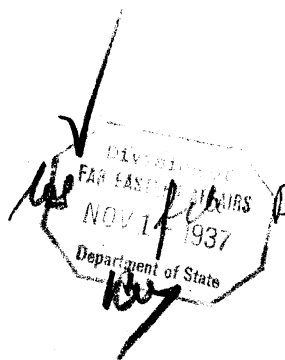
COMSOPAT

GPO

FROM Dated Oct. 31, 1937

Recd 11:22 a.m.

Action Cpnnav,
Information 2nd Brigade
Comsubron 5
Comdesron 5
Cincaf
Comyangpat
USS Marblehead
Amembassy Nanking
Alusna Peiping.



0131 South China ports quiet 2000.

793.94

KLP

793.94/10912

F/A

FILED
NOV 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

JR

opo

FROM

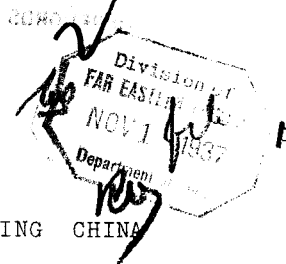
COMYANGPAT

November 1, 1937

Rec'd 7 a.m.

ACTION: OPNAV

INFC: YANPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
MARBLEHEAD
AMERICAN EMBASSY NANKING CHINA
ALUSNA PEIPING CHINA
SECOND BRIGADE USMC



0031. Yangtze River ports quiet. 2200.

LDV

793.94/10913

F/A FILED

V 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

FILED IN THE CONFIDENTIAL FILE

793.94/10914

10914

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

In reply refer to
EA 793.94/10914

November 4 1937

My dear Mr. Morrill:

I enclose Letter No. 214, dated October 13,
1937, in Mr. H. Merle Cochran's series of strictly
confidential letters concerning the Bank for
International Settlements.

Sincerely yours,

Herbert Feis
Adviser on International
Economic Affairs

Enclosure:

From Paris, No. 214,
October 13, 1937,
with enclosures.

Mr. Chester Morrill,
Secretary, Board of Governors
of the Federal Reserve System,
Room 511, Washington Building,
Washington, D. C.

NOV 4 1937

EA:FL:BMF

11-2-37

mf
FE
Jub



793.94/10914

F/M/R

10914

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

In reply refer to
EA 793.94/10914

November 4 1937

My dear Governor Harrison:

I enclose Letter No. 214, dated October 13, 1937, in Mr. H. Merle Cochran's series of strictly confidential letters concerning the Bank for International Settlements.

Sincerely yours,

Herbert Feis
Adviser on International
Economic Affairs

Enclosure:

From Paris, No. 214,
October 13, 1937,
with enclosures.

The Honorable

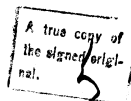
George L. Harrison,

Governor, Federal Reserve Bank of New York,
New York, New York.

CR
NOV 4 1937

21
EA:FL:BMF

11-2-37



793.94/10914

F/MR

10914

0128
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

In reply refer to
EA 793.94/10914

November 4 1937.

My dear Mr. Secretary:

I enclose Letter No. 214, dated October 13, 1937, in Mr. H. Merle Cochran's series of strictly confidential letters concerning the Bank for International Settlements.

Sincerely yours,

Herbert Feis
Adviser on International
Economic Affairs

Enclosure:

From Paris, No. 214,
October 13, 1937,
with enclosures.

The Honorable

Henry Morgenthau, Jr.,

Secretary of the Treasury.

NOV 4 1937.

EA:FL:BMF
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11-2-37
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FE
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793.94/10914

F/MK

10914

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

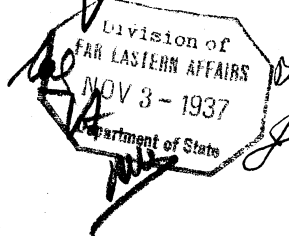
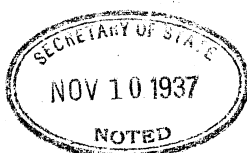
STRICTLY CONFIDENTIAL

DEPARTMENT OF STATE
November 4, 1937
Paris, October 13, 1937.
1937 OCT 30 AM 11 36

DIVISION OF
INTERNATIONAL ECONOMIC AFFAIRS
AND RECORDS
Letter No. 214

*File
Letter to the
Secy of Treas.,
Mr. Brundage and
Mr. Harrison
11/2/37 J.L.*

793.94
OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
NOV 1 - 1937
DEPARTMENT OF STATE



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

Dear Mr. Secretary:

Yesterday evening Mr. Seijiro Yanagita,
representative of the Bank of Japan in Europe, who
makes his headquarters at London and who is a Director
of the B.I.S., called on me in Paris as he was return-
ing to his home from the October meeting of the B.I.S.
Directors. Mr. Yanagita was quite unhappy over the
situation in the Far East and told me how he and
other of his fellow countrymen in London were
endeavoring, through correspondence, to impress upon
their friends in official circles in Japan the feeling
in this part of the world toward the Japanese under-
taking . . .

793.94/10914 Confidential File H

FILED
10 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

- 2 -

taking. Mr. Yanagita left with me two memoranda which he had prepared upon the Sino-Japanese situation. He stressed the point that these were entirely personal and unofficial. I have pleasure in transmitting herewith copies of these notes as of possible interest.

Very sincerely yours,

4 Carbon Copies
Received

H. Merle Cochran
H. Merle Cochran,
First Secretary of Embassy.

Enclosures:

Two memoranda prepared by
Seijiro Yanagita, dated
June and September, 1937.

In quintuplicate.

851.6

HMC/WGS

DECLASSIFIED: E.O. 11652, 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 of Memorandum prepared (June, 1937) by
Mr. Seijiro Yanagita, Representative in London
of the Bank of Japan, and Director of B. I. S.

PRIVATE & CONFIDENTIAL

SOME PERSONAL OBSERVATIONS ON THE
PRESENT SINO-JAPANESE DISPUTE

It is well known of course that the present Sino-Japanese dispute arose from the incident at Lukowkio in North China, where Chinese troops made an unexpected and unprovoked attack on a section of the Japanese army. I would like to give you some personal observations on the two main points in the present dispute:

- 1) Why the Lukowkio incident had led to the present state of threatened war between the two countries, whereas former incidents of a similar nature have been settled amicably,
- and
- 2) Why all Japanese financial and economic circles have been giving their whole-hearted support to the Government's recent military measures, contrary to expectations in certain quarters.

I shall be very pleased if my observations are of assistance in giving you a clearer understanding of the true implications of the dispute and at the same time afford some help in forecasting possible future developments.

- 1) After the foundation of Manchukuo, agreements were drawn up by the Japanese and Chinese authorities in North China, providing that a buffer zone be established between North China and Manchukuo. I am not in a position to make any comment upon the status quo of the zone which was thus established and has been
controlled ...

- 2 -

controlled in compliance with the terms of the agreements, but I am able to assure you that the existence of this zone has done much to lessen political friction between China and Manchukuo which otherwise might have been very serious and would have brought about disastrous consequences to both countries.

Since the signing of the agreements, the Japanese in North China have been enjoying full economic activity and have naturally taken advantage of all the opportunities which were afforded by the agreements and which have been accompanied by economic developments in Manchukuo. Now it is quite obvious that any attempt to change the status quo of the Zone will be resisted by the Japanese and their resistance will develop in strength and dimension in proportion to the intensity of the attack. This, I believe, is the key of the present dispute.

- 2) I can say with full confidence that all responsible Japanese citizens are well aware of the importance of the continued development of the vast economic resources of China in order to promote the welfare of the world. In accordance with this conception, it is sincerely desired that the present Central Government under Chiang Kai Shek should be stronger and more responsible. I must confess that there are a few Japanese people who do not hold this view, but their attitude might in part be justified by the fact that the present Chinese Government has been fostering anti-Japanese sentiment among the Chinese. Lately however, the views of the aforesaid minority of

Japanese ...

- 3 -

Japanese have been almost completely overshadowed by the wiser and sounder majority of the nation, and during the past year this tendency has been obvious. The Government and the public of Japan are very anxious now to be friendly with their great neighbours. It was these friendly feelings that despatched the Economic Mission led by Mr. K. Kodama, the former Chairman of the Yokohama Specie Bank, to China with a sincere desire to take the initiative for a friendly economic co-operation.

I must however stress most strongly the fact that this friendly attitude of Japan in no way signifies her intention of abandoning her claims in North China. On the contrary, Japan is more determined than ever to guard her interests in order to avoid undesirable conflicts which would disturb not only the relations between Manchukuo and China, but would have adverse effects in a much wider area.

It seems unnecessary to reiterate here that Japan has no territorial ambitions, but I hope you will bear in mind that the Japanese people are determined that peace in Manchukuo and the protection of Japanese interests and opportunities for our economic activity in North China are duly preserved and respected.

- 3) Unfortunately the Chinese have a mistaken conception of the significance of the recent and frequent changes in Japan's home affairs. They understand these to be a sign of a weakening of Japanese policy and they have attached too much importance to the differences of opinion between the Japanese people as representing

an ...

- 4 -

an unbridgeable divergence between the two big groups, military and economic.

It must further be noted here that to our great regret the Chinese have also misunderstood the restraint of the Japanese in dealing with the many unfortunate incidents to Japanese residents in China as a sign of our declining power - (Through all these incidents not a single Chinese in Japan has been ill-treated) - and China has therefore begun to feel an unjustified contempt for Japan which has developed to the extent of an attack upon all Japanese interests in North China.

I have received a letter from a friend who was travelling in North China just before the commencement of the present hostilities. He informed me how the Chinese were pushing anti-Japanese propaganda there. He concluded his letter by saying that the situation in North China was exactly the same as that in Manchuria just before the Manchurian incident in 1931 and that as long as the Chinese continued in their effort to expel all Japanese interests, a collision would be unavoidable .

Just about the same time as the above, I heard of a Japanese who had written to some eminent Chinese friends of his asking them to think over and change their mistaken attitude to Japan, and he received a reply from his friends that showed they had appreciated his arguments and admitted that their attitude was not altogether justified.

- 4) Kuomintang has been active in its propaganda of anti-Japanese sentiment for many years. It has been

accustomed ...

- 5 -

accustomed to taking advantage of slogans for the purpose of unifying the Chinese Republic. It was only recently that certain responsible persons in Kuomintang decided to change the anti-Japanese slogan from "Anti-Japanese In Order to Save The Country" to "Unification In Order To Save The Country", because they realized that such enmity had gone too far. But such efforts have come too late to change the Anti-Japanese sentiment among the young people, especially the young students and young officers. In addition to this, Communist propaganda, which deemed Japan an imperialist country has marched hand in hand with the anti-Japanese movement. These two currents of opinion have been using their combined forces in North China for the purpose of attacking Japan. They first attempted to put as many obstacles as possible in the way of Japanese economic activity. But lately they have dared to proclaim openly that they intend to deprive the Japanese of all their vested interests. Under these circumstances it is easy to understand how the Lukowkio incident has developed into the present disaster, for Japan quite naturally found it impossible, under such conditions, to continue her policy of moderation in China.

- 5) Nobody disputes that the present Government of Chiang-Kai-Shek has made considerable contributions to the unification of Old China into a single state and to the reorganisation of the Chinese armies into a modern and efficiently equipped force. But to what extent such unification and reorganisation have been accomplished is a matter which needs thorough investigation ...

- 6 -

igation and deep insight into Chinese mentality and only certain Chinese authorities and a few Japanese have the necessary qualifications for such an investigation. If the Chinese Government are imprudent enough to parade their achievements for the benefit of the common people, they have no defense against the accusation that they are entirely responsible for giving inopportune stimulus to the anti-Japanese movement. Very regrettably this is exactly what has happened. The anti-Japanese fever has been flamed by the belief that a great and modern China has been established, and the Chinese Government has unfortunately no proper control over the masses. Thus, therefore, has developed the present dispute.

If the present dispute should develop to alarming dimensions, (and we sincerely hope that it will not do so), the Japanese army will easily defeat the Chinese forces. Such a result would bring about a disorganization of the present administrative Chinese Government and do considerable damage to the further development of their Republic. As a friend of China I should deplore such an unfortunate occurrence: It is too big a sacrifice for the Chinese people to pay before they awaken to realities.

- 6) As you will have learned, Japan must prepare to defend herself against constant communist propaganda and equip herself against Russian ambition which is constantly seeking outlets to the sea in Eastern Asia.

The ...

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

- 7 -

The question of Japanese armaments, which are maintained as a protection against communist Russia, have been discussed quite openly by certain of our militarists. Although this propaganda was initiated by militarists seeking to impress others and has not appealed to the Japanese nation as a whole, it must be remembered that Japan is only too well aware of the threat of war that is constantly before her and which she some day may be compelled to answer in order to defend her nation. I may say that Japanese armaments will continue for some time and the expenditure thus caused, though it may be rationalized and adjusted to the economic capacity of the nation, will ever remain an important factor in the scale of the national finance. When all these facts are taken into consideration it is natural that there should be differences of opinion as to the programme of economic developments in Manchukuo and North China as incurring further financial burdens upon the nations, but these differences of opinion, it must be noted, are only on technical questions of national investments. No Japanese has ever thought of the nation taking its hands from the plough of economic development in North China. If China makes the mistake of overestimating the extent of the divergences in Japanese home affairs and pursue their agitations to the extreme, Japan will make the only reply possible, secure in the united force of the government and the people.

Soon after the Lukowkio incident occurred, it

was ...

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

- 8 -

was reported that China was very much surprised to find that all the Japanese financial and business circles had united strongly to support the Government's Chinese policy. It is a pity that their surprise came too late to be of service to them and that they had not realised earlier that when faced by her enemies, Japan stands united to the last man.

-----oOo-----

Copied:
HMC/ams

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

Copy of Memorandum prepared (September 30, 1937)
by Mr. Seijiyo Yanagita, Representative in London
of the Bank of Japan, and Director of B. I. S.

Private and Confidential

Some Personal Observations

on

THE PRESENT SINO-JAPANESE DISPUTE.

1. The present Sino-Japanese dispute, which arose out of a minor incident in North China, has developed, contrary to my expectations, into a conflict involving two entire nations. China and Japan can both produce their own versions as to how the incident has grown to such disastrous proportions, but it is not of much use to dwell on this now when matters have developed to the present extensive scale.

In view of this, therefore, I should like to give my personal observations, which I have obtained from various private and official sources, on how the Japanese people are affected by the present dispute and how they are forecasting future developments.

- II. Strange though it may seem, it is clearly obvious that Japanese public opinion on the present hostilities has become more solidified and unified in measure as the dispute develops, recognizing the inevitability of the extension of the conflict over a much wider area than was originally anticipated. The truth is that the people of Japan have begun to understand to what an extent anti-Japanese policy has been practised

under ...

- 2 -

under the guidance of the present Chinese Central Government. The extent of this policy, of which the most amazing example can be seen in the anti-Japanese education undertaken in schools of all grades, and its connection with the communistic principles of the Comintern, has come as a complete surprise to the Japanese people. They have awakened to the realization that there can never be friendly relations of a lasting character between the two nations unless China makes a determined effort to abate its anti-Japanese policy.

We can remember only too well what happened when in 1932 the Commission led by Lord Lytton pointed out to the Chinese how their anti-Japanese education was promoting enmity between the two countries: the Chinese showed no intention of following such sincere advice and deliberately made their answers vague and non-committal.

Notwithstanding the frequent advice of the Chinese Ambassador that Chinese nationals should leave Japan, there are even now many hundreds of Chinese still living in Kobe, Yokohama and Osaka. They are leading a peaceful life, without having any restraint or obstacles placed in the way of their business, which would not be the case if the Japanese were really prejudiced against them. It is natural under these circumstances that we have found it hard to understand the real extent of the anti-Japanese movement in China and we deplore the effect that it has had on the relations between the two countries. In addition to this, there were many unfortunate incidents last year of Japanese residents ...

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

- 3 -

residents in China suffering insults or actually meeting their death at the hands of the Chinese, and this has so roused the antagonism of the Japanese people that we honestly believe that the measures now being taken are the only effective means of settling the dispute and righting the great wrong that has been done to our nation.

iii. From the world have come many criticisms and denunciations of the Japanese measures. While I personally admit that some of them are not without justification, I must stress the point that most of the information published regarding Japanese activities has been based upon absolutely false news deliberately originated by Chinese reporters, but I do not think that the Japanese Government or the nation as a whole will relax their present measures until they have accomplished their desired objective, that object being to see a Chinese Government which will not pursue the anti-Japanese movement as the main line of their policy. If the present Central Government will abandon this abhorrent policy, peace will soon be restored: but if it should refuse to do so, a new Government will be established that is prepared to restore cordial relations with us in order to bring about a peaceful settlement of the existing discord. What this change of Government would mean to China as a whole, I cannot foretell at the moment, but Japan as China's nearest neighbor can find no other alternative just now which will provide a solution of the differences between the two countries. Herein lies one of the crucial points of the Sino-Japanese question.

IV. It is almost impossible to forecast the further development ...

7 1 4

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

- 4 -

development of the war, but one thing is certain, and that is that fighting in Shanghai will be finished in the near future. Order restored in Shanghai will be followed by the safeguarding of Japanese persons and property from the activities of the Chinese troops, and consequent opportunities for further development. There are two possibilities as to the future course of events following upon this development of Japanese interests; the first is that the warfare will continue in many parts of the country, and the second is that the dispute will continue without actual warfare. Of course during a period like this the Japanese blockade will be continued. From the Chinese point of view they would no doubt prefer the first possibility mentioned above, in order to attempt the enticement of the Japanese armies into strategically difficult positions, but they would not be able to maintain such a line of action for long because of their economic and financial difficulties, shortage of ammunition, the psychological change in their troops and finally that they could not expect the support of other countries. On the other hand, if the Japanese strategically controlled Shanghai, the war would come to an end as Japan would then be in a position to exert an influence over Central and South China. If the Chinese could appreciate the advantages of a friendly co-operation and draw up an agreement embodying such a policy, Japan would lose no time in appending her signature. If, however, events take a different turn from the course mentioned above, Japan will continue her offensive against the Central Government, while at the same time endeavouring to
extend ...

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

- 5 -

extend in many districts the peaceful administration of the Civil Peace Preservation Corporations in North China for the happiness and prosperity of the people. The degradation of the existing administration in Central and South China is deplorable both to China herself as well as Japan as her neighbour, because it is that very degradation that provides the opportunities for communistic disturbances.

On the question of Japanese policy with regard to China, there are certain sections of the Chinese public that are of the opinion that Japan will not be in a position to maintain her policy for two reasons: -

1) Japanese economic and financial burdens

It is quite true that the war has placed great economic pressure on the Japanese nation and I can say quite honestly that if the present conflict had never arisen Japan would have been in a position to increase her wealth and the standard of living of her people, owing to the rapid recovery of world trade. Unfortunately we have not been able to take advantage of this opportunity and my country has been compelled to find the tremendous sums of money required for war expenditure. But the Japanese people fully appreciate the vital implications turning on the present hostilities and will suffer without complaint or murmur the sacrifices and hardships they are asked to bear. The Japanese Government has strengthened exchange control in order to keep the exchange as steady as possible, and at the same time they are going ...

1 1 4

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

- 6 -

going to limit imports of certain merchandise in order to adjust the fundamental international balance of payments. I have been informed that in business circles the opinion is that next year imports of cotton and wool will be reduced by 33% and 50% respectively, a consequent reduction of the import excess by 200,000,000 Yen. These measures will be sufficient to maintain Japanese international economics satisfactorily for some time. The governmental control of economics and finances is admittedly the outcome of the difficulties of the present situation, but it does at the same time illustrate how these difficulties can be overcome if the reparative measures have the support of the whole nation.

2) Outside interference with Japanese activities.

This is a point to which at the moment the Chinese attach considerable importance, but you will know better than I the feelings of other nations on this point and I should only like to quote one paragraph from a publication giving the observations of certain eminent foreigners : -

" Talk with a Cabinet Minister or with an eminent Chinese General and one of them will probably inquire anxiously when the United States will awaken to the fact that she must check Japan before the Japanese Empire become too strong for us to fight, and the other will probably want to know your opinion as to how soon Japan's resources will become exhausted and the nation be plunged into bankruptcy. All the Chinese leaders are anxiously scanning the far horizons and almost none of them seems to realize that the way to salvation, if salvation is possible, is to be found at home. "

V. As I have already stated in a previous paragraph,
the ...

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

- 7 -

the Japanese will be quite satisfied if the present Chinese Central Government will cease its unjustified anti-Japanese policy and guarantee the safety of Japanese interests and activities, or if a new Government be established which will be sympathetic to the above policy. The earlier the happy solution, the greater will the world benefit from the future cordial relations between our two countries which will insure a lasting peace in the Far East: foreign funds will again find their way into Chinese investments, the existing monetary and banking systems will be strengthened and there will be great opportunities for the reorganisation of the economic structure of China.

Japan naturally does not wish for outside influence in any form in the present dispute, but if the situation develops into the creation of a peaceful new Chinese Government, then Japan will be glad to see other countries co-operating with her in the development of a greater China. The fundamental question is whether the new central Government will be responsible or not.

-----oOo-----

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

TELEGRAM RECEIVED

MBo

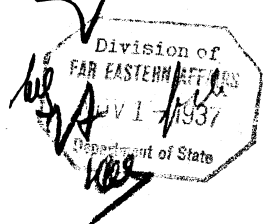
opo

FROM CINCAF

November 1, 1937

Rec'd 8:33 a.m.

FROM: CINCAF
ACTION: OPNAVL
INFO: 2ND BRIG USMC
AM CONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94

0001...Japanese south Soochow Creek consolidating positions, have continued artillery bombing preparation drive south, other sectors north Shanghai quiet, unchanged indicating major effort in Hung Jao area. Settlement quiet 1945.

793.94/10915

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

No. 646

AMERICAN CONSULATE GENERAL

Hong Kong, October 22, 1937

STRICTLY CONFIDENTIAL.

Subject: Japanese Air Raids on Kowloon-Canton Railway.

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

M
Donovan
M.I.D. 10/20/37
CPB
NOV 18 1937

STRICTLY CONFIDENTIAL

Division of
Foreign Affairs
NOV 2 - 1937
Department of State
file

The Honorable
The Secretary of State,
Washington.

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
A-582
7-17-37
m

Sir:

I have the honor to refer to my telegrams
of October 15, ¹⁰⁶⁷⁶ 9 a.m., October 15, ¹⁰⁶⁷⁰ 4 p.m. and
October 16, ¹⁰⁶⁸⁰ 10 a.m. regarding bombing raids by
Japanese planes on the Kowloon-Canton Railway
and to enclose herewith copies of three letters
from Major A. H. Street, D.S.O., which give con-
siderable detailed information with respect to
the damage done to the railway by these air raids.
Major Street is Engineer-in-Chief of the Chinese
section of the Kowloon-Canton Railway and was
formerly an officer of artillery in the British
Army.

His

793.94/10916

NOV 16 1937

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10716

1-3/

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

- 2 -

His reports should give some idea of the effectiveness of the Japanese air force and possibly of the value of airplane raids in general against railways.

Respectfully yours,


Howard Donovan
American Consul

✓ Enclosures:

- 1/ To Managing Director, Canton-Kowloon Railway, from A. H. Street, October 15, 1937.
- 2/ To Managing Director, Canton-Kowloon Railway, from A. H. Street, October 16, 1937.
- 3/ To Managing Director, (Walker) Canton-Kowloon Railway, from A. H. Street, October 19, 1937.

In quintuplicate to the Department
Original and one copy by air mail.
Copy to Embassy, Tokyo
Copy to Embassy, London

800/820

HD:MM

1 Carbon Copies

Filed FP

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

Enclosure No. 1 to despatch
No. 646 of October 22, 1937
to Department of State, Wash-
ington.

No. 8940
A/T

15th October, 1937.

To
The Managing Director.

Dear Sir,

AIR RAID ON 14TH OCTOBER 1937.

I beg to report that 11 Japanese planes raided our line in the East River District at about 13.40 hours on the 14th instant, and dropped 19 bombs at Km. 44/12, 46.60, 64, 65 and 92/7. Repairs were completed at 20.00 hours the same day.

Km. 44/12.

3 bombs on cess of slope, 20' to 30' from the centre line. Rails pushed out for about 2 ft. Roadbed slightly damaged. Automatic telephone cable cut.

Km. 46.60.

2 bombs were dropped. The station latrine entirely destroyed, in which 4 villagers were killed, big trees on platform uprooted, rails of both main and loop lines thrown out of position for about 2 ft. and roadbed slightly damaged.

Km. 64.

Embankment at the down-outer-home signal about 500 ft. south of the East River Bridge, very badly cracked on both sides of the track up to the end of sleepers due to 2 bombs dropped into the borrow-pits close to the line. Roadbed seriously affected, and settled down badly.

Km. 65.

4 bombs were dropped with intent to damage the Tung Kun River bridge, 3 of which fell in the paddy fields nearby and one into the River about 8 ft. away from No. 1 pier on the up-stream.

Km. 92/7.

8 bombs were dropped here and there along the track, one of which came exactly to the centre of the line and 2 on the cutting slopes. The damage was serious, 8 lengths of rails and 30 sleepers being destroyed.

Yours faithfully,

(Sd.) A. H. Street
Engineer-in-Chief.

Copied by MB
Compared with NHW

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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. 646
of October 22, 1937 to Department of
State, Washington.

No. 8942
A/T

16th October, 1937.

To
The Managing Director.

Dear Sir,

AIR RAID ON 15th OCTOBER 1937.

I beg to report that 33 Japanese planes attacked our line at Kan Sui, East River, Tung Kun and No. 125 Bridges at about 11.45 hours yesterday, the 15th. Six bombs were dropped at the Kan Sui River bridge, and about 40 at Sheklung, aiming at the East River and Tung Kun Bridges. With the exception of the big hole on the approach at the North end of the Tung Kun Bridge, the filling of which takes time to complete, all the rest of the wrecks were repaired before 18.00 hours yesterday.

Km. 61/2.

6 bombs were dropped with the result that 1 sentry matshed was burnt, 2 soldiers injured and 1 killed, 1 rail has to be renewed and roadbed at the South end of the bridge slightly damaged.

Km. 63/14 and 64/1. EAST RIVER BRIDGE.

Embankment seriously shocked and settled very badly. All the yard lines leading from the station to the yard, about 500 ft. in all, entirely destroyed. Window glasses of the rolling stock in the yard, Locomotive Running Shed, Permanent Way Store and Workshop and the Staff Quarters were broken. The ceilings of the Staff and Office Build-fell and the back wall was slightly cracked. No. 4 Pier of the bridge slightly scratched with splinters.

Km. 65 $\frac{1}{2}$. TUNG KUN BRIDGE.

One bomb dropped to the level crossing about 30 ft. from the centre line and 100 ft. from the North end of the bridge, damaging the embankment and the track slightly, also the automatic telephone cable at toe of slope was cut. Another bomb dropped on the surface of the track about 400 ft. from the North end of the bridge, with the result that a huge hole of 25 ft. deep was made and about 500 lineal feet of track thrown out of position.

Km. 83/11.

The face wall of a 4' concrete culvert was damaged. The track there slightly disturbed.

Km. 84/3.

4 rails of the main line were damaged and had to be renewed. The roadbed was slightly damaged. Wing walls of No. 125 Concrete Arch Bridge cracked.

Yours faithfully,
(Sd) A. H. STREET,
Engineer-in-Chief.

Copied by MB
Compared with NHW

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

Enclosure No. 3 to despatch No. 646
of October 22, 1937, to Department of
State, Washington.

Copy

CANTON - KOWLOON RAILWAY.
Chinese Section.

Engineer-in-Chief's Office,
Canton, 19th October, 1937.

Dear Walker,

Thanks for your letter. I sent off to you
yesterday a copy of my reports on the bombing, from
which you will see that we escaped very lightly and
consequently can give you very few details that are
likely to be much use summarized briefly they are.

Bombs of about 300 lbs.

One dropped in rock cut, depth of hole
about 2 feet, rails damaged.

Same bomb on bank 20' high, removed bank
entirely for about 50' and played havoc with the rails.

If the bombs drop near the toe of the bank,
if the ground is soft, the bank settles, and if
hard the bank cracks; except in the case of the high
bank the repairs are only a matter of hours. The worst
feature is that usually telephone and telegraph lines
are cut and it is difficult to get accurate information.

I have seen some photos of the damage of the
Yuet Han and will try and get you some copies.

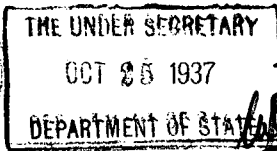
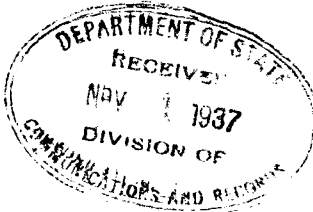
Sincerely

(Sd) A. H. Street

Copied by MB
Compared with NHW

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

WAR DEPARTMENT
WAR DEPARTMENT GENERAL STAFF
MILITARY INTELLIGENCE DIVISION, G-2
WASHINGTON, D. C.

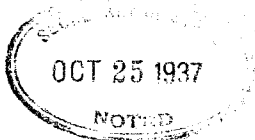


October 23, 1937.



MEMORANDUM FOR MR. HAMILTON:

Herewith situation and summary in the Sino-Japanese situation for the past week.



G. V. STRONG,
Colonel, General Staff,
Chief, Intelligence Branch, G-2.

fk

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

G-2
GVS

G-2/26:7-H-439

October 23, 1937.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Situation Map and Report showing developments in China for the past week.
2. The outstanding features for the past week have been:
 - a. The unexpectedly stiff Chinese resistance at Shanghai where the Japanese as yet have made very little progress.
 - b. Increasing Chinese resistance in Shansi where the forces of Chu Teh and Wei Li-huang appear to have taken the offensive in harassing Operations against Japanese lines of communication.
 - c. Increasing unrest in Manchuria with considerable Japanese troop movements, both from North China and Japan, to Central and Northern Manchoukuo.

2 encls.
ml

R. E. W. McCABE,
Colonel, General Staff,
Assistant Chief of Staff, G-2.

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

G-2
 W M

J-2/2657-E-439

October 23, 1937.

MEMORANDUM FOR THE CHIEF, INTELLIGENCE BRANCH:

Subject: Summary of Events in Sino-Japanese
 Situation, October 17-23, 1937.

GENERAL.

United States formally accepts bid to Brussels Nine Power parley to be held October 30. Norman H. Davis is sole American delegate, assisted by State Department personnel. President states October 19, that United States is not committed to predetermined line of action with any other Government. Italy reported to have pledged support to Japan at parley. Japan receives bid but makes no decision as yet. Belgium offers to delay parley for few days if Japan desires more time. Reports state China will demand material aid from Brussels conference to drive Japanese from Chinese soil.

Reports, mainly from Russian and Chinese sources, indicate increasing unrest in Manchoukuo. Japanese are definitely strengthening their forces there, probably with new units or possibly by withdrawals of Kwantung Army units in North China or both. Chinese report some East Hebei Autonomous Government's Chinese troops transferred to Mukden to guard rear areas. Recruiting in Japan, which had been dormant for three weeks, again in full swing from October 13. Reliable Mukden reports state passenger service on all Manchurian railways, including Chinese Eastern, will be restricted from October 18 in order to "facilitate transportation of Manchurian produce." Preparations being made at Harbin to quarter a division in addition to one stationed there now. Japanese Government requests United States naval vessels with mails and evacuees to stop at Yokohama instead of Kobe because of troop movements.

Moscow reports 54 persons executed at Ulan Uday (formerly Verkhne Udinsk) October 12, 45 at Irkutsk about October 21, and over 20 in Maritime Province September 10, for alleged connection with Japanese espionage system.

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Japanese report Moslem revolt in Sinkiang and western Kansu. State rebels occupied Kashgar and Khotan in western Sinkiang and Hami, important town on Sino-Soviet munitions supply route. Also state rebellion has been put down by Soviet troops and bombing planes. Approximately 300 trucks now operating between Sian and Lanchow allegedly carrying Soviet supplies from Sinkiang border.

Kohel Goshi, Japanese fiscal expert, states Japanese find increasing difficulty in financing in New York and London; states closed loan market more serious than boycott. A. P. survey in Tokyo finds many United States firms there now selling for cash only. Japanese cabinet authorizes 59 million United States dollars cut in ordinary government expenses for fiscal year to meet war expenditures.

Labor in France, England, South Africa and United States takes action toward boycott on Japanese material. French dock workers refuse to unload Japanese ship at Marseilles.

Hongkong authorities open official investigation October 18 on sinking of Chinese fishing boats by Japanese men of war. Japanese Consul refuses to attend. Tokyo spokesman states well known piracy situation at Bias Bay justifies Japanese attacks on junks in Hongkong area.

Two foreign naval doctors at Nanking examine three Chinese alleged gas casualties. State do not believe patients gassed.

Secretary Hull and Prime Minister Mackenzie King denounce treaty-breaking nations at meeting in Toronto October 22.

Chinese and Japanese basis for peace negotiations as evidenced by trial balloons in newspapers are widely divergent. Chinese press states basis as follows: (a) Japanese troops shall be withdrawn from North China and Shanghai before discussion starts; (b) China's territorial integrity and administrative independence to be preserved; (c) restoration of Manchoukuo to China. Japanese are willing to talk peace on basis of autonomous state covering all or most of five northern provinces and Japanese control over Mongolian corridor to west. They say nothing of Shanghai.

Comment by FE, G-2: The large reported increase in strength of Japanese forces in Manchoukuo does not appear to be entirely warranted by local unrest. These moves may be caused by fears of Soviet intervention or they may presage a Japanese attack on Siberia to forestall such intervention.

It is quite possible the strategic plan of the Japanese High Command embraced a wider sphere than North China alone, and may

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

have included action in Siberia as well. The High Command certainly did not foresee a major involvement at Shanghai and probably counted on a speedy settlement of the North China-Inner Mongolia situation with more political maneuvering and considerably less military pressure than has been necessary so far. Then with Japan mobilized and large troop concentrations on the mainland, a swing north and a rapid campaign in Siberia and Mongolia would have been readily feasible. The present reinforcing of the Manchurian forces may be a phase of this larger plan. However, with the China situation still far from settled, it hardly seems likely that Japan will start action in a new theater unless forced to do so. Winter is also approaching rapidly and the time for a Siberian campaign is probably past for this year.

NORTH CHINA.

Suiyuan. Mongols with Japanese stiffening captured Paotow on October 17. Entire Ping-Gui Railway now under Japanese control. Japanese and Mongol cavalry units reported 60 miles west of Paotow on Yellow River. Japanese planes have bombed Suiyuan, 100 miles northwest of Paotow. Fu Tso-yi and Ma Chan-shan have apparently withdrawn their troops to western Suiyuan.

Japanese announce "birth of new Mongolian Empire" to be heralded at ceremonial meeting in Kweihsia (Suiyuan City) first scheduled for October 22 and now postponed until November 1. Postponement possibly due to reverses in North Shansi.

Shansi. Japanese drive south on Taiyuanfu definitely stopped in mountain pass near Yuanping by Chinese troops under Wei Li-huang. Chu Teh's ex-Red troops are attacking Japanese lines of communications northeast of Taichow, and north and northwest of Yenmen Pass. Other ex-Red units are raiding Japanese communication lines at Lingui and Kwangling. Still others have penetrated to Hopei and are threatening Ping-Han line south of Peking. Chinese claim to have cut large Japanese units off from their lines of supply on the Ping-Gui line. The Japanese deny they are cut off in this area but admit being in difficulties. Chinese raiders claim to have destroyed 24 Japanese planes on Yangmingpo airfield, southwest of Taichow. Chinese claim White Russians are aiding Japanese in North Shansi. This claim substantiated by Tientsin mail report of Japanese recruiting White Russians for military use in North China.

At Niantzekuan, pass leading from Shihchiachuang to Taiyuan, Japanese are stopped by Chinese troops reported to be under Sun Lien-chung. Japanese advanced elements on this drive are cut off and are supplied only by airplane. Japanese are striving desperately to restore communication under continual harassment by

Chinese troops. Pressure of ex-Red Chinese elements on Ping-Han north of Shihchiachuang is adding to Japanese difficulties in the Hsiangtzekuan area. The Japanese on October 23 claim to have dislodged the Chinese from a small pass leading into Hsiangtzekuan south of Tingsing.

Morale of Chinese troops in Shansi seems good. Local troops have been bolstered by some Government reinforcements. These and Chu Teh's units are reported to have abandoned defensive tactics and are taking the offensive even to the extent of frontal attacks on Japanese positions.

On the Ping-Han line the Japanese drive south passed through Shuntetu with comparative ease and continued toward the Honan border. Chinese defenses north of Anyang (Changte) appear to be holding. The opposing forces are now engaged at Tzehsien just north of the Honan border. There on October 23 the Japanese claimed slight gains. Japanese communications on the Ping-Han are being threatened by small Chinese units including the ex-Red elements south of Paoing mentioned under the Shansi sector.

On the Tsin-Pu line the Japanese appear to have withdrawn their advance elements to Pingyuan. Here also Chinese are harassing Japanese communication lines. The Japanese report Chinese cut the dikes and have flooded the country north of Yucheng, impeding Japanese advance south. A Chinese raid on the Tsin-Pu is reported to be in progress with advance elements at Hintsing, 50 miles northeast of Tehchow. On October 23 the Japanese claim to have captured Linghsien, 18 miles northwest of Tehchow, after a fight. A Japanese concentration is also reported at Kucheng, 25 miles west of Pingyuan.

Chinese resistance on both the Ping-Han and Tsin-Pu and the area in between appears to have stiffened considerably during the last week. Japanese report that Chinese aircraft are increasingly active, conducting two raids in Tsin-Pu sector and one on Ping-Han. Japanese planes also continue active bombing of all important towns in rear of Chinese lines.

Reports persist that Han Fu-chu will turn over to the Japanese if it can be done without serious loss of face. However, on October 23 Han publicly reaffirmed his allegiance to Nanking, stating he will resist Japan to the bitter end. Some of his troops are now engaged in the defense of northern Shantung. Tainan civil officials are reported to be moving to Taian.

The flow of Japanese troops and materiel into North China has slowed considerably during the past week, and is apparently limited to immediate replacement necessities.

The last of the priests kidnapped in the Peking area have been released. Irregulars continue to harass Japanese detachments in this area.

CENTRAL CHINA.

A furious battle is raging at Shanghai with the Japanese main effort concentrated in a drive at Tazang. Their immediate objective remains the cutting of the Shanghai-Hankow Railway in the vicinity of Nansiang, and thus severing the Chapei-Kiangwan salient. The Japanese are making slow and extremely costly progress. Their advanced elements are reported in the outskirts of Tazang, still 2 1/2 miles from the railway. Powerful Chinese counterattacks designed to relieve the pressure on Tazang are reported. There will be no material change in the situation until the railway is cut. Chinese will still have Soochow Creek and canals to service their units in the salient after the railway is cut. However, it is believed a withdrawal will be necessary when this occurs.

Increased Chinese air activity with new planes, variously reported as Russian, French, and British, is evident. Chinese are refraining from flying over the International Settlement in response to request from American Ambassador. A sudden slowing of Japanese antiaircraft fire during recent Chinese raids is explained by the Japanese as due to an increased use of pursuits. The Japanese have moved their Yangtzepoo airport to the vicinity of Soosung because of constant strafing by Chinese. Japanese continue extensive bombing operations over all Chinese installations and lines of communication in Central China. Hankow bombed again October 18. The Japanese admit 50 planes lost in Central China. The Chinese claim over 100.

Chinese have transferred all governmental financial agencies except customs from Shanghai to Hankow.

Total civilian casualties in International Settlement to October 10 are: 16 foreigners, including 3 Americans, and 1,990 Chinese killed; 27 foreigners and 2,800 Chinese wounded. In addition, local anti-Japanese mobs have killed 3 foreigners and 69 Chinese and wounded 8 foreigners.

SOUTH CHINA.

Japanese operations mainly confined to continuous bombing of Canton-Hankow and Canton-Hongkong railways. So far the railways have been interrupted for comparatively short periods of time.

Pearl River has been opened to shallow draft vessels during daylight hours except Sunday. Oil and similar supplies continue to be shipped by water from Hongkong.

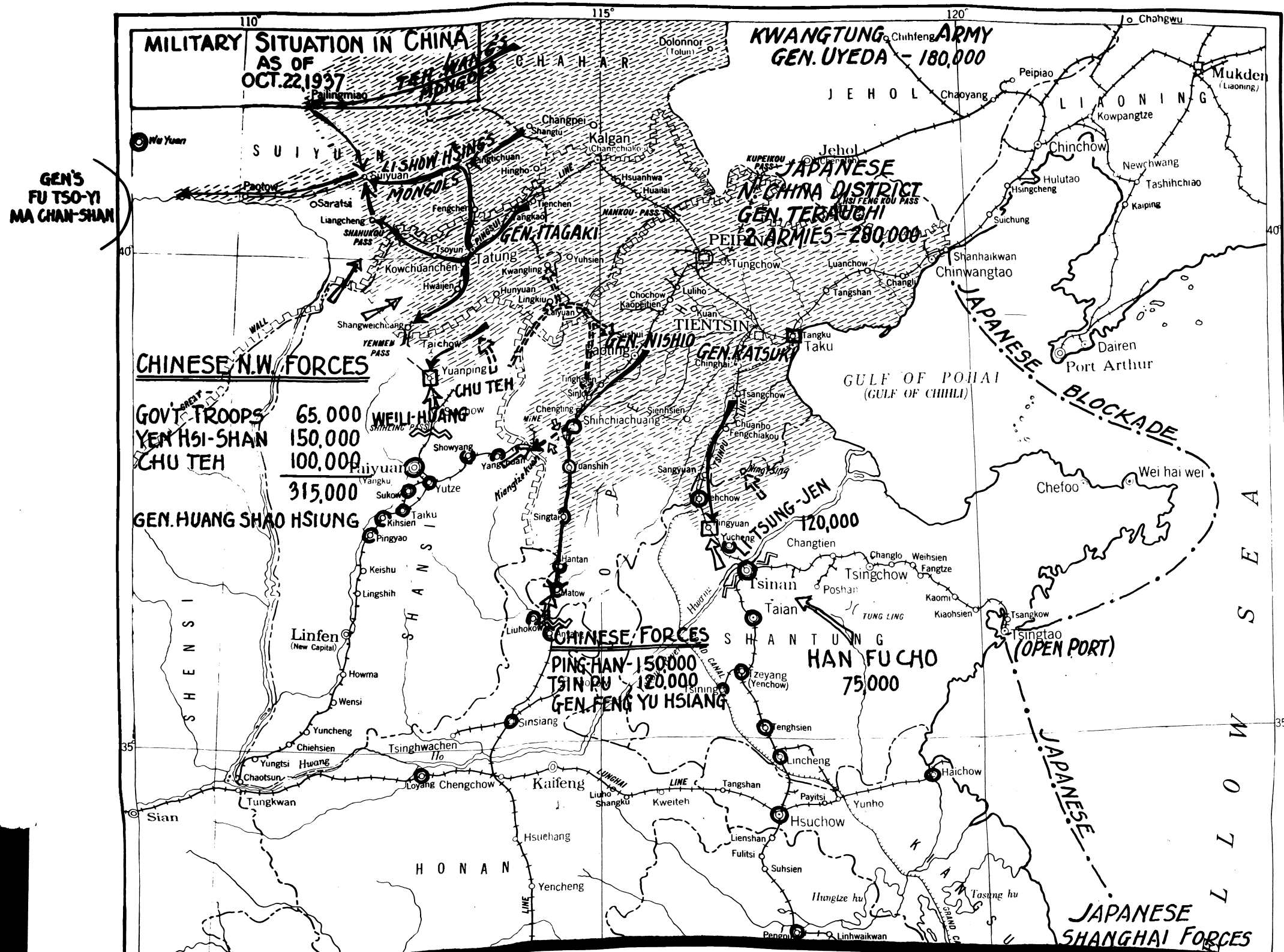
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Japanese are reported to have occupied Shanghai (St. John)
Hsiachuan Island, 40 miles west of Hopao Island already reported oc-
cupied.

Kwangsi reported to be organizing new 31st Army 50,000
strong. Said to be well equipped and armed with British made rifles.

R. S. BRADTON,
Lieut. Col., Infantry,
Chief, Far Eastern Section.

td



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



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

TELEGRAM RECEIVED

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COMYANGPAT

GPO

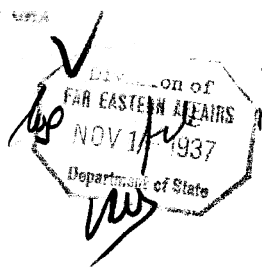
FROM

November 1, 1937

Rec'd 2:11 p. m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING CHINA
ALUSNA PEIPING CHINA



0001. Yangtze River ports quiet. 2230.

CSB

793.94/10918

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FILED
NOV 4 1937

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

TELEGRAM RECEIVED

EG

COMYANGPAT

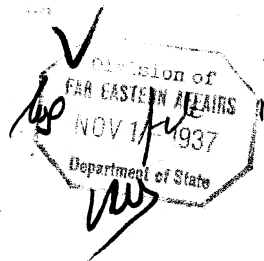
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ALBERT B. RIDGWAY

EVERETT A. JOHNSON

JOHN C. KENDALL

RIDGWAY, JOHNSON & KENDALL
ATTORNEYS AT LAW
UNITED STATES NATIONAL BANK BUILDING
PORTLAND, OREGON

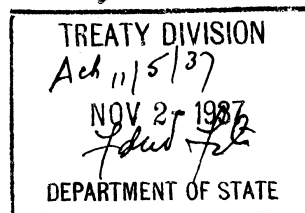
1937 NOV 1 PM 1 10

October 28, 1937

November 9 1937

793.94
DIVISION OF
COMMUNICATIONS
AND RECORDS

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



Sir:

702.9411/505

On the 14th, inst., I sent you a copy of an address made over Station KVI, Tacoma and Seattle, Washington, which was the first of a series to be made over that station, sponsored and paid for by an organization calling itself "Friends of Japan."

I am inclosing a copy of another address, "The Case for Japan," delivered over Station KVI, October 21, 1937, by Dr. Herbert H. Gowen, of Seattle.

As I attempted to explain in my earlier letter, these addresses are submitted purely as voluntary information, with the thought that the State Department might be interested in the subject matter, and in the hope that if there is any objection to the broadcasting of this type of material over radio stations, by the State Department, we may be informed of such objection. Any intimation of an opinion that this material is undesirable from the standpoint of your Department will result in the immediate refusal of further broadcasts of this nature.

Copies of further addresses will also be submitted in the same way.

Respectfully,

John C. Kendall
Attorney for Puget Sound
Broadcasting Company,
Licensee of Station KVI.

JCK:K
ENC.

793.94/10919

F/FG

10919

7164

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

COPY OF TALK "THE CASE FOR JAPAN" DELIVERED BY DR.

HERBERT H. GOWEN, OCTOBER 21, 1937 FROM 7:15 to 7:30 P. M.

As one who from the earliest days of his ministry has been pleasantly associated with China and the Chinese and has still many friends among the Chinese people, I find myself in no light mood accepting an invitation to say a few words on the present unhappy conflict proceeding in the Far East. I do so out of the conviction that the case for Japan has been so seriously misrepresented to the American people and the world that in the interest of China and of ourselves as well as in justice to Japan it is well that certain misconceptions be removed.

I shall go no further back than the spring of 1933, when the signing of the Tangku Truce promised, and for a period of two years, inaugurated, a relation between the two Oriental Powers of reasonable accord and co-operation.

But before giving a strictly factual summary of the 'incidents' which have disturbed this accord, and have been distorted into evidence of Japanese aggression, I must refer to two anomalies - for neither of which Japan can be held responsible - which have tended to mislead the public mind. One is that of the Foreign Settlement in Shanghai, at first, in 1843, small and purely British, but developed in course of time into a French Concession on the one hand and on the other the so-called International Settlement, of over 5,000 acres, and governed by a Municipal Council consisting of British, American, Japanese and Chinese representatives of the tax-payers. By treaty

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these concessions constitute a foreign imperium, permitting the warships of the Powers to use the Yangtse River for 1,500 miles and providing for the armed forces of the Powers to garrison the Settlements for the protection of the nationals of each. Of these foreign troops 4,080 are Japanese, responsible for the safety of 30,000 of their nationals and the guarding of investments amounting to many billions of yen.

The second anomaly is in the presence, by treaty, of foreign troops in the Peiping area. This is one result of the Boxer Revolt and of the treaty which followed its suppression. By the provisions of this British, American, Japanese, French and Italian garrisons were charged with the duty of keeping open the corridor between Peiping and the sea. Of these troops, too, there were, at the time of the present outbreak, just about 4,000 Japanese. It should be added that, following the Tangku Truce, two zones of demilitarisation were created, from Inner Mongolia to the sea, which Chinese armies agreed to respect.

The two years from 1933 to 1935 were, as I have said, for both China and Japan years of reasonable accord. Then, and since then, in Japan militarism cannot be said to have been in the saddle and the defeat of General Hayashi at the polls last April inaugurated the ministry of Prince Konoye which has general support from all classes of the nation. With Mr. Hirota once again in the Foreign Office the outlook for conciliation was increasingly good and Japan, eagerly bent upon preparations for a great International Exhibition and the reception of the Olympic Games in 1940, was certainly not anticipating trouble. Still

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less was she bent upon actively fomenting it.

China, too, under Chiang Kai-shek, was bent on unification and the campaigns against Communism were making progress. But, in September, 1935, the Seventh International Soviet Congress stressed the necessity for a new drive for the sovietisation of China and immediately thereafter things began to happen. First came the shooting of the conciliatory Acting-Foreign Minister, Wang Chang-ming, and shortly after the assassination of his right-hand man, Tang Yu-jen. A month later, in December, 1936, Chiang Kai-shek was kidnapped by that stormy petrel of Chinese politics, Chang Hsueh-liang and commanded to cease war upon the Communists and declare immediate war against Japan. What terms Chiang made to obtain his liberation may never be known, but following closely upon that liberation reactionary politicians took the place of those who had been working for peace; Michael Borodin, the Russian agitator, who had been expelled in 1927, came back under the name of General Blucher and undertook the organization of the Chinese army; foreign experts were engaged to utilize their experience in the Great War by digging trenches and erecting concrete redoubts in the neighborhood of the International Settlement; the campaigns against the Communists ceased abruptly; and Chinese chauvinism, regardless of facts, began boastfully to proclaim its readiness to try conclusions with Japan.

So the stage was set for the incidents which were intended to provoke a Japanese resort to arms. These are too numerous to catalogue but in every instance show the Chinese as the aggressors and while the local civil authorities showed themselves ready to make peace, the military

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authority, directed from Nanking, in every case thwarted efforts in that direction. There was, on July 7, the attack at Lukouchiao on 150 unarmed Japanese drilling on their accustomed ground. In rapid succession we have the attack on a signal corps company at Lanfang, the attack at the Kwang-an Gate of Peking when Japanese soldiers returning to barracks were trapped by the closing of the gate and assailed with hand-grenades and gun-fire, the horrible massacre at Tung-chow when several hundred civilians, men, women and children, were butchered in cold blood, the four-fold attack upon the Japanese concession at Tientsin, and so on. These occurrences anticipated the sending of Japanese reinforcements from the home-land, and in the meantime Chinese armies, to the total strength of thirty divisions, were streaming north to sweep away all that the Japanese had done for the pacification of Northern China.

Towards the end of July the arrival of Japanese reinforcements and the repulse of the Communist armies turned the attention of China to Shanghai. Here no fighting need have been anticipated since, once begun, it was bound to bring about the destruction of vast foreign investments, including those of the Japanese, and could have no military importance save to exasperate the foreigners who had shared with the Japanese the industrial development of the city. But, possibly for this very reason, China seemed bent upon bringing Shanghai into the conflict. On July 24 the kidnapping of a Japanese sailor began to cause concern, but it was only after the murder of Lieutenant Oyama and his chauffeur on August 9 that the Japanese patrol was reinforced by the arrival of warcraft. A request was made by the Japanese Consul-General that the sandbags and other obstructions placed around the Japanese residential quarter be removed and this request was renewed on

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August 12 by the special committee provided by the agreement of 1932. Mayor Yui, however, refused to guarantee withdrawal and the Japanese were called in for protection. The next day the foreign consuls again offered mediation but even while the negotiations were proceeding the Chinese fired upon the Japanese, who returned their fire. Then on the following day came that horrible massacre of Chinese civilians, by Chinese, when ten bombers flew over the city and bombarded a crowded section of the Settlements, involving the loss of hundreds of lives, including those of three Americans. It seems strange that the world, rightly horrified at the slaughter of civilians, should have forgotten this episode and the still more deliberate bombing of the s.s. President Hoover, of which Mr. G. V. Reeves says that "China's claim that the bombing was an accident is contrary to all the facts."

Having mentioned the bombing of civilians may I say, in connection with subsequent operations of Japanese aircraft, that with all the horror which this method of warfare must inspire, the hands of those nations which have most protested are by no means clean, that there is no reason to doubt the sincerity of the Japanese in assuring us that only military objectives have been sought, that many thousands of Chinese are what are called 'plain-clothes soldiers', indistinguishable from civilians, and that in such cases as were capable of investigation the grossest exaggeration has been proved. For example, a Hongkong newspaper in commenting on the report that three hundred civilians were slain in an air-raid at Canton declares that there were only two or three wounded. The like distortion has been shown in the statement of the captain of the Scharnhorst that he had no reason to believe that the fishermen he picked up had been shipwrecked through the use of torpedoes. And it not

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unnecessary to quote again the editorial from the Shanghai Evening Post and Mirror which runs as follows: "We have leaned backwards in trying to get and present the news from the Chinese side. But in the first place the Chinese afforded us but little contact with authoritative sources; in the second place they issued very little news on their own account; and in the third place they insulted the intelligency of any sane person with the atrocious fabrications they put in. Time after time of late the Chinese have indulged in the most bombastic claims of glorious advances. The Japanese gave the foreigners passes so the correspondents could go and look for themselves. Seeing is believing. Detail after detail could be checked off the Chinese reports and so far as local investigation within the Japanese lines could determine, most or all of these Chinese reports were wrong. A great many foreigners and Chinese think that the Japanese merely hand out a pack of lies. They were never more mistaken. Correspondents at first tended to believe, but when their own eyes showed that they had been getting first-hand truth from the Japanese and second-hand fiction from the Chinese, well figure it out for yourself."

Americans we learn to distinguish between first hand truth and second-hand fiction. Let us seek to maintain our traditional friendship with Japan as well as with China; let us seek whatever pathways to peace the present or the future may offer. But, in the meantime, let us refuse to be stampeded by passion and prejudice and so placed on that slippery incline which leads inevitably to war and to the even greater ills which war always brings in its grisly train.

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

November 9 1937

In reply refer to
 TD 793.94/10919

Mr. John C. Kendall,
 United States National Bank Building,
 Portland, Oregon.

Sir:

I acknowledge with thanks the receipt of your letter of October 28, 1937, enclosing a copy of an address entitled "The Case for Japan", delivered over station KVI, October 21, 1937, by Dr. Herbert H. Gowen of Seattle, the second of a series of addresses made over that station, sponsored and paid for by an organization calling itself "Friends of Japan".

You will doubtless have received by now the Department's reply of October 28, 1937 to your letter of October 14, 1937, in which you enclosed a copy of an address made over station KVI, by Mr. M. Okamoto, Japanese Consul at Seattle, Washington.

Very truly yours,

For the Secretary of State:

NOV 8 1937 PM

Hugh R. Wilson

Assistant Secretary

TD:FdeW:MPW:SS
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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FE



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1387

Peiping, August 21, 1937.

Subject: Anti-American Sentiments in the
Japanese-controlled Press of
Peiping and in Handbills.

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COMMUNICATIONS
AND RECORDS

For	By	By	By	By	By

The Honorable

The Secretary of State,
Washington, D. C.



793.94/10920

Sir:

1/

I have the honor to enclose a copy of a memorandum of a conversation of August 20, 1937, between a member of my staff and a Secretary of the Japanese Embassy in which the latter was informed of the Embassy's apprehension at the anti-American statements which have been appearing in the inspired Chinese press in Peiping and in handbills since the Japanese came into control of the area.

Respectfully yours,

For the Ambassador:

Frank P. Lockhart
Frank P. Lockhart
Counselor of Embassy

F/FG 10920

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

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✓
Enclosure:

Memorandum dated
August 20, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

710

LES-SC

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

Enclosure No. 1
Despatch No. 1387

MEMORANDUM OF CONVERSATION

Peiping, August 20, 1937.

Subject: Anti-American Sentiments in the Japanese-
controlled Press of Peiping, and in Handbills.

Present: Mr. Hisanaga Shimadzu, Third Secretary of the
Japanese Embassy, and
Mr. Salisbury.

I called at the Japanese Embassy this morning and informed Mr. Shimadzu that Mr. Lockhart had directed me to express the Embassy's apprehension at the anti-American statements which have been appearing in the Chinese press in Peiping since the Japanese came into control. I further said that there were statements directed against the West in general but that most of the statements were directed against the United States and Great Britain. I told Mr. Shimadzu that such sentiments had not appeared prior to the taking over of control of the Chinese press by the Japanese and that the directing of the thoughts of the people into an anti-American and anti-Western channel might have disastrous results in the future for Americans and other Westerners resident here. I also informed him that handbills of an anti-American and anti-Western character had been distributed through the streets since the Japanese took over control of Peiping and I referred to one which was put out by an organization calling itself the Japanese Returned Students' Club and to another which was published in the Ch'ien Pao of August 10.

Mr. Shimadzu said that he had not noticed the statements to which I had referred and that he would bring the matter to the attention of the appropriate authorities.

LFS-SC

(Signed) L. E. Salisbury

Copy to Embassy, Nanking.

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

TELEGRAM RECEIVED

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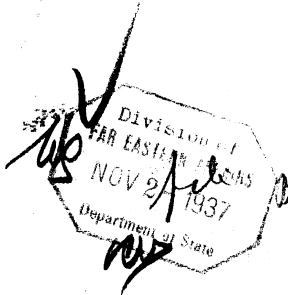
FROM

NOVEMBER 1, 1937

Rec'd 3 p. m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING CHINA
ALUSNA PEIPING



0101. Amoy, Foochow and Swatow quiet. Two air
raids today Kowloon Canton railway service not inter-
rupted. 2345.

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EMBASSY OF THE
UNITED STATES OF AMERICA

RECEIVED
No. 1377 DEPARTMENT OF STATE Peiping, August 17, 1937.

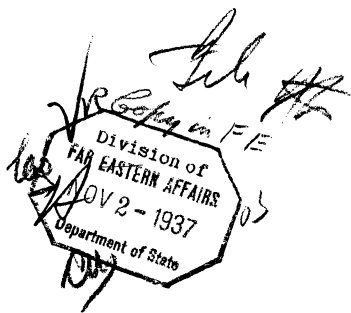
1937 NOV 1
Subject: Review of Military and Political
Activities in Hopei Province from
July 7 to July 19, 1937.

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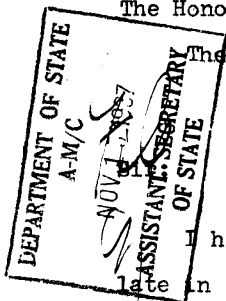
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793.94/10922

The Honorable

The Secretary of State,
Washington, D. C.



I have the honor to report events from the clash
late in the evening of July 7 between Chinese and Japa-
nese troops in the vicinity of Marco Polo Bridge (Lukou-
chiao) to the agreement signed July 19 at Tientsin.

Military developments at Marco Polo Bridge and Wanning:

Rifle firing broke out between 11:30 and 11:45 p.m.
on July 7 between Chinese and Japanese troops in the vi-
cinity of Marco Polo Bridge. The Chinese involved were
some of the troops of General Feng Chih-an's 37th Division

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of the 29th Army of General Sung Che-yuan which formed a regular garrison stationed at both ends of Marco Polo Bridge and in the town of Wanping. (Marco Polo Bridge crosses the Yungting River at a point a few hundred feet west of the west gate of the small walled district town of Wanping.) According to a Secretary of the local Japanese Embassy, the Japanese troops involved were on maneuvers and were one company of the Japanese Embassy Guard, which is a part of Major General Masakazu Kawabe's brigade.¹ Total Chinese and Japanese forces involved evidently numbered not more than a few hundred men.

Firing in this area continued from then on at varying intervals until late on July 20, when apparently it was definitely suspended until the final Japanese occupation of Wanping on July 29. The principal military activities in this area are described in the following paragraphs of this section. In all instances of renewal of firing, each side charged the other as the initiator. In two instances during the first 48 hours, however, it seems fairly well established that the Japanese began the firing.

After firing had continued for some time on the night of July 7-8, the Chinese troops retired into the walled town of Wanping. Fighting was soon resumed, however, the Japanese shelling the town in the early morning hours of July 8. All obtainable information indicates that the

Japanese

1. According to this informant, Major General Kawabe had under his command on July 7 two regiments, one at Peiping, which formed the Japanese Embassy Guard, and one at Tientsin. One battalion of the regiment at Peiping was at Fengt'ai on July 7, and of this battalion, one company was at that time maneuvering in the vicinity of Marco Polo Bridge. The American Military Attaché states that the Japanese troops involved at the outbreak of the incident were a reinforced company of the Japanese Embassy Guard.

793.94/10922

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Japanese initiated this renewal of hostilities.

Certain Chinese and Japanese officers arrived at Wanping shortly before the shelling began to negotiate a settlement of the situation.² According to one of the Chinese negotiators, the chief barrier to effective agreement was the low rank of the Japanese negotiators and the fact that they were not officers of the Japanese force engaged in action, the result being that any understanding which was reached with the Chinese negotiators was subsequently disregarded by the active Japanese military officers concerned.

According to the confidential and official report of one of the Chinese negotiations (a copy of which was given to the Embassy in strict confidence and is enclosed), instructions were issued by the Commander of the 37th Division that, when the Japanese troops should withdraw to their original positions, the Chinese troops were to withdraw to west of the Yungting River, leaving Wanping to be garrisoned by men of General Shih Yu-san's Peace Preservation Corps. Orders for cessation of firing were apparently despatched to the Japanese forces also. Before the orders to the opposing sides went into effect, however,

2. The negotiators on the Chinese side were Colonel Chou Yung-yeh, Assistant Chief of the Communications Department of the Hopei-Chahar Pacification Commission Headquarters; Mr. Wang Leng-chai, Magistrate of the Wanping District (hsien); and Mr. Lin Keng-yu, Chief of the First Section (Asiatic Affairs) of the Foreign Affairs Committee of the Hopei-Chahar Political Council. The negotiators on the Japanese side were Major Tokutaro Sakurai, an adviser of the 29th Army; and Captain Tadasuke Teradaira, assistant to Lieutenant Colonel Gennosuke Matsui, head of the Special Military Organ at Peiping.

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however, fighting broke out again shortly after 5 a.m. July 9, after which it was agreed between the Japanese and Chinese negotiators that withdrawal should begin at 9 a.m. (July 9) and be finished by 10:30 a.m. the same morning. The Chinese troops withdrew west of the river, but while the Peace Preservation Corps was arriving firing again broke out. Concurrence of opinion in this instance is that the outbreak began with firing by the Japanese on the excuse of "covering their withdrawal". According to the above-mentioned confidential report, the Peace Preservation Corps men were all within Wanping by 6 p.m. July 9.

It seemed for a brief interval that the situation was to be settled peacefully as foreign observers reported that the Japanese had withdrawn on the morning of July 10, with the exception of from 50 to 200 men, who were stationed some distance east of Wanping on the main road to Peiping, and that the Chinese troops were all west of the Yunting River.

This hope was shortlived, however, as some 1,000 Japanese troops arrived on the afternoon of July 10 and took up positions in the Wanping area. The Japanese authorities claimed that this movement was due to the failure of the Chinese to fulfill their part of the agreement of withdrawal. Foreign observers were unable, however, to discover wherein the Chinese had failed. (This Japanese action will be discussed later under the section dealing

with

3. In this instance firing seems to have become serious because of delay in the delivery to the Chinese side of the order to cease firing at 5 a.m. July 9. The Japanese received the order and ceased firing at 5 a.m. but the Chinese side continued the desultory firing which had been going on through the night, with the result that the Japanese began heavy firing shortly after 5 o'clock.

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with the motives of the Japanese military.) Firing began again about 5 p.m. July 10, became heavy during the night, and ceased the following day. Evidently a truce of some sort was reached. From then on, however, firing in the Wanping area continued intermittently until July 20. From July 11 to July 20, the firing was not important and interest centered on other phases of the situation.

The conflict which took place at Wanping on July 20 and which resulted in a suspension of fighting there should be recorded. The Japanese military began firing on Wanping at about 3 p.m., July 20, for the alleged reasons that (1) Chinese in that area had continued sniping, resulting in the wounding on July 19 of a Japanese, and (2) Chinese had failed to heed the Japanese representation that, unless such firing ceased by noon of July 20, "adequate measures" would be taken. (Foreign press representatives claimed that soldiers of the 37th Division had re-entered Wanping at some time after their initial withdrawal west of the Yungting River; American military officers stated that only men of the Peace Preservation Corps were in the town.)

The Japanese firing continued until about 9 p.m. of the same day, by which time, according to the Japanese, the latter's objective (of ending sniping) had been attained by (a) driving out of Wanping and to the west bank of the river soldiers of the 37th Division and (b) destroying the east gate and the north wall of the town.

Although there was some doubt whether the soldiers of the 37th Division had actually withdrawn, no further

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military action took place at Wanping until July 29. If some of the soldiers remained, they withdrew either when other troops of the 29th Army withdrew early on July 29 from Peiping or when the Suzuki Brigade, on its way from Koupeik'ou to the Peiping-Hankow Railway, shelled and occupied Wanping on the night of July 29-30.

Negotiations at Peiping and Tientsin:

Negotiations of the first three days at Wanping following the outbreak of the incident dealt apparently only with questions of withdrawal and cessation of firing. Negotiations of wider scope and significance were carried on subsequently at Peiping and at Tientsin. Although it is impossible to know with certainty the course of those negotiations and the contents of the agreements resulting therefrom, due to conflicting statements of Chinese and Japanese, it seems to be definitely established that (1) an agreement in general terms was signed July 11 at Peiping; (2) an agreement, defining in some degree those terms, was signed July 19 at Tientsin; (3) this agreement was approved shortly thereafter by General Sung Che-yuan, Chairman of the Hopei-Chahar Political Council; and (4) negotiations were carried on subsequently which ended in an ultimatum from the Japanese military for the withdrawal of Chinese forces from Peiping and its vicinity.

Because of the absence of General Sung Che-yuan in western Shantung Province, where he had been since early May, the principal Chinese figure in negotiations was General Chang Tzu-chung, Mayor of Tientsin and Commander

of

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of the 38th Division of the 29th Army.⁴

The Embassy is of the opinion that General Chang, together with Mr. Chang Yun-jung, Chinese Director of the Sino-Japanese Huitung Aviation Corporation, signed or definitely approved an agreement at about 8 p.m. on July 11 at Peiping to the general effect that the Chinese side would (a) apologize for the clash at Marco Polo Bridge, (b) punish those officers immediately responsible, (c) guarantee that such an incident would not recur, and (d) suppress communist, "blue shirt", and anti-Japanese activities. Some understanding with regard to withdrawal of Chinese troops was also presumably included.

Japanese authorities were emphatically insistent that this agreement had been signed. Chinese authorities differed. Some Chinese officials not immediately concerned expressed the belief that such an agreement had been signed. The Mayor of Peiping, General Ch'in Teh-ch'un, announced at the time of the alleged signing that an agreement had been signed and then withdrew the announcement within three hours on the grounds of "difficulties". In his announcement he claimed that the agreement called for (a) withdrawal of troops of both sides to their original lines, (b) mutual expression of regret, and (c) prevention of recurrence of such an incident. That the Japanese would be content with such an agreement seemed highly improbable. The Japanese authorities

claimed

4. Other important Chinese who were in Peiping at the time of the negotiations and who presumably participated directly or indirectly were General Liu Ju-ming, Commander of the 143 Division of the 29th Army and Chairman of Chahar Province, General Feng Chih-an, Commander of the 37th Division of the 29th Army and Chairman of Hopei Province, General Ch'in Teh-ch'un, the Mayor of Peiping, General Ch'en Chi-yen, the Peiping Chief of Police, and Marshal Ch'i Hsieh-yuan of the Hopei-Chahar Political Council.

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claimed that General Chang had requested that the agreement be kept secret, a not unusual request on the part of a Chinese who had signed an agreement damaging to Chinese sovereignty. The reputation of the two Chinese signatories also led observers to believe that they would give way to Japanese representations without much pressure.⁵ And subsequent developments in the political situation further convinced disinterested spectators that the two Changs actually did enter into an agreement on July 11 of the general character outlined by Japanese officials.

Apprehension of thinking Chinese was aroused by the clause calling for suppression of various activities, as it could be interpreted in such a manner that all Chinese of nationalistic and patriotic thought could be driven out of Hopei Province and the autonomy of Hopei Province achieved.

Tientsin apparently became shortly after July 11 the chief center of negotiations as the result of the arrival there on July 11 of Lieutenant General Seiji Kazuki, newly appointed Commander of the Japanese North China Garrison, in succession to Lieutenant General Kanichiro Tashiro, who fell ill late in June and died July 16, and the arrival on July 11 of General Sung Cheyuan from his retirement in Shantung. A number of the

important

5. General Chang Tzu-ch'ung's reputation has declined during the past year for various reasons, including (a) reports of an increasingly dissolute life resulting from an excess of money deriving from his job as Mayor of Tientsin and from his association with dissolute Japanese, (b) his visit to Japan during the past spring, and (c) evidence that Japanese authorities had come to regard him during recent months with more favor than they regarded other Chinese officials in Hopei. Chang Yun-jung is known chiefly for his being Chinese Director of the Huitung Aviation Corporation, which indicates his acceptability to the Japanese.

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important Chinese officials who had been in Peiping on July 11 soon proceeded to Tientsin. Other Chinese officials who participated in the negotiations at Tientsin were the half-Japanese Ch'en Chueh-sheng, Managing Director of the Peiping-Mukden Railway, and Mr. Teng Cheh-hsi, President of the Hopei High Court.

So far as known, neither General Sung nor Lieutenant General Kazuki participated directly in the negotiations at Tientsin. The actual conversations were carried on by their subordinates, primarily General Chang Tzu-chung and Mr. Ch'en Chueh-sheng on the Chinese side and Major General Gun Hashimoto, Chief of Staff of the North China Garrison, on the Japanese side. (Conversations were understood to be in progress meanwhile in Peiping with regard to minor matters. Those conducting them were regarded as of too low rank to arrive at effective conclusions. Chief among the negotiators were General Ch'in Teh-ch'un, Mayor of Peiping, and Lieutenant Colonel Gen-nosuke Matsui, Chief of the Special Military Organ at Peiping.)

The Japanese authorities claim that General Chang Tzu-chung signed an agreement on July 19 at Tientsin. This claim is believed to be true. Apparently the agreement was a definition and elaboration of the clauses of the agreement of July 11. The Japanese Minister for Foreign Affairs outlined the terms to Ambassador Grew as being (a) apology (by the Chinese), (b) punishment of the Chinese captain responsible for the outbreak of hostilities

6. Tokyo's telegram to Department 223, July 22, 7 p.m.

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hostilities and censure of the commander of the 37th Division, (c) assurances for the future, comprising voluntary retirement of Chinese officials in North China who obstruct Sino-Japanese cooperation, expulsion of communist elements from that area, control of "blue shirts" and other organizations hostile to Japan, control of education in the schools, and cessation of anti-Japanese propaganda, and (d) withdrawal of the 37th Division from Peiping.

This is believed to be an honest outline of the agreement, although it seems probable that the clause with regard to the withdrawal of the 37th Division fixed Paoting as the northernmost point of its future whereabouts. No Chinese now seems to deny that such an agreement was signed by General Chang Tzu-chung.

There is one important point with regard to the agreement which has not yet been clarified; namely, how and when General Sung Che-yuan gave it his approval. It is possible that it was given at the only meeting of General Sung and Lieutenant General Kazuki, which took place on July 18 at Tientsin. This would seem to indicate, however, that General Sung approved the agreement before it was signed.⁷ It seems more probable that he approved the agreement subsequently; that is, that a Chinese official brought the agreement to Peiping after it had been signed on July 19 at Tientsin by General Chang and that General Sung signed or in some manner approved it on July 20.

It developed, however, that the question of General Sung's approval of the agreement was not vitally important

as

7. Japanese claim that General Sung apologized to Lieutenant General Kazuki at this meeting. Chinese claim that mutual regret was expressed. The Japanese claim is probably nearer the truth.

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as, notwithstanding his probable compliance with Japanese desires of the moment, General Sung quietly left Peiping ten days later, ending his period of being the leading Chinese figure in Hopei Province during two precarious years.

The developments which took place after the signing of the agreement of July 19 and before General Sung's departure will be dealt with in a subsequent despatch.

Responsibility for the clash at Marco Polo Bridge:
Legality of the Japanese maneuvers:

Presumably it will never be established whether a Japanese or a Chinese fired the shot which precipitated the fighting in the vicinity of Marco Polo Bridge. The Assistant Japanese Military Attaché, Major Takeo Imai, claimed in his initial statement that Chinese troops had fired suddenly on Japanese soldiers at Lungwanmiao, a point about half-a-mile north of Marco Polo Bridge, and that the challenging attitude of the Chinese necessitated Japanese measures of self-defense. The Chinese version, as given out by the Mayor of Peiping, General Ch'in Teh-ch'un, made no claim with regard to the initial firing. The Mayor stated that the Japanese military authorities had reported to the Chinese authorities that Chinese had fired on Japanese troops and that a Japanese soldier had subsequently disappeared; that the Japanese demanded entry into Wanping to discover who had done the shooting; that the demand was refused; that the missing soldier soon returned; that the Japanese persisted in their demand to enter the town; that Japanese negotiators were permitted to enter; and that, while negotiations were

in

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2-3/ in progress, Japanese opened fire. (Copies of these two statements, as they appeared in the English language press, are enclosed.)

Regardless of the accuracy of these versions, the responsibility for the outbreak rests with the Japanese for the reasons that (1) the Japanese were unnecessarily holding maneuvers at night in close proximity to a regularly stationed Chinese garrison at a time when a tense political situation existed, (2) the Japanese authorities knew well that the Chinese troops concerned were a part of the reputedly anti-Japanese 37th Division, and (3) the Japanese claim that they had a right to maneuver in that area under the terms of the Protocol of 1901 was ill-founded as the area lies well outside the zone delimited in that Protocol for the movement of foreign troops. The unestablished claim of the Japanese that they had received permission from the local Chinese authorities to maneuver in that area is scarcely pertinent in view of the dangers known to attend such maneuvers.

The

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The only legal basis for the maneuvers in the vicinity of Marco Polo Bridge appears to be a note which was addressed November 15, 1913, by the Chinese Minister for Foreign Affairs to the Ministers at Peking.⁸

- 4/ (A copy, in translation, of this note addressed to the American Minister is enclosed for ready reference.)
- This note designated four places, including Lukouch'iao (Marco Polo Bridge) as drill grounds for the use of all foreign guards, with two provisos; namely, (1) the four places are designated "temporarily" and (2) "when foreign troops are drilling in these places ball cartridges are not to be used". Putting aside the question whether "temporary designation" could be effective for twenty-four years, the company of the Japanese Embassy Guard drilling July 7 in the vicinity of Marco Polo Bridge definitely carried ball cartridges. The above-mentioned

note

8. The only mention of this note as the legal basis for the presence of Japanese troops in the vicinity of Marco Polo Bridge which has come to the notice of the Embassy was contained in a Japanese press despatch of August 2 from Tientsin, published in the "Manchuria Daily News". This report read: "Investigation, however, has shown that the Japanese troops, which conducted maneuvers at Lukouchiao on the fateful night of July 6 had by virtue of both precedent and an official Chinese note to the foreign ministers in 1913 acted fully within their rights. Lukouchiao in that year was designated by the Chinese Government, along with three other villages, namely, Ercha, Huangtsu and Heilungtan(g), as sites for maneuvers by the foreign garrisons in North China. This decision was conveyed to the Ministers of the foreign powers in Peking by the Foreign Office. In thus notifying the foreign powers the Chinese Government had really done nothing more than recognize a situation which obtained at that time, as the foreign garrisons had in the past been in the habit of going to the four aforementioned places for maneuvers. The Japanese troops consequently had every right to be at Lukouchiao, it is said."

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note is further weakened as a legal basis for Japanese argument by the fact that, between the time of its departure from Peiping and the time of its arrival in the Marco Polo Bridge area, the Japanese company concerned had been maneuvering at Fengt'ai with other units of the Kawabe Brigade, of which that company and the Embassy Guard are a part. There is no legal basis, so far as known, for Japanese troops, either of the Embassy Guard or of other units, to maneuver at Fengt'ai.

Japanese motives in enlarging the incident:

Although it was inevitable that the proximity of Japanese and Chinese troops in Hopei Province would result in some such clash as that of July 7, the Embassy does not believe that the clash of July 7 was deliberately planned by the Japanese military. It does believe, however, that the Japanese military decided shortly after the outbreak to make use of it as a pretext for extension of Japanese influence in North China. This belief is based on the following developments: (1) the advance on July 10 to the Wanping area of some 1,000 Japanese troops, notwithstanding the withdrawal on July 9 of a large proportion of the Japanese troops involved and the fulfillment by the Chinese, according to competent foreign eyewitnesses, of the agreement that Chinese troops in the Wanping area would withdraw to west of the Yungting River, (2) evidence that the Japanese concerned were, from at least July 10, less interested in an immediate settlement of the military problem of disposition of troops created by the incident than they

were

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were in effecting a political settlement under the guise of an agreement whereby the Chinese would promise to suppress "blue shirts", communists, and anti-Japanese activities, and (3) the rapid increase of Japanese military strength in the Wanping-Fengt'ai area and the entry into Hopei Province of troops of the Kwantung Army, an increase in strength far exceeding Japanese needs if the incident were to be settled locally and non-politically.

Various factors presumably motivated the Japanese in their apparent decision to use the incident of July 7 as a pretext to extend their influence in North China.

(a) The Japanese military perhaps believed that a reasonable settlement of the incident would be interpreted in Japan and China as an indication of weakness on the part of the Japanese military. (b) The Japanese military probably believed that they would have to use force sooner or later to achieve their designs with regard to North China. (c) The Japanese military had been frustrated in those designs, economic and political, by General Sung Che-yuan and his subordinates, notwithstanding the fact that General Sung owed his dominant position in Hopei Province to Japanese aid in 1935. For example, General Sung had been in retirement in Shantung for almost two months prior to July 7 for the primary purpose of avoiding Japanese representations. (d) Furthermore, the Japanese designs were being threatened by the increasing influence in North China of the National Government. (e) The threat to the plans of the Japanese military was enhanced by the growth of unity and nationalism in China, its increasing military and economic

strength,

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- 16 -

strength, and the growing popularity and power of Generalissimo Chiang Kai-shek. (f) Apprehension of the Japanese military with regard to the above-mentioned developments in China was probably enhanced by the rapprochement between the National Government and the communist leaders in northern Shensi, which might be expected to popularize eventually throughout China a political ideology inimical to the extension of Japanese influence. (g) The international situation was presumably regarded by the Japanese military as favorable to their action in China, principally in respect to Russia, as there was evidence of internal difficulties which might be expected to deter Russia from entering into conflict with Japan, regardless of what infringement of Chinese sovereignty the Japanese military effect.

The attitude of Sung Che-yuan and his subordinates:

The withdrawal of Sung Che-yuan from the Peiping-Tientsin area was facilitated by (a) the lack of intelligence on the part of the leaders of Sung's regime requisite to cope with the situation, (b) vacillation and uncertainty of General Sung, (c) divergent views of General Sung's subordinates, and (d) defection of General Chang Tzu-chung, Mayor of Tientsin and Commander of the 38th Division of the 29th Army.

General Sung seemingly labored under the misapprehension that he could perhaps cope with the Japanese in conversation and in military action. At the same time he labored under the apprehension that perhaps the National Government wished to see him and his army eliminated from the political scene. He was handicapped

by

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by the kind of advisers he had. On the one hand, he presumably was advised by General Feng Chih-an, Commander of the 37th Division, to use military force against the Japanese. Judging from the facts that General Chang Tzu-chung, Commander of the 38th Division, signed the agreements of July 11 and 19, General Sung was presumably advised by him to temporize. General Liu Ju-ming, Commander of the 143rd Division (in Chahar), probably sided with General Chang Tzu-chung, inasmuch as his division, so far as known, has taken no action, even in the present defense of Nank'ou Pass. The fourth and remaining divisional commander, General Chao Teng-yu, was in central Hopei Province with his 132nd Division during the early period of negotiations, although he was subsequently killed in action at Nanyuan, and presumably was not in a position to influence the situation. General Ch'in Teh-ch'un, Mayor of Peiping, seemingly wavered between the two extremes of view, while Chinese not of the 29th Army, such as the influential Ch'en Chueh-sheng, half-Japanese Managing Director of the Peiping-Mukden Railway, who had flocked around General Sung in 1935 for the alleged purpose of personal gain, presumably advised him from the viewpoint of their mutual profit. At the same time, General Sung was subjected to advice from Japanese, whose purpose was to gain control of Hopei Province and whose advice was reinforced by great military strength.

General Sung's relations with the National Government:

One of General Sung's primary handicaps appears to have been his uncertainty of the intentions of the National Government.

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Government. He seems to have been uncertain whether the National Government would not welcome his elimination and was not, in fact, working toward that end. If this is true - and it is not an impossibility -, it is not surprising that General Sung attempted to carry on alone as long as possible, although he should have realized that he could not stand alone against the Japanese either in negotiation or in military conflict.

Certain Chinese claim that General Sung had been ordered prior to July 7 by Generalissimo Chiang Kai-shek to withdraw to Paoting, the provincial capital, in case of an armed conflict between his troops and Japanese forces. He is said to have been instructed again on July 11 to withdraw to Paoting. If there were such orders, he may have disobeyed them in the belief that he could cope with the Japanese by himself and that, were he to withdraw, it would mean his elimination by the National Government and his being stigmatized as a national traitor.

On the other hand, General Sung may have expected - or hoped - that he would receive material aid from the National Government for resistance to the Japanese. In this he was disappointed. The (Kuominchun) troops which the National Government sent into Hopei Province remained remote from the Peiping-Tientsin area and were so poorly equipped as to be of doubtful value in any conflict with Japanese forces.

The results of General Sung's vacillation will be discussed in a subsequent despatch.

Dislocation

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Dislocation of normal life from July 8 to 19
arising out of the Marco Polo Bridge incident:

As a result of the clash in the vicinity of Marco Polo Bridge and delay in settlement, the dislocation of ordinary life in the Peiping-Tientsin area soon began. Martial law was put into effect in Peiping; Japanese civilians began to leave as early as July 12; intermittent suspension of train service between Peiping and Tientsin began on July 9, as well as disruption of service on the Peiping-Hankow Railway as a result of occupation of a part of it near Wanping by Japanese troops; small and unimportant armed clashes began to take place as early as July 12 outside the west and south walls of Peiping between Chinese and Japanese forces, although in some instances firing was apparently the result of nervousness in the darkness of night and took place when no enemy was in the vicinity; and trains from Shanghai began to stop as early as July 12 at Central Station at Tientsin and to proceed no further, in part because of the arrival in Tientsin of large bodies of Japanese troops from the north.

No important military clashes occurred during this period, other than the fighting at Wanping, although one Japanese plane fired July 18 on a Chinese troop train moving north in southern Hopei on the Peiping-Hankow Railway. The explosion July 13 two or three miles south of Peiping of a Japanese truck loaded with munitions gave rise to false reports of heavy fighting at that time in that area. Fighting which occurred after July 19 will be described in a later despatch.

Respectfully yours,

For the Ambassador:

Frank P. Lochhart
Frank P. Lochhart
Counselor of Embassy

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Department of State letter, August 10, 1972
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Enclosures

1. Copy, in translation, of Colonel Chou Yung-yeh's statement (unacted).
2. Clipping from Peiping Chronicle, July 9, 1937 (Chinese version).
3. Clipping from Peiping Chronicle, July 9, 1937 (Japanese version).
4. Copy, in translation, of note from Foreign Office, November 15, 1913.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

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

STRICTLY CONFIDENTIAL

ENCLOSURE No. 1
TO DESPATCH No. 1377

WHAT OCCURRED IN THE CLASH BETWEEN THE CHINESE
AND JAPANESE TROOPS AT LUKOUCHIAO

(Translation of a report by Colonel Chou Yung-yeh, one of the Chinese mediators and observers during the first days of the negotiations which purposed checking the Lukouchiao fighting.)

I together with Special Officer Wang Leng-chai, Foreign Affairs Commissioner Lin Keng-yih, Japanese Adviser to the 20th Army Major Tokutaro Sakurai, Secretary, Adjutant of the Japanese Special Affairs Office Captain Teradeira, on the 3th (July) at 8 a.m. proceeded to Lukouchiao to investigate the circumstances of the conflict between the two sides, and we arrived at the meeting place of the Marco Polo Bridge and the iron railway bridge (sic: they don't meet - the writer means between the ends of the two bridges, or the fork in the railway tracks at the station? EC). At this time the Chinese and Japanese troops had still not begun a conflict (subsequent to the first alleged clash? EC). It was only observed that the Japanese troops were disposed along the line of the railway and nearby high ground, with the circumstances very grave. I and the others upon entering the town (Wanping: EC) received a great welcome from our troops. As soon as we reached the district offices we entered upon conversations with Battalion Commander Chin Chen-chung. According to his statements, the Japanese troops had constantly come to that place to carry on maneuvers; by official orders it had been communicated (to the Japanese: EC) that if there

was

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was no attack on our defenses then prior (to that attack? EC) they would not be regarded as enemies, but should it be otherwise I (Chin) as a soldier only had my orders and the duty to defend my ground - there was no politeness (in the act of communication), and at the time I opened my collar and said that on my body are more than ten bullet wounds, being a military man should I sooner or later give up my life on the battlefield it would not matter. We (Chou et al) considered this (attitude) as most admirable. Captain Teradaira thereupon requested that we permit Japanese troops to enter the city, the numbers necessarily to be more than a large group, and requested in addition that the main forces of our troops retreat west of the Yung Ting River. It was only after a firm but polite refusal on our part that he desisted. Discussions were just in progress when the Japanese troops began to attack. I and Sakurai at once got in a car and went out the city by the west gate to stop the firing by both sides. On the Marco Polo Bridge the Japanese were sometimes stopping sometimes firing, with our side replying. (Efforts) over a considerable period of time to call a halt were without effect. Because of factors of topography it was impossible to reach the Japanese fighting-line, and, without recourse, (we) got in the car and returned inside town (Wanping: EC). The firing by the two sides became still more violent. After reaching the district offices we at once joined with all (interested) quarters and in addition held discussions with Regimental Commander Chi. Accordingly, it was stated to

Sakurai

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Sakurai and Teradaira that: if you can stop the Japanese side from firing and (cause them) to return to their original positions, we will dare to take responsibility for there not being fired a single shot. Sakurai and Teradaira glanced at each other and lost color, and did not accept responsibility, and (the discussions) then terminated. At 10 a.m. Teradaira together with Commissioner Lin, Staff Officer Wang (Staff Officer of the 111th Brigade of the 37th Divisions) first held discussions with First Lieutenant Morita (representing the Commander of the Japanese Joint Army Forces), and Staff Officer Wang accordingly made reply that: the Japanese side demands that our troops withdraw to the west bank of the Yung Ting River, but our side does not consent. While the battle of resistance was still continuing the responsible officer in charge from the Japanese side, Captain Mou T'ien K'ou (), at 5:20 p.m. arrived to present a communication stating that there were important matters which he wished to discuss jointly with District Magistrate Wang Leng-chai, Bureau Head Chou Yung-yeh and Tokutaro Sakurai. He requested that he be given immediate audience, otherwise there would be an attack made on the town exactly at 6 o'clock. Our side because of the necessity of reporting to higher officers replied suggesting that there be delay until 8 p.m. (that is, delay of 2 hours). After (our) departure, the Japanese side at 6:20 o'clock began artillery bombardment. At this time the sound of rifle and cannon fire was heavy from all quarters. Moreover, purposing wresting back the bridge north of Marco Polo Bridge (the railway bridge)

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bridge) by a surprise night attack at 12 midnight, operations began at 11:30 and in not more than 30 minutes (we) had regained control and fulfilled our dutiful responsibility of holding our territory. The same night at 3 o'clock, in order to prepare defense against a Japanese attack at dawn, we promptly began the planned policy of accepting battle. At 5 a.m. there were received Chairman Feng (Chih-an's) instructions, transmitted by Secretary Hung at Fengtai: (when) the Japanese troops withdraw to their original positions the troops of our side will withdraw west of the River; Lukouchiao City (Wanping: EC) will be taken over by Paoan forces. At that time the Japanese adviser Tokutaro Sakurai and the others (Japanese? EC) made a request of our side, saying that 10 unarmed stretcher-bearers of the Japanese side carrying a white flag were searching in the Yung Ping River for corpses and asking that fire be withheld. Our side agreed. At this point the conflict between the Chinese and Japanese sides was concluded for the time being. Once more, at 6 a.m. adviser Nakayama and Staff Officer Chou Kuo-ching arrived at Wanping to communicate Chairman Feng's instructions and important directions. It was agreed with Nakayama that our troops should begin withdrawal as from 9 o'clock, it being granted that the withdrawal should be completed by 10:30 o'clock. At 9:30 o'clock our Paoan forces arrived at Tachings'un and proceeded as far as the place Wulich'iao (sic: Wulitien? EC), where there again occurred a misunderstanding. It is learned that our side had one killed and six or seven wounded. Our side promptly despatched a police officer together

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together with the Japanese Secretary Tokutaro (sic)
quickly to go meet (the Paoan forces? EC). They and
we together observed the withdrawal. Our Paoan forces
at 6 p.m. had all entered the town (Wanping).

EC/kt

ENCLOSURE NO. 2
TO DESPATCH NO. 1377

THE PEIPING CHRONICLE Friday, July 9, 1937.

Mayor Chin gives Chinese Version

Reuter

PEIPING, July 8.—Interviewed this morning by Chinese pressmen, General Chin Teh-chun, the Mayor of Peiping, said that about 12 o'clock last night Colonel Matsui, the Peiping representative of the North China garrison, called up the Foreign Relations Commission of the Hopei-Chahar Political Council, saying that a company of Japanese infantry, whilst holding manoeuvres near the Marco Polo Bridge, was fired upon by certain troops on the opposite side. Six or seven shots were fired. Immediately the roll was called and it was found that one soldier was missing. Before they knew what had happened, they saw Chinese soldiers marching onto the bridge. The Japanese also went onto the Bridge and demanded that they be allowed to go into the town of Wanpinghsien near by to try to find out who had done the shooting.

The Chinese authorities, however, said that in the dead of night they could not allow foreign troops to enter a Chinese town. They had meanwhile telephoned to the colonel commanding the local garrison and were told that his troops had not been out of their barracks, where they were still asleep. Colonel Matsui threatened that if they were not allowed to enter the walls of the town the Japanese would be forced to surround it. By this time both Chinese and Japanese soldiers were mobilized on the spot and the Japanese demanded that delegates be sent from each other to negotiate.

Missing Soldier Found

The soldier missing from the Japanese ranks, however, had turned up and the Chinese

claimed that there was, therefore, no necessity for the Japanese to enter the town. But Colonel Matsui replied that it was difficult to check up on all the troops that were mobilized and he thought it necessary for them to have representatives to investigate all the same.

The Chinese authorities in Peiping sent Mr. Chow of the Pacification Commissioner's Headquarters, Mr. Wang Leng-chai, Administrator supervisor of the district, and Mr. Lin Keng-yu of the Foreign Relations Commission, together with Major Sakurai, Adviser to the 29th army, and Captain Teradaira, Assistant to Colonel Matsui, to Wanpinghsien, where they arrived about four o'clock in the morning.

Japanese Demand again refuses

At the East Gate of the town the Japanese colonel demanded that the Japanese soldiers be allowed to enter the town, but the Chinese authorities again refused. The delegates, however, were allowed to enter, and about five o'clock, whilst they were carrying on negotiations, they heard shooting outside the East Gate. The Chinese troops did not reply and some time later there was also firing at the West Gate. The Chinese still remained quiet. From five-thirty until (nine o'clock) the time when the mayor was interviewed, several hundred shots were fired, and many Chinese were killed and wounded. It is estimated that there were 150 Chinese casualties.

The authorities of the Hopei-Chahar Political Council wish to localize the incident and hope that the hostilities will cease so that peaceful negotiations will be possible. If the Japanese, however, continue to attack, the mayor thought that Chinese troops would be forced to resist them.

ENCLOSURE No. 3
TO DESPATCH No. 1377

THE PEIPING CHRONICLE Friday, July 9, 1937.

Major Imai gives Japanese Version

Domes

PEIPING, July 8. — In connexion with the Lungwangmiao incident, Major Imai, Japanese Military Attaché at Peiping, made the following statement:—

"The absence of General Sung Cheh-yuan from Peiping for a longer period than anticipated had something to do no doubt, but rumours of an unquiet nature were rife in Peiping for some time in the past. We did everything possible to avoid creating misunderstanding on the part of the Chinese side.

"The present case broke out in consequence of sudden firing on Japanese troops engaged in a sham fight, by Chinese soldiers. The Japanese at once stopped the manoeuvres, and concentrating their men, tried to see what the Chinese side would do. Instead of waiting to see what would happen, they opened gun fire on the Japanese troops, assuming a challenging attitude and forced the Japanese side to take measures of self-defence, an action impossible for us to avoid.

"Repeated occurrence of such insuspicious events at frequent intervals is a thing quite unpleasant to the Japanese as well as Hopei-Chahar authorities. Steps therefore must be taken to prevent further incidents.

"The Japanese side does not desire to see the situation aggravated, but future developments it must be emphatically stated, depend entirely upon the attitude to be taken by the Chinese side."

The Japanese Statement

The following statement was made public this morning at 7 o'clock by the Japanese Military Attaché's office:—

"Our troops stationed at Fengtai were carrying on night manoeuvres about 10 o'clock yesterday evening. Whilst the sham battle was proceeding, Chinese soldiers, who had been constructing several independent forts in the vicinity of Lungwangmiao, about 1,000 metres north of the Lukouchiao Bridge, and stationed there, fired on the Japanese soldiers several tens of rifle shots.

The manoeuvres were at once stopped, and men were being concentrated to watch developments.

In the meantime, Lt.-Colonel Morita was dispatched from Peiping, in company with Mr. Wang Leng-chia, Chief of Wanping Hsien, and Mr. Lin Keng-yu, member of the Foreign Relations Committee of the Hopei-Chahar Political Council, to Lukouchiao, to investigate the cause of the action taken by the Chinese soldiers, and urge them to reflect. The delegation reached the place of conflict about 5 o'clock this morning.

Prior to that the Chinese contingents in the vicinity of Lungwangmiao were reinforced by their comrades, including some artillery corps, sent from Changhsintien, and opened gun fire on our men, who were being massed.

The challenge was taken up by the Japanese soldiers in self-defence, and fighting proceeded for some hours after 5.30 o'clock this morning.

During the firing, Warrant Lieutenant Shikauchi was killed and Second Lieutenant Noji as wounded. At the present writing the exact number of casualties sustained by our side cannot be ascertained, but several others including non-commissioned officers, are believed to have been killed and wounded.

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

ENCLOSURE No. 4
TO DESPATCH No. 1377

{ Copied by SC
{ Compared with KT }

From F.O. No. 12.

A Formal Note from His Excellency Sun Pao Ki,
Minister for Foreign Affairs, to Honorable
Paul S. Reinsch, American Minister.

(TR)

November 15, 1913

Sir:

I have the honor to recall, with reference to the subject of a practice ground for the troops of the different Legation Guards, that in the 28th year of Kuang-hsü (1902) the Board of Foreign Affairs, together with the officers of the different nationalities, measured out land in a place called Miao Chia Ti, outside the Chao Yang Gate, to be given temporarily to all nations as a practice ground for their joint use.

After the conclusion of this arrangement the foreign guards made use of this practice ground and declared it most satisfactory; the people living in that locality became accustomed to this use of the ground through many years, and there have never been any misunderstandings.

Nevertheless, of late years the foreign guards from time to time have selected other localities for their drilling, and even when this Ministry has been notified in advance so that proclamations have been issued, this custom has been a disadvantageous one to the local residents.

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A despatch has now been received from the Ministry of the Interior, acting with the Ministry of War and the Commandant of the Peking Gendarmerie, stating that Ercha, outside the Tung Pien Gate, Huang Ts'un Lu Kou Ch'iao, and Hei Lung T'an have all been used by foreign troops as drill grounds and the peace of the neighboring residents has not been disturbed. It is desired, therefore, to designate these four places, temporarily, as drill grounds for the use of all foreign guards. But drilling and firing at a target continually in a regular range are two different things. If ball cartridges are used in firing it is to be feared that passers-by will receive unintentional injuries from them. The Ministry of Foreign Affairs is therefore requested to notify the Legations that hereafter when foreign troops are drilling at these places ball cartridges are not be used, in order that danger may be averted.

This Ministry has the honor to observe that in past years when the guards of the different legations have selected localities for drilling purposes, this Ministry has, in spite of the fact that no treaty stipulation authorizes the guards in so doing, as a special accommodation, issued instructions permitting such action.

With reference to the despatch just received from the Ministry of the Interior and the other offices, this Ministry has the honor to make the comment that in thus designating these places as drill grounds they have selected localities of a character and size making them amply sufficient for the use of the Guards in drilling.

Hereafter,

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Hereafter, therefore, it is to be expected that the Legation Guards will drill at the places mentioned, and ball cartridges must not be used, so that the peace of the local residents may not be disturbed. If for any reason it becomes necessary to interrupt the use of any one of the places named as drill grounds for the foreign troops, either for a time or permanently, the Ministry of War will inform this Ministry and it will, in turn, have the honor to inform the Legation. With this comment I have the honor to append a list of the four places under discussion, for your information, and to request that hereafter whenever it is proposed to drill there a preliminary notice of some five days be given to this Ministry so that the surrounding inhabitants may be informed of the contemplated action and thus be saved from alarm.

List of Places lent to Foreign Troops as Drill Grounds.

Er-cha, outside the Tung Pien Gate; Huang Ts'un; Hei-lung-t'an; Lu Kou Ch'iao.

SEAL OF THE MINISTRY OF FOREIGN AFFAIRS

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1382

Peiping, August 20, 1937.

Subject: Uneasiness at Swatow August 2 as
Result of Sino-Japanese Situation.

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

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Ind-
For M
Ketcham MIP ONI

DEPARTMENT OF STATE
A-M/C
NOV 1 1937
ASSISTANT SECRETARY
OF STATE

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

Copy in EE
Division of
FAR EASTERN AFFAIRS
NOV 2 - 1937
Department of State

793.94/10923

Sir:

I have the honor to enclose a copy of despatch
1/ No. 45 of August 2, 1937, addressed to the Embassy
by the Consulate at Swatow, describing the uneasy
situation existing at that time as a result of the
Sino-Japanese fighting in North China. The despatch
is summarized below.

Some 50,000 people had already departed at the
time of the writing of the despatch and all vehicles
of departure were crowded. Part of the unrest was due
to the erection of sandbag barricades before Chinese
government offices and to orders to the people to

prepare

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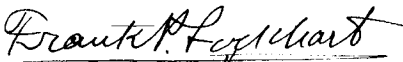
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Department of State letter, August 10, 1972
By Milton D. Quigley NARS, Date 12-18-75

- 2 -

prepare sandbags and to lay in a three months' stock of food supplies. The Japanese Consul assured the American and British Consuls that, in the event of a bombardment by Japanese forces, he would give notice sufficient for the consuls to get their nationals to a place of safety. Mr. Ketcham was of the opinion that, if the Chinese refrained from attacks on Japanese nationals, Swatow would be unmolested unless an actual war should develop.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure:

Swatow's No. 45,
August 2, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

710

LES-SC

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

Lo. 45

ENCLOSURE No. 1
TO DESPATCH No. 1382

AMERICAN CONSULATE

Swatow, China, August 2, 1937.

CONFIDENTIAL

Subject: Uneasiness at Swatow.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:-

I have the honor to report on the situation at Swatow and to developments which have taken place since my despatch No. 44 dated July 28, 1937. In the past few days many of the Chinese populace have approached a state bordering on panic and a wholesale exodus from the city has been taking place. It is estimated that upwards of fifty thousand people have already departed, mostly to their homes or to the homes of their relatives in the interior of the Province. River launches, buses and the sole railway in Eastern Kwangtung, the Swatow-Shaochowfu Railway have been crowded to capacity, and every available rickshaw in town may be seen loaded with household goods of every description. Owners of launches, sampans and the rickshaw pullers have taken advantage of the situation and the fares have skyrocketed to two, three and even five times normal. Ships bound for Hong Kong are also booked to capacity with wealthier Chinese, who seem to think that war is imminent.

Rumors are rife throughout the city; most of them, however, are unsubstantiated. In company with Mr. S. Wyatt Smith,

the

-2-

the British Consul, I called on the Japanese Consul, Mr. Yamasaki, this morning and we discussed the general situation. Mr. Yamasaki stated that he was unable to account for the feeling of unrest evident among the Chinese populace, and that he doubted that the hostilities in North China would spread to the South. While many Japanese have left Swatow and more are leaving on the U. S. S. liner "Hong Kong Maru" for Keelung today, he reiterated, as reported in my despatch No. 43 of July 24, 1937, that he had issued no evacuation order and that those who had left had done so of their own accord. He said that what was tantamount to a boycott against Japan had developed in Swatow, and that his Chinese household servants had left, and had been replaced with Formosans. Mr. Yamasaki assured Mr. Wyatt Smith and myself that, while he anticipated no move against the city by Japanese ships or airplanes so long as no attack was made against the ships or Japanese subjects, in the event of a bombardment by Japanese forces, he would give notice to the other Consuls in time to get their nationals to a place of safety.

Part of the general unrest is believed due to orders from the Municipality and the police for each household to prepare sandbags; the Municipal offices, police stations, and the Customs House have been heavily sand-bagged, and to the order issued yesterday, August 1, for all households to lay in a three months stock of food supplies.

The report in despatch No. 44 concerning the delivery of water supplies to the two Japanese destroyers, Harukaze and Matsukaze of destroyer division five, was confirmed by Mr. Yamasaki. These ships have been in port since shortly after the outbreak of hostilities in North China. Mr. Yamasaki also stated that a Formosan drugstore in Chaochowfu had been attacked

by

DECLASSIFIED: E.O. 11652, 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-

by a mob on July 29, and that several Formosans in that city had been forced to flee to Swatow for safety.

While not attempting to depreciate the seriousness of the situation it is the writer's opinion that if the Chinese will keep their heads, and refrain from any attacks on Japanese or Formosans, there is a strong possibility that Swatow will be left unmolested by the Japanese, although of course, if an actual Sino-Japanese war should occur, the city might very well be bombarded.

Respectfully yours,

John B. Ketcham,
American Consul.

800
JRK/ght

Original and 5 copies to Embassy, Peiping.
Copy to Embassy, Hanking.
Copy to Consulate General, Canton.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

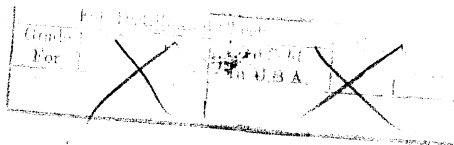
No. 1385

Peiping, August 21, 1937.

Subject: Views of Mr. Hsiung Hsiao-hao on
the North China Situation.

1937 NOV 1 PM 3 35

DIVISION OF
COMMUNICATIONS
AND RECORDS



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



Sir:

1/ I have the honor to enclose a copy of a memorandum of conversations which the Counselor of Embassy recently had with Mr. Hsiung Hsiao-hao, formerly a member of the Hopei-Chahar Political Council and a liaison officer between General Sung Che-yuan and diplomatic representatives in Peiping.

The information contained in the first two pages of the memorandum was summarized in the Embassy's telegram No. 355, ^{9/20} August 1, 3 p.m., and deals with the request for the American Embassy to intercede on behalf of the Chinese authorities with the Japanese to arrange for the evacuation from Peiping of forces of the 132nd Division of the 29th Army which were still in the city.

The

793.94/10924

F/FG
FILE

10924


- 2 -

The second part of the memorandum reports a conversation with Mr. Hsiung on August 12, 1937, during which he inquired whether the Embassy guards would be disposed to man the gates of Peiping in order to prevent the Japanese from entering the city after the Chinese troops on the Peiping-Hankow Railway had driven the Japanese troops back toward Peiping. I informed him in reply that the guards were maintained in Peiping under the Protocol of 1901 for the defense of the Legation Quarter only.

I discussed also with Mr. Hsiung during this conversation the need for increasing and improving the train service out of Peiping. His view was that the Chinese were helpless in this matter.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure:

Memorandum dated August
13, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.
Copy to Embassy, Tokyo.

710

LES-SC

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

ENCLOSURE No. 1385
TO DESPATCH No.

MEMORANDUM OF CONVERSATION

Peiping, August 12, 1937

Present: Mr. Hsiung Hsiang-hao, formerly liaison officer and member of Hopei-Chahar Political Council.

Mr. Lockhart.

Mr. Hsiung, formerly a member of the Hopei-Chahar Political Council and a liaison officer between General Sung Che-yuan and diplomatic representatives in Peking, has called to see me on various occasions since the trouble began. Owing to stress of circumstances and lack of time it has been impossible to make a memorandum of each interview.

At one interview he suggested the desirability of the American diplomatic representative (as well as the representatives of other diplomatic missions) approaching the Japanese Embassy with a view to persuading them to give safe conduct out of the city to the two regiments of the 132nd Division which was still in Peking. I told Mr. Hsiung that I did not believe that the American Embassy would be warranted in taking up a question of this kind with the Japanese Embassy and that it was the desire of the American Embassy to keep completely aloof from military and political questions arising between the Chinese and Japanese authorities. I said that I would speak informally with some of the other members but I was quite sure that they would be reluctant to intervene in a matter of this kind and that also I felt that the two regiments of the 132nd Division, if they desired to do so, would

move

-2-

move out of Peking without any interference whatever. He said that he was not sure of this but remarked that the Chinese authorities wished the two regiments to leave, that the regiments themselves wished to leave, and that the Japanese authorities also wished them to leave. I remarked that it seemed to me, therefore, that no question really was at issue in view of the fact that the Chinese and Japanese authorities ^{wished them to leave and that} ~~wished~~ the officers and men themselves wished to leave, and that therefore I felt that no trouble whatsoever would occur when the troops decided to march out of the city. Mr. Hsiung, however, seemed somewhat anxious that the movement might not take place peacefully. However, before 4 o'clock in the afternoon I was informed that the entire matter had been satisfactorily arranged and that the troops would begin moving out in the late afternoon. This actually was what happened and the troops moved out in the course of the night and early morning. While marching near some of the gates some of them were observed to be throwing away their bayonets, caps, big swords and other military habiliments. No obstacles were placed in the way of their exit out of the north gates.

At this interview Mr. Hsiung remarked that General Sung Che-yuan had been instructed on July 11th to withdraw the 37th Division from Peiping and environs, but that the General declined to do so. The question of asylum for General Chang Tzu-chung is described in the Embassy's telegram No. 389, August 6, 3 p.m. That telegram sets forth the gist of my conversation with Mr. Hsiung on this subject.

Mr. Hsiung came to see me again on August 12th and

said

-2-

said that he had heard that the Japanese had attempted to burn the Soviet Embassy and that the American Marines had intervened. I told Mr. Hsiung that there was not a word of truth in the report and that the relations between the Japanese and American Guards were pleasant. I then told him what steps had been taken to guard the Soviet Embassy against a possible raid by White Russians and added that this situation was clearing up. Mr. Hsiung then said that he had heard that all the troops had withdrawn from the Japanese Embassy. I said that this was also entirely untrue. Mr. Hsiung then said that in due course the Chinese troops to the south (near Paoting) would make a drive against Peking and the Japanese would be driven back into the city. He inquired whether the American guards and other guards would be disposed to man the city gates and prevent the Japanese from coming back into Peking. I said that it did not seem to me that such action on the part of the foreign guards could be expected; that the guards were maintained in Peking under the Protocol of 1901 for the defense of the Legation Quarter only and that their functions could not extend to the guarding of gates to prevent the retreat of either Japanese or Chinese soldiers. Mr. Hsiung in the course of the conversation reflected the feeling that he evidently entertains that the powers ought to occupy the whole of Peking for its protection, but I was not disposed to discuss this point with him as it was so obviously out of the bounds of possibility.

I also discussed with Mr. Hsiung the need for increasing the train service and providing better accommodations out
of

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

-4-

of Peiping for foreigners, but he said the Chinese are helpless as the Japanese are in complete occupation of the railway.

I did not raise the question of giving asylum to General Chang Tzu-chung, as he resigned about a week ago and apparently has not been molested. I was quite sure that if he were in any impending danger Mr. Hsiung himself would have brought up the question.

(Note: I believe Mr. Hsiung is disposed to bring up questions such as described herein on his own initiative).

(Signed) F. P. Lockhart

Copy to Nanking.

FPL/xt

DECLASSIFIED: E.O. 11652, 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

LMS

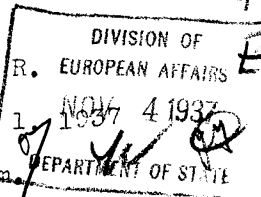
This telegram must be
closely paraphrased
before being communicated
to anyone. (A)

Nanking via H. R.

TELEGRAM RECEIVED

Dated November 1, 1937

Rec'd 2:11 p.m.



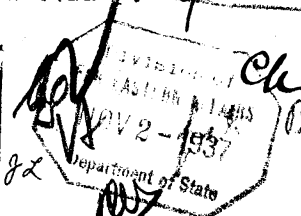
Secretary of State, *of paraphrase*
Washington

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

871, November 1, 9 a.m.

701.6193/145

Embassy's 814, October 16, 10 a.m.



793.96
note
761.93

One. Chen Li Fu returned some days ago giving out
that he had proceeded to Sinkiang for the purpose of con-
solidating government control there. According to infor-
mant cited in telegram under reference, he actually went to Mos-
cow with Bogoroloff and among questions discussed with Soviet
officials was possible arrangement whereby Soviet Union
would make some gesture in ostensible recognition of full
Chinese suzerainty over Outer Mongolia so that Mongolian
military forces including air units could assist Chinese
Government forces in fighting the Japanese. Informant
stated this proposal was being favorably considered in reaching
agreement. Soviet Ambassador is expected to return to Nan-
king about November 7.

793.94/10925

Two. A German military adviser informed us that he has
heard that Klen, who was sent here last year by Hitler to work
out commercial details of the Sino-German barter agreement,
will arrive in China within a few days. He stated that
he hopes this was true and was an indication of Germany's
"real attitude" toward present situation. (The German
military advisers are staunchly pro-Chinese in the present
conflict)

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NOV 9 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

116-2

No. 871, November 1, 9 a. m., from Nanking.

conflict and appear to function as the actual directing general staff of the Chinese armies. General Von Falkenhausen, the chief adviser, has just returned from the Shanghai front and other senior officers are there and on the northern fronts).

Repeated to Peiping, Shanghai, Tokyo.

JOHNSON

CSB

NOV 1 1972

NOV 1 1972

NOV 1 1972

0219

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

116-3

P A R A P H R A S E

A telegram (no. 871) of November 1, 1937, from the American Embassy at Nanking reads substantially as follows:

The Embassy has been informed by a German military adviser that he has heard that, within a few days, Klein, who was sent to China by Hitler in 1936 to arrange commercial details of the barter agreement between China and Germany, will arrive in China. The German military adviser expressed the hope that this report was true and that it indicated "the real attitude" of Germany toward the situation. (In the present conflict the German military advisers are unwaveringly pro-Chinese, and it seems that they operate as the actual directing general staff of the Chinese armies. Various senior officers are on the northern fronts and in Shanghai, and the chief adviser, General von Falkenhausen, has just returned from the Shanghai front.)

Recently the present head of the Military Affairs Commission (Chen Li Fu) returned to Nanking stating that he had gone to Sinkiang in order to consolidate government control in that region. According to information received from a Chinese official connected with the Chinese Commission of Military Affairs, Chen Li Fu in fact went to Moscow with Bogomoloff. One of the questions which he took up with Soviet officials was a

possible

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

-2-

possible arrangement whereby the Soviet Government would make some gesture indicating recognition of full Chinese suzerainty over Outer Mongolia in order that Mongolian air units and other Mongolian military forces could come to the assistance of China in fighting Japan. It is expected that about November 7 the Soviet Ambassador will return to Nanking.

793.94/10925

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FE:EGC:HES

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FE

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

TELEGRAM RECEIVED

JR

GPO

FROM

CINCAF

November 2, 1937

Rec'd 8:11 a.m.

ACTION: SECOND BRIGADE USMC
COMDESRON FIVE
COMSUBRON FIVE
AMCONSUL SHANGHAI
COMYANPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0002. Japanese have crossed Soochow Creek, two places now have approximately six thousand men across with advance line half mile south Rubicon Village. Very heavy bombing shelling Hungjao area and Chinese positions. Chinese still offering resistance. Other sectors quiet and unchanged. Japanese expressed regrets seizure rice boat moored Soochow Creek. Marine sector boat returned this afternoon. Four hundred thirty-three foreigners including hundred sixty-one British-Americans returned Shanghai during last two weeks. Settlement quiet. 1858.

DDM

793.94/10926

F/FG
FILED
NOV 4 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

117-1

TELEGRAM RECEIVED

EG

GRAY

GPO

FROM

Shanghai via N. R.

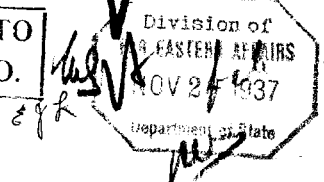
Dated November 1, 1937

Rec'd 3 p. m.

AMEMBASSY NANKING
AMEMBASSY PEIPING

Secretary of State,
Washington.

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



920, November 1, 2 p. m.

My 912/October 30, 4 p. m.

Under cover of a heavy artillery barrage Japanese troops yesterday afternoon crossed Soochow Creek at a point four miles west of Jessfield Railway. The western extra settlement area beyond the foreign lines was subjected to very heavy shelling last night and it is believed the Japanese will attempt to clear this area as soon as possible. However, these military operations are seriously endangering civilian life and property in adjoining foreign protected areas. Yesterday three more British soldiers were wounded by bursting shrapnel while one of those wounded on the twenty-ninth died of his wounds.

With the use of artillery during the night of the 30th the Japanese succeeded in dislodging the Chinese soldiers holding out in Chapei and the three hundred survivors

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793.94119
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793.94/10927

FILED
F/EG

NOV 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

117-2

-2- "920, November 1, 2 p. m. from Shanghai via N. R.

survivors crossed to the British lines and laid down their arms; several office and hotel buildings in the down town district were hit by Japanese shells during the attack.

In Chinese circles there is an unconfirmed report to the effect that the Japanese military have presented the following peace terms to the Chinese Government:

- (one) disbandment of the Chinese air force
- (two) independence of inner Mongolia
- (three) autonomy for the five northern provinces
- (four) departure from China of General Chiang
- (five) recognition of Manchukuo. Sent to the Department; repeated to Nanking and Peiping.

GAUSS

WAC:CSB

NOV 1 1943

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

EG

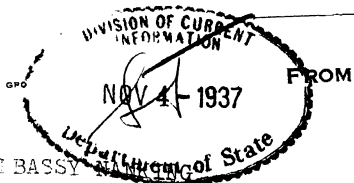
TELEGRAM RECEIVED

GRAY and PLAIN

Peiping via N. R.

Dated November 1, 1937

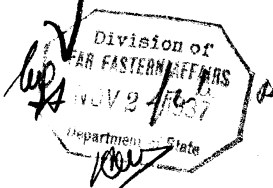
Rec'd 2:44 p. m.



AMEMBASSY

Secretary of State,
Washington.

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



717, November 1, 5 p. m. (7)
Embassy's 707, 10893, October 29, 4 p. m.

One. According to the local press, fighting in Shansi continues at Hsinkou, north of Taiyuan, and Japanese forces have reached and passed through Saiyu, which is on the railway about sixty miles east of Taiyuanfu and about 25 miles west of Niantsekuang. The situation on the Peiping Hankow Railway apparently continues unchanged, although today's press reports an engagement northwest of Changteh (Anyang). Reliable information with regard to Shantung is unavailable here.

Two. The sale of the Peiping CHRONICLE, referred to in the above mentioned telegram, was announced in this morning's CHRONICLE as effective from today. The identity of the new owners is not yet known.

A third train has been added to the Peiping Tientsin run, beginning today. According to the newly published schedule, one train will take only two and one half hours and the other two about three and one half hours. The

time

793.94/10928

FILED
F/FG

892.911

DECLASSIFIED: E.O. 11652, 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- #717, November 1, 5 p. m. from Peiping via N. R.

time for the two daily trains from Peiping to Mukden
are scheduled to take fourteen and eighteen hours.

Repeated to Nanking and Tokyo.

LOCKHART

CSB

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

DOCUMENT FILE

NOTE

SEE 033.9311 Hu Shih/7 FOR memorandum

FROM State Department (Hornbeck) DATED October 15, 1937
TO Adviser on Political Relations NAME 1-1127 GPO

REGARDING: Conversation between Dr. Hu Shih and Mr. Hornbeck
regarding current hostilities in the Far East.

Memorandum of-

vhd

793.94 / 10929

F/MR

10929

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

793.94

DOCUMENT FILE

NOTE

SEE 852.00/6801 FOR Tel. #1546, 2 pm

FROM France (Bullitt) DATED Oct. 20, 1937
TO NAME 1-1127 670

REGARDING:

German refusal to attend the Brussels Conference on the Far Eastern Question. Informant from the French Foreign Office stated that it is believed that Germany and Italy are in agreement as to the manner in which Italy will represent their joint views at Brussels.

ge

793.94 / 10930

F / MR

/ 10930

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

DOCUMENT FILE

NOTE

SEE 793.94 Conference/143 FOR Tel #681, 9pm

FROM Great Britain (Bingham) DATED Oct. 30, 1937
TO NAME 1-1127 ooo

REGARDING: Situation in Far East:

Conversation with Japanese Ambassador in regard to situation in Far East. Ambassador stated public opinion had turned against war with China and consensus of opinion was that army and navy had gone too far. Suggested meeting with British and American representatives to Conference in order to discuss--.

mr

793.94/10931

F/MR

10931

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

For Disposition	
Grade	
By	
X	
MID ONI	

No. 974

AMERICAN CONSULATE GENERAL,

Shanghai, China, September 25, 1937.

SUBJECT: Meeting of Joint Commission at
Shanghai on August 12, 1937.

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

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

Copy in FE

Division of
FAR EASTERN AFFAIRS

NOV 3 - 1937

Department of State

Sir:

With reference to my despatch No. 957 of September 9, 1937,
I have now the honor to submit the corrected minutes of the
meeting of the Joint Commission held at Shanghai on the 12th of
August, 1937.

Respectfully yours,

C.E. Gauss
American Consul General.

Enclosure.

800

CEG

In quintuplicate to the Department
Copy to Embassy, Nanking
Copy to Embassy, Peiping
Copy to Embassy, Tokyo

793.94/10932

F 10932
NOV 12 1937

1 2 3

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

JOINT COMMISSION
CIRCULAR NO. 237

CORRECTED MINUTES OF THE JOINT COMMISSION MEETING HELD IN THE
COUNCIL CHAMBER AT 4P.M. AUGUST 12TH.

Present

M. Baudez, Esquire,	Chairman and French Civil Representative
O. K. Yui, Esquire,	Chinese Civil Delegate
S. Okamoto, Esquire,	Japanese Civil Delegate
C. E. Gauss, Esquire,	American Civil Representative
J.W.O. Davidson, Esquire,	British Civil Representative.
C. Marchiori, Esquire,	Italian Civil Representative
Comdr. I. Takeda	Japanese Military Delegate
Capt. R.A. Boone	American Military Representative
Lt. Boudet	French Military Representative

The Chairman observed that he had convened the meeting at the request of the Japanese Civil Delegate. It seemed unnecessary to say that all the members of the Commission hoped that hostilities would be kept away from Shanghai and that a peaceful settlement of the present difficulties between the Chinese and Japanese sides would be come to.

Mr. Okamoto said that in spite of the statements of the Chinese Civil Delegate to the contrary, he had received definite information to the effect that units of the Peace Preservation Corps, since last evening had taken up various positions in areas quite close to the International Settlement. Moreover troops of the 88th Division were now at a position off Haskell Road near the North Station, with the result that the position today had taken suddenly a turn for the worse. This heavy concentration of Chinese armed forces all over the territory covered by the Truce Agreement of 1932, to say nothing of various points in close proximity to the International Settlement has caused grave anxiety and fear of an unfortunate clash between the Sino-Japanese forces. In the face of this sudden entrance of Chinese armed forces the Japanese Naval Landing Party who up to the present had confined their activities to the protection of Japanese nationals, would be obliged to take up suitable protective positions. In those circumstances he thought the duty devolved on the Joint Commission of taking immediate steps towards averting the grave danger threatened and with this object in view, he suggested that the Joint Commission form an investigation party composed of members of the Neutral Friendly Powers, accompanied by both Chinese and Japanese Delegates, to look into the state of affairs now obtaining in the areas in question. He would like to add that this was not a moment for discussions, rather a single moment should not be lost. He would like to hear the views of his esteemed colleagues on the matter.

Mr. Yui, addressing the Chairman and honourable members of the Joint Commission said in reply: After listening to the address of his Japanese colleague he was constrained to state that the attempt of the Japanese side to make the Joint Commission serve its own purpose was unwarranted, unreasonable and highly improper. The Japanese Delegation must know that the Joint Commission was organized for the specific purpose of maintaining peace and order in Shanghai and not for aiding and abetting Japan in carrying out her national policy vis-a-vis China. His Japanese colleague seemed to think that the Neutral members of the Commission, however just and impartial, could be made to serve as their tools, to be used whenever they so desired and relegated to the back-ground or a dark corner whenever it suited their purpose to do so. The Peace Agreement of 1932 had been torn to pieces by Japan when she stationed armed forces at Paitzeahao (8 Character Bridge), an area far beyond the railway, and in the neighbourhood thereof, yet according to the aforesaid agreement the Japanese forces were supposed to be withdrawn from that area. That breach of the Agreement alone would ipso facto render it null and void and ineffective. Certainly no agreement could be valid which was only observed by one party to it, no matter how scrupulously observed by one side.

The Chinese/

2

The Chinese delegates submit therefore, that the Japanese side having violated the Agreement, they no longer had the right to invoke that instrument. Again with reference to recent developments in Shanghai in consequence of the unfortunate Hungjao incident, he would like to call attention to one phase of the question. While his Japanese colleague, in his capacity as Japanese Consul-General, was informing him that the Japanese Government was willing to have the issue settled through normal diplomatic means, and while the investigation was still under way, there suddenly eventuated a big Japanese naval concentration at Shanghai and the Japanese armed forces ashore were greatly increased. Armaments and war supplies of all kinds were being quickly landed, and according to reliable reports further reinforcements were on the way. All these coercive measures could not fail to menace the peace and order of Shanghai and constituted a serious threat to his country. In such circumstances China had the right and was entitled to adopt appropriate measures for self-defense, which accounted for the present disposition of the Chinese military units. He humbly submitted therefore that the present tense situation in Shanghai had been created because of the heavy Japanese naval concentration and the augmentation of the Japanese armed forces ashore. China was acting only in self-defense and could not be held responsible in any way.

Responding Mr. Okamoto said that he would like to point out again that this was not the time for heated discussions and that not a single moment should be lost. No useful purpose could be served by argument on which side was responsible etc. The great thing before the Commission was to consider means of averting an unfortunate clash of arms which was immediately threatening. He wondered whether or not his Chinese colleague really wanted to avoid the armed clash that was menacing Shanghai. If his Chinese colleague sincerely entertained such a desire he ought to agree on the necessity of searching at once for a suitable way of accomplishing it. He recalled that only the previous night the Chinese Civil Delegate had promised him to do his best to withdraw the Pacantui from places where Japanese residents were living or from positions close to the Headquarters of the Naval Landing Party, yet this morning not only had the Pacantui not been withdrawn but units of the regular Chinese army had entered the prohibited zone. His Naval Landing Party had not yet done anything in preparation (to resist an attack?) but he wanted to know at once if anything could be devised to avoid an armed clash. He would like to hear the views of his Chinese colleague on the subject.

Rejoining Mr. Yui stated that the Chinese delegates were not a whit behind their Japanese friends in their desire to maintain peace and good order in Shanghai, but he submitted that peace and good order could be maintained only through sincere cooperation on the part both of China and of Japan. He would like to clarify one point raised by his Japanese colleague, who had just mentioned that the Chinese delegate had assured him only last night that the Pacantui would be withdrawn from areas close to Japanese residents. He would point out that the Chinese Civil Delegate had not made such a statement, but that he, as Mayor of Greater Shanghai had an interview with the Japanese Consul-General last night, when the latter had asked for the withdrawal of the Pacantui. He (the Mayor) had then raised the question of the reported arrival of heavy Japanese naval reinforcements outside Woosung, whereupon the Japanese Consul General had expressed surprise and uttered the remark that he didn't know anything about it. He (the Mayor) then said that if there was no truth in that report he would agree to withdraw certain of the Pacantui. However no sooner had the Consul-General for Japan departed when reports began pouring into the Mayor's office substantiating the earlier reports of the arrival of Japanese reinforcements. Thus the Chinese side was compelled to adopt measures of self-defense. He again submitted that if any solution to the present situation was to be found, it would have to be discovered by the two Governments concerned and not through the efforts of the members of the Joint Commission no matter how willing or earnest they might be, because as he had said before, the agreement creating the Joint Commission had already been violated by the Japanese side. He did not think it fair to the members of the Joint Commission to trouble them with a matter outside their province. So he would suggest that his Japanese colleague in his capacity as Japanese Consul-General, get into touch with the Japanese Ambassador, and he, in his

his capacity as Mayor of Greater Shanghai would get into touch with the Nanking Government pointing out the urgency and seriousness of the situation and leaving it to those two parties to work out a practical solution. His Japanese friend seemed to think that the situation would be saved by the withdrawal of the Pacanui, but the Chinese side could equally well insist that the situation could be saved by the withdrawal of the Japanese fleet and reinforcements, the arrival of which they claimed, threatened the peace and order of Shanghai. He would like to refer to contradictory statements made by the Japanese Civil Delegate, who said the Japanese Naval Landing Party had not made any preparations and yet had mentioned that the Japanese were taking up positions in self-defense. Mr. Okamoto interpreted that what he said was that if the Japanese feared an attack they would be obliged to take up positions in self-defense although they had not already done so. Mr. Yui rejoined that was exactly the Chinese argument, namely that they had taken up positions in self-defense, fearing an attack.

Mr. Okamoto observed that he wished to emphasize his willingness to cooperate with the Chinese delegates or with the Joint Commission in devising some way to avert the threatened clash which seemed imminent. That was his earnest intention and he hoped he would not be misunderstood. He had already telegraphed to his colleague in Nanking (Counsellor of the Japanese Embassy) asking for his assistance in approaching the Chinese Government to do everything possible to avert a serious clash in Shanghai. He was going to do his utmost to that end and he hoped the Joint Commission would do something to help. Of course he and his Chinese colleague must do everything possible to assist their respective Governments to work out a solution and they could have talks between themselves on the subject, but at the same time he hoped it was quite proper to ask the members of the Joint Commission to help as he thought they could make a valuable contribution to the maintenance of peace in Shanghai. It was partly because he had this in mind that he had asked the Chairman to convene the meeting this afternoon. He did not want to say much about the "Eight Character" bridge beyond remarking that since last year the Japanese Naval Landing Party had stationed a small detachment there consequent on a murder case which had caused Japanese residents in the area to be uneasy about their persons and property. However he did not want to waste time going into those details, since as he had said before there was not a moment to lose. He would like to have the opinion of his colleagues on the Commission.

Mr. Yui said he would like to make a few further remarks. As Mayor he had always done his utmost to preserve peace and order in Shanghai and would continue to do so but he would have to repeat his opinion that the present difficulty could be solved only between China and Japan, although no doubt the Governments represented by the Neutral Friendly Powers on the Joint Commission would always be glad to do something along the line of advising China and Japan to come to terms. So he thought it was futile for the Joint Commission to waste its efforts. He reiterated that the Joint Commission could only base any action it took on the instrument which was the foundation of its activities. Since that agreement had been violated through the action of the Japanese side in stationing forces at the "Eight Character" bridge as had just been admitted by the Japanese Civil Delegate, the Japanese side had no right now to invoke the Agreement. He assured the meeting that in his capacity as Mayor he would do his utmost to ameliorate the existing situation with a view to ensuring peace and good order in Shanghai to the benefit of the citizens of China, Japan and other friendly powers.

Mr. Okamoto said he would proceed straight to the point. If Mr. Yui could avert this threatened serious clash without the help of the Joint Commission he would be satisfied. However he would like to know whether or not Mr. Yui could successfully stop, at this juncture, the threatened clash, because he was inclined to doubt it. If Mr. Yui could stop it he would not be alarmed, but otherwise he thought it quite appropriate to ask the Joint Commission to assist in avoiding a clash.

Addressing Mr. Yui, the Chairman recalled that the Chinese Civil Delegate had said that the solution of the present situation lay with the Governments of China and Japan. Did he mean by that statement that he would refuse the help of the Joint Commission even if that Commission could do/

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do something to assist in avoiding a clash?

Replying Mr. Yui said he did not mean that. He meant that as the Japanese side had violated the 1932 Agreement they did not now have the right to invoke that compact.

Mr. Gauss asked if Mr. Yui had made any representations to the Joint Commission at the time the alleged violation of the Agreement took place last year. Mr. Yui responded that he had made representations to the Japanese side at the time as he had documents to prove. He submitted that under the agreement there was no occasion to make representations to the full commission unless there were "doubts" arising.

Mr. Okamoto asked if it was not a fact that Mr. Yui did not object at the time. Mr. Yui replied that he did protest but the Chinese authorities did not do anything more than protest because the Japanese side intimidated through their Consul Mr. Terasaki that if the Chinese Paotai ~~came~~ near the Paitzechao, there would be a clash. The Chinese did not wish to disturb the friendly relations between China and Japan which were then existing and also in the interest of peace and good order.

Mr. Okamoto said that the Japanese navy owned a piece of land in the vicinity of the "Eight Character" bridge which he pointed out on a map.

The Chairman remarked that at the last meeting of the Joint Commission Mr. Yui had disclaimed any intention of regarding the Commission as defunct would he therefore object to the good offices of the Commission being exercised in the present instance? Mr. Yui observed that he only said he felt such efforts would be futile.

Mr. Davidson said it was apparent the situation was too serious for argument and so he would like to know if anything could be done by the Joint Commission or any of its members to assist in bringing about a temporary settlement to last until a more permanent settlement could be worked out by the parties concerned. He would like to offer his services in any capacity and he was sure his colleagues of the neutral powers would want to extend the same offer. A clash would be against all their interests.

Mr. Gauss said he would be glad to do anything to assist either side.

Mr. Yui remarked that he would welcome and would be grateful for any efforts of the Neutral Civil members in their capacity as Consuls-General or they could call them the "Authorities concerned" and not mention the Joint Commission.

Mr. Okamoto said he wondered if it were possible for the Commanders of the neutral forces stationed in Shanghai to meet together and as military officers work out some plan which they could recommend to the Japanese and Chinese Commanders as a definite way of avoiding a clash?

Mr. Gauss enquired if General Yang Hu (Garrison Commander) was in command of the Chinese forces confronting the Japanese?

Mr. Yui said he doubted if General Yang Hu could decide the matter if a recommendation as suggested by Mr. Okamoto was presented to him. The General would probably have to refer the matter to Nanking and the Japanese Commander to Tokio, which would involve a loss of time.

Mr. Okamoto enquired who had ordered the Chinese troops to advance to the Haskell road area? Who was in command?

Mr. Yui said he was not called upon to answer that question.

Mr. Okamoto pressed for an answer "just for his private information".

Mr. Yui replied that he really did not know; it might have been a petty officer or the Commander.

Mr. Davidson observed that as both sides were prepared to admit that a clash should be avoided, something should be done to avoid it.

Mr. Yui

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Mr. Yui said he hoped that something could be done, but he did not know what it could be, because of the heavy Japanese concentration.

Mr. Gauss enquired if the Japanese troops were all in settlement or extra-settlement road areas, or if any were in advanced positions such as the "Eight Character" bridge?

Mr. Okamoto said that a few marines were there serving as watchmen of the land owned by the Japanese Navy.

Mr. Yui interjected that there were "more than a few".

Mr. Gauss said he did not think the neutral military commanders could suggest anything to avoid a collision which the neutral civil representatives on the Joint Commission could not do as it did not seem to require technical knowledge to propose that a proper space be set between the opposing sides so as to obviate a clash. If the Japanese side kept to their original positions and the Chinese vacated the reinforcements which had apparently penetrated the adjoining areas originally occupied only by police forces it would seem that an interval could be established which would ensure against an immediate clash at any rate.

Mr. Yui said that the heavy Japanese concentrations constituted a threat to China. The way to avoid a clash was for the Japanese to confine themselves within their proper lines.

Mr. Gauss observed that the same might be said of the Chinese side.

Mr. Okamoto reminded the meeting that the danger of a clash was imminent, which caused Mr. Gauss to remark that apparently nothing could be done tonight.

Mr. Yui observed that if the Chinese side was not encroached upon, nothing would happen tonight, tomorrow night or any other night.

Mr. Gauss enquired if Mr. Yui had anything to suggest which the Foreign Powers might attempt to do to alleviate the situation and which would be acceptable to the Chinese side.

Mr. Okamoto interjected that some of the Japanese warships had left Shanghai this afternoon, whereupon Mr. Yui remarked that others may be coming.

Mr. Davidson asked if it were possible to get an assurance from both sides not to make an attack within say 24 or 48 hours to see if something could be done in the meantime?

Mr. Yui replied that he could give an assurance that if the Chinese side were not attacked, they would not attack, whether in 24 hours, 24 days or 24 years. The Chinese side were always on the defensive.

Mr. Okamoto remarked that his side did not want to make any trouble so long as they were not provoked or challenged. That he could say with authority.

Mr. Yui asked how Mr. Okamoto understood provocation.

Mr. Okamoto replied that if the Japanese side were threatened they would attack.

Mr. Yui observed that the Chinese side would not attack but would defend themselves.

Mr. Okamoto stated that a Japanese newspaper man had been arrested that morning at the North Station by Chinese troops stationed there. He was trying to find out where he was. That was provocation.

Mr. Yui related how the Commissioner of Public Utilities had been dragged out of his car last year and searched by Japanese Marines.

Mr. Okamoto/

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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

6

Mr. Okamoto said it was useless to pursue these mutual-incriminations.

Mr. Davidson enquired if there were any independent Chinese military units in the areas adjacent to the Japanese positions.

Mr. Yui replied that he could give assurances that there were no independent units in those areas.

Mr. Gauss asked if it would now be possible for the Chinese and Japanese Civil Delegates to approach their respective military commanders and arrange that they will not resort to arms in the present situation under any circumstances unless actually attacked?

Mr. Okamoto replied with assurance that he could do so.

Mr. Yui replied that he had already given assurances that the Chinese side would not attack unless they were attacked.

Mr. Okamoto, after consulting Commander Takeda, repeated that the Japanese forces had no intention of taking the offensive. However he pointed out that there was a detachment of Chinese regular troops in the area around Haskill road (which he indicated on a map) immediately opposite a section of the Settlement boundary and quite close to the Headquarters of the Japanese Naval Landing Party. Because of the presence of these Chinese regular troops, the Japanese Naval Landing Party would be compelled to station a detachment along the section of the boundary mentioned, both as a protection to the Japanese side and as a protection to the Settlement. No Japanese troops were there now but they would be sent there shortly.

Mr. Gauss, after looking at the map, asked Mr. Yui if the Chinese detachment mentioned by Mr. Okamoto could not be withdrawn to the other side of the railway?

Mr. Yui replied that the Chinese detachment had the right to be there. He suggested that the Japanese side might make some move.

Mr. Okamoto remarked that he was informed the Chinese detachment mentioned was "uncontrolled" and therefore might start an attack. He suggested that if Mr. Yui was unable or unwilling to get into touch with the Chinese Commander, that the Neutral Civil Delegates (either as such or in their capacity as Consuls-General) do so, with a view to having the detachment withdrawn.

At this stage Mr. Yui and Commander Takeda withdrew.

Mr. Marchionni suggested that as a temporary measure and in order to avoid a clash which seems to be imminent with the Chinese forces occupying a position at Haskill road, a detachment of neutral forces might be sent to occupy the sections of the Settlement boundary opposite that position so as to avoid the necessity which the Japanese claim, of sending their forces there.

Mr. Okamoto assured Mr. Marchionni that if that could be done the Japanese side would be satisfied and would not send their forces to that section.

The other neutral members felt that this would be a matter for the Defense Commanders to decide. The American and British Civil Representatives said they would inform their respective Commanders of that suggestion by telephone.

THE MEETING THEN TERMINATED

E. L. Long
Secretary, Joint Commission.

Notes: Advance copies of these minutes were circulated the next day (August 13th) and were approved by the Chinese and Japanese Civil Delegates.

The Italian Civil Representative wished to substitute the following for the last three paragraphs of the foregoing minutes:-

"At this stage Mr. Yui and Commander Takeda withdrew.

Mr. Marchiori suggested that, giving due notice to Mr. Yui as a temporary measure in order to avoid a clash which seems to be imminent with the Chinese forces occupying a position at Haskell road, a detachment of International forces might be sent to occupy the sections of the Settlement boundary opposite that position, and in other localities where a similar situation could be found, so as to avoid the necessity which was claimed by the Japanese of sending their troops there.

Mr. Okamoto assured Mr. Marchiori that if this could be done the Japanese side would be satisfied and would not send their forces to that section.

The British and American representatives made reserves pointing out the difficult position in which the International troops would have found themselves in these sectors. They declared that their troops would not have wanted to take the responsibility of such a task and that however they would have had to receive instructions from their Governments. Mr. Marchiori was requested if Italy was willing to send troops in these particular sectors and Mr. Marchiori replied that according to him, if these troops made part of an International detachment, he thought "Yes". Mr. Marchiori was also requested if Italian troops were in Shanghai at the present moment. He answered that the gunboat "Carlotto" was in port and could have placed a detachment of bluejackets at the disposal of the International forces and that the "Lepanto" was expected within a few days with marines pertaining to the "San Marco" battalion stationed at Tientsin.

The other neutral members felt that this would be a matter for the Defense Commanders to decide. Mr. Marchiori suggested that the declarations made by the Chinese and Japanese authorities to the effect that neither side wanted the hostilities could not give adequate assurance, owing to the existing tense situation. Therefore Mr. Marchiori suggested that the Defense Committee be convened as soon as possible to study the various technical particulars concerning his proposal so that if his proposals could be put into effect they could be done with no loss of time.

The American and British Civil Representatives said they would inform their respective Commanders of that suggestion.

In circulating the minutes, the Italian Civil Representative's substitution was annexed resulting in the following remarks by members:- "With reference to the extended account on page 6-B of the suggestions of the Italian Civil Representative, I regret that I am unable to verify the minutes in detail. I take it that it is proposed to substitute this page 6-B for the last three paragraphs at the foot of page 6. So far as Mr. Marchiori's suggestions came to me during a very informal discussion, I find the minutes in the last three paragraphs on page 6 to be accurate. I was not given to understand that the suggestion for an International force related to any sector other than the Haskell road sector, and when I inquired whether there were Italian forces present to send into that sector the reply was "only a handful, but we will have additional forces here soon".

In making these remarks I merely note my recollection of the matter. My other colleagues may be able to verify the minutes on page 6-B in more detail.

(sd) C.E. Gauss."

"As I remember the conversation, Mr. Gauss, in his remarks, has described exactly the suggestions made by Mr. Marchiori.

(sd) R. A. Boone,
Captain, U.S. Marine Corps"

My/

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"My recollection of the discussion is similar to that of Mr. Gauss', given above.

(sd) J.W.O. Davidson"

"In connection to the remarks made by the British and American Civil Representatives and by the American Military Representative regarding my suggestion of substituting page 6 with 6-B, as had been proposed by me to Mr. Long on the 28th of August, I wish to point out the following:-

(1) The part which concerns my proposal as stated on page 6 of the minutes, although it does not contain anything inexact, gives however an incomplete account of the discussion.

(2) I perfectly realize the difficulty to give a detailed and unanimously agreeable account of a meeting held among several persons at a certain distance of time, however I am obliged to request a more complete version of this part of the meeting; and this not only in consideration of the importance of the subject dealt with, but also in view of the fact that deplorable indiscretions on the part of the press have given, in connection to the discussion concerning the proposed substitution of International troops to Japanese, more particulars on this point than are contained in the minutes of page 6, which therefore renders necessary that a more detailed account be traced in a reserved document pertaining to the Joint Commission's dossier. I am enclosing herewith, for instance, some excerpts from "The North China Daily News", "The Shanghai Times", "Le Journal de Shanghai" of the 12th August, which in the parts underlined in red show what is stated above.

(3) I therefore cannot give my approval to the minutes as they are traced out on page 6, however, although confirming the modifications suggested by me and contained on page 6-B, I will be pleased if with further changes proposed by other members of the Joint Commission it will be possible to obtain a version of the meeting, which could give the double result of being as faithful a version as possible and at the same time obtain the approval of all members of the Joint Commission.

Shanghai. September 20th, 1937 (XV)

(sd) C. Marchiori

"The newspaper clippings mentioned are captioned :-

North China Daily News August 12.....JAPANESE ASK CHINA'S TROOPS TO WITHDRAW.

Shanghai Times August 12.....1932 AGREEMENT SCRAPPED

Le Journal de Shanghai August 12.....LA COMMISSION INTERNATIONALE CHARGE DE SURVEILLER L'APPLICATION DES CLAUSES DE L'ACCORD SINO-NIPPON DE 1932 A TENU HIER UNE REUNION.

These clippings are on file with the Secretaries archives."

"As I was not present at the meeting held by the Joint Commission on the 12th August and in consideration of the remarks made by the Italian Civil Representative on the 20th instant, I abstain to undersign the minutes if these contain the version as traced out in the two last paragraphs of page 6.

Shanghai, September 22nd, 1937 (XV)

(sd) P.L. TAVANTI

Sottotenente di Vascello"

These minutes are circulated in the above form by authority of the Chairman.

Circulated: September 23rd, 1937.

1238

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

No. 976

0141 + MID
AMERICAN CONSULATE GENERAL,

Shanghai, China, September 25, 1937.

1937.94
SUBJECT: Japanese Propaganda Leaflets.

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

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

95/ NOV 2 AM 10
AND 11:00
Sir:

I have the honor to enclose one copy and two photostat copies of a propaganda leaflet dropped from a Japanese airplane a few days ago over the Nantao area of Shanghai. The leaflet comes to be from a reliable American source.

The leaflet carries a sketch as follows:

In the lower right hand corner is depicted an artillery gun (near which are characters meaning "Communist Dogs") directing a shell against a Chinese victim at the left of the sketch. Along the line of fire are characters meaning "Kills fellowcountrymen". Opposed to the Communist gun are riflemen labeled "Japanese soldiers". The shell from the gun deflects off an American warship at the left, where "Uncle Sam" grins on the scene and then directs its course toward property in the background. At the head of the sketch are Chinese characters reading "Against You" while under them are characters translated to read "Put no faith in foreigners" (foreign intervention is perhaps meant). Above the right hand of the Communist swordsman directing the fire of the gun are characters reading: "Where is the aim?".

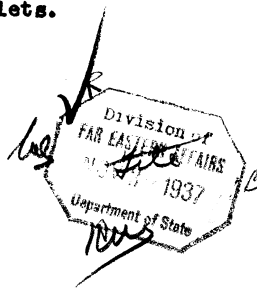
Only one copy of the leaflet could be obtained. Photostat copies are being sent to the Embassy at Nanking and the Embassy at Tokyo.

Respectfully yours,

C. E. Gauss
American Consul General.

Enclosure.

800
CEG
In triplicate to Department
Copy to Nanking
Copy to Tokyo



793.94/10933

F/FG/10933

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

反乎爾者

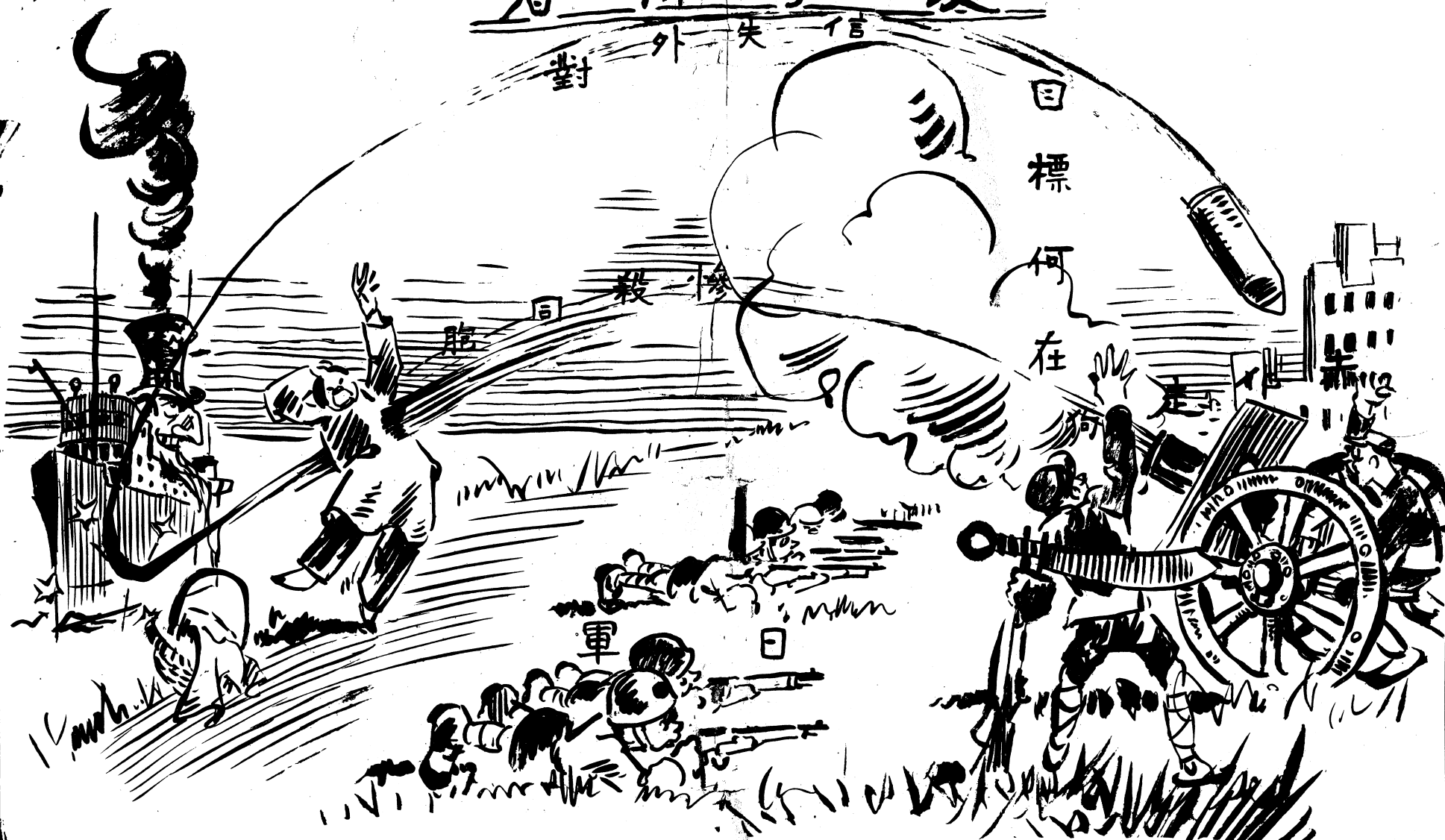
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

NO. 980

AMERICAN CONSULATE GENERAL,

Shanghai, China, September 28, 1937.

1937 NOV 2

DFP
 793.94
 4
 ASSISTANT SECRETARY
 OF STATE

CONFIDENTIAL
 AND RECORDS

Grade	For	By	Mr.
		M. Stanton	

SUBJECT: Transmitting Fourth Marine Intelligence
 Reports for the period August 13th to
 September 25th.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

1/

I have the honor to transmit herewith copies of
 the daily intelligence reports prepared by Captain
 R. A. Boone, Intelligence Officer of the United States
 Fourth Marines, covering the period August 13th to
 September 25th.

These reports are based on carefully checked
 military and other information received by Captain
 Boone from various sources and constitute a reliable
 daily account of military operations in the Shanghai
 area; many of the reports include sketch maps showing
 the position of the Chinese and Japanese lines and
 will be found to be of great assistance in following
 military operations. Copies of these reports will
 continue to be forwarded in order that the Department
 have a complete record of military developments in
 area.

Respectfully, yours,

C. E. Gauss,
 American Consul General.

Enclosure

793.94/10934

F/FG

10934

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

- 2 -

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Enclosure:

1/- Copy of daily intelligence
reports.

IN TRIPLICATE
Copy to Embassy, Nanking.

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EFS/Syz

DECLASSIFIED: E.O. 11652, 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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

13 August, 1937

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
BY [signature] NARS Date 3/13/73

R-2 REPORT FOR PERIOD 0800, 13 AUGUST, 1937, TO 1600, 13 AUGUST, 1937

1. Fighting

At 0915 sniping broke out between outposts in the Darroch Road and Dixwell Road areas. This continued intermittently, spreading to Ningkuo road and districts in east Chapei. At 1600 the Chinese blew up the 8 Character bridge and several other bridges in the North Paoshan Road district, and an exchange of artillery fire occurred lasting about an hour. Quiet prevailed until 1900 when artillery duel was resumed, and Japanese vessels began shelling Jukong Wharf. The Japanese artillery is located close to the Naval Landing Party's Kiangwan Barracks.

During the day neither side made any determined advance, the Japanese claiming that they had not left their defensive lines. One report states that the Japanese had advanced five hundred yards into Chinese territory north of Ningkuo Road and 6 cars entered Markham yards at 1145, discharged about 50 soldiers and steamed out. The Chinese were busy all day wiring and sandbagging their positions in Chapei, and along Soochow Creek.

2. Incidents Pertinent to American Forces

At 1530 Captain Boone called on Commander Takeda, explained roughly our plans and dispositions, and asked what force the Japanese maintained in our sector. Commander Takeda replied that about 100 Japanese sailors were billeted at 936 Gordon Road. He said that this force might be withdrawn or reduced, but would not be increased. In answer to questioning he stated that the Japanese had no intention of passing through the American sector to launch an attack on the Chinese lines. He asked our good offices in protecting Japanese citizens and property in "C" sector.

At about 1730 vice-Consul Kawasaki called up the American Consulate and informed Mr. Stanton that the Japanese had information that Chinese planes intended to bombard Japanese ships in the river. That, therefore, the Japanese would use their anti-aircraft guns against any Chinese planes which flow over.

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

At 1800 the Secretary of the Japanese Naval Attache's office called at Regimental Headquarters and announced that all but ten of the Japanese sailors were being withdrawn from 936 Gordon Road, and that we could move our men in if we wished. Meanwhile, however, they had established an observation post at 250 Penang Road.

During the day the Chinese worked at strengthening their boom across the Whangpoo off Nantao.

One wounded Chinese soldier entered Markham Road Bridge at 1630.

Close contact is being maintained between the American forces and the Consulate.

R.A. BOCNE
R. A. BOCNE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

14 August, 1937

R-2 REPORT FOR PERIOD 1600, 13 AUGUST, 1937, to 1800, 14 AUGUST, 1937

1. Fighting

The artillery duel which was proceeding at the close of our last report continued until 2100. From that time until 0315 only sporadic sniping and machine-gunning was heard. At 0315 a brief burst of artillery fire occurred. Small-arms fire continued intermittently throughout the night. At 0455 artillery fire was resumed and continued with occasional lulls for the period of this report.

At 1015 three Chinese bombers attacked the Kung Dah Cotton Mill on Yangtzepoo Road, (a Japanese ammunition dump), the Japanese Consulate and the flagship Idzumo. No hits were registered on the Idzumo or Consulate but the mill was struck several times. One bomb struck the Shanghai Power Co., (an American concern) causing several casualties, one American being wounded. The Shanghai-Hongkew Wharf was also struck. Heavy anti-aircraft fire was directed at the planes.

At about 1330 two Japanese planes bombed the Hungjao Airdrome causing slight damage.

A lull in the hostilities ensued until 1610 when three Chinese planes staged a dive-bombing attack on the Idzumo. Two Japanese seaplanes took the air, attempted to close with the bombers but were too slow to catch them. Four large Chinese bombers appeared shortly. Due to their superior speed and numbers the Chinese planes were not greatly hampered by the older Japanese aircraft, and Japanese anti-aircraft fire, though considerable in volume, was ineffective. The Chinese bombing was extremely poor. No hits were registered on the stationary Idzumo nor the Consulate. One bomb fell in Nanking Road near the Bund doing considerable damage to the Palace and Cathay Hotels. Two fell in the French Concession near the New World Building, hundreds of Chinese were killed by these bombs. Both sides constantly flew over the Settlement and French Concession. Fragments from anti-aircraft projectiles, many anti-aircraft duds and machine gun bullets fell in neutral territory. One Chinese plane was forced down behind the Chinese lines.

About 1730 the Chinese planes withdrew. The Japanese battery in Hongkew Park continued to shell the North Station. Chinese artillery fire, directed at the Kiangwan barracks came from a Chinese battery located some distance north of Markham Yards. At this time the Municipal Police began endeavoring to prohibit any further entrance of refugees into the Settlement.

So far as can be determined from the fragmentary reports available the Japanese still hold their lines. The Chinese front line extends roughly from Sui Dien Road, Kiangwan, to the Shanghai University, Yangtzepoo. The Japanese with their inferior numbers are fighting a defensive battle. Portions of three Chinese

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divisions are in the Shanghai area and many reports of Chinese reinforcements reroute to Shanghai have been received. No estimate of casualties is available at this time.

2. Incidents pertinent to American Forces.

All Japanese forces were withdrawn from the American sector this date. The management of the N. W. K. mills requested the Fourth Regiment to protect Japanese lives and property. Colonel Price assured them that he would exert every effort to afford them the same protection which is extended to all people in the American sector.

Colonel Price held a conference with Brigadier Telfer-Smollett and Colonel Graham. It was decided to recommend to the Consular Body and the Shanghai Municipal Council that the S.V.C. should not evacuate the portion of "B" sector north of Soochow Creek, unless special arrangements concerning this withdrawal could be made with the Chinese and Japanese forces.

At 1500 Admiral H. E. Yarnell, in the Augusta arrived in port. The Augusta is moored at bouys 36 and 37.

The Fourth Marines offered reinforcements to the Sacramento guard at the Power Station, but the Commanding Officer USS Sacramento stated that, at this point, he could still handle the situation.

Americans were ordered to evacuate the areas north of Soochow Creek. The Fourth Marines sent three trucks and one ambulance to the Consulate to assist in this evacuation.

After the aerial battle referred to above Consul-General Gauss telephoned to the American Ambassador in Nanking and described conditions in Shanghai. The Ambassador made immediate representations to Chiang Kai-shek.

The Fourth Marines executed plan "A" at 1600.

R. A. BOONE
Captain, U.S. Marine Corps
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

15 August, 1937

R-2 REPORT FOR PERIOD 1800, 14 AUGUST, 1937, TO 1800, 15 AUGUST, 1937

1. Fighting

The artillery fire which was proceeding at the close of our last report continued until 0140. A lull, broken only by intermittent small arms fire, ensued until 0521 when the artillery fire was resumed and continued with occasional lulls for the period of this report.

The Japanese firing came from their batteries in Hongkew Park and Rokusan Gardens. At the present time these consist of a group of 75 MM guns and one of 5.9 inch guns. On the Chinese side the battery north of Markham yards continued to function. Another battery was located north by east of Hongkew Park. At about 1130 Chinese batteries on the Pootung side of the Whangpoo opened fire on the Japanese positions, one shot causing several casualties on Broadway.

One brigade of the 88th division launched an attack at Pah Ts Chao during the night, endeavoring to advance eastward. During the morning another Chinese infantry attack occurred in the vicinity of the Eight Character Bridge. Both of these efforts were repulsed.

Heavy concentrations of Chinese troops appeared on the Pootung side and Japanese forces either crossed the river, or were landed from ships and occupied the China Merchants' Eastern Wharf. Except for the extension of the fighting to Pootung the military situation has changed but little, the Japanese still holding their lines. Desultory artillery fire continues at the close of this report.

At 1600 a Chinese observation plane appeared over the Japanese positions and was fired upon by Japanese A.A. Two Japanese planes chased it away. Two Chinese bombers which had apparently been waiting for this development then flew down river and dropped bombs endeavoring to hit the Japanese vessels. Two bombs fell within 60 feet of the USS Sacramento damaging a boat but causing no injury to personnel. Another bomb fell near the USS Ramapo which was proceeding down stream. The aerial demonstration lasted a little more than an hour. Anti-aircraft shell fragments and machine gun bullets fell at widely separated points in the Settlement and the French Concession causing several casualties. One Chinese child was killed in front of 1st Battalion Headquarters and three machine-gun bullets penetrated the roof of the Motor Transport compound, one of them narrowly missing Major Kelleher.

Between 1215 and 1535 approximately 140 Chinese wounded of the 88th Division entered the Settlement via Markham Road

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Bridge. The majority of them were taken to the Red Cross Hospital, Sinza Road. It was ascertained that they were wounded at Pah Ts Chao and Military Road in the vicinity of the Shanghai University.

The 87th Division has relieved the 88th Division in the front line positions in Chapei and Hongkew.

During the period of this report 2 Japanese destroyers and 3 gunboats arrived in the harbor, the gunboats remaining only a short time. One transport arrived during the early hours of the morning, discharged an unknown number of sailors and departed.

2. British Sector

At 2250 British Headquarters called and stated that they had given four supposedly empty Chinese trucks permission to pass through their lines. On inspection Chinese soldiers were found hiding in the last truck. When discovered they jumped out and ran. A little later British patrols found four Chinese soldiers trying to sneak through their lines. In view of these incidents the British issued orders that anyone approaching their lines should be challenged and, unless a satisfactory answer was given, they would be fired upon.

At about 1300 Brigadier Telfer-Smollett called at 4th Regiment Headquarters.

3. Incidents pertinent to American Forces

At 0930 Colonel Price attended a conference at which were present Admiral Yarnell, members of his staff and Consul-General Gauss. The following decisions were reached:

1. That Admiral Yarnell and Consul-General Gauss should radio to their respective departments in Washington requesting that 1000 Marines be ordered to stand by at a west coast port, and that transportation be provided for them. That this force should be ready to leave for Shanghai immediately on the request of the American authorities in China.
2. That Admiral Yarnell should immediately reinforce the 4th Marines with the USS Augusta landing party.
3. That the Consul-General would, with as little publicity as possible, urge all Americans in Shanghai to get their dependents out of the port as rapidly as facilities become available, but, for the present, no general evacuation order would be issued.

R. A. Boone

R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

16 August, 1937

1-2 REPORT FOR PERIOD 1800, 15 AUGUST 1937, TO 1800, 16 AUGUST 1937

1. Fighting

Artillery fire from both sides persisted until 2230 after which time small arms fire was continually audible. The artillery was resumed at 0340, and continued with brief lulls till the close of this report.

During the night the Chinese launched an offensive between Pah Tz Chiao and Liuho during the progress of which it is estimated that they sustained 1200 casualties. The effort was repulsed, as were several lesser attacks.

It is obvious that during the night Japanese aircraft reinforcements arrived, for at daybreak six Japanese sea-planes and 13 landplanes took the air. The landplanes flew off in the direction of Nanking whence came a report, shortly after, of a Japanese bombing raid. At 0552 Japanese bombers attacked the Hungjao airdrome. Throughout the day aircraft of both sides was active, the Chinese concentrating on the Kiangwan Barracks and the Japanese Consulate, both of which were struck. One Chinese bomb dropped at Boone and Nanzing roads resulting in several casualties. The Japanese concentrated on the Chinese positions in Chapei, the Hungjao, Nanchang, and Lunghwa Airdromes, the North Station, and the Civic Center. At 1645, after a Chinese plane dropped bombs on the Japanese Kiangwan Barracks, two Japanese planes bombarded the Nantao Bund.

During the night an extensive movement of Chinese troops from east to west past our Soochow creek positions was noted. These forces circled the British sector moving south. At the same time Japanese troops were being landed from two transports which came up the river under cover of darkness. Japanese naval vessels off Liuho have kept up a continual bombardment of the Chinese positions in that area, apparently to cover a projected landing.

Although the Chinese claim substantial gains (one military official declared the Chinese to be in possession of the Kiangwan Barracks) it is believed that the lines remain essentially the same as at this hour yesterday.

2. Incidents Pertinent to American Forces

At 0900 Admiral Yarnell, Consul-General Gauss, Colonel Price and Captain MacDonald conferred on the question of evacuating nationals. It was determined to assist in evacuating any women and children who desired to go. The first vessel departs on 17 August, and another the following day.

A landing force of 103 men and 4 officers from the USS Augusta came ashore at 1100 to reinforce the Fourth Marines.

At 1200 Captain Risaburo Fujita of the Japanese Forces called at Regimental Headquarters to extend thanks for the protection afforded Japanese nationals in our sector.

At 1615 Captain Boone called on Dr. Tang-yu, secretary to General Hsing Chen-nan, staff officer of General Chang Tse-chung, Commanding the Chinese forces. During the interview arrangements were concluded for liaison between the American and Chinese headquarters. Dr. Tang gave assurance that the Chinese had neither the desire nor the intention to violate the Marines' sector. He further declared that Chinese aviators and soldiers had been carefully instructed to avoid injuring the Shanghai Power Plant.

3. Foreign Forces

The British garrison was augmented today by about 300 men from the naval units in port.

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R. A. DOONE
Captain, U.S. Marine Corps
Regimental Intelligence Officer

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

17 August, 1937

R-2 REPORT FOR PERIOD 1800, 16 AUGUST 1937, TO 1800, 17 AUGUST 1937

1. Fighting

The period of this report covers the most extensive fighting of the hostilities thus far. Artillery exchanges continued throughout the night, with the Chinese bringing railway guns into play from armored trains in Markham Road Junction and the vicinity of Chenju station.

Japanese naval vessels carried on a bombardment of the Chinese positions in Pootung, and aircraft also made a night raid on these positions. The Chinese batteries replied feebly to the Japanese attack.

Heavy fighting took place during the night in the Paoshan Road area, with the Japanese holding their own by virtue of support from the guns of Japanese vessels in the river. Seventy-five Chinese casualties from this area were brought across the Markham Road Bridge between the hours of midnight and 7 A.M.

In the early morning Japanese planes took the air for patrol purposes. At 1020 the first Chinese bombers, five in number, appeared and immediately drew Japanese anti-aircraft fire. The planes succeeded in dropping bombs in the vicinity of Kiangwan barracks, the Japanese Consulate, and on vessels near the N.Y.K. Wharf. Four of the five escaped safely while one fell in flames on Chapel.

At 0900 3 Japanese light cruisers and 13 destroyers were reported to be shelling the Woosung Forts. At about the same time Japanese destroyers in the vicinity of Jukong Wharf were firing into the Kiangwan area, while Nipponese cruisers shelled the Chinese positions in Pootung.

At about 1330, 18 Japanese bombers appeared, apparently from their new base at Tsungming Island, and made a concerted attack on the Markham Road Junction, and the Pootung artillery batteries. Chinese anti-aircraft fire was practically negligible. The planes withdrew at about 1700, after by far the most effective aerial bombardment yet observed in the Shanghai operations. The opposing lines, except at the east end of Yangtzepoo where the Chinese have undoubtedly made some advance, remain about the same as yesterday. The Yangtzepoo and Yulin Road police stations were evacuated, the police retiring to the Power Company. Conflicting reports exist as to whether Chinese troops have broken into the Settlement near the east end of Yangtzepoo road.

As this report closes, Chinese artillery fire from the vicinity of North Station is landing near the Japanese barracks.

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2. Chinese Forces

During yesterday and today the 55th and 85th Divisions, the 2nd Artillery Brigade, and the 4th Independent Artillery Regiment arrived in the Shanghai area. They are disposed as follows:

55th Division -- Liuho-Paoshan Area,
85th Division -- Nanziang Sector.
2nd Artillery Brigade -- Near Chengju Station.
4th Independent Artillery Regiment -- Liuho-Paoshan area in support of the 55th Division.

The Headquarters of General Chang Tze-chung, who is in command of the Chinese forces, is now at Nanziang. 88th Division Headquarters is located at the Kiangwan racetrack.

3. Items of Interest to American Forces

An anti-aircraft machine-gun bullet entered the Regimental Hospital and wounded PhM3/c Floyd Arnold in the hip, injury not serious.

At 1515 at the corner of Haiphong and Ferry roads a mob of Chinese attacked two of their countrymen suspected of being spies. The victims were rescued by details from the Gordon Road Police Station. Members of the mob stated that the men had been seen poisoning public drinking water.

It has been ascertained that the Chinese troops facing our sector consist mostly of Merchant Volunteer Corps and Peace Preservation Corps units. The majority of them are young and inexperienced. At various times today they permitted Chinese refugees to attempt to cross the Creek to the Settlement side. These people were all turned back.

The second battalion Welsh Fusiliers arrived today at 1215.

Late this afternoon the Markham Road Bridge was closed to all traffic including Redcross ambulances.

11/12/80
R. A. BOONE
Captain, U.S. Marine Corps
Regimental Intelligence Officer.

HEADQUARTERS, FOURTH FLEET
SHANGHAI, CHINA

18 August, 1937

CONFIDENTIAL

A-2 REPORT FOR PERIOD 1800, 17 AUGUST 1937, TO 1800, 18 AUGUST 1937

1. Fighting

The past twenty-four hours saw a diminution in the intensity of both artillery and small-arms fire. During the night Japanese artillery registered intermittently on the North Station Section, and Chinese batteries in Chapei shelled the Kiangwan barracks.

At daybreak, while vessels in the river were bombarding Pootung, Japanese planes took the air to scout for Chinese aircraft, and carry out bombing operations at Lungghwa, Hungjao, and in the Chapei area. According to an eye-witness, the Lungghwa attack was highly successful, causing considerable damage to buildings. In Chapei, the bombers succeeded in making a direct hit on a Chinese munitions dump, causing a tremendous explosion and destroying the building. In several instances white phosphorus bombs were used. In all, fourteen Japanese planes took part in the bombing, and were almost completely unmolested by Chinese fire.

Chinese bombing planes, which have appeared at shortly after ten on the past two mornings, failed to arrive this morning. This may be accounted for by the fact that the weather this morning was excellent for anti-aircraft defense, and that the Chinese are extremely desirous of conserving their meager airforce. We are informed that, although China has almost 600 fighting airplanes, only about 220 are in actual flying condition, complete with pilots. A highly reliable Chinese source declares that in the operations thus far, the Chinese have lost 7 planes, while the Japanese have lost 32.

Throughout the day, with short intervals of quiet, Japanese vessels shelled the Kiangwan-Civic Center area, assisted by bombers, which, during the late afternoon, dropped incendiary bombs on the Civic Center and the Hungjao airdrome. At about 1500 two Chinese planes drew fire from the Hongkew batteries, but made no attack.

On this day the Broadway Mansions Hotel, a British owned, American leased building, was commandeered from the ninth floor up by the Japanese forces. A two-man observation post maintained there by the Municipal Police was ejected by the Japanese, who, in taking this building, have secured an excellent station both for observation and spotting artillery and naval gunfire.

At the time of closing Japanese vessels are again shelling Pootung. Although neither side has made any appreciable advance the Chinese have forced the Japanese to withdraw a portion of their artillery from Hongkew Park to positions farther to the eastward.

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2. Reinforcements

Chinese reinforcements have been steadily entering the war zone. An eye witness states that both the Shanghai-Nanking and Shanghai-Ningpo railways are crowded with troop trains, all moving toward Shanghai. Many of the arriving units have been diverted to the Liuho area to oppose the contemplated Japanese landing.

On the Japanese side the expected heavy reinforcements have not arrived. This morning about 400 sailors were landed in the Yangtzepoo district. Although no actual Japanese soldiers have yet entered the area it is reported that there are now 16 transports at the mouth of the Yangtze near Luiho. A Japanese staff officer declared at noon today that by the 20th they should be ready to launch a counter-offensive.

3. Items of Interest to American Forces

The vernacular press carried large articles castigating the American marines for their "cruelty" in prohibiting trucks loaded with wounded from crossing the creek into their sector. (N.B. Closing of the bridge was a function of the Municipal Police, the Marines merely carrying out the policy of cooperation with the police.)

In the forenoon Colonel Price conferred with the Commanding officer of the newly arrived Welsh Fusiliers at Fourth Marines Headquarters.

Major G.M. Neal, Commanding Officer of the American Battalion, S.V.C. called at Regimental Headquarters and conferred with Colonel Price.

J. H. Krulak
for R. A. BOONE.
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

19 August, 1937

CONFIDENTIAL

2 REPORT FOR PERIOD 1800, 18 AUGUST 1937, TO 1800, 19 AUGUST 1937

1. Fighting

During the night of August 18/19 Chinese positions in Pootung and Chapel were shelled by Japanese naval vessels in the Whangpoo. The firing was intermittent. In the forenoon Japanese planes bombed Chenju Railroad Station, Quinsan Railway Bridge, and Markham Yards. In the afternoon Japanese planes carried out a heavy bombing raid on the Chinese artillery positions in Pootung. At about 1530 the Japanese flagship Idzumo fired into the Chinese lines in Chapel. Japanese planes carried out dawn and evening patrols.

The infantry lines swung back and forth with the Chinese at one time penetrating almost to Broadway along Kungping Road, later to be driven back. In the late afternoon their line in the Yangtzepoo sector ran roughly from the vicinity of the intersection of Tongshan and Paoshing roads, thence to the north of Wayside Park, then generally north-east a little to the south of Ward Road. At what point it crosses the Settlement boundary is uncertain, but the Japanese are believed to be in possession of the boundary line at its extreme eastern end. In the Hongkew and Chapel districts the Chinese have pushed their lines closer to the Japanese Naval Landing Party Barracks. Japanese batteries near the Barracks in the afternoon shelled Pootung, Paoshan Road, the Kiangwan Race Course, the area west of the Hongkew Rifle Range and Boundary Road. Comparative quiet prevails at the closing of this report.

2. Reinforcements

Japanese troops are reported to have landed at Woosung. The reported landing at Liuho cannot be confirmed but reports persist that three Japanese divisions are arriving or are on their way to the Shanghai area.

3. Items of Interest to American Forces

Chinese troops are reliably reported to have placed four mines in the sewers on Boundary Road three yards north of the Boundary Road gates and "B" blockhouse. The mines are connected by electric wire and are under one control switch, located in the sandbag emplacement situated in Chinese territory north of Boundary Gates. Another mine is reported to have been placed in Chinese territory near Markham Bridge gate.

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

Information has been received that the Chinese army are buying gas cylinders, and taking them into the Tien Yeun Electro-Chemical Works, 320 Brennan Road. This factory is about one mile west of Warren Road and is well outside British front lines.

Any evidence of preparation for the use of gas, or any gas masks observed in the Chinese lines, should be reported to R-2 immediately.

The Welch Fusiliers took over that portion of "B" sector north of Soochow Creek today. The first battalion of the Ulster Rifles arrived yesterday.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

20 August, 1937

2 REPORT FOR PERIOD 1800, 19 AUGUST 1937, TO 1800, 20 AUGUST 1937

1. Fighting

The period of 19/20 August saw the most determined fighting of the week's hostilities. Last night the Chinese forces facing the Yangtzepoo area launched a vigorous offensive on the Japanese defenders, and though suffering great losses, succeeded in pushing their way through, in some places to within six hundred yards of the Whangpoo. Because their force is so small, the Japanese cannot man an uninterrupted line across Yangtzepoo. They have therefore constructed a series of strong points, around which the Chinese may penetrate during darkness, but when they come within range of these defenses, they are mowed down. One observer of last night's fighting estimates that scarcely twenty percent of the Chinese who entered Yangtzepoo came out unhurt.

When daylight arrived, the Chinese attackers were forced to retire, but at this time still have a foothold along a line about 500 yards south of the Settlement boundary, and parallel to it.

Throughout the daylight hours aircraft of one or the other of the combatants was active. Shortly after dawn Japanese airships began their daily assault on Hungjao and Lunghwa airdromes. The attack on Lunghwa was met, for the first time, by Chinese anti-aircraft guns which were apparently brought into position yesterday. After these raids, the Jap planes attacked the Kiangnan arsenal in Pootung. From that time until the close of the report Japanese airplanes have been occupied with bombing attacks on Chapei, Pootung, and the Shanghai-Nanking railway. The attacks on the railroad are rumored to have been successful, and if so, will materially weaken the already inadequate ammunition supply of the Chinese forces.

On the Chinese side, nine bombers appeared at 0800, bent on assaulting the Kiangwan barracks. Their arrival drew fire from the Idzumo, Kitakami and destroyers in the vicinity, but the planes succeeded in dropping their bombs and escaping. The anti-aircraft fire, although of great intensity, was quite ineffective. At about 1600 2 Chinese planes attempted to bomb the Idzumo but with no success. They also dropped bombs on the Japanese airdrome in Yangtzepoo. Shortly later 4 Chinese ships dive-bombed on the Kiangwan barracks area.

The day's aircraft casualties are; 1 Japanese plane shot down and 1 Chinese plane forced down behind its own lines.

Late this afternoon the Chinese customs cruiser "Foo Shing" was fired on in the vicinity of the French Bund by one of the Japanese vessels. Two overs landed in the vicinity of the intersection of Avenue Edward VII and the Bund.

2. Reinforcements

An eye-witness states that there were 2 aircraft carriers and 1 battleship (Nakato Class) off the mouth of the Yangtze, near the Saddle Islands this morning. Between the Fairway bouy and Woosung, there were 18 Japanese men-of-war, including 4 cruisers, 13 destroyers and one gunboat.

During the past 48 hours, the commandeered transports Fuji Maru, Nagasaki Maru, Shanghai Maru, and Takata Maru have brought a steady trickle of reinforcements to the Landing Party, along with large quantities of war materials.

Destroyers have also been bringing in reinforcements from the battleships and landing them at Wayside, O.S.K. and D.K.K. wharves.

Yesterday two Chinese divisions, the 98th and 2nd, arrived and were immediately thrown into the Kiangwan-Tangtzeppoo fighting to relieve the exhausted 88th. Chinese troops are reported to be on the way from Canton and Kwangsi.

3. Items of Interest to American Forces

At 1840 a shell struck the USS Augusta on the well deck, killing one man and wounding 18 more.

The Chinese Foreign Office despatched a communication last night requesting all foreign men-of-war and merchantmen to move at least 5 nautical miles from any Japanese warship. Should this not be heeded within 12 hours, the Chinese disclaimed any further responsibility for damage incurred.

The presence of a poison gas factory on Brennan Road, as announced in the press, is believed to be untrue.

During the day, six Chinese soldiers, one regular (88th Division) and five Merchant Volunteers were picked up as stragglers in the 1st Battalion Sector, and were put across Soochow Creek.

for *T. H. Kulak*
R. A. BOONE,
Captain, U. S. Marine Corps
Regimental Intelligence Officer

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

21 August, 1937

R-2 REPORT FOR PERIOD 1800, 20 AUGUST 1937, TO 1800, 21 AUGUST 1937

1. Ground Operations

During the day under review, the tactics of the previous 24 hours were closely followed.

Through the night the Japanese naval vessels carried on a bombardment of the Pootung side of the river, the Kiangwan, and north Yangtzepoo areas. Chinese batteries in Chapei fired intermittently at the ships in the river and the Landing Party Barracks. One large Chinese gun, believed to be 155MM, located in the vicinity of Tsung Zu, fired on the Japanese ships, but with no success.

As during the night before, guerilla fighting occurred in the Yangtzepoo area. Chinese soldiers, in small bands, penetrated between the Japanese strong points, but, on the whole, suffered heavy losses from the Nipponese automatic weapons and armored cars. The Japanese have, in all, about 100 armored cars, which lend themselves very well to street fighting, and it is in a great measure due to them that the Chinese have been unable to penetrate through to the river. As this report closes the Chinese hold a small sector between Ward Road and the Settlement boundary.

Fires started by bombing and shelling spread in Yangtzepoo and Pootung. Fire brigades, in most cases, refuse to enter the embattled zones to extinguish the blazes. The Nanyang Tobacco Company, and a portion of the Asiatic Petroleum Company have been razed by fires.

The Chinese 87th and 88th Divisions have both been temporarily withdrawn from the fighting to recuperate and reorganize. The 1st Division, one of Nanking's best, has arrived and is sharing the main effort with the 2nd and 98th.

According to Chang Tze-chung, the Chinese Commander in the field, the efforts of the Japanese at Luiho have been quite unsuccessful. He declares that the 55th Division has effectively opposed every landing the Japanese have attempted. We are informed, by a reliable source, however, that Japanese regulars, in small numbers, are actually being landed.

2. Aircraft

At dawn on the 21st Japanese planes were in the air reconnoitering, and carrying out bombing operations at Lunghwa. Two Chinese planes appeared and an aerial battle ensued during which one Chinese ship was shot down. The pilot was seen to jump out, and his parachute to open. At about 0830 two Chinese planes were sighted over Yangtzepoo, and drew anti-aircraft fire from Japanese ships in the river. Both planes escaped.

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

Japanese planes were in the air almost constantly throughout the day bombing and patrolling. They concentrated on the Shanghai-Nanking Railway, the Kiangnan Arsenal, the Lungwa airdrome, and Chapei in the vicinity of the Markham Road Junction. Their most extensive raid occurred at about 1445 when 6 planes dropped some 15 bombs in Chapei, while two pursuit ships stood guard.

3. Items of Interest to American Forces

The Shanghai Power Company (guarded by the Sacramento Marines Detachment) was struck by a 75MM shell last night. No appreciable damage was done.

An officer of the Regiment reports seeing a wounded Chinese soldier carrying a gas mask. We learn that the majority of the Chinese troops around Shanghai are not equipped with masks. It has been reliably reported that certain officers have gas masks but these were purchased privately.

The Commanding Officer of the Royal Ulster Rifles called on Colonel Price at 1800 today.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

22 August, 1937

CONFIDENTIAL

2 REPORT FOR PERIOD 1800, 21 AUGUST 1937, TO 1800, 22 AUGUST 1937

1. Fighting

At the close of the last report, Japanese airplanes were bombing the Cantonese Cemetery and other points in Southern Chapei. As darkness descended, artillery and naval guns began a duel which lasted throughout the night. The Chinese apparently have three large calibre guns (probably 155MM) in the vicinity of Tseng Zu, which fired intermittently during the night in the direction of the naval vessels. Between 0400 and 0500 a Chinese railway gun fired about 30 rounds, moving up and down the Shanghai-Nanking railway between Tseng Zu and the Markham Yards.

The Japanese ships divided their fire between Pootung and the Kiangwan-Yangtzepoo area. During the night the Idzumo moved down the river for a short while and fired several main battery salvos, at a range of about 1500 yards, into the Chinese lines in Yangtzepoo. During the early morning hours Chinese small-arms fire from the Pootung side harassed the ships in the stream. The vicinity of the Garden Bridge and the Bund received considerable punishment from this fire.

In Yangtzepoo and Wayside the Chinese employed the same tactics as on the previous night, filtering between the Japanese strong points, and suffering heavy casualties when discovered. One group of snipers pushed through to the Shanghai-Hongkew Wharf, and fired at the Idzumo. Daylight showed no appreciable change in the lines, the Japanese remaining in possession of all their strong points.

During the day, which was a quiet one, Japanese vessels fired on the Chapei Power Company, Pootung, and the Jukong Wharf. A Chinese battery in Pootung fired several rounds at the cruiser Kitakami, but with little apparent success.

Japanese patrol planes were aloft at daybreak, as usual, but dropped only one bomb at Lunghwa, and none at Hungjao. After this there was little activity in the air until 1400 when three Japanese seaplanes bombed the Chinese positions in Pootung. Shortly after, four Chinese bombers appeared, flying very high. They dropped several bombs on Yangtzepoo, and were fired on by the Japanese ships. Simultaneously four Nipponese planes were bombing in Chapei. At 1600 Japanese planes dropped several bombs near the Shanghai-Nanking Railway in the vicinity of Leukazah and Tseng Zu. There were no aircraft casualties during the day, which may be described as the most peaceful of the hostilities to date.

2. Reinforcements

With troops continuing to arrive on both the Nanking and Ningpo Railways, the Chinese have now in this area (30 mile radius) about 150,000 men.

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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

The Japanese received a sizeable reinforcement this afternoon when a naval transport arrived carrying about 750 sailors.

The transports which were off the Yangtze mouth on the 16th are reported to have taken their troops to Tsungming Island after an unsuccessful attempt to land at Liuho under naval gunfire support. We are informed that there are now five divisions on the way to this area from Japan. They are the 5th, 6th, 10th, 12th, and 16th.

There are now about 60 Japanese naval vessels in the Shanghai Yangtze area. Of these, about 40 are destroyers, and 8 light cruisers.

3. City Notes

Since the beginning of the Shanghai trouble, the Japanese have evacuated about 15,000 of their nationals. This represents over half of the total number in the city.

Chinese refugees are being taken out of Shanghai as rapidly as possible. During the past 24 hours the French Concession Police have evicted over 1300.

Hospitals in the city (both regular and emergency) which are caring for wounded Chinese soldiers are at present treating about 1400 cases, which is approximately half of their capacity. In all, it is estimated that the Chinese have lost over 5000 in killed and wounded.

Rioters and looters captured by the International Police are turned over twice daily to General Yang Hu, of the Shanghai Woosung Garrison, who arranges for their ultimate disposition.

4. Items of Interest to American Forces

This morning the American, British, and French naval commanders addressed a joint letter to Admiral Hasegawa protesting against the proximity of a Japanese destroyer which was lying about 300 yards downstream from the Augusta. The note requested that all Japanese vessels be kept below Hongkew Creek.

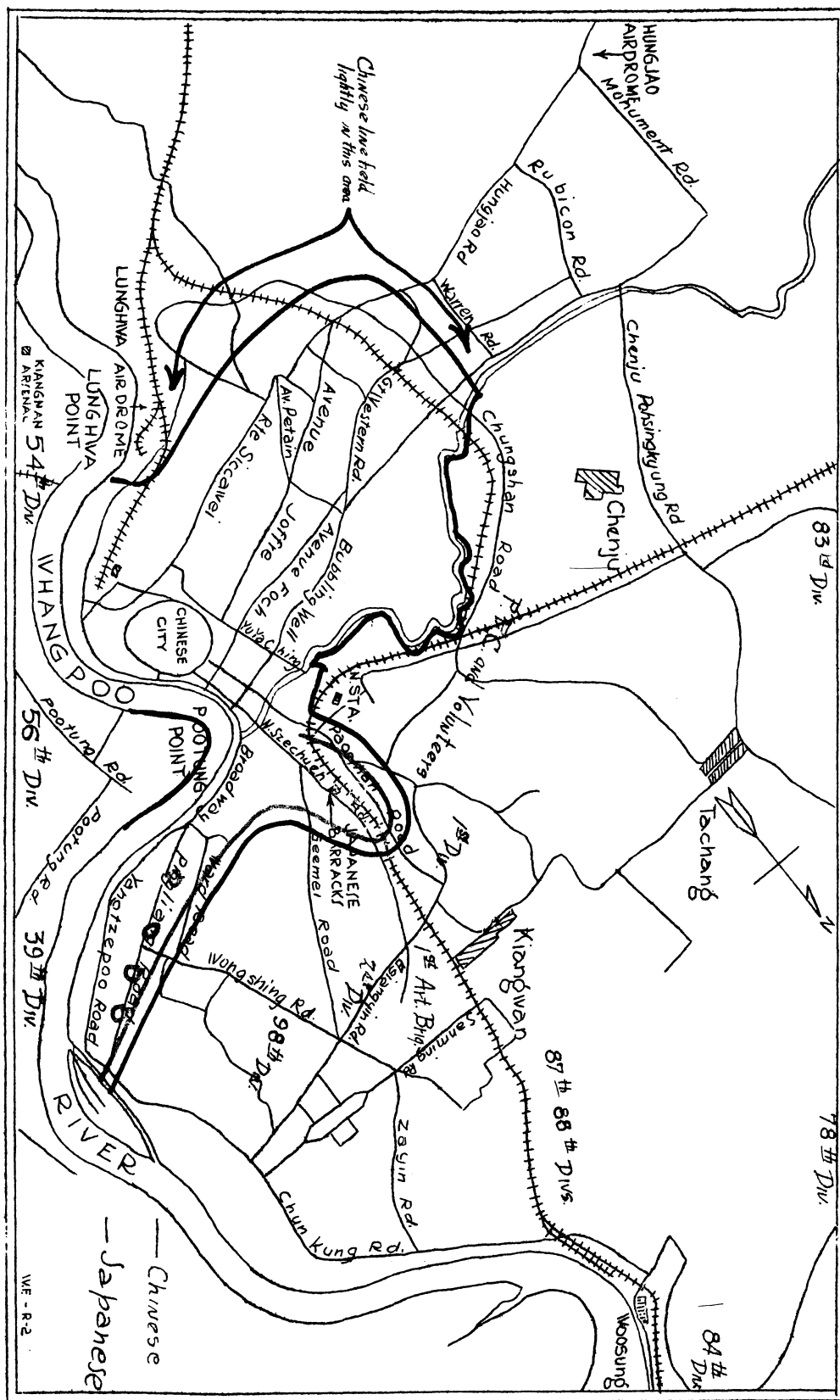
Five Japanese destroyers today took up a position in the stream between the Shanghai Power Company on the Yangtzepoo side and the Standard Oil Company on the Pootung side.

This afternoon the flag of Admiral Hasegawa was shifted to a destroyer from the Idzumo.

Colonel Price called on the Commanding Officer of the Royal Welsh Fusiliers this evening.

J. H. Kulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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



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

CONFIDENTIAL
HEADQUARTERS, FOURTH MARINE BATTALION
SHANGHAI, CHINA

23 AUGUST, 1937

R-2 REPORT FOR PERIOD 1800, 22 AUGUST 1937, TO 1800, 23 AUGUST 1937

1. Fighting

The night of 22/23 August saw a greater volume of heavy gunfire than any time to date. Chinese batteries in Chapel, Pootung, and along the Nanking-Railway pounded ceaselessly at the Japanese vessels and the Kiangwan Barracks. The Japanese ships fired throughout the night on their usual targets in Pootung and Chapel.

The fighting in Yangtzepoo was particularly fierce, both sides using machine-guns, mortars, and light artillery. Several large fires were started and many are still burning. Both sides suffered heavy losses, but despite their offensive efforts, the Chinese were unable to push their line through to the Whangpoo. A Chinese thrust designed to cut off the salient held by the Kiangwan Barracks, and join the troops across the Woosung Railway, was unsuccessful.

During the night and early morning hours the greater part of the Japanese ships in the harbor got under way and steamed down the river. At the same time there appeared off Woosung 20 destroyers, 3 cruisers, and a seaplane carrier. All of this presaged some activity in the vicinity of the river mouth on the part of the Japanese. It has been subsequently established that these vessels formed a part of the naval gunfire support for landings on both sides of the Whangpoo mouth. At this time it is certain that the Japanese have succeeded in getting some troops ashore, although the operation is strongly opposed by Chinese forces of the 55th, 84th, and 39th Divisions.

2. Aircraft

Japanese planes were flying until 0200 last night. Two of them dropped bombs in the vicinity of Woosung. After day-break, the Japanese planes bombed Pootung. Following this, the Japanese bombers carried on operations in the North Station area. By 1130 there were 17 Nipponese planes in this vicinity bombing simultaneously in Chapel, Pootung, and along the Nanking Railway.

3. Bombs fall in Settlement

At about 1255 two airplane bombs fell on the International Settlement. One entered the U.S. Navy Godown at Lane 125 No. 30 Szechuen Road and failed to explode. The other struck the Sincere building at 690 Nanking Road and exploded. Some observers are of the opinion that these missiles were shells from Naval guns. We believe they were aerial bombs for the following reasons: The unexploded shell at the Navy Godown is a 500 pound (or over) aerial bomb. Concerning the Sincere explosion (dead at hour of writing 300 and far from complete) observations from two widely separated points establish the following facts:

The Fourth Marine observers at Second Battalion Headquarters Post noted a silver colored monoplane flying very high approaching their post (corner of Chengtu and Bubbling Well Road) at an azimuth of 60 degrees. One man saw the bomb drop, and immediately afterward came the explosion. A line drawn at 60 degrees from the Observation Post in question passes over the Sincere Building. Time of explosion noted as 1255.

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

The signalmen on the bridge of the USS Augusta noted a 2 motor cabin monoplane with distinctive Chinese markings flying very high, saw this plane drop a bomb and noted the explosion. Bearing of explosion, due west from Augusta, time 1256. A line drawn due west from the Augusta intersects with the line drawn from the Marine Observation Post, near the Sincere Tower. Both bearings were taken hastily and a small error is possible in each. However the fact that two independent observations check so closely seems definite proof that the bomb which fell on the Sincere building came from this plane. The line from the Marine O.P. extended passes very close to the Japanese consulate. Grant a small error in the Marine bearing and move the line of flight slightly more to the southeast, then the bomb which fell on the Navy Godown might easily have come from the same plane. The Marine Observation Post saw three Japanese planes in the air some 2000 feet below the monoplane (numerous other observers throughout our sector noted these three planes).

At 1745 Japanese planes made a successful attack on the Shanghai-Nanking tracks between Markham Yards and Tseng Zu.

As this report closes the artillery duel continues. A Chinese battery in Pootung is firing over the Shanghai Light and Power Station plant, the shells landing about ^{500 yds} northwest of the Yangtzepoo Police Station.

R. A. Boone
R. A. BOONE,
Captain, U.S. MARINE CORPS,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

24 August, 1937

R-2 REPORT FOR PERIOD 1800, 23 August, 1937, TO 1800, 24 AUGUST, 1937

1. Fighting

Fighting in the Yangtzepoo-Wayside area was considerably less extensive last night than during the night before. By adhering to the same defensive tactics the Japanese maintained their positions, and the Chinese, although still in the Settlement, made no appreciable advance.

The 1st and 36th Divisions are carrying the brunt of the Chinese attack in this sector. The 98th, which has been in the front lines for a week is being withdrawn for rest and reorganization. According to reliable reports, the 176th (Kwangse provincial) Division is now at Nanking enroute to the Shanghai area.

Chinese artillery from Tseng Zu, North Station and Pootung fired intermittently all through the night, battering the Hongkew area. Rifle fire from Pootung fell on the Japanese ships. These vessels threw most of their efforts into silencing the Chinese artillery in Pootung. The Chinese batteries in this area have been firing regularly for over a week, but the Japanese have had no success in destroying them.

A new feature in the hostilities was introduced last night when a Chinese plane appeared at about 0140, and, after some reconnaissance, dropped a bomb in Hongkew. The bomb, incendiary in nature, was obviously intended for the Landing Party Barracks. Both the barracks and the Japanese ships fired at the plane, but it succeeded in escaping. After dawn the Japanese airplanes began their usual bombing activities. During the day they gave particular emphasis to attacks on the Chinese Pootung positions, and on Tseng Zu, where the radio station is located. In a raid on this place at 1210, 5 Japanese planes met determined anti-aircraft fire, and were forced to withdraw.

2. Landing Operations

Today saw a complete change in the character of the hostilities. The long awaited Japanese reinforcements, which made a small effort yesterday, attempted simultaneous landings at several points between Woosung and Liuho, and in the lower part of the Whangpoo.

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

For the eight hours preceding daybreak, Japanese ships bombarded the Chinese positions along the Woosung-Liuho coast. Despite this punishment, the defenders were able to exact heavy casualties during the landing. Some observers estimate that 15,000 men have been put ashore, but 10,000 would be a generous estimate. However, they undoubtedly have many more waiting at Tsungming Island. The police state that these troops comprise units of the 2nd, 5th, 6th, 10th, 12th, and 16th divisions. Actually, a favorite Japanese practice is to form major fighting units into "mixed brigades" -- mobile organizations containing troops of every branch.

Japanese troops also landed in the area between Woosung Creek and the Chapei waterworks. The units here were small, and despite the covering fire of a cruiser and 4 destroyers, experienced great difficulty in making any headway against the entrenched opposition.

During the operations, Chinese planes were able to sink a Japanese gunboat, and disable a destroyer.

Besides the landings in this immediate area, we are informed that Japanese soldiers have landed near Chapu. (Chapu is about 80 miles down the coast, and about 50 miles from Shanghai overland). These troops after a short drive inland, will be in a strategic position to cut the important Shanghai-Hangchow Railway, and envelop Shanghai from the south.

2. Items of Interest to American Forces

This afternoon Colonel Price called on the Commanding officer of the Royal Ulster Rifles.

The Gold Star, bringing the next Fourth Marines reinforcements is due to arrive on 26 August.

American nationals evacuating on the SS President Pierce were placed on board safely at about 1400 today.

J. H. Kudlak
for R. A. BOONE,
Captain, U.S. MARINE CORPS,
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

25 August, 1937

R-2 REPORT FOR PERIOD 1800, 24 AUGUST, 1937, TO 1800, 25 AUGUST 1937

1. Fighting

A swift change in the character of the Shanghai war situation followed the Japanese successes in the Woosung-Liuho area. Last night the customary fighting in Yangtzepoo and Wayside was reduced to negligible sniping activities. The Chinese troops in that area withdrew to the vicinity of Kiangwan to avoid being hemmed in on all sides by Japanese.

During the past 24 hours, the Japanese army reinforcements have, according to late information, made progress, although the Chinese, with the advantage of previously prepared positions, have exacted heavy casualties. During the day there have been persistent and highly reliable reports that the Chinese defenders along the river between Liuho and Woosung have begun to withdraw to the westward. Chinese authorities, of course, deny this vigorously.

The Japanese forces have generalized their offensive, landing troops at several points along the Pootung peninsula. In addition to the points mentioned yesterday, they have gone ashore at Nanhuisheng and Chuanshating. That their foothold is well secured is strongly indicated by eyewitness reports of having seen artillery already on the beach. Stretcher bearers have been observed carrying wounded. Last night at midnight there were four transports at the Lion Forts and at noon today the number had increased to six.

Last night the Chinese batteries fired from their accustomed places in Pootung, Tseng Zu and Chapei, near North Station. In addition, a Chinese railway gun fired intermittently on the Japanese barracks.

To cover the withdrawal from Yangtzepoo, the Chinese made three bombing raids on that area last night. The bombers drew anti-aircraft fire from the Japanese ships, and the Kiangwan Barracks. Chinese aircraft appeared again today at about 1630. Three ships flying westward over Chapei were attacked by 2 Japanese pursuit planes, but managed to escape, although one appeared to be having trouble.

Japanese planes bombed Chapei twice during the day, and made several short attacks on Pootung. Aircraft of both belligerents are undoubtedly more concerned with taking part in the fighting near Woosung than around Shanghai.

2. Items of Interest to American Forces

The French reinforcements from Saigon arrived this afternoon.

An eyewitness reports that both the Woosung Lighthouse, and the lightship, have been put out of commission by shell fire. Bouys No. 1, 3, and 5 in Astraea Channel are also out of commission.

Japanese authorities have complained that the use of neutral flags has been abused by the Chinese. They declare that the Wing On factory at Woosung is now, in point of fact, flying four American flags.

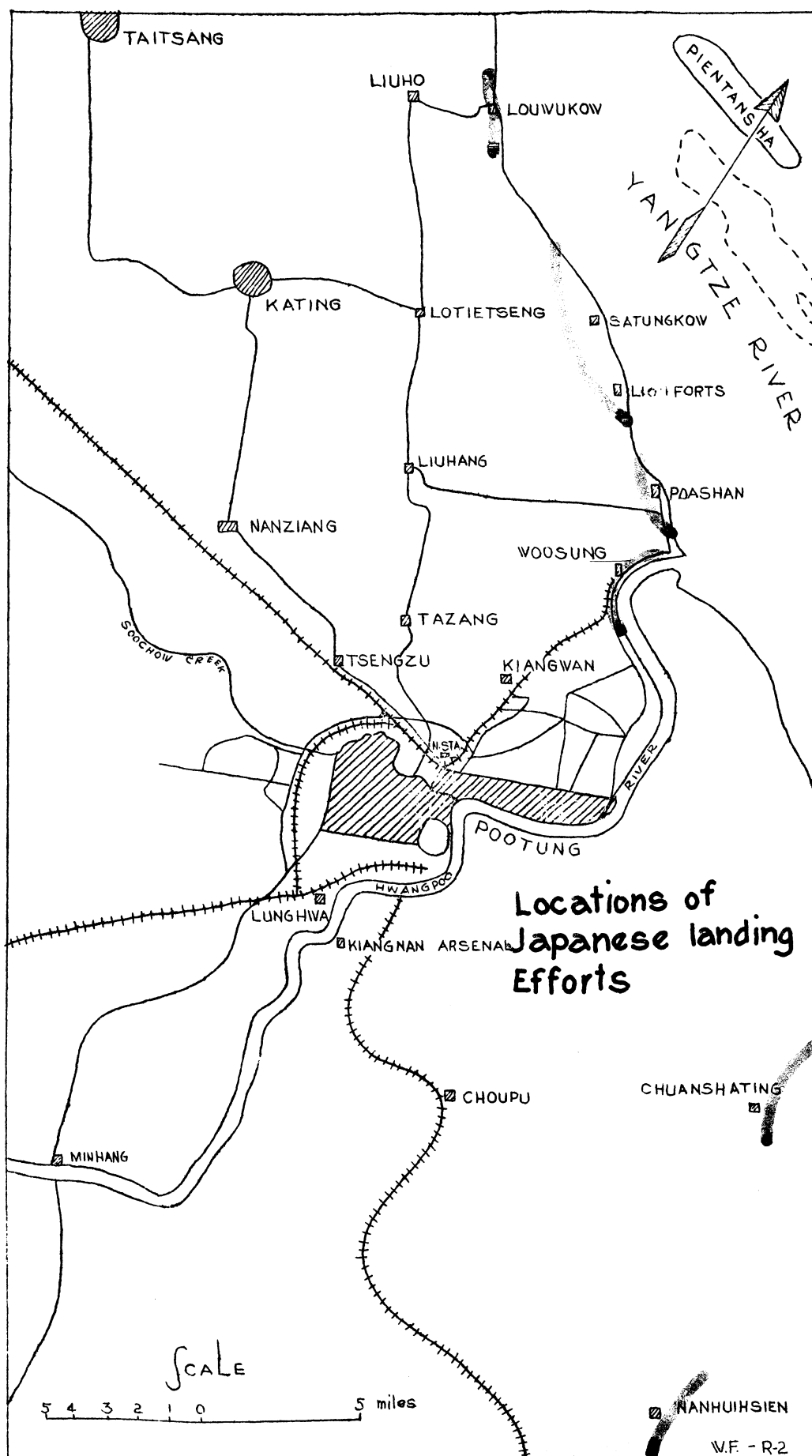
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The dynamite previously on the Wuchen bridge is reported to have been removed.

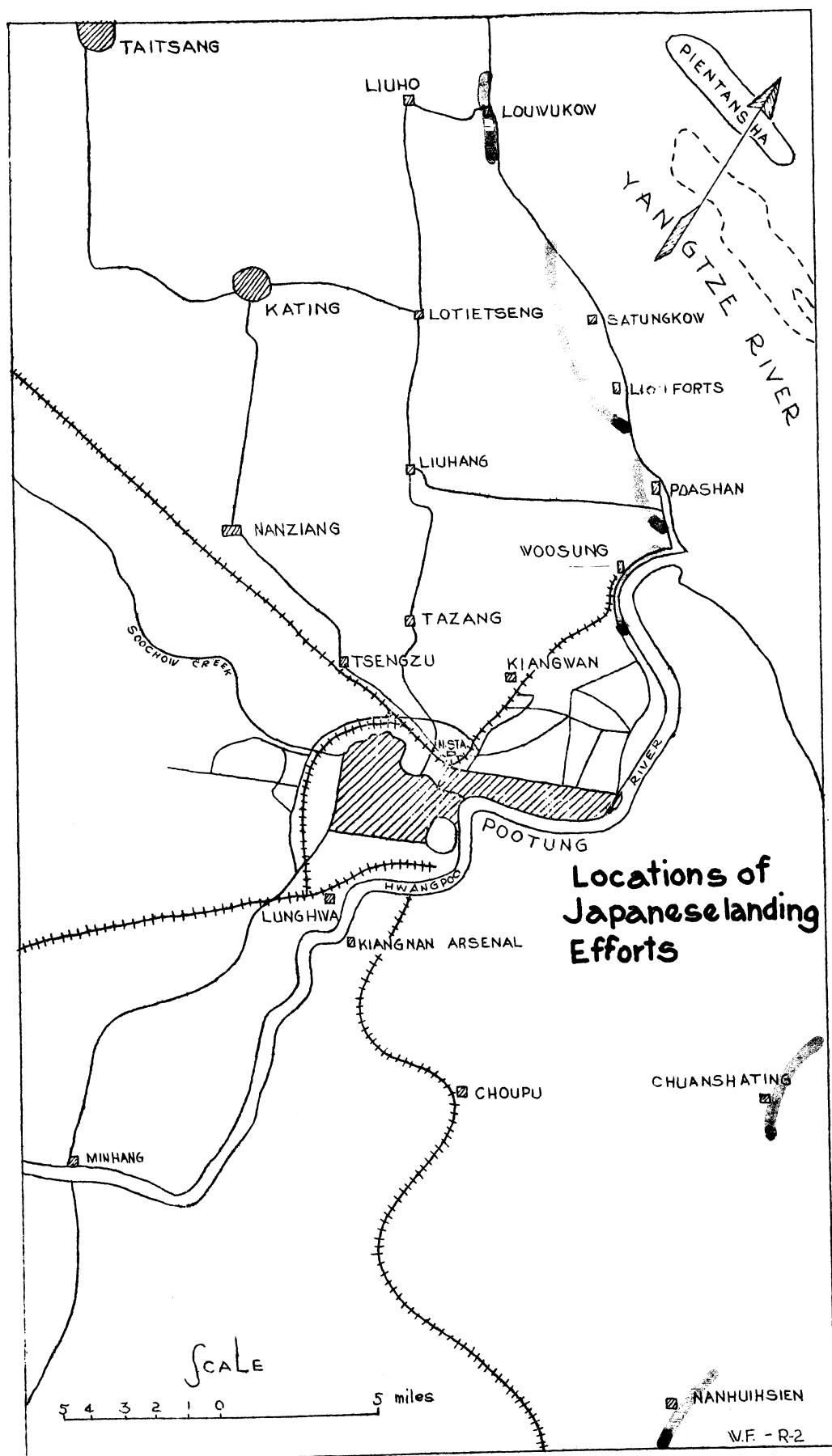
According to the Japanese experts, the bomb which struck the U.S. Navy Godown weighed approximately 250 kilograms (550 pounds).

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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



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



HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

26 August, 1937

CONFIDENTIAL

R-2 REPORT FOR PERIOD 1800, 25 AUGUST, TO 1800, 26 AUGUST, 1937

1. Operations

Reports from many sources indicate that the Japanese army landing force is making steady progress. Heavy fighting occurred today at Lotien. The Chinese rushed reinforcements to this point but all available information indicates that the Japanese advance continues. Late in the day Kating was reported captured but this is unconfirmed at time of writing. The Japanese are in control of Woosung and have men ashore along the Whangpoo as far as the Chapei waterworks. In the Yangtzepoo sector the Japanese Naval Landing Party have advanced their line along the Military Road to a point just north of the Shanghai University. They expect shortly to effect a junction with the Army forces. At noon today Chinese troops occupied a post west of the Military Road some 400 yards from the Shanghai University. Reports that the Chinese were evacuating Kiangwan are therefore untrue. Chinese troops still occupy their usual lines in Chapei and a heavy concentration of their forces is reported along the line Siccawei, Chipao, Ssuching.

Chapei, Pootung and the vicinity of Kiangnan arsenal were bombed by Japanese planes. (An eyewitness states that yesterday afternoon, when he made an inspection of the premises, the arsenal was undamaged. The fire seen burning near it comes from a large building in the vicinity of the South Station). Chinese trench mortars fired intermittently into Yangtzepoo last night and a Chinese plane flying over the Settlement drew Japanese anti-aircraft fire, but generally speaking the heavy fighting has shifted from Shanghai to the north.

The Japanese were busy landing troops today. Nine transports were observed off the Lion Forest Forts, four of which had just come in loaded with troops. Pootung, from Shanghai to Woosung, was completely devoid of any Chinese troop activity.

This, considered in connection with the concentration of Chinese forces along the Siccawei-Ssuching line, indicates that the Japanese landings at Nanhui and other points south of the Whangpoo are making good progress.

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

2. Items of Interest to American Forces

102 men and 2 officers arrived at 1730 today via the USS Gold Star, to reinforce the regiment.

The British Ambassador, Sir Hugh Knatchbull-Hugeson, while proceeding with his suite by automobile from Nanking to Shanghai, was attacked by 3 Japanese airplanes in the vicinity of Kiating. After dropping bombs with no success, the planes resorted to machine-guns. One bullet struck the Ambassador in the stomach. At this time he is in the Country Hospital in a critical condition.

J. H. Kulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

27 August, 1937

R-2 REPORT FOR PERIOD 1800, 26 AUGUST, TO 1800, 27 AUGUST, 1937.

1. Fighting

The Japanese have made continued progress in their landing offensive during the past 24 hours. While the Chinese have rushed additional troops to assist in the Liuho, Lotien, Paoshan defense, the Nipponese have been busy putting men ashore, consolidating their forces, and keeping a constant pressure on the Chinese lines. The Chinese are still firmly established in the vicinity of Kiangwan and the Civic Center. Indications are that should they be driven back from their present positions facing the Military Road they will make a stand before relinquishing the Kiangwan area. The Japanese hold the Woosung-Lotien-Liuho triangle. Some doubt exists as to whether they have occupied Lotien, but their main effort is definitely concentrated in a southward thrust which has carried them to, or near, this point. Should they break through the Chinese line on this front as they almost certainly will as soon as they have all their troops ashore and have consolidated their attack, the Chinese position in the Chapei-Kiangwan sector will become untenable and a withdrawal to the Sunkiang-Tsingpu-Anting-Taitsang line may be expected. As to "how far the Japanese will pursue them" this office has at present no reliable information.

An appreciable increase in the number of forces holding a line from Siccawei to Chipao thence to Ssueching has been noted. Interrogation revealed today that the soldiers (of excellent appearance) in the Siccawei area claim to be of "Nanking's picked troops". It is quite probable that these men are among those who withdrew from the Pootung side of the river which now appears almost denuded of Chinese soldiers.

The Japanese army is well established ashore from Woosung to the Chapei Waterworks. The Japanese plan embraces a junction of these forces with the right flank of the Japanese Naval Landing Party, but this junction has not yet been effected. The landing of Japanese troops at Nanhui and Chapu has also been confirmed.

In the city area there were minor hostilities. During the night the North Station artillery battery fired on Hongkew and Yangtzepoo. Japanese ships fired into Pootung in the late evening in an effort to silence several machine guns which had been occasioning them annoyance. During the day the Japanese ships in the lower Whangpoo fired into the Kiangwan area toward the International Race Course in an effort to destroy a group of artillery weapons which were dropping shells in their vicinity. Although the Japanese fired for some time, the Chinese batteries continued to function.

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

Yesterday after the repair of the Nanking Railway tracks, a troop train steamed into the Markham Yards and discharged a number of troops. Shortly after two trainloads of supplies came in. Chinese national army forces have relieved the Peace Preservation Corps at the North Station.

2. Aircraft

Well informed neutral sources estimate that since hostilities started the Chinese have lost 25 planes and that 50 more have been grounded through mechanical trouble, lack of proper upkeep, etc.

The Chinese during the past four days, have confined their efforts in the close vicinity of the city to the night hours. Last night at midnight, again about 0100, and again about 0240 Chinese planes were discovered by Japanese anti-aircraft batteries which fired in some volume, but with no success.

During the morning, Japanese planes concentrated on Pootung where the troublesome machine-gun batteries are located. Later in the day they dropped bombs near the Watertower Pagoda, and in Chapel. As the report closes there is a report of a Japanese plane catching fire and exploding upon hitting the ground near the Shanghai Power Company.

1579041
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

28 August, 1937

A-2 REPORT FOR PERIOD 1800, 26 AUGUST, TO 1800, 27 AUGUST, 1937.

1. Operations

During the past 24 hours, except for shelling of the North Station and the Japanese vessels in the river, there has been almost no actual fighting in Shanghai. The Japanese have succeeded in suppressing sniping activities in the Yangtzepoo district, which is now quite peaceful, although fires continue to burn in several places.

The focal point of the present operations,--the Yangtze coast and lower Whangpoo, saw continued Japanese reinforcements pour in during last night and today. It is estimated that they have landed about 25,000 men. Their progress may appear to some to be unnecessarily slow, but it must be remembered that artillery, supplies, and even horses are being landed. According to a reliable source, the Japanese are content with their progress to date. The process of overcoming the Chinese opposition is hampered by the terrain features. The flat area in which the operations are taking place is interlaced with canals and ditches, each of which forms an effective military obstacle. The fields covered with high standing crops and grave mounds give advantageous cover to a defender who is familiar with his terrain. Despite all this, the Japanese, not yet integrated for a concerted attack, have pressed the Chinese to the point where they have given ground in many places.

The capture of Liuho, despite its excellent defense works, is explained by the Chinese to be a result of the cowardice of the Pacantui and Police Bureau Reserves who had been put into the line to replace the discontented 36th Division. This error has proved costly for the Chinese forces, for the success of the Japanese debarkation pivoted on this point.

Since the Chinese have ceased their offensive operations in Wayside and Yangtzepoo, the Naval Landing Party has been able to extend its line as far down the river as the Shanghai University. From that point, for a distance of about 4 miles, no Japanese troops are in evidence. The army and naval forces have not yet joined, primarily because the number of Japanese troops now ashore is insufficient to hold a continuous line from Liuho to Shanghai in any strength. From the Chapei Waterworks to Woosung, the Japanese line is very thin, but is gradually being reinforced.

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

In the face of the increasing Japanese pressure, the Chinese forces have seen fit to consolidate their lines on a smaller front, and to rush in reinforcements with all speed. Last night troops began arriving in the Lunghwa-Siccawei area, having marched from Kashing. The soldiers, estimated at 15,000 in number, wore no identifying insignia but are well equipped and declared their destination to be the Lotien front.

2. Aerial Activity

Last night at shortly before midnight and again at 0205 Chinese planes dropped incendiary bombs in the vicinity of the Kiangwan barracks.

Japanese planes were in the air throughout the day, bombing in Chapei and on the Pootung Point. At about 1400 four Japanese bombers, accompanied by seven fighters, staged an intensive attack on Nantao. The objectives of the attack were apparently the South Station and the Kiangnan Arsenal. The arsenal was struck and suffered some damage. Seven bombs landed in the general vicinity of the South Station, four of which did material damage to the station, tracks, and the railroad bridge. The inevitable slaughter accompanied the bombing, with dead already estimated at from 250 to 400.

3. Items of Interest to American Forces

At about 1730 artillery shells fired from the battery at Tseng Zu and the Chinese railway gun fell near the USS Augusta. The fire was apparently directed at the Idzumo.

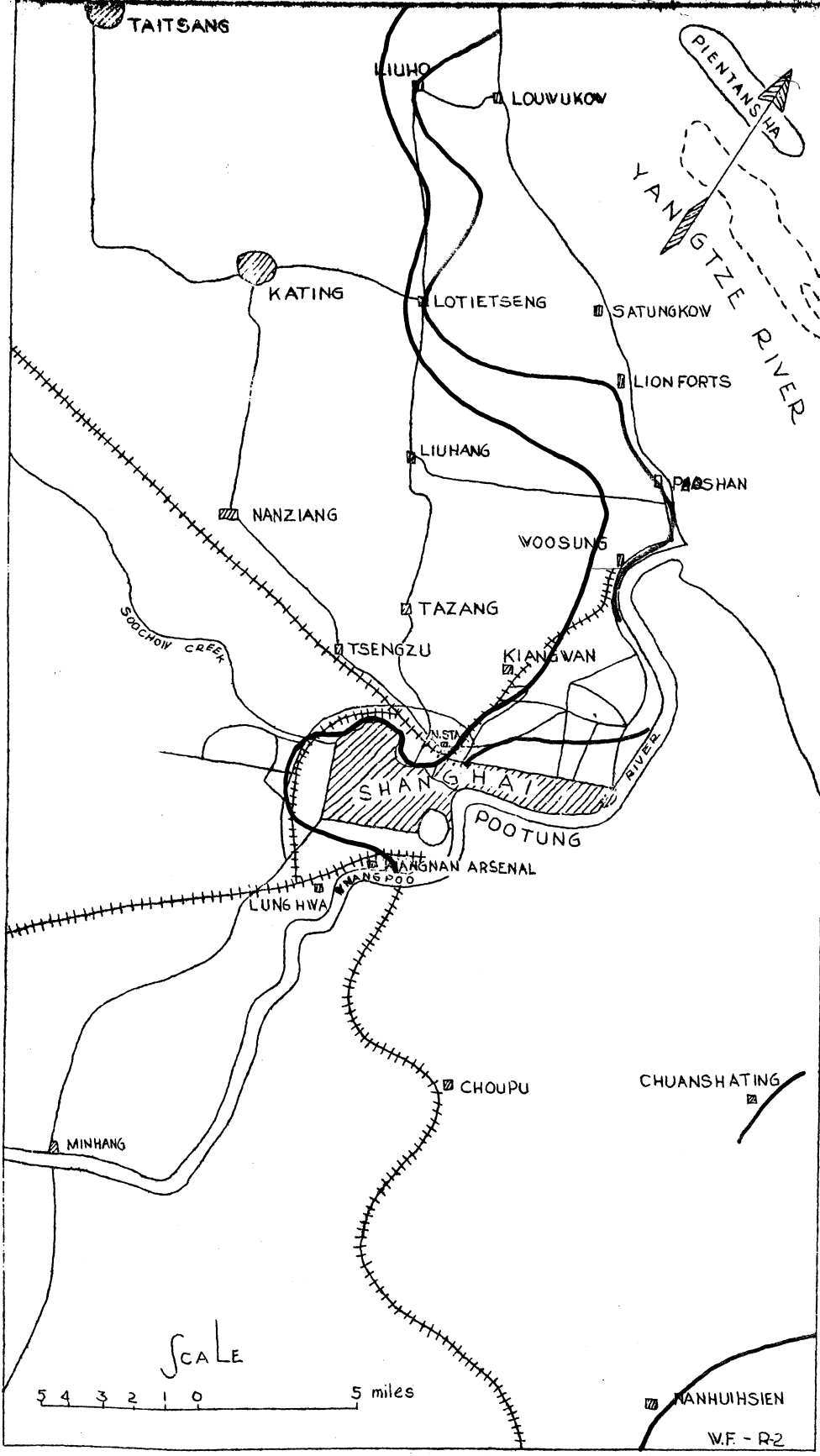
A late report states that all commercial communication with the outside has been disrupted today with the destruction of the Tseng Zu radio station and the cutting of all cable connections.

The attack on the automobile carrying the British Ambassador is declared by some sources to have been caused by a Japanese belief that the caravan actually was carrying Chiang Kai-shek and his staff. Since the 26th it has been rumored that the Generalissimo would come to this area to settle a disagreement which has arisen between two of his division commanders.

J. H. Kneale
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

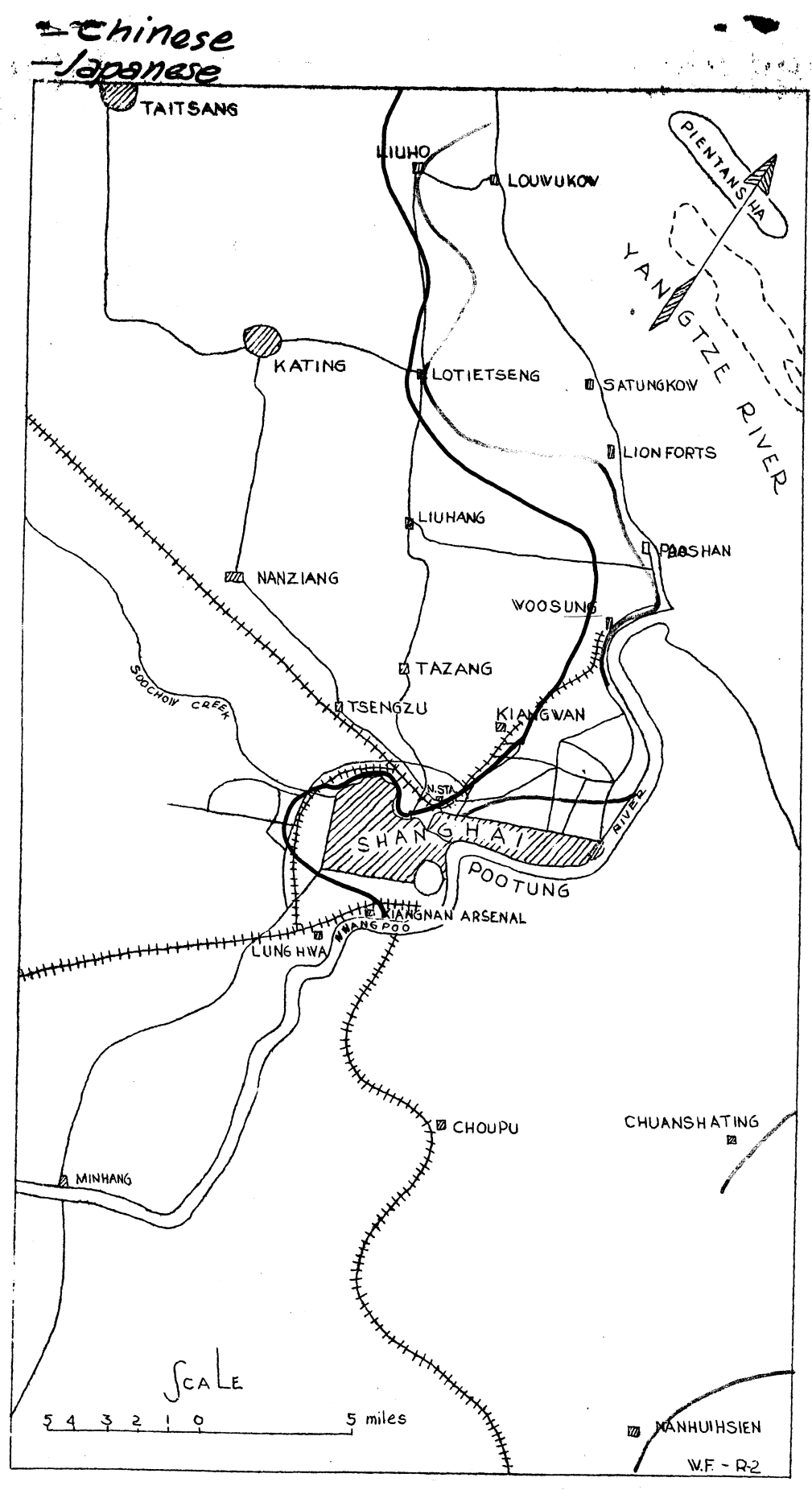
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

- Chinese
- Japanese



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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA.

29 August, 1937

R-2 REPORT FOR PERIOD 1800, 28 AUGUST, 1937, TO 1800, 29 AUGUST, 1937

1. Operations

The Japanese Army forces which have landed on the Yangtze coast north of Woosung maintained their pressure on the Chinese lines during the past day while reinforcements continued to land. During the night the Japanese army troops, which have now made a junction with the Naval Landing Party, launched an offensive from the Whangpoo side in the vicinity of Changhwapang. The attack, pressing in a southwesterly direction, forced the Chinese line back toward Kiangwan. The tendency on all fronts in that area seems to be a steady retirement of the Chinese to their strong positions along the line Taitsang-Kiating-Nanziang.

Last night the Chapei area witnessed increased activity. Chinese batteries near the North Station fired steadily on the Kiangwan Barracks-Hongkew Park sector, while the railroad gun and the Tseng Zu heavy battery fired on ships in the river and into Yangtzepoo. Small arms and machine gun fire continued for the greater part of the night. Much of this activity was occasioned by a Japanese offensive action along the Chapei-Hongkew border. Released from the Yangtzepoo front, and reinforced with fresh troops, the Japanese endeavored to press into Chapei, but morning revealed the line to be practically unchanged, with little accomplished beyond the starting of several fires.

Chinese troops continue to move toward the contested area. The troops noted yesterday in the vicinity of Siccawei moved out last night. In their place there appeared this morning, a group of ragged, poorly equipped troops, believed to have come from Pootung. From their language, they are believed to be natives of Kweichow province. They too declare their destination to be the Lotien area.

2. Aerial Activities

Chinese planes appeared for their customary bombing activity at 0130 and 0315 this morning. Chinese aircraft were again visible this afternoon at about 1630 when 3 bombers and a pursuit ship flew over the city in a westerly direction. Scattered bursts of ineffective anti-aircraft fire were directed at the planes, which were flying at a very high altitude.

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

Japanese bombers made an intensive attack on the North Station area at about 1235, apparently in an attempt to destroy the artillery pieces which shelled the Landing Party Barracks last night. The bombing succeeded in igniting a fire near the Station. Other Japanese planes bombed in Pootung and around the vacant Kiangnan Arsenal.

Early this morning an airplane of unknown nationality dropped handbills over the Settlement and French Concession urging all Chinese to overthrow the oppressive government and to "strive for peace".

3. Casualties

It is estimated that the Chinese forces have lost over 9,000 men to date in killed and wounded. At this time there are, in Settlement and French Concession hospitals alone, some 3,400 wounded.

Japanese casualties, much harder to determine accurately, are placed at 2500 killed and wounded.

4. Items of Interest to American Forces

Headquarters of the Second Marine Brigade along with the 6th Regiment, and a 50 calibre anti-aircraft battery, are scheduled to sail from San Diego today, for service in Shanghai.

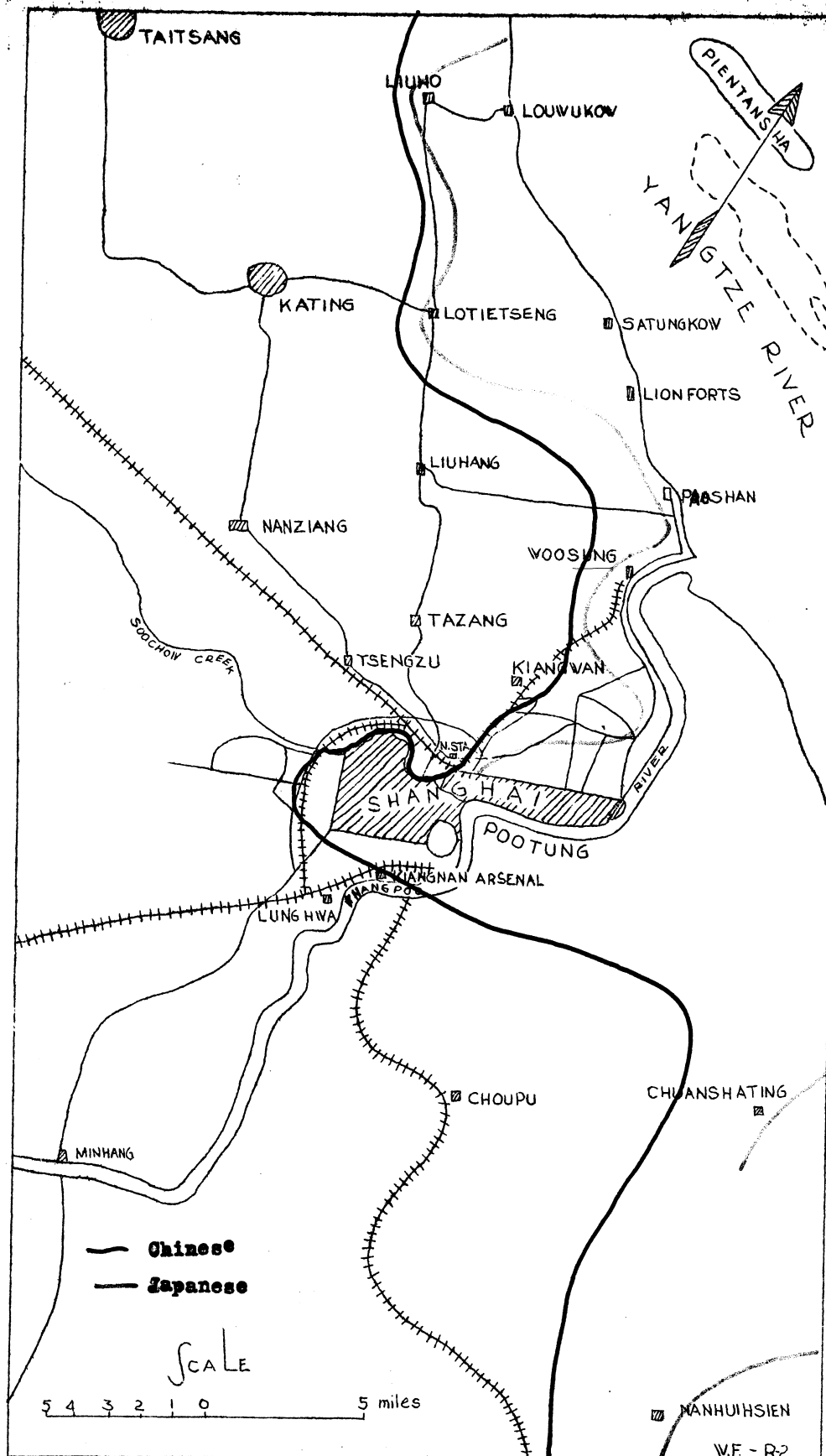
According to a reliable source, eighteen staff members of the Executive Yuan have been court-martialed for espionage, convicted, and executed.

Feng Yu-hsiang (the Christian General) has been given command of all defenses of the Kiangsu-Chekiang Coast.

Late reports indicate the number of casualties in the purposeless bombing of the South Station to be well in excess of 400. The victims were almost all homeless refugees awaiting transportation, and no reason for the act, other than terrorism, can be conceived.

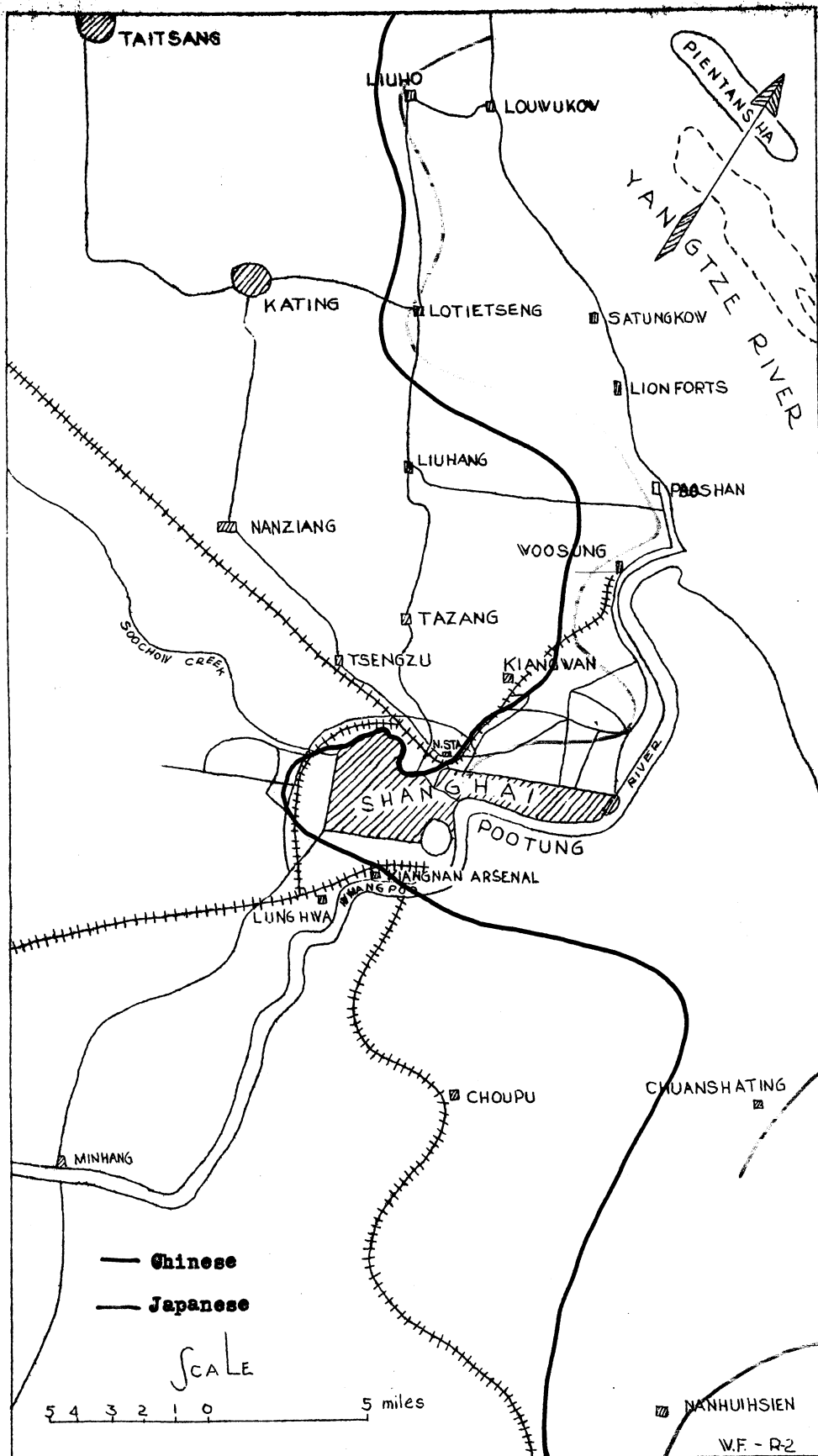
J. H. Krulak
 for R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer

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



V.F - R2

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



CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

30 August, 1937

R-2 REPORT FOR PERIOD 1800, 29 AUGUST, 1937, TO 1800, 30 AUGUST, 1937

1. Operations

There is little change in the opposing lines today. Expecting a concerted attack to be launched at any moment, the Chinese are making every effort to complete their preparations for a strong defense. We are informed that while they are trying to hold the front line at this time, the Chinese strength is being concentrated along the Taitsang-Nanziang-Kiating line. Construction of the defenses on this line were begun fully six months ago, before any indication of trouble in this area was given. Chinese troops continue to arrive, and infantry and artillery are moving steadily toward the front. The troops, numbering 18,000, which were stated in the last report to be in the vicinity of Siccawei, have moved northward. It has been definitely learned that they came from positions on the Pootung side of the river.

Last night Yangtzepoo and Chapei were quite peaceful, with a small amount of machine gun and rifle fire along the Hongkew-Chapei border. Japanese ships fired a few rounds toward Kiangwan while the North Station battery fired on the Japanese barracks and Hongkew Park.

This morning at about 1000 the flagship Idzumo^o got under way and steamed down to the north end of Point Island where she shelled the Kiangwan Race Course and the Civic Center. The Race Course buildings suffered considerable damage from the bombardment, upon the completion of which the Idzumo returned to her regular berth.

At about 1615, Japanese artillery bombarded the North Station area. One shell landed near the Municipal School, in the British sector. As this report closes a Chinese railway gun in the vicinity of Koo Ka Zah is shelling Japanese vessels in the river.

2. Aviation

Chinese planes flew over the city last night from midnight until about 0400. Only two bombs are reported to have been dropped.

Japanese planes were flying in the vicinity of the city throughout the day, in numbers varying from four to eleven. Their activities were concentrated primarily on Chapei and the Kiangwan area. Of late the Japanese planes have been free to carry on their bombing with impunity, as Chinese anti-aircraft fire is practically negligible.

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

3. Items of Interest to American Forces

The number of bombings of innocent people was increased today when a plane, reported as Chinese, dropped bombs on the SS President Hoover in the vicinity of the Yangtze River Light, despite the fact that the vessel was displaying a large horizontal American flag in addition to her regular colors. Seven members of the crew were injured,--two seriously, and three passengers stunned. Although the hull was pierced in about 25 places, none were below the waterline. The vessel is proceeding to Kobe under its own power.

Seven hundred and fifty French reinforcements arrived yesterday.

J. H. Kulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

Results of an Interview with General Chang Chih-chung, Commander-in-Chief of the Chinese Forces, Shanghai Area.

30 August, 1937.

CONFIDENTIAL

On the evening of 29th August the undersigned accompanied Colonel Chas. F.B. Price on a trip to General Chang Chih-chung's headquarters near Nanziang. Also present were Lieutenant Colonel Lovat-Frazer, British Military Attache, Colonel Sabatier, French Military Attache, and Dr. Tang-wu, who acts as liason and contact man between the Chinese command and foreign forces.

The General is rather short, slightly built, very alert, and intelligent. He seemed in the best of spirits and his face showed no signs of worry or fatigue. He answered questions quickly in excellent Mandarin. His statement in substance follows:

On the 23rd the Japanese landed at Tsetselin Forts, Chuensha and Changwhapang. They captured Paoshan and Liuho and proceeded as far as Lotien. Today, the 29th, Lotien is half in our hands and half in theirs. We have recaptured Paoshan, the Tsetsilin Forts and Liuho. They hold now only a small sector from Lotien to the coast. We have a line from Paoshan to Liuho thence to Kiatang. We plan to envelop them completely. At Changwhapang they first crossed the railroad and pushed about a thousand yards inland. We have driven them back across the railroad and they now hold only a small segment there. We hold Woosung Forts and Woosung village. There is not a single Japanese soldier there. I am informed that they landed on the Pootung side, but there are no Japanese there now.

Asked what became of Japanese prisoners of war, the General stated that they had captured very few Japanese prisoners, but those they had captured had been sent to the rear and treated well.

Colonel Price stated that world opinion was now against Japan because of the attack on the British Ambassador, and suggested to the General that the Chinese forces should not inadvertently, and through lack of proper precautions, commit some act which would cause injury to neutrals thus causing the weight of world opinion to swing back and place part of the blame on the Chinese. The General said that his forces had been ordered to be very careful to do no injury to neutral lives and property. He repeated this statement several times emphasizing the words "We are being careful".

In response to questions the General said that not a single Chinese artillery piece had yet been put out of action. He declared that the tactics and effectiveness of Japanese aircraft and artillery were far worse than he had dared hope, saying, "If they are such wonderful fighters, why have they not reached any of their objectives in six days? A landing operation which is not a success in three days is a failure." He estimated the number of Japanese troops landed at between 7,000 and a division and said that they were a combination of the 11th and 6th divisions. Asked where the Japanese air base was located, he said he thought it was on one of the small islands opposite Pootung, but did not believe it was on Tsungming Island.

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

The General closed the interview with a rather flowery speech concerning China's friendly feelings toward Britain, France and America. He stated that he did not know whether China had sufficient strength to defeat Japan, but said he felt sure that as the war went on China would have more and more friends, and Japan fewer and fewer.

During the trip to his headquarters we passed a regiment of infantry and one battery of 75MM guns moving back from the front, and one battery of 75's, and two of what looked like 4.1's moving up. The heavier guns were mule-drawn, the 75's mechanized. Many trucks were moving back and forth along the roads and signal units were stringing telephone wire in many places. Bodies of troops ranging from a platoon up to a battalion were resting by the roadside, some bound for the front, some for the rear. These men all wore uniforms quite similiar in color to our olive drab. Their rifles were of uniform pattern and approximately one man in ten carried an automatic rifle. Their packs were of uniform pattern, small and neatly made up. They all wore steel helmets which resembled the German type. Those coming out of the line did not look very dirty or even very tired.

The appearance, uniforms and general condition of these men was by far the most surprising thing about the trip to the undersigned, who has for eleven years been familiar with the dirty grey-clad Chinese soldier with nondescript pack, rifle of any pattern, dirty blanket roll, and whose principal offensive weapons were rudely made potato-masher hand grenades carried at various points about his person.

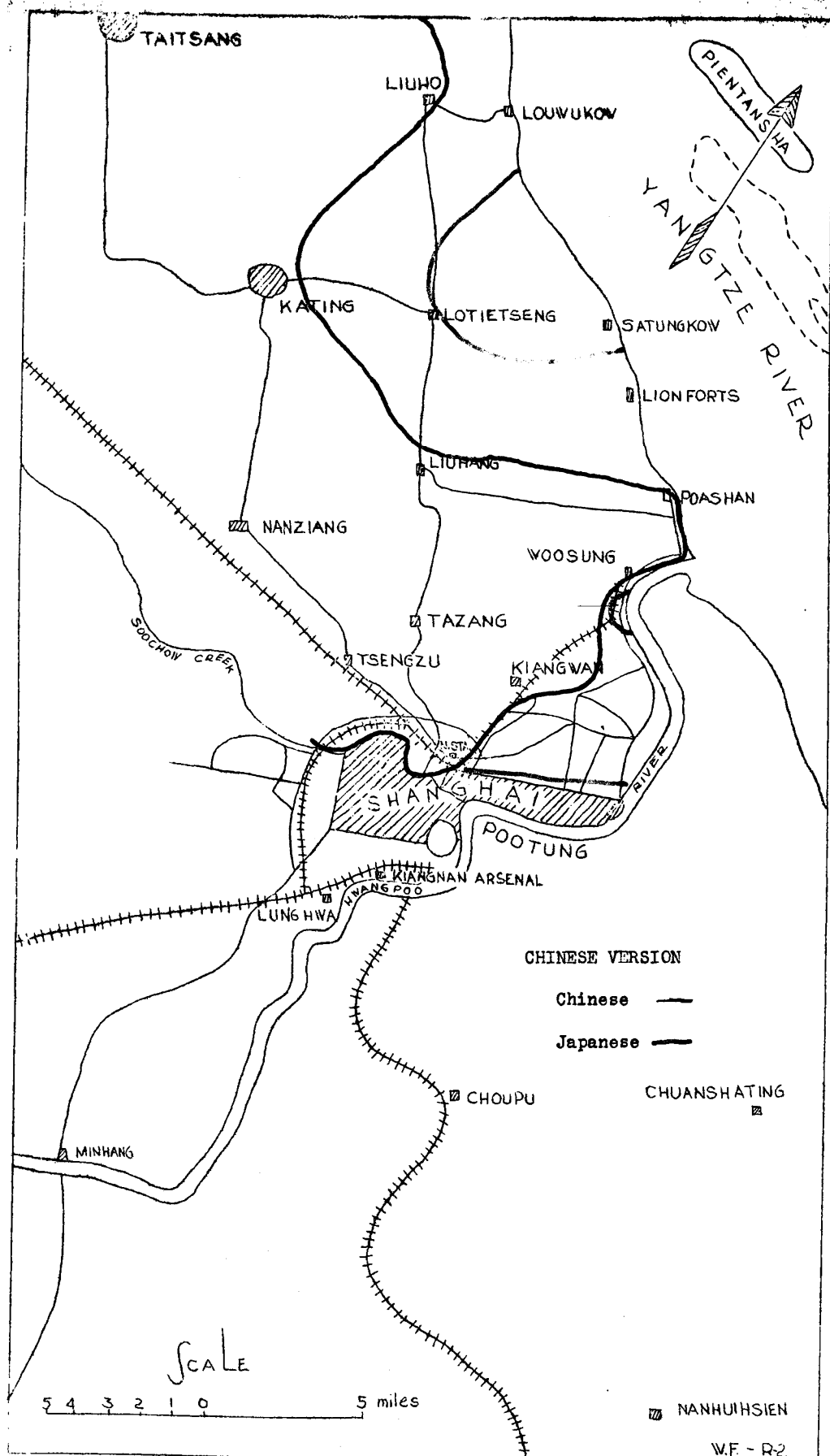
An amazing advance has been made in turning out troops which look very much like western soldiers.

The General's statement of the positions of the forces should be accepted with reserve, but this much is certain; troops which are moving artillery forward from points not over 10 miles from the Settlement limits have no immediate intention of retreating. The General and all his staff either think they are doing well, or are very splendid actors.

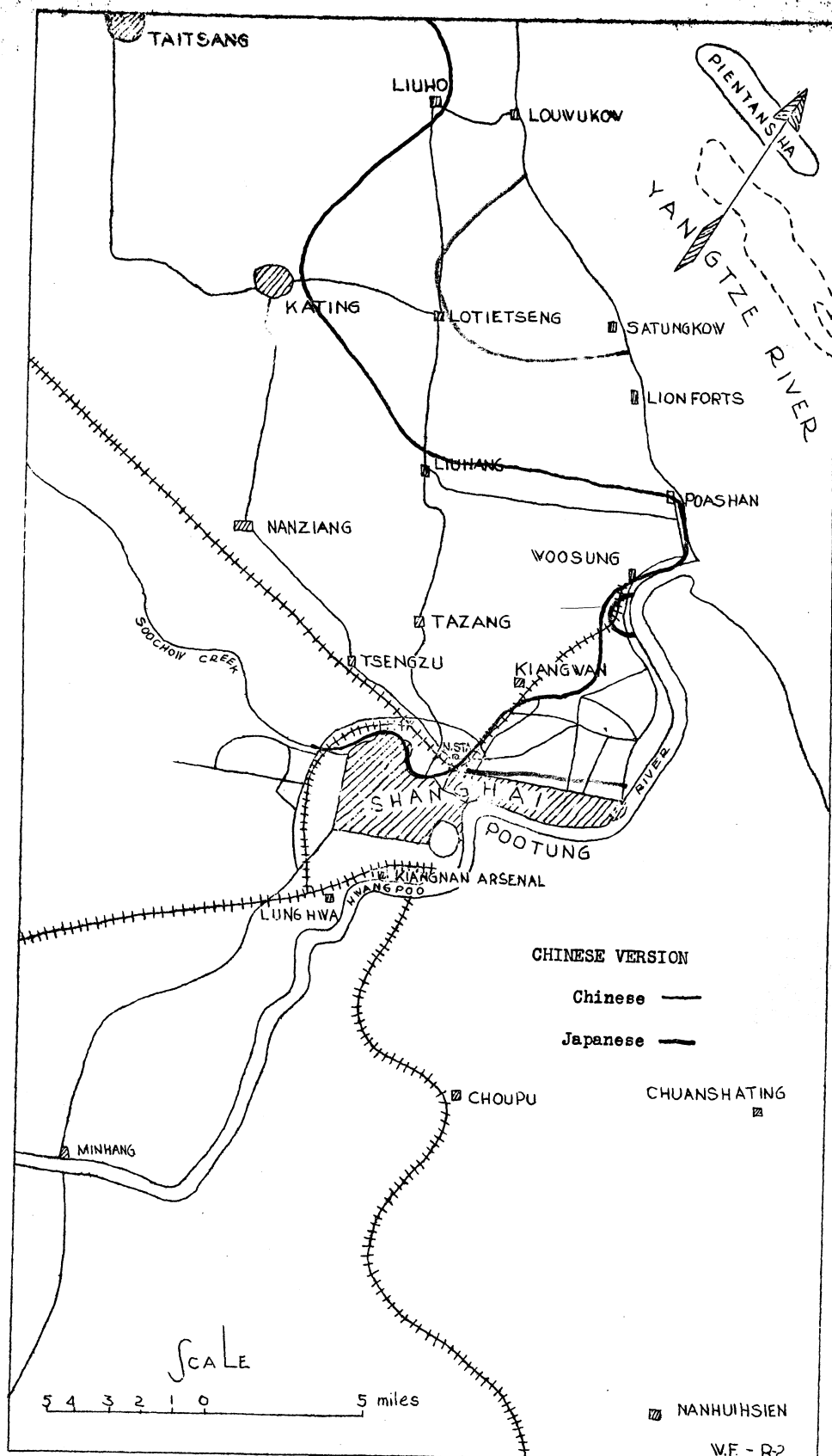
Very little devastation was noted, and the bridges on the Chung Shan and Nanzhang roads were all in good condition.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps.

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



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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

31 August, 1937

R-2 REPORT FOR PERIOD 1800, 30 AUGUST, TO 1800, 31 AUGUST, 1937.

1. Operations

The military situation remains practically unchanged. The Japanese drive which the Chinese anticipate has not yet begun although fighting is now in progress at several points.

Japanese preparations for their major offensive are still progressing. Once ashore, they are severed from their shipboard base of supplies, so it is imperative that munitions and supplies of all descriptions be landed to support the attack. Today twelve transports, anchored off the mouth of the Whangpoo, were disembarking troops just above Woosung Creek, apparently preparing for an attack against Changwhapang.

Last night and this morning there was considerable fighting in the vicinity of Paoshan and Woosung, and several fires were visible around the Tsetselin Forts.

In Shanghai there was a period of heavy fighting in the Hongkew area during the night. Japanese artillery fired into the Markham Yards, while the Chinese battery near North Station fired, as usual, on the Japanese barracks and Hongkew Park. At about 2230, Japanese ships in the vicinity of Point Island began an intensive bombardment of Kiangwan and the Civic Center, the firing lasting until midnight. Desultory artillery exchanges occurred during the day, Chinese shells falling at Boone and Range road in the early morning, while the Japanese batteries near the Kiangwan barracks shelled North Station and Markham Yards this afternoon.

An indication of a Japanese offensive northward through Yangtzepoc came today when a member of the Landing Party Staff requested the police to evacuate all Chinese persons living in houses in the Eastern District. According to information received from the police, they are carrying out this evacuation with assistance from the S.V.C. The Japanese Naval Attache's office has assured 4th Marine Headquarters that this order will in no way affect the personnel of the Shanghai Power Company.

2. Aviation

Chinese planes flew over the Yangtzepoc district at 0245 and 0305. Four bombs were dropped two of which failed to explode. Chinese authorities claim that their planes have been highly successful in attacking Japanese aircraft along the Yangtze coast during the past few days.

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Japanese planes were in the air intermittently during the day, dropping bombs on the Kiangwan area, Pootung, and Chapei. At 1730 two bombers released several large bombs in the vicinity of the Markham Yards. This bombing continues at time of writing.

Nine Japanese planes staged a bombing attack at Canton early this morning. They were apparently driven off by anti-aircraft fire, and, aside from causing great consternation, did little damage.

3. Chinese Troops in the Shanghai Area.

Chinese reinforcements continue to arrive in the vicinity of Shanghai. There are reported to be, at this time, 14 army divisions in the immediate area. They are the: 1st, 2nd, 11th, 24th, 36th, 56th, 57th, 60th, 61th, 67th, 78th, 87th, 88th and 98th. Besides these, units of the following are in the area;- the 3rd, 55th, 58th, 83rd, and 85th. Between Soochow, Hangchow, and Shanghai there are reported to be eight additional divisions.

4. Items of Interest to American Forces

At 1330 today, during a Japanese bombardment of the Markham Yards, a number of shell fragments and shrapnel balls fell in the Marine Sector, some landing on the roof of the Foo-Foong flour mill.

On the 30th, the S.V.C. with the exception of the Russian Regiment, reverted to the Precautionary State, with personnel prepared for duty on one hours' notice.

At 1100 the undersigned called on the Japanese Naval Attache in his office at the Pearce Apartments, corner of Boone and Chapoo roads, and arranged for passage of trucks to bring post exchange supplies out of the Yangtzepoo district. Considerable damage from shell fire was noted on North Szechuen road. The streets traversed were heavily guarded by Japanese sailors and tough looking ronins. No Chinese were in evidence.

R. A. Boone
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

1 September, 1937

R-2 REPORT FOR PERIOD 1800, 31 AUGUST, TO 1800, 1 SEPTEMBER, 1937

1. Operations

Yesterday afternoon and today the Woosung area was the scene of heavy fighting, as Japanese forces pressed the Chinese lines back to make room for the steady influx of reinforcements. By now the Japanese have cleared the snipers out of Woosung village and are free to put troops ashore in that vicinity. Additional army troops also landed in Yangtzepoo last evening, from transports which arrived yesterday. These reinforcements will undoubtedly be used in a thrust northward to hold the Chinese flank when the frontal effort from the Yangtze coast begins. Japanese sources state that when they are ready to attack, they will have fully 70,000 men in the area. This includes heavy concentrations of artillery. From the progress they are making in their preparations, it is estimated that the Japanese offensive should start between 48 and 72 hours from this time.

Around Shanghai there has been little action with the exception of some street fighting in the vicinity of the North Station and light exchanges of artillery fire. Last night the Japanese ships carried on an intermittent bombardment of the Civic Center section, and were fired on themselves by one of the Chinese long range batteries. The Japanese line which was pressed well into the Settlement last week, is now held about 3,000 yards north of the Settlement boundary. The Yangtzepoo district, now quite free of snipers, is being rapidly cleaned up by the Japanese, who are burning old shacks and getting all streets clear of debris.

Chinese troops continue to move over from Pootung toward the scene of the fighting. Last night, the last of the 57th Division (Hunanese) appeared in the Siccawei area. This particular division is accompanied by 10 horsedrawn light artillery pieces (probably 75mm). We are informed that there still remain three divisions on the Pootung peninsula near Shanghai. These are the 54th, 59th, and 94th.

2. Aviation

Japanese bombers were active during the night, dropping bombs in Chapei and near the Civic Center. Early in the evening they concentrated on the Markham Yards, and between 0300 and 0400 bombs were dropped near both the South and North Stations. At 0650 a Japanese plane dropped an incendiary bomb near the Chapei Electric Co. station No. 1 in Chapei. This afternoon four Japanese land planes dropped a large number of bombs on the Shanghai-Nanking tracks and in the vicinity of Tseng Zu.

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Frequently during the night Japanese planes released flares over the Chapei area, apparently in an endeavor to locate Chinese artillery weapons.

A lone Chinese plane appeared at about 0330, circled the area, and flew off, after receiving several bursts of anti-aircraft fire from Japanese ships.

We are informed that Madame Chiang Kai-shek has posted an offer of \$25,000 U.S. currency to any foreign pilot who will make a bombing flight to Tokyo or Osaka. Whether or not this is actually true, it fits very closely with the numerous Chinese efforts to achieve the spectacular during this campaign.

3. Miscellaneous

Reports indicate that the Chinese forces are being impeded by the activities of traitors whom the Japanese have bought over. Several prominent persons are being sought on the suspicion of recruiting coolies to assist the Japanese.

A reliable source states that the Chinese Red Army left its headquarters at Yen-an, Shensi on 10 August, bound for the North China hostilities. Credence is lent this report by the account of an eye-witness who states that in early July, the entire army,--some 30 to 40 thousand strong, was preparing to move.

There are over 4,000 wounded Chinese soldiers now in hospitals in the International Settlement and French Concession. Those recently admitted are reported to have received their wounds in the Changhwapang and Lotien areas.

4. Items of Interest to American Forces

Last night about 2000 two Chinese were discovered making light signals from the Koo Tien Chen Cotton Mill, in the Second Battalion sector. After careful investigation the two men were escorted to the western boundary of the Settlement, and set outside at the Jessfield railway crossing.

for J. H. Krulak
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

2 September, 1937

R-2 REPORT FOR PERIOD 1800, 1 SEPTEMBER, TO 1800, 2 SEPTEMBER, 1937

1. Operations

Desultory fighting has continued in the Paoshan-Woosung area during the night and today. While the Chinese drive determinedly to dislodge the Japanese holding force, Nipponese reinforcements still continue to arrive in large numbers. Yesterday there were 14 transports unloading at Woosung, and 14 more at Liuho. It is estimated that there are, at this time, 60,000 Japanese troops already ashore. Obviously the offensive is to assume extensive proportions.

An intermittent barrage was kept up on the Chinese positions in Chapei throughout the night, shells landing near the North Station, Markham Yards and at other points. Japanese batteries fired from their positions near the Kiangwan barracks. These batteries also fired into Pootung. A Chinese battery in the vicinity of Tsang Kah Zah (near the point where the Chung Shan road crosses the Nanking-Shanghai railroad) fired into the Kiangwan barracks area. After 0730 the artillery fire died down, but about 1500 Japanese men-of-war shelled Kiangwan. Commencing at 1545 Japanese batteries opened a heavy bombardment of the Paoshan road sector. Chinese batteries near the North Station and in Pootung shelled the eastern district. Several shells fell in the river. Shortly after 1600 truck-loads of Chinese troops were seen retreating in a westerly direction from the vicinity of Markham Road Junction.

During the day of September 2nd there was heavy fighting at Lotien. Indications are that Chinese troops are retreating from Lotien toward Kiating.

2. Aircraft

Japanese planes have been active throughout the period of the report and have had the air to themselves, no Chinese planes having put in an appearance. Chinese anti-aircraft fire has been energetic but ineffective. At 1830 on the 1st Japanese planes dropped four bombs on Nantao. Two were duds, one fell in the river, and one struck and destroyed a small boat loaded with refugees. Between 0200 and 0300 on the 2nd Japanese planes bombed Kiangwan. At 1415 Japanese planes bombed the area across Soochow Creek opposite Ichang Road. Bombs struck the Dah Foong Cotton Mill and the Nanking-Shanghai railroad. At about 1815 two Japanese planes dropped several bombs near the North Station.

During his afternoon press conference the Japanese Assistant Military Attache warned foreigners to keep away from the borders of Chapei and from the western boundary of the British sector. The Chinese, he alleged, were concentrating artillery near these lines, and the Japanese intended to bomb and shell them out. While every effort would be made to keep missiles from falling in neutral territory, no guarantees could be given.

The long-heralded "big Japanese push" has not yet begun, but the intensification of the artillery and air barrages indicates that it is not far distant.

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

3. Items of Interest to American Forces

This morning at 0650 a 5-inch shrapnel shell, apparently from the Japanese batteries near Hongkew Park, landed in our sector near Post #8. It did not explode. Shrapnel fragments struck several times near post 6A. Marines suffered no casualties though two Chinese were injured.

At 0215, a British post near North Tibet Road, in conjunction with the Police, stopped a large sampan that was floating downstream on the tide. It contained 77 cases of varying sizes, each containing new parts for gas masks.

The people on board the vessel,--one the manager of the Wah Lee Sze Machine Company of 112 Route des Soeurs, and one Yoh Ling-chen, Station Master of the Markham Road Station, produced an order issued by the Nanking authorities and a release order given by General Yang Hu authorizing the release of the goods from the Markham Road Yards No. 1 godown, for transportation to Nanking.

The two men stated that the masks were being taken out under cover of darkness to avoid Japanese aerial attack, and that it was the intention to tow the sampan up to Nanking, but that the vessel was swung downstream by the ebbing tide, and when stopped was merely floating with the tide. At time of writing the British forces are holding the gas masks.

We are informed on excellent authority that the Japanese army troops which have been landed in Yangtzepoo are all reservists.

R. A. BOONE
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

ANNEX "A"

~~CONFIDENTIAL~~
Report emanating from Chinese sources on the disposition of the
Chinese troops in the Shanghai area:-

Commander-in-Chief : General Chang Chih-chung

Commander of the Shanghai-Woosung sector: General Koo Tso-dong, former Commanding Officer of the Field Headquarters in Shensi, of the Chairman of the Military Affairs Committee.

Troops in this sector consist of the 36th, 87th, 88th, and 2nd Divisions. The 3rd Independent Artillery Brigade. The 13th Regiment of the Military Police. One regiment of the Pacantui. (Total strength about 50,000). General Tai Chi, formerly Soong-wu Garrison Commander in 1932 and Chief of Staff of the former 19th Route Army, has been appointed Chief of Staff to General Koo Tso-dong.

Commander of the Woosung-Liuho Sector: General Chen Cheng
Vice Minister of War.

Troops in this sector consist of the 10th, 61st, 83rd and 98th Divisions and the 20th Independent Brigade.
(Total strength about 45,000)

Commander of the Pootung Sector: General Chang Fah-kwei
ex-Commander of the former 4th Route Army.

Troops in this sector consist of the 11th, 56th and 93rd Divisions. The 45th Independent Brigade, the 2nd Independent Artillery Brigade and the 10th Regiment of the Military Police. (Total strength 50,000).

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

3 September, 1937

-2 REPORT FOR PERIOD 1800, 2 SEPTEMBER, TO 1800, 3 SEPTEMBER, 1937

1. Operations -- City

During the night of 2/3 September Japanese planes dropped many parachute flares over Chapei and occasionally bombed the Chinese positions. Artillery fire from the Hongkew Park batteries and the ships in the river was also directed at these positions. Little occurred in Chapei during the morning but in the afternoon this sector was again subjected to shelling by naval vessels. Chinese artillery in Chapei replied feebly to the Japanese bombardments. Occasionally short violent bursts of machine gun fire were heard, but no infantry attacks were launched, and there is no change in the lines in this area.

Shortly after 0900 a Japanese motor launch secured near Pootung Point, opened fire on a sampan. This precipitated a battle between Japanese ships in the river and Chinese in Pootung which continues as this report closes. The Idzumo and Japanese destroyers raked Pootung with artillery and small arms fire starting several fires near Pootung Point. The Japanese motor launch landed sailors near Pootung Point and took about 14 Chinese Customs men aboard, returning to the Idzumo. (Some of these customs men escaped by jumping overboard. It is believed that they were all eventually taken to the Customs house).

Chinese snipers and machine gunners opened fire on the Japanese vessels from concealed positions near the Pootung shore. A Chinese heavy gun located some distance to the rear suddenly went into action. The Japanese Consulate was struck several times as was a Japanese transport near the Idzumo. Shells burst at many points in the Hongkew and Wayside districts. One shell landed in Peking Road near the Bund, injuring four people. Japanese planes appeared and bombed Pootung. The Chinese artillery fire continued at intervals until late in the afternoon. At time of writing Chinese snipers in Pootung are still firing at Japanese naval vessels.

Many of the Chinese engaged in this fighting are plain-clothes men. The unexpected appearance of Chinese artillery so close to their base is very disturbing to the Japanese. The Japanese Assistant Military Attache stated in his afternoon press conference that all passes to Hongkew and Yangtzepoo issued to civilians (with the exception of pressmen) would be revoked for the time being.

2. Operations -- Country

Fighting in the Lotien district continued during the night, with the Japanese making some gains. By 1000 on the 3rd it appeared that, with the exception of Paoshan city which the Chinese still held, the Japanese occupied the line Woosung, Yanghang, Lotien, Liuho. No one is able to get any information concerning what has occurred near Lotien since 1000 except that the fighting still continues. Japanese authorities state "no further reports have been received!"

3. Items of Interest to American Forces

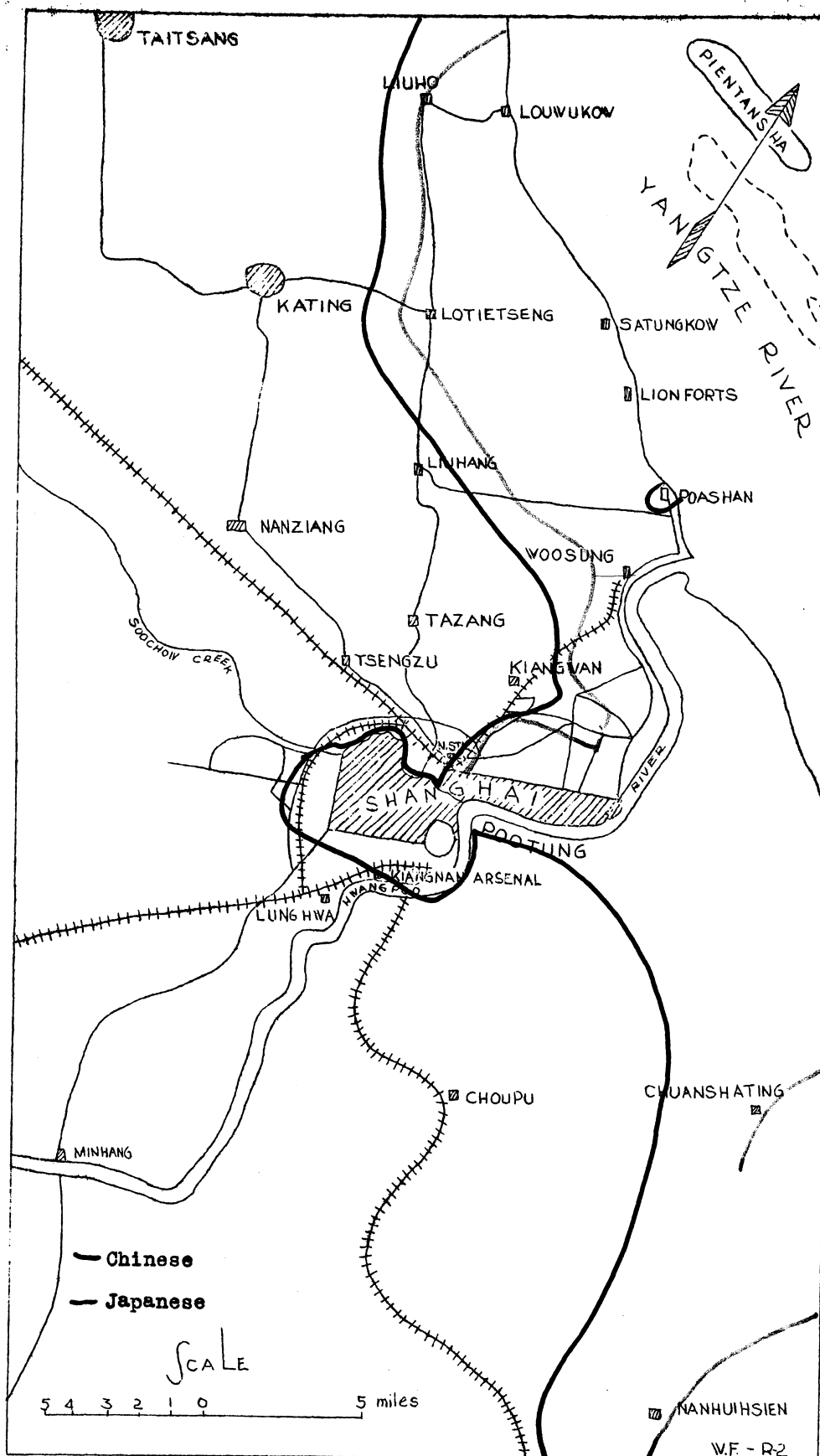
At 1835 on the 3rd an anti-aircraft shell struck the roof of Second Battalion Headquarters. There were no casualties. At about the same time an anti-aircraft shell struck Love Lane near Yates Road. Several persons were injured. Japanese planes were flying over the Settlement at the time.

4. Miscellaneous

A reliable source states that the German military advisors have for some time been absent from the clubs and their usual haunts in Nanking. Gossip in the capital is to the effect that they are in the Shanghai area directing the operations of the Chinese forces. We have heard many rumors that they were here, but have not yet talked to an eyewitness who has seen any of them.

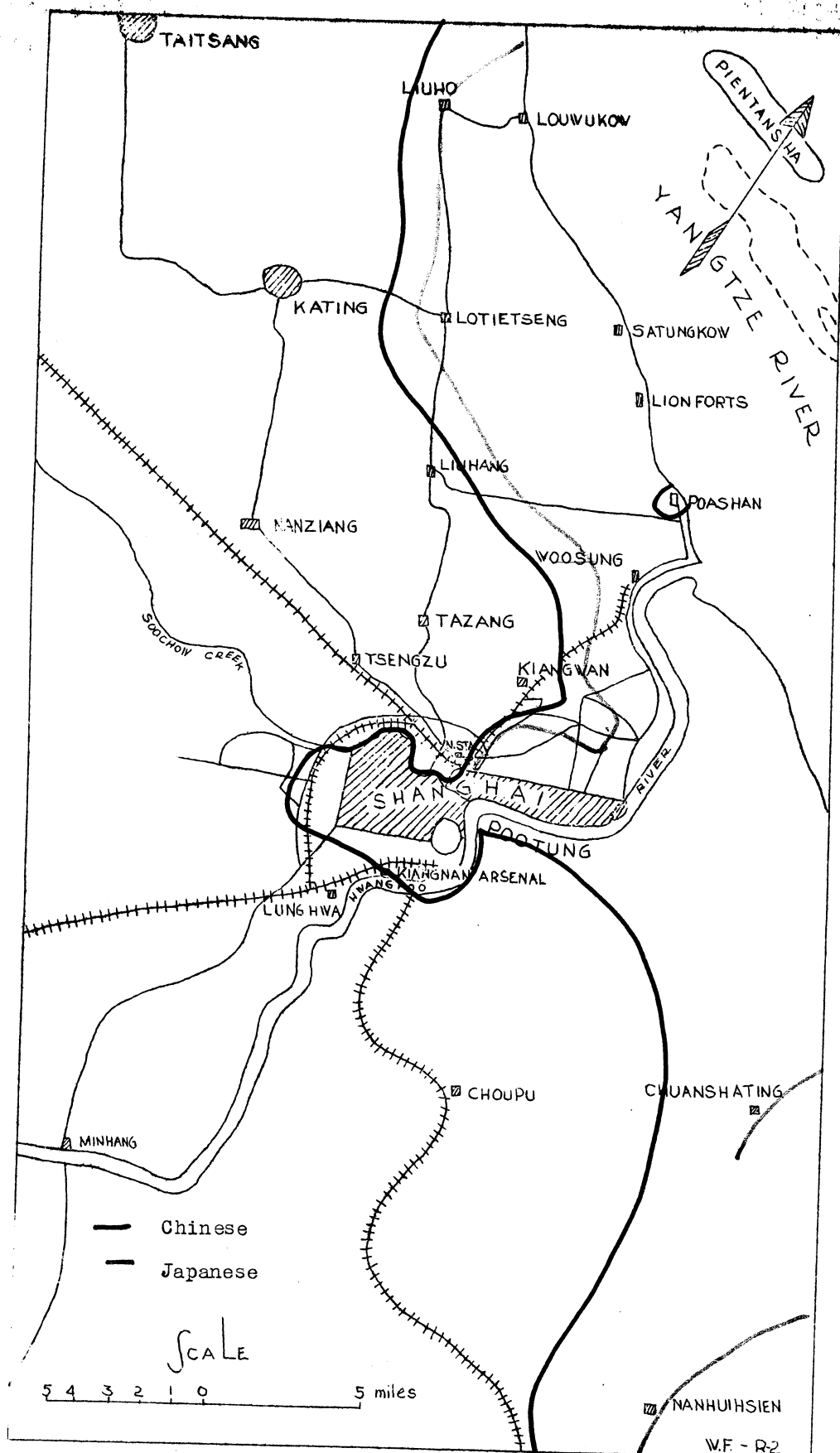
PA. Boone
R.A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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



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HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

4 SEPTEMBER, 1937

R-2 REPORT FOR PERIOD 1800, 3 SEPTEMBER, TO 1800, 4 SEPTEMBER, 1937

1. Operations

The outstanding feature of the period under review has been the intensity of Japanese aerial activities in the Shanghai area. Beginning at shortly after six this morning planes began a vigorous bombardment of the North Station sector. Several of the bombs landed uncomfortably close to the British outpost blockhouse in "B" Sector. Again at 0915 the bombers returned to attack the Markham Yards and godowns. They were successful in striking godowns #5 and #6, setting #5 on fire. During these two attacks, Chinese machine guns set up a spirited anti-aircraft barrage from the North Station area and the Cantonese Cemetery. At 1215, 4 Japanese planes, bent apparently on silencing the guns in the Cantonese Cemetery, began dive bombing attacks. The second plane to dive dropped two bombs, suddenly burst into flames, and exploded in midair. The engine and parts of the fuselage fell into Soochow Creek, while fragments were thrown over a wide area, many falling in "C" sector.

At 1355 one plane returned to bomb the North Station, while at the same time two seaplanes were dropping bombs on the Pootung point.

Operations in the lower Whangpoo and on the Yangtze coast continue in the same desultory fashion as during the past three days. The Chinese attempt, from time to time to break through the growing Japanese line, while the landing force is apparently content to suffer casualties as the price for the time required to organize their attack. The number of Japanese troops preparing to take part in the operations continues to grow beyond all expectations. This morning a dependable foreign observer counted 40 Japanese transports near the mouth of the Yangtze, and off Woosung.

The Japanese force in Yangtzepoo has received a steady flow of reinforcements and war materials, including 32 horse-drawn field guns and four airplanes. It is estimated that there are 6,000 army troops in the Yangtzepoo district, and about 7,000 members of the Landing Party.

Taking advantage of the Japanese quiescence, the Chinese have been rushing reinforcements from Soochow, Wusih, and Kashing. Units from the 2nd Division are reported to be arriving at this time. Kwangsi provincial troops have also arrived and are now billeted in the reserve areas behind Quinsan.

Last night there were recurrent bursts of artillery shells in the North Station vicinity. Several heavy shells which landed in this area were fired from ships in the lower Whangpoo, while other, smaller bursts came from the Kiangwan Barracks. At about 0330 a Chinese battery in Pootung fired into Hongkew near the Landing Party Barracks. Neither the Chinese Railway gun or the Chenju heavy battery were in action during the night.

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

2. Miscellaneous

The number of wounded Chinese in the International Settlement and French Concession hospitals continues to grow. There are now over 4,400 cases under treatment. This number represents about 85% of the capacity of hospitals now in use, although if emergency demands, more temporary stations may be set up.

3. Items of Interest to American Forces.

At 1800 a representative of the Japanese Naval Landing Party called Fourth Marine Headquarters to inquire whether the body of the pilot of the plane which crashed today had been found in our sector. Although many fragments of his ship have been found, the remains of the pilot have not as yet been discovered.

J.H. Krulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

5 September, 1937

2 REPORT FOR PERIOD 1800, 4 SEPTEMBER, TO 1800, 5 SEPTEMBER, 1937

1. Operations

Little fighting occurred in the immediate vicinity of the city during the period. Between 0400 and 0530, 5th September a Japanese battery near the Yangtzepoo police station and men-of-war in the Whangpoo shelled Chinese positions in Chapei. At about 0730 Japanese planes bombed the railway line at Jessfield and Siccawei. No damage to the line has been reported, but 30 Chinese civilians were killed and 40 injured. Japanese naval vessels shelled the Kiangwan area during the early afternoon, and at 1715 Japanese batteries were shelling the vicinity of the Chinese Central Mint close to Ichang Road Bridge. As the report closes Japanese batteries in Hongkew Park are shelling the North Station,--Chinese batteries near the station returning the fire.

Japanese planes were in evidence throughout the day, and carried out air raids on Chapei and Pootung.

Heavy fighting occurred near Woosung during the night. No advantage appears to have been gained by either side, and at time of writing it may be stated that the lines on all sections of the front to the north of Shanghai have remained substantially the same for the last 24 hours.

2. Miscellaneous

We learn that the Chinese have brought up four more divisions to strengthen the Socchow-Kunshan line. These are the 32nd, 33rd, 51st, and 77th.

The Japanese have extended their blockade of the China coast to all waters between points 34° 30' north -- 119° 50' east and 21° 33' north -- 108° 3' east.

We are informed that the Japanese Officer in Supreme Command, General Matsui, landed today at the NYK Mail Wharf, and took up headquarters at the Japanese Consulate General.

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

Many observers estimate that the Japanese have to date landed more than 70,000 troops. At least thirteen pursuit planes have been transported by motor trucks from wharfs in the Wayside district to the Japanese airfield on the Military Road. Small numbers of Japanese troops continued to land in Yangtzepoo during the day. It appears certain that the main offensive will be accompanied by a simultaneous drive from this quarter.

Further evidence of the general spread of hostilities comes with the information that the Chinese have blockaded the Min River, and sowed Swatow harbor with contact mines, while the Japanese bombed Canton, killing several hundred civilians.

for J.H. Curbish
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

6 September, 1937

2. REPORT FOR PERIOD 1800, 5 SEPTEMBER, TO 1800, 6 SEPTEMBER, 1937

1. Operations

Between 10 and 11:30 on the night of 5/6 September Japanese naval vessels shelled the North Railway Station. Chinese guns to the west of the Station returned the fire. Japanese planes dropped flares over Kiangwan and Chapei during the night. At 0515 a Japanese destroyer in the river, approximately five miles north of the Bund, shelled the Chinese positions in Pootung. Early in the morning of the 6th the Idzumo and several other Japanese ships left their moorings, proceeded to about one mile below Point Island, from which position they shelled heavily the vicinity of the Far Eastern Race Course, Kiangwan. Beginning about 0715 Japanese planes bombed the Kiangwan and Civic Center areas, Jessefield, Hungjao and Siccawei. During the morning Japanese infantry moved north from Yangtzepoo in what is described as a general mopping-up operation. Japanese planes in the afternoon bombed the Far Eastern Race Course and Kiangwan while naval vessels continued to shell Kiangwan. It is believed that the Japanese infantry attacking northward from Yangtzepoo are attempting to establish a line running from the north end of Hongkew Park to the Far Eastern Race Course. This is a preliminary move to the Japanese big push which must certainly be launched soon. As the report closes the bombardment of Kiangwan continues.

The fragmentary information available of the fighting farther to the north indicates that the Japanese are maintaining pressure on the Chinese lines all the way from Kiangwan to Liuhoh. The Chinese now admit that Paoshan has fallen. We are reliably informed however that the Chinese will hold their positions in Kiangwan and Chapei until they are forced back, or unless a dangerous break in their line in the Woosung-Liuhoh sector makes withdrawal unavoidable. The Chinese policy is to hold up the Japanese advance as long as possible at all points, but not to allow any large bodies of troops, and particularly their artillery batteries, to be trapped.

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

2. Miscellaneous

On September 5th members of the Shanghai City Government Police Bureau paid house to house visits in Nantao and ordered all residents to evacuate to the interior immediately. It is reported that when the evacuation is completed trenches and redoubts will be constructed along the Nantao Bund, and the area converted into a military zone.

3. Items of Interest to American Forces

At 1840 on the 6th, Fourth Marine headquarters received a telephone communication from Mr. Jing Ti. He stated that he was calling for General Yang Hu of the Chinese forces to ascertain if the U.S. or British headquarters had received a communication from the Japanese notifying them to withdraw from, or to keep their men under cover, in the vicinity of Range Road and North Station to avoid Japanese shell fire in that area.

He was informed that no such communication had been received by this headquarters.

Mr. Jing Ti asked British headquarters the same question and received substantially the same reply.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES,
SHANGHAI, CHINA.

7 SEPTEMBER, 1937.

R-2 REPORT FOR PERIOD 1800, 6 SEPTEMBER, TO 1800, 7 SEPTEMBER, 1937

1. Operations

During the period of the report the Japanese continued their offensive north and east from Yangtzepoo. Japanese infantry based at the Shanghai University and Jukong Wharf are attacking Chinese positions in the vicinity of the Far Eastern Race Course. They have been assisted by repeated shellings of these positions both by the Japanese batteries north of the Yangtzepoo Police Station, and naval vessels, but the Chinese are stubbornly holding on.

Between 1100 and 1130 September 6th Japanese heavy artillery at Liuho and Lotien shelled Chinese positions near Kiating. This was by far the heaviest land artillery bombardment observed to date. The batteries shelled the same sector between 0800 and 0830.

A Chinese armoured train at 1105 on September 6th, from a position about 300 yards northwest of Markham Road Junction, fired three shells in the direction of the river. A Japanese plane appeared, dropped a flare, and shortly afterward a bomb. The bomb did not strike the train. Japanese naval vessels then opened fire and the train withdrew though it was not struck.

At 1145 on the 6th a Chinese plane dropped two bombs near Japanese naval vessels lying in the Whangpoo a short distance above Woosung Creek. The vessels opened fire with anti-aircraft guns, driving the plane off.

A reliable observer who made the trip to Woosung today confirms the fighting in the vicinity of Shanghai University and Jukong Wharf. Between Jukong Wharf and the Chapei Waterworks no Japanese troops are in evidence. (They have occupied this line several times and now, apparently, do not consider it of sufficient importance to man.) At the Chapei Waterworks they are ashore in force and have artillery and machine-gun emplacements inland from the Works. They were firing heavily, and from the strike of the shells it was estimated that the Chinese line is 3000 yards from the river at this point. From the Waterworks to the railroad yards a thin line of Japanese troops were resting near the river. Large concentrations of infantry and artillery are based on and inland from the railroad yards, and the artillery was firing. The Japanese held Woosung village and forts comfortably, the observer estimating that their line was at least 1000 yards inland from Woosung village. Supply dumps of all kinds were noticed between the village and the hotel and back of the hotel two heavy guns were firing. Two large tanks were also observed back of the hotel. Troops and horses were being landed at Woosung where there were 12 Japanese transports. About an equal number of transports were observed at Liuho.

Concerning the Lotien-Liuho sector, except that heavy fighting is proceeding, we have no accurate information.

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

During most of the period Japanese naval vessels shelled Kiangwan and on several occasions Pootung. Early in the morning of the 7th 20 Japanese planes bombed Kiangwan and at 0800 one plane bombed Pootung.

Late in the afternoon of the 7th Japanese batteries in Yangtzepoo and Hongkew shelled Chapai, this bombardment continuing as the report closes. At 1800 one shell (9-inch base) ricocheted across Siochow Creek into a coal yard 50 yards east of Wenchow Road (2nd Battalion sector). There were no casualties.

2. Japanese Forces

A reliable source states that the Japanese army forces operating in the Shanghai area consist of 9 mixed brigades totalling 72,000. These are:

- The 11th and 36th mixed brigades comprising the 6th division.
- The 6th and 18th mixed brigades comprising the 9th division.
- The 29th mixed brigade of the 3rd division.
- The 21st mixed brigade of the 5th division.
- The 16th mixed brigade of the 8th division.
- The 22nd mixed brigade of the 11th division.
- The 12th mixed brigade of the 12th division.

3. Chinese Wounded

On September 7th there were 2769 wounded Chinese soldiers in hospitals in the International Settlement, and 1607 in hospitals in the French Concession.

R.A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

8 September, 1937

CONFIDENTIAL

R-2 REPORT FOR PERIOD 1800, 7 SEPTEMBER, TO 1800, 8 SEPTEMBER, 1937

1. Operations

There was extensive fighting around the North Station, in Northern Chapei, and in the Kiangwan district last night. The activity, which started soon after dark, continued until morning. Both sides were supported by almost continuous artillery fire, with the Japanese receiving assistance from their naval vessels, and from continuous aircraft spotting. Daylight found the Chinese salient toward Yangtzepoo slightly pushed back, with small arms fire silent and Japanese ships still pounding Kiangwan.

Japanese artillery near the Kiangwan Barracks fired intermittently up until about 0600, the shells falling near the junction of Chung San and Chao Tung Roads in Chapei. The fire was answered by what appeared to be a Chinese railway gun located near Wong Ka Zah.

The immediate Shanghai area was quiet throughout the day until nightfall when Japanese naval shells began to fall in northern Chapei. As the report ends there is an unconfirmed story that the Japanese have completely occupied the Far Eastern Race Course.

There were determined encounters during the night in the Jukong Wharf area, where the Japanese have been steadily landing both troops and supplies. Action is also reported at Wentsaopang and at Liuhan, where, an eye-witness declares, a well co-ordinated Chinese counter attack was successful in driving the Japanese front line troops from their trenches. It is quite apparent that the Japanese have by no means over-estimated the Chinese strength, nor has their decision to bring so many troops to the attack been in the least faulty. (It is estimated that the Japanese have now in this area over 75,000 men, along with artillery and heavy tanks).

The Japanese threat at Kiaochiao, and other points east of the Whangpoo has apparently stopped any further withdrawal of Chinese from the Pootung peninsula. It is reported that troops are being brought into this area from Kashing, and members of the 67th Division, known to have been on the Lotien front two weeks ago, are now in Pootung. From residents of this area come numerous complaints of looting and pillage.

Heavy cargoes of Japanese war supplies continue to be landed in Yangtzepoo. The airplanes mentioned in previous summaries to have arrived are reported to make up the Third Aviation Regiment (72 pursuit planes).

The landing of Japanese troops on the Yangtze coast has apparently not been without casualty to their material. A foreign observer declares that he has seen sunken hulks of four of the armored Japanese landing boats.

2. Aerial Operations

During the night, except for a few bombs dropped near Kiangwan village, Japanese aircraft in the vicinity of the city confined itself to spotting for artillery and dropping flares in search of troops in the Jessfield-Siccawei area.

It is reported that Nipponese planes were also active in the vicinity of Liuhong and Wentsaopang, where a number of bombs were dropped into Pootung.

Yesterday Japanese aircraft carried out another bombing attack on the Amoy fortifications and radio station.

Shortly after five o'clock this afternoon the Japanese airdrome near the Shanghai Baptist College sustained several direct hits from Chinese artillery.

At about 1910 today one or more Chinese planes dropped bombs in an effort to strike Japanese ships in the river. They were met by a heavy barrage of anti-aircraft fire from the naval vessels and the Kiangwan Barracks.

3. Miscellaneous

It is reported that the Chinese cruiser Pinghai, now under construction at the Kiangnan Dockyard, has been badly damaged by aerial bombs. The machinery and armament for this vessel were purchased from Japan before the beginning of hostilities.

Some 250 troops from the 55th Division are reliably reported to be still billeted in and around the Nikka Cotton Mill, on Pootung point, despite the heavy bombardment this area has received. The unit is said to be equipped with six machine guns.

The number of wounded Chinese soldiers being cared for in Settlement and French Concession hospitals as of today is 4,203, somewhat fewer than yesterday.

It was rumored this morning that the 88th Division would move out from the Chapei area to the front lines. This has been supported by unusual activity in movements of troops in the Chapei area this afternoon, and by the appearance of large numbers of City Government Police there this evening.

R. A. Boone
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

SUMMARY OF JAPANESE NAVAL FORCES NOW MAINTAINING THE CHINA COAST
BLOCKADE

SECOND SQUADRON

Commander-in-Chief: Vice Admiral Zengo YOSHIDA.
Chief-of-Staff : Rear Admiral Gunichi MIKAWA.

FOURTH DIVISION

Cruisers "Takao" (Flagship)
"Maya"

(FIFTH DIVISION

Rear Admiral Soichi KOBAYASHI.
Cruisers "Nachi" (Flagship)
"Haguro"
"Ashigara"

SECOND DESTROYER FLOTILLA

Rear Admiral Ikuta SAKAMOTO.
Cruiser "Jintsu" (Flagship)

Seventh Destroyer Division

Destroyers "Ushio"
"Akebono"
"Obori"

Eighth Destroyer Division

Destroyers "Fugiri"
"Asagiri"
"Amagiri"

Nineteenth Destroyer Division

Destroyers "Shikimani"
"Uranami"
"Ayanami"

SECOND SUBMARINE FLOTILLA

Rear Admiral OMADA.
Transport (Submarine depot ship) "Jingei" (Flagship)

Twelfth Submarine Division

Submarine "1-68"
"1-69"
"1-70"

Twenty Ninth Submarine Division

Submarine "1-65"
"1-66"
"1-67"

SECOND CARRIER DIVISION

Rear Admiral Rokuro HORIE.
Aircraft Carrier "Kaga" (Flagship)

Twenty Second Destroyer Division

Destroyer "Minazuki"
"Sazuki"
"Fumizuki"
"Nagatsuki".

TWELFTH DIVISION

Rear Admiral MIYATA
Aircraft Tender "Kamaoi" (Flagship)
Mine Layer "Okinoshima"

Twenty Eighth Destroyer Division

Destroyers "Asanagi"
"Yunagi"

THIRD SQUADRON

Commander-in-Chief: Vice Admiral Kiyoshi HASEGAWA.
Chief-of-Staff : Rear Admiral Rokuzo SUGIYAMA.

TENTH DIVISION

Cruisers "Idzumo" (Flagship)
"Tatsuta"

ELEVENTH DIVISION (YANGTZE FLOTILLA)

Rear Admiral Umatemo TANIMOTO.
Gunboats "Ataka" (Flagship)
"Toba"
"Seta"
"Katada"
"Hira"
"Hozu"
"Atami"
"Futami"
"Kotaka"
Destroyers
"Kuri"
"Hasu"
"Tsuga"
Mine Layer
"Yaeyama"

FIFTH DESTROYER FLOTILLA

Rear Admiral Masakichi OKUMO.
Cruiser "Yubari" (Flagship)
Gunboat "Saga".

Thirteenth Destroyer Division

Destroyers "Wakatake"
"Kuretake"
"Sanaye".

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Sixteenth Destroyer Division

Destroyers "Fuyo"
"Kerukaya"
"Asagao"

Tenth Destroyer Division

Rear Admiral Masasuke SHIMOMURA.
Cruiser "Tenryu" (Flagship)

Fourteenth Destroyer Division

Destroyers "Kiku"
"Aoi"
"Yugao"

Twenty Sixth Destroyer Division

Destroyers "Kaki"
"Nire"
"Ashi".

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

CONFIDENTIAL
HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

9 September, 1937

R-2 REPORT FOR PERIOD 1800, 8 SEPTEMBER, TO 1800, 9 SEPTEMBER, 1937

1. Operations

During the period of this report there has been a distinct lull in the fighting on the Woosung-Lotien front. The Japanese are still bringing in troops and supplies in large quantities. Today an eye-witness counted thirty transports in and around the mouth of the Whangpoo. Horses and supplies were being unloaded at Woosung village.

Fighting was observed today in the vicinity of the Jukong Wharf, with Japanese troops having advanced no more than 200 yards inland. This totally discredits the unconfirmed report in yesterday's summary which stated that the Japanese had occupied the Far Eastern Race Course.

In the immediate Shanghai vicinity there was an intermittent exchange of artillery fire throughout the night. The Chinese railway gun, active again, fired into the Whangpoo from several points south of Tseng Zu. Other Chinese batteries in northern Chapei fired into Hongkew Park and Yangtzepoo.

During the day the city area was comparatively quiet until about 1400, when the Japanese light artillery batteries near the Kiangwan Barracks began firing into Chapei. A number of projectiles fell in the Settlement. At about 1735 one fell at the intersection of Kiangse and Foochow roads, and one in front of the American Club. Nine persons are known to have been injured by these two missiles. At time of writing the bombardment of Chapei continues.

Japanese naval vessels continued their customary bombardment of Kiangwan and the Civic Center area. Small arms fire in Chapei and Hongkew was light during the night, and stopped at daybreak.

2. Aerial Operations

The most important developments of the period occurred in the air. Following the attack made shortly after 1900 last night by Chinese planes, they returned again at shortly after midnight and again at about 0200, dropping bombs on the Whangpoo, and in the vicinity of the Japanese airdrome near the Shanghai Baptist College. It is rumored that one Japanese vessel was damaged by the attack. Despite the heavy anti-aircraft fire coming from the naval vessels, no Chinese planes have been reported hit.

Japanese planes were in the air intermittently during the night, spotting for artillery and reconnoitering over the Siccawei area. At about 0110, Japanese planes dropped 5 bombs near the North Station. This morning, shortly after 0700 Japanese planes bombed the southern outskirts of Nantao. Bombs fell around the Kiangnan Arsenal, and in the vicinity of the Shanghai-Ningpo Railroad tracks. Later in the morning Nipponese bombers attacked the Civic Center area, and the Chinese lines behind the Far Eastern Race Course.

Several handbills dropped from Japanese planes have been picked up in the French Concession today. In general they exhort the Chinese people to desert the Nanking Government and rise in revolt.

3. Items of Interest to American Forces

At 1545 and shortly thereafter nine 72-millimetre shrapnel shells fell in the Second Battalion sector near the Foo Hsing Flour Mill and at the junction of Wuting and Carter Roads. Three were duds. Thirteen Chinese are known to have been injured. From the angle of fall of the shells it was judged that they were fired from the Japanese Naval Landing Party battery back of the Kiangwan Road barracks. The Japanese Naval Landing Party was communicated with and the Chief of Staff, Captain Fujita, accompanied by a civilian interpreter, Mr. Tsujino, came to 4th Marine Headquarters. Colonel Price informed them that he could not allow them to go to our front lines to investigate the matter on the spot. They asked to take one of the shells to their barracks for examination, and the shell was loaned to them for this purpose. Mr. Tsujino returned at 1745. He said, "This is our shell. Our Commanding Officer is very sorry. He has issued orders to our men to be more careful."

At 2000 on the 8th the Chinese constructed a barricade across Soochow Creek near Wuchen Bridge. They stated that the reason for this action was their fear that the Japanese would attempt a move up Soochow Creek.

At about 1700 a base plug of a shell struck near Post No. 4. The plug was 3 inches in diameter.

4. Miscellaneous

There have been large numbers of Chinese "irregulars" reported around the Nantao Bund, where there are now a number of heavy sandbag emplacements.

The Chinese are reported to have constructed blockhouses between the Jessfield and Siccawei stations as a defense against a possible Japanese landing on the Nantao Bund.

The number of wounded under treatment in Settlement and French Concession hospitals is further reduced today by about 70.

RA 73001
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES,
SHANGHAI, CHINA

10 September 1937.

R-2 REPORT FOR PERIOD 1800, 9 SEPTEMBER TO 1800, 10 SEPTEMBER 1937

Operations

The bombardment of Chapei, which was proceeding at the close of the last report, continued during the early part of the night, being supplemented by machine-gun fire from the top of the Japanese barracks. At 2335 and again at 0035 Chinese planes appeared over Yangtzepoo and the Bund area and were driven off by heavy anti-aircraft fire. The Japanese used searchlights in an effort to locate the planes but were unsuccessful in this attempt. Between 0620 and 0926 Japanese planes bombed northern Chapei and Kiangwan several times. At 1153 Chinese artillery in Pootung opened fire on the Yangtzepoo and Hongkew areas, several shells landing near the Japanese Consulate and the hospital ship Asahi Maru. At the same time Chinese machine-guns located near Pootung Point fired heavily on Japanese destroyers in the river. These vessels shelled and machine-gunned Pootung. Japanese planes took the air over Pootung whereupon the Chinese artillery became silent. This battle continues at time of writing, the naval vessels firing into Pootung and heavy Chinese machine-gun fire coming from Pootung Point. Japanese planes left the area several times during the day, whereupon the Chinese artillery promptly reopened fire, ceasing fire on the reappearance of the planes. At about 1300 Japanese batteries in Hongkew Park and Yangtzepoo began shelling Chapei and Kiangwan, this bombardment continuing as the report closes. A small calibre Chinese anti-aircraft battery near the North Station has been firing at Japanese planes both on the 9th and 10th. A shell from this battery landed in the compound of the Central Police Station. It was undoubtedly shells from this battery which struck near the American Club and at the corner of Kiangse and Foochow Roads on the 9th. Another Chinese anti-aircraft battery is located near the Kiangnan Arsenal.

Japanese infantry are pressing close to the Far Eastern Race Course but it is still in Chinese hands. In the Lotien-Woosung sector the Japanese offensive continues and some small gains have been made, although the cost in casualties has been heavy.

Yuehpo is reported captured by the Japanese. The force advancing from Paoshan is well past Yanghang and troops pushing forward from Woosung are reported in the vicinity of Miaohang.

Reinforcements

Japanese reinforcements continue to arrive. On the 9th four transports came alongside docks in the Yangtzepoo district, and unloaded army troops and 32 field pieces. On the 10th a

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

battalion of infantry was observed disembarking at the same point. These troops were fired on by Chinese batteries in Pootung. At Wosung the Japanese were today disembarking horses and supplies.

Miscellaneous

A Chinese Special Service Group is operating in and around Shanghai with the mission of finding and exterminating traitors. The Group, composed of thugs and gunmen, operates in sections of twenty. One, apprehended by the police, declared his section to be attached to the 88th Division.

There are reported today to be 4287 Chinese wounded under treatment in Settlement and French Concession hospitals. Since yesterday 111 convalescents have been taken out of the Settlement and sent to points behind the Chinese lines.

It is reported that the Japanese admit the prevalence of Cholera among their troops, and that they accuse Chinese agents of spreading the disease within the Japanese lines.

Items of Interest to American Forces

The Fourth Marines requested of Chinese Garrison Headquarters that the Soochow Creek blockade be opened in the daytime and closed at night. In compliance with this request, the boom at Woonen Bridge was opened today at 1100, and the creek blocked again at about 1800.

7. 44 1000
102 R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

11 September, 1937

REPORT FOR PERIOD 1800, 10 SEPTEMBER TO 1800, 11 SEPTEMBER, 1937

1. Operations

Following an intensive bombardment of the Chinese positions before dawn, the Japanese launched a determined offensive in the direction of Liuhang early this morning. The attack continued unabated throughout the day, and latest reports indicate that the Japanese have made some progress. Should this assault prove even moderately successful, the Chinese troops holding the Civic Center and Far Eastern Race Course will find themselves in a narrow salient with Japanese forces on either side.

There was considerable activity during the night and today in the Woosung area. Fighting continues near the Far Eastern Race Course, which is still in Chinese hands, although the Japanese line is within 200 yards of the area. Japanese forces now have crossed the Military Road at all points between Woosung and Yangtzepoo.

During the past 24 hours the immediate Shanghai vicinity saw more activity than it has for the past five days. In the area along the northern border of Yangtzepoo and Hongkew there was heavy rifle and machine gun fire continuing throughout the night. Although the Japanese claim to have moved well north of the Settlement in this district, it is apparent that their line rests very close to the Settlement boundary. They have not yet succeeded in completely clearing this area of snipers. There was recurrent small arms fire in northern Chapei and in the vicinity of the North Station during the night. Japanese artillery in Hongkew Park fired on the North Station and the railroad tracks to the westward, while Chinese batteries in northern Chapei directed their fire into Yangtzepoo. From time to time during the night the Pootung batteries fired a few rounds at the Japanese ships in the river. During the day batteries in Hongkew Park shelled the North Station, and as darkness fell both artillery and small arms fire became audible from both sides.

2. Aerial Operations

As on the night before, Chinese planes made three air raids last night at about 0005, 0040, and 0350. They dropped a number of bombs, apparently in an attempt to hit the naval vessels and the Japanese airdrome. Each attack was met by intensive anti-aircraft fire from the Japanese ships and the Landing Party Barracks, but the attacking planes succeeded in making their escape. From all that can be learned, the raids resulted in no damage to either the Japanese ships or the airdrome.

Japanese planes were not in the air last night, but were active shortly after daybreak, dropping bombs near Kiangnan Arsenal, and a large number in Pootung. Later in the day they bombed in Chapei near the Cantonese Cemetery, during which raid they were met with heavy anti-aircraft fire from the North Station area. A large number of these shells (a little over 1 inch in diameter) fell in the Settlement, and many casualties have been reported.

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3. Reinforcements

Japanese troops are still unloading at Moosung and at the Shanghai Conservancy Dock, along with large quantities of munitions and supplies. Two transports, carrying a few troops and heavy cargoes of supplies were unloaded yesterday in Yangtzepoo.

Chinese reinforcements have been arriving at Lunghwa from the south for the past few days. Among the arrivals have been units of the 15th and 46th Divisions.

4. Miscellaneous

Chinese troops occupying the sector west of the Yu Ya Ching Bridge continue to strengthen their trenches facing downstream. These trenches are a further precaution against a Japanese attack up Soochow Creek.

There were 4,120 wounded Chinese soldiers under treatment in French Concession and International Settlement hospitals today. 61 convalescents were sent out of the city.

The evacuation of refugees continues at the rate of about 4,000 a day. It is estimated that 200,000 of these still remain in the city.

for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

12 September, 1937

CONFIDENTIAL

R-2 REPORT FOR PERIOD 1800, 11 SEPTEMBER TO 1800, 12 SEPTEMBER, 1937

1. Operations

During the night of 11/12 September and the balance of 12th September the Japanese artillery in Hongkew and Yangtzepoo supported by naval vessels in the river shelled the North Station, Paoshan Road and the Civic Center area. The barrage has not been continuous, the batteries remaining silent for long periods then suddenly opening up with short bursts of fire. Rifle and machine gun fire north of the Settlement boundary in the Yangtzepoo sector shortly before midnight indicated infantry fighting in this area. Chinese planes appeared over the river and Yangtzepoo at approximately 1915, 1930 and 2240. A number of bombs were dropped but no military objective was struck and the planes were driven off by anti-aircraft fire. During the day Japanese planes bombed the Civic Center several times. At about 1400 a Japanese plane bombed Pootung. This area was also subjected to intermittent shelling and machine gun fire.

While maintaining pressure on the Chinese positions in the city and adjacent sectors the Japanese continued their offensive along the Liuho-Woosung line concentrating principally on a spearhead which is driving toward Kiating. At his afternoon press conference the Japanese spokesman claimed that the Chinese resistance is beginning to break at some points. (This report, unconfirmed from other sources, should be accepted with reserve). Additional Japanese reinforcements are arriving and the Japanese announce their intention of continuing the offensive and expect to have Chinese troops clear of the Shanghai area by September 14th.

Chinese forces, however, continue to strengthen their defenses in Chapei, Nantao and Lunghwa. Today the Chinese troops occupying the sector west of Yu Ya Ching Bridge were working busily on their barricades facing east, while in Nantao civilians are being conscripted by the military to dig trenches. Chinese troops are also engaged in digging trenches and constructing gun emplacements around Lunghwa.

2. Miscellaneous

At shortly after noon a fire broke out in the grass huts to the southeast of the Cantonese Cemetery. Two Japanese planes had just flown over the spot but had not been observed to drop anything. The fire spread rapidly and now covers an area of about half a mile stretching from the Cantonese Cemetery to the southeast.

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

Some time later a fire broke out across the creek from Yu Ya Ching Bridge and covers about a block adjacent to the British lines in "B" sector. A number of Chinese soldiers are trapped between this fire and the British lines.

On this date there are 4,445 wounded Chinese soldiers in hospitals in the French Concession and International Settlement.

170 150
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

13 September, 1937

REPORT FOR PERIOD 1800, 12 SEPTEMBER TO 1800, 13 SEPTEMBER, 1937

1. Operations

Events of the past 24 hours have marked the first major change in a military situation which has remained almost static for ten days. The vigorous Japanese offensive, now over 60 hours old, is progressing with considerable success in the vicinity of Liuhang and along Woosung Creek. Japanese military authorities claim to have already captured Liuhang village.

In the vicinity of Jukong Creek, the Japanese drive has finally succeeded in dislodging the defenders from the Far Eastern Race Course, thus further embarrassing the Chinese in the vicinity of the Civic Center.

Information from numerous sources points to a gradual Chinese withdrawal, from their front line positions to the strongly fortified line, Kating-Tazang, or Kating-Nanziang. One informant states that evacuation of the Civic Center has begun. It is said that the German advisors have been advocating withdrawal to the Kating line for some time. A highly reliable Chinese source admitted today that their forces were withdrawing,--"to get out of range of the naval guns." That the Chinese will attempt to keep their right flank in Chapei as long as possible is indicated by the arrival today of reinforcements and by the great activity in trench building and improving fortifications. However, any material advance on the part of the Japanese will render this position untenable.

The immediate vicinity of the city was quite calm for the period of this report. During last night there was occasional artillery fire from the Japanese barracks, shells landing in the vicinity of the Central Mint and the Markham Yards. The fire was answered by very infrequent bursts from a Chinese battery located near the remains of the Commercial Press Building. The fires which began yesterday were augmented today by an almost solid line of fire extending from a point north of the Kashing Road Station to Ying Hsiang Kong village. It is believed by many that these fires have been set by the Chinese to prepare for their withdrawal.

2. Aerial Operations

Last night, at about 1930, Chinese planes appeared and dropped bombs in the vicinity of the Japanese airdrome and around the ships in the river. The attack, which lasted about 30 minutes, drew heavy anti-aircraft fire from the Japanese warships. There was another brief raid by Chinese planes at about 2330. Chinese authorities claim to have succeeded in hitting several ships in these night raids, and although their claims are certainly exaggerated, it is believed that some damage has been done.

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

During the morning Japanese planes bombed and strafed Pootung point. In the afternoon bombs were dropped in Nantao, Kiangwan, and at several points in Chapei including the North Station.

It has been noted on numerous occasions that Japanese planes fly over the neutral areas of the city with loaded bomb racks, disregarding possibility of a premature release and the danger of falling Chinese anti-aircraft projectiles.

3. Miscellaneous

The Nanking Government continues to be assailed with instances of espionage and infidelity among trusted persons in the administration. It is reported that at this time several high officials are under close scrutiny, including Wang Ching-wei, Chairman of the Central Political Council.

There are 4,595 wounded Chinese under treatment in Settlement and French Concession hospitals today. 46 convalescent soldiers were sent out of the city in the past 24 hours.

Urban Shanghai has seen a decided reversion toward normal during the past four days, with many business establishments resuming operations. Evacuation of refugees has proceeded rapidly. Yesterday 9,000 were sent to Ningpo alone, besides many leaving by train, and others returning to the country. Municipal authorities declare that the health situation is satisfactory and improving daily.

4. Items of Interest to American Forces

The USS Chaumont and USS Marblehead are expected to arrive at Fairway Bouy about 0700, 19 September.

Japanese planes bombed the American 7th Day Adventist Hospital at Waichow yesterday. There were no Americans injured, but two Chinese medical attendants were wounded.

Y. H. Kurlak
for R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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

PERSONNEL OF GERMAN MILITARY MISSION TO CHINA

General Freiherr Alexandre Von FALKENHAUSEN (Chief of Mission)
Lieutenant General LINDEMANN (Chief of Staff)
General SPEMANN
Major General H. STARKE
Lieutenant General A. STRECCIUS
General O. HARMSSEN (Medical)
Colonel H. VETTER
Colonel H. VOIGT-RUSCHEWEY
Colonel H. WIICK
Colonel LEBSANFT
Colonel E.H. NEWIGER
Colonel H.E. NOLTE
Captain O. RAVE (Naval)
Major BAUMBACH
Major H. BERNHARD
Major R. BORCHARDT
Major BRUENDEL
Major HEINRICHS
Major F. KRUMMACHER
Major W. LINDEMANN
Major PIRNER
Major K. SPENGLER
Captain P. ADERHOLDT
Captain K. ARNADE
Captain Otto BAUER
Captain O. Von BODDIEN (Cavalry)
Captain G. BOEGEL
Captain P. HEINRICH
Captain W. LORENTZ (Cavalry)

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

Captain F. BOEHLER

Captain OEHME

Captain B. SAKMAN

Captain Von SCHMELING-DIRINGSHOFEN (Cavalry)

Captain E. SENCZEK

Captain W. STENNES (Aviation)

Lieutenant L. BAUMGARTNER (Aviation)

Lieutenant K. HARTMANN (Aviation)

Lieutenant F. HUMMEL

E. STOELTZNER (Military Engineer)

Hans BURCHARD (Warrant Officer)

K. MARTIN (Warrant Officer)

CIVILIAN ADVISORS

Adolf BAUTZ (Engineering)

Dr. G. BLUME (Chemical)

Max BRUCK (Chemist to the War Ministry)

Fr. DRAPAL

Dr. Hense (Military Law)

H. HEITMUELLER (Engineering)

Dr. E. LANDAUER (Sanitation and Hygiene)

Dr. D. HUSEMANN (National Economic Council)

H.J. Von LOCHOW (Counsellor to the Railway Ministry)

E. PECHAL (Engineer)

M. UHLIG (Engineer)

Otto WATZL (Engineer)

KWANGTUNG MILITARY ADVISORS

Colonel SACHSSE

Captain ROEDER

Lieutenant GRIEPENKERL

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

Professor Dr. SCHRETZMAYER, M.D. (Military Medical School)

Dr. HEIDE (Military Medical School)

Dr. C. REIMERS (Military Medical School)

SHIUKWAN (Kwangtung)

Major General MAYER-MADER

KWANGSI MILITARY ADVISORS

Captain HEISE

TSINGTAO (Shantung)

T. ANTOSCHOWITZ (Police)

W. BOETTCHE

SHANGHAI (Kiangsu)

Major SCHAUMBURG

Dr. POLLITZER

HSINPU (Kiangsu)

Captain V. Freiherr Von STEIN (Nanchang Barracks)

CHANGSHA (Hunan)

Dr. L. FABEL

LANCHOW (Kansu)

Dr. Otto ANSEL (Chemist)

SIANFU (Shensi)

W. FRIESE

TAIYUANFU (Shansi)

R. MUELLER (Engineer)

SIAOYI (Honan)

MEISTER (Engineer)

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

14 September, 1937

2. REPORT FOR PERIOD 1800, 13 SEPTEMBER TO 1800, 14 SEPTEMBER, 1937

1. Operations

The retiring Chinese troops have taken up positions on a line running generally northwestward from the North Station. (See attached map). The movement was carried out in an orderly fashion, bearing no resemblance to a retreat. By withdrawing from the sharp salient extending to the Far Eastern Race Course, the Chinese have materially shortened their line, and at the same time made it less vulnerable to attack. The right flank continues to rest in Chapei, and every effort is being made to strengthen the position. Reinforcing troops have been moved in, and working parties are busy digging trenches, erecting wire entanglements, and making preparations for a strong defense.

While fragmentary reports indicate that there is fighting between Kiangwan and Tazang, the Japanese have been concentrating heavily on the Chinese defenders in Chapei. This morning, following an extremely peaceful night, the Japanese batteries in Hongkew Park and Rokusan Gardens began a steady shelling of various points in Chapei. This fire, which continued throughout the day, was the heaviest artillery bombardment to which the already devastated area has yet been subjected. Shells fell almost continually along Liu Ying Road in the vicinity of Koo Ka Zah and the Chapei Electric Company Substation. At 1730 Japanese aircraft began an intensive bombing attack on the same area. One group of three dive bombers attacked the area between Liu Ying and Chung San Roads, while another group of three heavy bombers dropped large bombs in the vicinity of the Southern Baptist Mission School. It is apparent that the Japanese intend to bend every effort towards pressing the Chinese from their sheltered position in Chapei.

2. Reinforcements

This morning about 2,000 newly arrived Chinese troops were noted in the vicinity of Lungwa. They bore no insignia, and were hard at work constructing entrenchments along the east side of the Shanghai-Ningpo Railway between Lungwa and Siccawei Station.

Yesterday five Japanese Transports arrived and discharged troops and material at wharves in Yangtzepoo.

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

3. Miscellaneous

There are 4402 wounded Chinese under treatment in Settlement and French Concession hospitals today. 51 convalescents have been taken out of the city in the past 24 hours.

The Italian regiment numbering about 750 officers and men arrived this afternoon.

About 4,000 refugees left Shanghai by train and boat during the past day.

Beginning 16 September, the entire Shanghai Volunteer Corps will revert to the "Precautionary Stage".

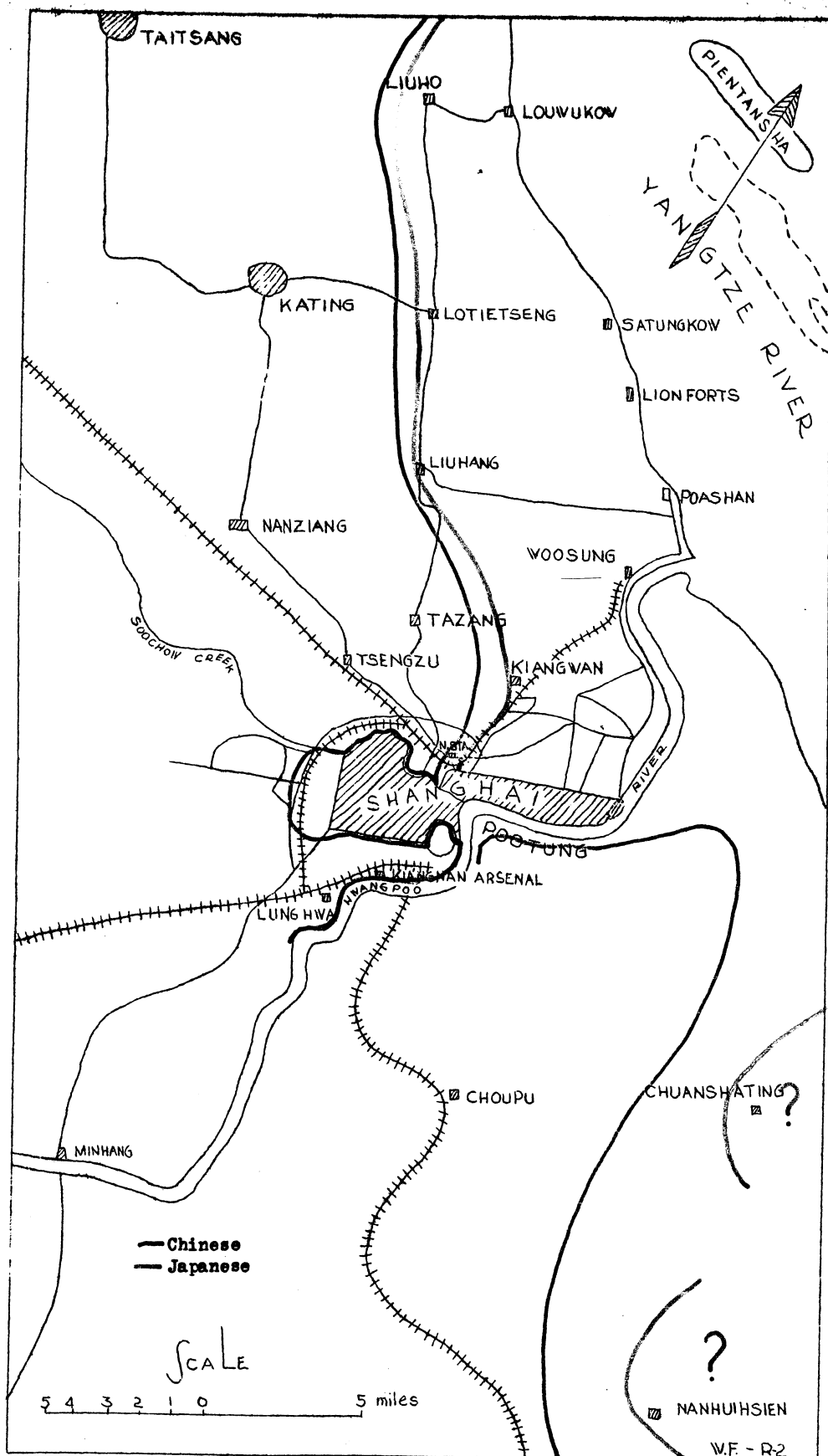
4. Items of Interest to American Forces

Lt. Col. L. Perretier, commanding officer of the French Forces in Shanghai, called on Colonel Price at 0930.

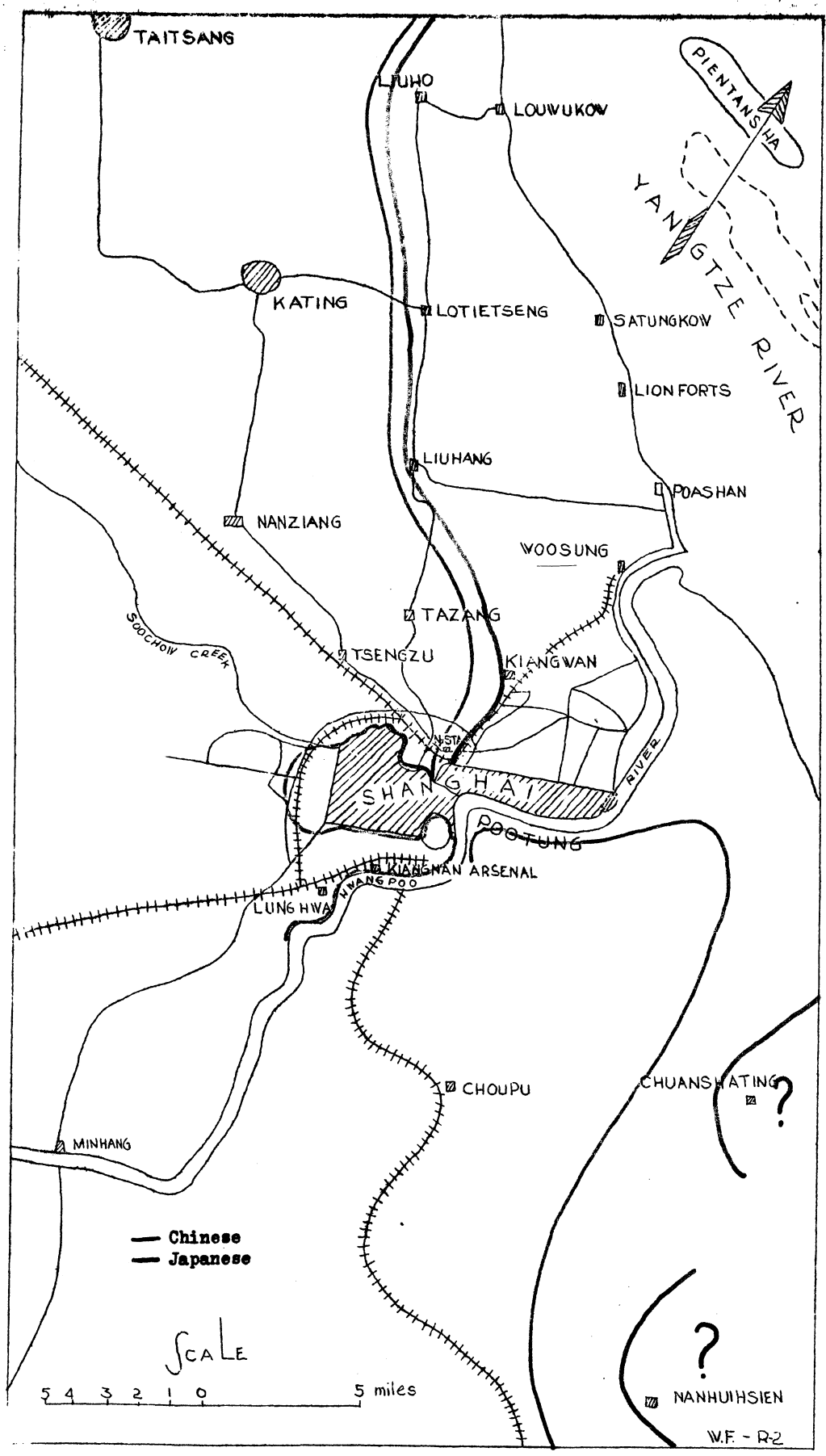
This morning shortly after 0930 a riot broke out among coolies at the Foo Foong Flour Mill. The trouble was caused by refusal of the management to accede to demands for substantial advance payments to unemployed workers.

J. H. Kulak
for R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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



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



CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

15 September, 1937

1-2 REPORT FOR PERIOD 1800, 14 SEPTEMBER TO 1800, 15 SEPTEMBER, 1937

1. Operations

Heavy rains during the past 24 hours have provided both sides with time necessary for consolidation in the new fighting area. The Japanese have been busily occupied in moving their equipment and supplies forward. Chinese forces are improving their fortifications, particularly in Chapei. It is reliably reported that the Chinese, in their withdrawal, left behind considerable quantities of war materials.

Though reports are conflicting it is believed that the Chinese still hold Kiangwan village. Otherwise there is no appreciable change in the lines from those shown yesterday.

The Japanese artillery bombardment of northern Chapei continued last night until about 2400. It was resumed again at about 0400 and continued, with intervals of quiet, throughout the day. As darkness fell, Chinese machine guns in Chapei began firing, and Japanese artillery took up a steady bombardment of Chinese positions west of Kiangwan.

Last night a Japanese patrol boat was fired on by machine guns located near Pootung Point. After a short return of the fire by the patrol boat, a Japanese destroyer fired into the area. A Japanese gunboat fired through the crowded "man of war row" last night at the apparently peaceful Nantao Bund. A number of machine gun bullets struck the Dutch destroyer Van Galen. It is possible that the attention given this area by the Japanese is caused by the growth of fortifications along the waterfront, and by the fact that there are known to be Chinese regulars in Nantao and the Chinese City.

It is reported that the headquarters of General Chang Fah-wei, the officer charged with the defense of the Kiangsu and Chekinag coasts, is at Chowpu, a village about 7 miles southeast of Pootung Point.

2. Aerial Operations

Last night at about 1830 Japanese planes bombed the area directly west of Kiangwan. After this raid there were no more Japanese planes in the air until early this morning when they made a bombing attack on Chinese positions along the Shanghai-Nanking railway. During the morning and early afternoon, Japanese planes were sighted reconnoitering over Pootung and Nantao.

At about 1930 last night Chinese planes dropped bombs near the Japanese airfield. It is not known whether any damage was done. Japanese warships endeavored to locate the attackers with searchlights and fired vigorously with their anti-aircraft batteries.

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

3. Miscellaneous

It has been consistently rumored that the Central Government is to receive Soviet aid. One report declares that a group of light bombers is being flown across the continent, and that several have already arrived in Nanking.

There are 4,265 wounded Chinese under treatment in Settlement and French Concession hospitals today. 100 convalescents have been sent out of the city in the past 24 hours.

Approximately 7,000 refugees left the city by boat and train since yesterday. To date, about 75% of the great horde of destitute refugees which descended on Shanghai have been sent away or have been assimilated into the city. Slightly over 100,000 remain.

4. Items of Interest to American Forces

Brigadier General Telfer-Smollet, Lieutenant Colonel Perretier, and Mr. H.G. Woodhead, editor of "Oriental Affairs", made a tour of the Fourth Marines lines this morning.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

16 September, 1937

CONFIDENTIAL

R-2 REPORT FOR PERIOD 1800, 15 SEPTEMBER TO 1800, 16 SEPTEMBER, 1937

1. Operations

Contrary to Chinese reports, Japanese forces in the vicinity of Lotien and Liuho have succeeded in driving farther toward Kiating, while to the southward the fighting in the vicinity of Kiangwan has produced no decisive results. Japanese artillery bombarded the area to the west of Kiangwan village intermittently throughout last night and today, but it is believed that the town is still held by Chinese troops, while the Woosung Railroad to the east of the village is a "no man's land".

Along the front extending from Honkew Park to the North Station there was heavy fighting last night. Machine gun fire was audible until morning. It appears that the Japanese now have control of the Woosung Railway between the Sikh Guardwara and the Sze Dien Road crossing. During the day Japanese artillery fired at irregular intervals on the North Station area, and on the section to the west and southwest of Kiangwan. Chinese troops in Chapei continue to strengthen their positions along the Woosung Railroad and on Soochow Creek. Supplies and small detachments of troops have been observed moving in during last night and today.

Early this morning, Chinese artillery in Pootung opened fire on the Japanese warships, but the greater number of the shells fell in Ya tzepoo. The fire was answered by a Japanese gunboat lying in the stream.

Concerning the progress of hostilities, it is the declared intention of the Japanese command to terminate the trouble in the vicinity of Shanghai as rapidly as possible. They plan to force the Chinese out of Chapei by continual bombing of the routes of ammunition and food supply, and by repeated infantry assaults. Further reinforcements are on the way,--probably from Formosa, and a landing on the Pootung side of the river to clean out the Chinese in that area is contemplated.

According to a highly reliable Japanese source, it is their desire to return their nationals to Shanghai as quickly as possible. Men with business here, who desire to return, are being permitted to do so.

2. Aircraft Operations

Last night, shortly after 1800, Japanese planes dropped bombs along the Shanghai-Nanking Railway. It is reported that the station at Nanziang was struck. After a night in which no aircraft were reported, Japanese planes were in the air this morning reconnoitering over Chapei and Pootung. At about 0930 Japanese bombers dropped several missiles on the Pootung Point. At 1045 a plane, believed to be Japanese, fell in flames in the area west of Kiangwan.

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

3. Reinforcements

Yesterday three more Japanese transports came up the river. They secured at wharves in Yangtzepoo, where troops and supplies were unloaded.

Chinese troops estimated as one division, and bearing no indentifying insignia, arrived at Lungchwa last night from Hangchow.

It is reported that the 59th, 90th, and 93rd Divisions have been transferred from Kweichow to the vicinity of Nanking.

4. Miscellaneous

There are 4,353 Chinese soldiers under treatment in Settlement and French Concession hospitals today. Based on the fragmentory and conflicting information available, we give as our estimate of casualties to date:- Chinese, between 25,000 and 30,000. Japanese between 6,000 and 7,000.

Approximately 6,000 refugees left the city by boat and train today.

5. Items of Interest to American Forces

At 1000 Brigadier Telfer-Smollet called Colonel Price by telephone and said he had just returned from a meeting of the Shanghai Municipal Council, where requests from the Chinese authorities for additional hospitalization facilities were discussed. The Council had the impression that the Chinese plan to expand hospitalization of their wounded in the Settlement to huge proportions, and thought that some limit should be put on this practise. With this in mind, the Council decided to set a limit of 5,000 wounded Chinese who could be afforded hospitalization facilities in the International Settlement. The Brigadier asked Colonel Price's recommendation on this matter. Colonel Price replied that he personally considered such limitation desirable, the number reasonable, and stated that he would discuss it with Admiral Yarnell. He further stated that in his opinion a ruling that trucks carrying wounded should enter at specified point, and should be thoroughly inspected to see that they contained only wounded men and not sick, was of great importance. Brigadier Telfer Smollet agreed and said he would take this matter up with the Council.

"G" Company relieved "E" Company on the lines at 1535 this date.

J. H. Kulak
for R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

17 September, 1937

R-2 REPORT FOR PERIOD 1800, 16 SEPTEMBER TO 1800, 17 SEPTEMBER, 1937

1. Operations

Although the continued rains have seriously hampered operations, Japanese artillery, assisted by fire from naval guns carried on a steady bombardment of the Chinese positions throughout the night. Shells from the Landing Party Barracks fell frequently in the North Station area and around the Markham Road Junction, while others fired from the Civic Center and from Japanese warships fell in the area southwest of Kiangwan village. The bombardment was particularly heavy from 0100 to 0215 and continued intermittently thereafter until morning. Rifle and machine gun fire were heard continually during the night.

Heavy Japanese artillery fire is reported in the Luihang-Lotien sector and Japanese forces claim to have advanced steadily in this area. While Chinese communiqués continue to report the recapture of Lotien, the Japanese insist that their troops are well to the west of the village, pushing toward Kiating. It is believed however that the Japanese are actually in possession of Lotien.

This morning about 0800 Chinese snipers on Pootung Point fired on a Japanese gunboat. The vessel replied with shellfire which was directed at the area in rear of the M.B.K. Wharf. Except for an occasional artillery shell, the area around the city was quiet during the day. At about 1730 bursts of machine gun fire were heard in the North Station area, and as the report closes Japanese artillery in Hongkew Park has begun shelling northern Chapei.

Chinese troops continue to work on defense positions in Chapei, particularly around the North Station. Today soldiers were observed digging tank-traps in the streets in this area. There is also considerable activity in Nantao where men in plain clothes, - believed to be soldiers, are building sandbag breastworks and digging trenches.

It is reported that Chiang Kai-shek is seriously considering ordering a withdrawal of the Chinese defenders to one of the stronger defense lines farther inland, and that in the event of such movement certain important Chinese officials in Shanghai have been instructed to leave the foreign areas and move to Kunshan.

The Chinese troops that were reported in the vicinity of Lungwa yesterday have taken up billets among the farm-houses around Siccawei and Yin Ka-zah. They wear plain clothes during the day and state that they have not yet seen action in this area.

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

It has been consistently reported that heavy Japanese reinforcements have been landed somewhere along the bank of the Yangtze, - probably north of Liuho.

2. Aircraft

Today Japanese aircraft reconnoitered Kiangwan and Pootung. In the Pootung area they were seen to employ the expedient of dropping missiles believed to be stones on areas where Chinese soldiers were suspected of being concentrated. The Chinese, fearing the stones to be bombs or grenades, would attempt to flee, and would then be strafed by a second Japanese plane.

3. Miscellaneous

There are 4,285 wounded Chinese under treatment in French Concession and International Settlement hospitals today. In connection with the treatment of these soldiers the Shanghai Municipal Council, in consultation with the French authorities, has decided that no more wounded soldiers can be admitted within the defense lines owing to the danger of cholera.

Soldiers found within the defense lines will be escorted over the nearest barrier consistent with their safety. This includes Merchant Volunteers and others in uniform.

4. Items of Interest to American Forces

Today at 1500 Colonel Price accompanied Lt. Colonel Perrieretier on a tour of the defenses of the French Perimeter.

J. H. Kulak
for R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

18 September, 1937

CONFIDENTIAL

R-2 REPORT FOR PERIOD 1800, 17 SEPTEMBER TO 1800, 18 SEPTEMBER, 1937

1. Operations

Continued rains during most of the period prevented large-scale military activities. During the night machine-gun fire was heard in the vicinity of the North Station. Beginning at 0600 on the 18th Japanese batteries near the Japanese Naval Landing Party Barracks shelled the North Station, Markham Yard Junction, the Cantonese Cemetery, and the area southwest of Kiangwan. The shelling was heavy during the morning and continued intermittently throughout the afternoon. Chinese batteries near the North Station and north of Markham Roads replied occasionally. A Chinese gun was also observed in the Cantonese Cemetery. At 1312 Japanese naval vessels joined in the shelling of the area southwest of Kiangwan.

During the day Japanese planes bombed the Liuhong Radio Station, Chapel, Kiangwan and Pootung.

Fighting continued on the Woosung-Liuho line though no general offensive was conducted during the period. We learn that, Chinese reports to the contrary notwithstanding, the Japanese have advanced to a point about one and one half miles west of Lotien.

There has been no appreciable change in the lines for the past 24 hours.

2. Miscellaneous

Two Japanese transports and one N.Y.K. freighter berthed at wharves in the Wayside district shortly after noon on the 18th. About 2,000 troops disembarked and supplies were unloaded.

Madame Chiang Kai-shek arrived in Shanghai from Nanking at 1100 September 18th by road.

On September 17th 7,800 refugees left Shanghai.

On September 18th there were 4,090 wounded Chinese soldiers in hospitals in the International Settlement and French Concession.

3. Items of Interest to American Forces

At 0715 on the 18th Japanese Naval Landing Party Headquarters called Fourth Marine Headquarters by telephone and delivered the following message. "Chinese are firing at us from the Cantonese Cemetery. We are delivering a barrage on them. We request that you withdraw your men to places of safety." Colonel Price refused to withdraw his men as requested.

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

At 0810, Captain Fujita, Chief of Staff of the Japanese Naval Landing Party, accompanied by an interpreter, came to Fourth Marine Headquarters and asked us to request the Chinese to move their guns from the vicinity of the Cantonese Cemetery. Colonel Price wrote a letter to the Chinese command, briefly describing the circumstances, and recommending that they move batteries of artillery to such a distance from the International Settlement perimeter as necessary, in order to eliminate the probability of shells and bombs directed at such batteries falling in neutral territory. This letter was sent to British Military Headquarters and forwarded by British Headquarters to the Chinese Command. At about 1530 Fourth Marine Headquarters received a telephone communication from the Chinese command saying, in effect, that the affair would be investigated and the guns would be moved.

Brigadier Telfer-Smollett, Commanding British Forces, Shanghai has been promoted to Major General, as of 15th September.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

19 September, 1937

P-2 REPORT FOR PERIOD 1800, 18 SEPTEMBER TO 1800, 19 SEPTEMBER, 1937

1. Operations

According to available information, Japanese forces in the area between Lotien and Liuhan are making a concerted assault on the Chinese lines. Heavy, continuous artillery fire from that area is reported, and last night naval guns from the Yangtze bombarded the area west of Lotien. The Japanese claim to have further deepened their penetration toward Kiating. The gradual advance of Japanese forces in this area has already made the Kiangwan sector a sharp salient with the left flank steadily growing more vulnerable.

On the Kiangwan-Chapei front last night there was intermittent artillery fire from the Japanese barracks falling in the Paoshan Road area and around North Station. Chinese batteries north of the Markham Yards fired infrequently. Heavy rifle and machine-gun fire began along the Woosung Railroad south of Kiangwan village^{at 1130} and continued throughout the night.

At 2300 Chinese artillery in Pootung opened fire on northern Yangtzepoo and the Civic Center.

This morning two Japanese destroyers fired several salvos into Pootung. Following this, the area around the city was quiet throughout the day, with the exception of an occasional artillery shell in Chapei.

2. Reinforcements

It is reported that the 60th Division has arrived in the Shanghai area, and is reinforcing the Chinese line on the left flank, near Liuho.

Five Japanese transports arrived off Yangtzepoo yesterday, carrying both troops and supplies. Today, four more transports were seen discharging cargo at Woosung, while at Jukong Wharf one vessel was disembarking a few army troops and two more were unloading supplies.

3. Aerial Operations

Yesterday evening at about 1745, four Japanese planes bombarded the area near the Hungjao airdrome and Hungjao Golf Links. That the attack was at least partially effective is evidenced by the movement of large numbers of wounded soldiers out of the area during last night and this morning.

At about 1830 Japanese planes dropped several bombs on northern Chapei.

Beginning at 1855, and continuing at intervals until 0130, Chinese aircraft bombed the Yangtzepoo area, the vicinity of the Japanese airdrome, and the Nipponese warships in the river.

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

The planes, which were met on each attack with intensive anti-aircraft fire, succeeded in starting numerous fires in the Yangtzepoo and Wayside districts. So far as is known, no Japanese ships were struck, nor was the airdrome damaged.

At about 2030, during one of the raids, a Chinese "Curtis Hawk III" fell in Yangtzepoo Road near the D.K.K. Wharf. The plane exploded on striking the ground.

As a result of the anti-aircraft fire numerous fragments fell in the International Settlement and French Concession, and three persons are known to have been killed. One anti-aircraft machine-gun bullet penetrated the roof of Fourth Marines Billet Number 17 and narrowly missed a man sleeping in the building.

It is reported that last night Japanese planes carried out a vigorous air raid on Nanking and vicinity. According to one account, there were between 20 and 30 planes in the attacking force. Japanese forces state that 26 Chinese planes were destroyed on the ground at the military airdrome, while 4 Japanese planes were shot down. Chinese sources claim that 10 Japanese ships were shot down.

4. Miscellaneous

It is reported that Japanese authorities have warned all foreign embassies and legations that Nanking is a dangerous zone, and that they would be well advised to leave the city prior to noon on the 21st.

About 5,000 refugees left the city yesterday.

There are 4,081 Chinese wounded under treatment in hospitals in the International Settlement and French Concession. 77 convalescent soldiers were put over the boundaries during the past 24 hours.

5. Items of Interest to American Forces

The Marine reinforcements transported on the USS Chaumont and USS Marblehead arrived today, the first ones to land arriving at the Customs Jetty at about 1330. Approximately 590 officers and men disembarked this afternoon. The remainder will come ashore tomorrow.

At 1430 Captain H.M. Bemis, USN, Captain J.T.G. Stapler, USN and Lieutenant Commander R.A. Ofstie, USN called at Headquarters and were conducted along the Fourth Marines defense lines.

T. H. K. Culak
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL
HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

20 September, 1937.

2 REPORT FOR PERIOD 1800, 19 SEPTEMBER TO 1800, 20 SEPTEMBER, 1937

1. Operations

The Japanese offensive aimed at Kiating continues to advance slowly. While aircraft carries on a bombardment of the rear areas, a continuous artillery barrage gives support to the infantry assault.

Farther south, in the vicinity of Liuhang, the Japanese advance is meeting greater resistance. Despite repeated attacks, the Japanese have been unable to take the town, and now have their main line resting on the village of Yanganchiao, about 1½ miles east of Liuhang. It is reported that the Chinese have brought heavy reinforcements into this sector, and that the line in the vicinity of Liuhang is held by several of the crack Nanking regiments.

Last night, in the Kiangwan area, troops of the Japanese Naval Landing Party launched several ineffective attacks on the Chinese lines. Shortly after midnight Japanese artillery located in the Civic Center began a bombardment of the area west of Kiangwan. The firing continued until morning, and was answered at infrequent intervals by a Chinese battery located in the Pao An Dong Cemetery, Chapei. Shortly before dawn heavy machine gun fire was heard in the area along the Woosung Railway, south of Kiangwan.

The immediate Shanghai area has been quiet throughout the day. Between 1500 and 1530 Japanese artillery on the Hongkew Barracks fired a few rounds into the Markham Yards and along the Nanking Railroad.

With the exception of a small Japanese advance toward Kiating, there is no material change in the lines.

2. Aerial Operations

In connection with the air raids on Nanking noted in yesterday's summary, it is further reported that Japanese planes dropped bombs on a number of important Chinese military centers. Among these were Soochow, Kashing, Wusih, Kiangnin, Yangchung, and Kiangyin. Although the full extent of the damage done has not yet been ascertained, it is known that the railroad stations at both Soochow and Kashing were struck. With the exception of the Nanking raid, where Chinese fighters took the air, the Japanese planes carried out their operations unopposed.

Today at 1000 Japanese aircraft dropped several bombs around Kiangwan village.

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PMT

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

At 1050, 29 Japanese planes were seen flying in a north-westerly direction, possibly headed for Nanking or intermediate points. Again at 1530 a flight of 18 Japanese aircraft took off from the Baptist College airdrome, and circled over the area north of Kiangwan.

3. Miscellaneous

It is reliably reported that on the evening of the 18th Chiang Kai-shek and Madame Chiang conferred with T.V. Soong at Soochow. Soong returned to Shanghai at 0500 on the 19th.

The vigor with which Chinese troops have been fortifying the area around Lunghwa and the Ningpo Railway has abated considerably. The troops which are there now, remain in farmhouses throughout the day and night.

Although there have been numerous reports that the 88th Division has been completely withdrawn from the fighting area, it is known that members of that unit were in the North Station sector last night.

There are 3,942 wounded Chinese under treatment in International Settlement and French Concession hospitals today. 77 Convalescent soldiers have been put over the boundaries during the past 24 hours.

Approximately 5,200 Chinese refugees left the city yesterday.

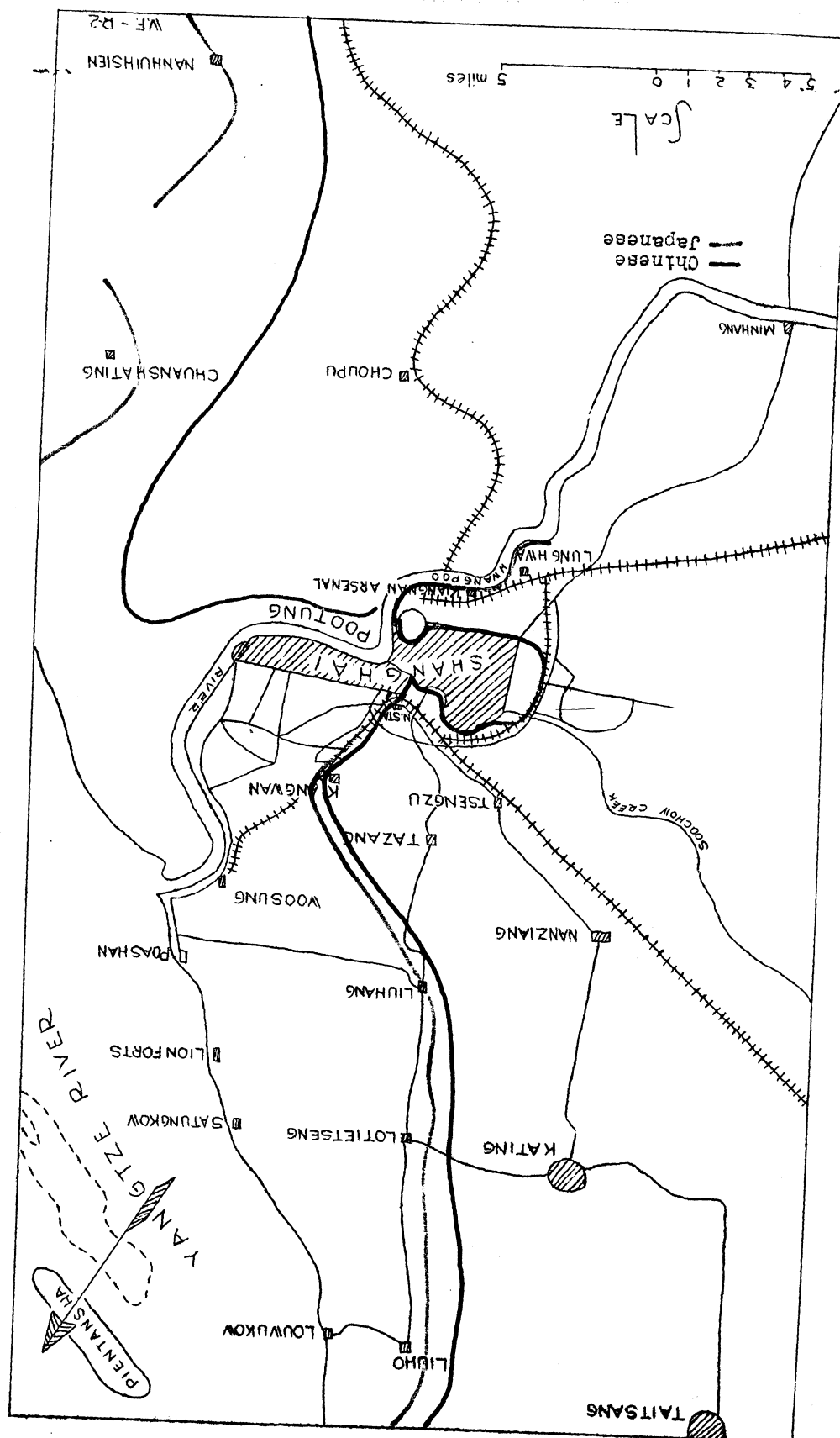
4. Items of Interest to American Forces

The remainder of the Marine reinforcements came ashore today, and Headquarters Second Marine Brigade, F.M.F. opened its command post at 65 Gordon Road at 0930.

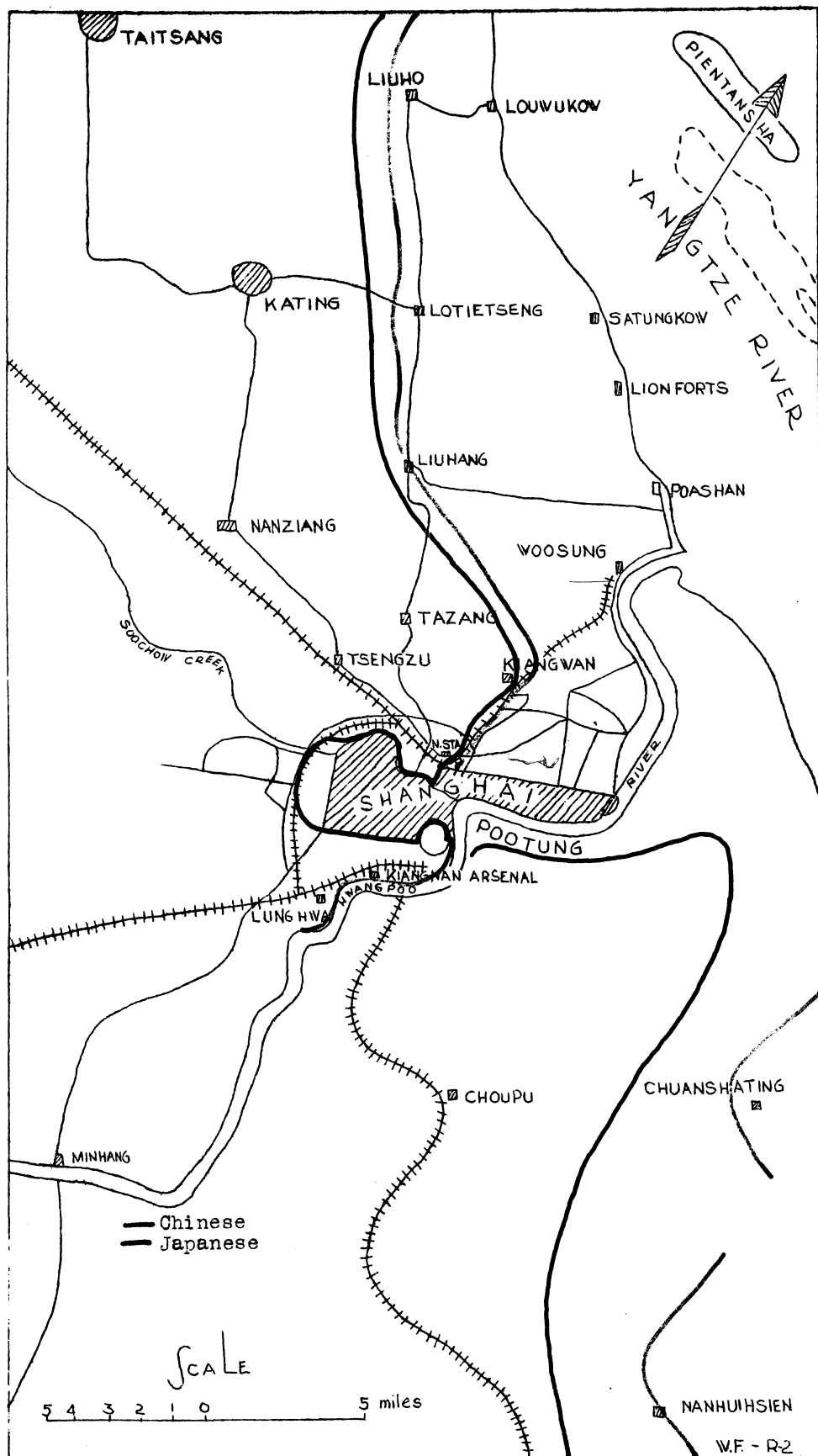
At about 1030 Brigadier General Beaumont, accompanied by Colonel Price called at the American Consulate General.

S. H. Kulak
for R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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



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



~~CONFIDENTIAL~~
HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

21 September, 1937

R-2 REPORT FOR PERIOD 1800, 20 SEPTEMBER TO 1800, 21 SEPTEMBER, 1937

1. Operations

It is believed that the Japanese offensive along the Yangtze front have resulted in a break in the Chinese lines which has permitted a Japanese advance reaching to a point less than one mile east of Liuhang. Japanese headquarters spokesmen declare that the fall of Liuhang is imminent, and may come as early as tonight. It is known that Japanese artillery has bombarded the area surrounding this village steadily all through last night and today.

Evidence of Japanese preparations for an attack on Kiangwan was made clear last night by a substantial increase in the number of troops moving west from the Civic Center. From time to time during the night rifle and machine gun fire was heard from this vicinity and the sector farther south near the Japanese Crematorium.

During the daylight hours of the 21st there was little activity in the immediate Shanghai area. Distant artillery fire was heard, coming from the Lotien-Liuhang sector, and at about 1500 Japanese batteries at the Hongkew Barracks fired a few rounds into the Markham Yards, and the junction of Chung San and Woo Tai roads. Chinese artillery in Chapei remained silent as it has, with rare exceptions, for the past six days.

Two Japanese transports arrived yesterday and unloaded military supplies at wharves in Yangtzepoo.

It is interesting to note that the arrival of Chinese troops has fallen off materially during the past week. In connection with this fact, it is understood that additional Kwangsi provincial troops, which have been expected in the Shanghai area, have actually been sent to North China.

At the Soochow conference, it is reported that Chiang Kai-shek summoned Chang Chih-chung, Chang Fah-kwei, and other of the principal generals, to discuss the situation in the Shanghai area.

2. Aerial Operations

The Japanese planes seen flying toward Nanking yesterday morning (see Summary, 20 September) took part in a series of raids over that city. Bombs were dropped in the vicinity of the Military airdrome, the arsenal, and the water works. The full extent of the damage done is not yet known. The Japanese planes, in addition to their activities around Nanking, also dropped bombs on points of military importance between Nanking and Shanghai. During the Nanking attack, Chinese planes took the air, and their activities, together with anti-aircraft fire, are reported to have shot down or disabled 12 Japanese ships. Japanese claim to have brought down 4 Chinese planes.

Last night at 2255, one plane, believed to be Chinese, flew over Hongkew and Yangtzepoo, dropping several incendiary bombs in the area around the Japanese airdrome. Later, at 0227 a plane of unknown nationality was seen to drop 13 flares over Pootung.

According to a neutral report, 3 Japanese and one Chinese plane were shot down in an aerial engagement over Canton this morning, during which approximately 20 Japanese planes carried out extensive bombing operations.

At shortly after 1500, on the 21st, 20 Japanese planes were observed to take off from the airfield near the Shanghai University and fly off in a northwesterly direction.

Estimates of the total strength of Japanese aircraft operating in this area vary between 160 and 225 planes of all types. This number can, of course, be speedily augmented by carrier borne planes.

3. Miscellaneous

It is reported that Feng Yu-hsiang has been given supreme command of the Chinese forces in North China, and has already left Nanking for that area.

There are 3,609 Chinese soldiers under treatment in the International Settlement and French Concession hospitals.

22 convalescents were sent to Hangchow today by train.

Approximately 2,000 Chinese refugees left the city today.

4. Items of Interest to American Forces

At 1500 today Brigadier General Beaumont called on Major General Telfer-Smollett at British Force Headquarters.

M. D. Gustafson
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

~~CONFIDENTIAL~~

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

22 September, 1937

1-2 REPORT FOR PERIOD 1800, 21 SEPTEMBER, TO 1800, 22 SEPTEMBER, 1937

1. Operations

Following a particularly vigorous artillery offensive last night, the Japanese drive from Lotien has reached a point about 2 miles northeast of Kiating. While the Kiating effort has been moderately successful, the drive on Liuhsang, according to best reports, is making little progress. Artillery bombardment of the town and its vicinity has been continuous throughout last night, and all during today. This morning, demolition of the Liuhsang radio station was completed. The steady bombardment of this region and the area west of Miaohong is proceeding at this time.

In the Kiangwan sector there was heavy fighting last night, to the accompaniment of steady artillery fire from the Civic Center. No material advance on the part of the Japanese in this area is reported, although the number of Chinese troops left in the Fu Tan University in the September 13th withdrawal, has been reduced to a few snipers.

Chapei was quiet throughout the night and today, except for a few shells fired into the remains of the Commercial Press building at 1400. The principal activities in this quarter now appear to be the removal of materials of every sort from godowns, and the construction of concrete fortifications along the perimeter. Pill boxes have been built at numerous points; one at the junction of Kwang Foo and Tungtsi Roads, another across from the Markham Road Bridge, and one near Yu Ya Ching Bridge.

It is reported that the Chinese are busy constructing entrenchments on the Pootung point. This afternoon at 1430 there was a short burst of small-arms fire from this sector aimed at the Japanese vessels moored in the river.

We are informed that the Japanese plan a landing on the Yangtze coast at some point north of Liuho, perhaps at Fusan. The Chinese defenders have been awaiting this move for some time, and declare that they are prepared to frustrate any effort in that region.

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

2. Aerial Operations

Yesterday, between 1300 and 1400, Japanese aircraft dropped bombs on the railroad between Kashing and Soochow.

Today at 0900 one Japanese seaplane flew over the area west of Shanghai, dropping two bombs near the Hungjao airdrome, and one at the intersection of Fraser and Jernigan roads.

At about 1400 Japanese planes reconnoitered over Kiangwan and Pootung. One bomb is reported to have been dropped near Pootung Point.

The air assaults on Nanking were resumed today when between 40 and 50 Japanese planes attacked the capital and its environs. One raid lasted from 1000 until 1200, and another from 1320 to 1435. Before the first attack began, 18 Chinese fighters took the air. About half of the Japanese planes broke off and engaged the Chinese ships, while the remainder continued on their bombing mission. Although bombs were dropped over an extensive area, it is reported that there was little material damage done, and the casualty list was small. One anti-aircraft shell exploded in the American Embassy compound.

There are no neutral reports available of planes shot down, however Chinese authorities declare that 4 Japanese ships were destroyed, while the Japanese claim the same number of Chinese casualties.

Japanese planes made two vigorous raids on Canton this morning, between 0200 and 0600, and from 0710 to 0730. Although complete reports are not yet available, it is known that extensive loss was suffered, both in life and property.

3. Miscellaneous

It is reported that the 37th Division has been transferred from Hunan to Chekiang, with divisional headquarters at Kashing.

In reply to the consistent Japanese allegations that Chinese regulars in plain clothes are present in Nantao, the City Government Police conducted a census, expelling all persons found to not be bona fide residents.

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

About 9,000 Chinese refugees left the city yesterday by train and boat. The number of refugees left in Shanghai has been reduced to the point where, except for the industrial areas, their presence is not apparent.

There are 3,855 wounded Chinese soldiers under treatment in International Settlement and French Concession hospitals. 20 convalescents were sent to Minghong yesterday.

C. H. Kulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA.

23 September, 1937.

-2 REPORT FOR PERIOD 1800, 22 SEPTEMBER, TO 1800, 23 SEPTEMBER, 1937

1. Operations

Aside from a small Japanese advance northeast of Kiating, there has been little change in the military-situation in the past 24 hours. Although Japanese military spokesmen claim steady progress in the Lotien-Liuhang-Miaohang sector, there is little alteration apparent in the lines. Throughout last night and today Japanese artillery has continued the steady bombardment of Liuhang which has been in progress for the past four days. Despite this intensive shelling, Chinese troops still hold the village.

There was sporadic activity in the Kiangwan and Chapei areas during the period of this report. Last night, artillery in the Civic Center shelled Kiangwan village and the area to the westward. Artillery guns from the Hongkew Barracks fired into the central Chapei sector intermittently throughout the day, and occasional trench mortar fire was heard along the Woosung railroad south of the Landing Party Barracks. Chinese troops in this sector continue to erect fortifications and to improve their defense works.

It is believed in some quarters that the Japanese are marking time, waiting for the expected reinforcements, (See summary, 16 September) some of these additional troops have begun to arrive. Yesterday three transports secured at docks in Yangtzepoo and discharged about 4,000 men, along with munitions and supplies. Five more cargo and transport vessels arrived at wharves in Yangtzepoo this afternoon, and latest reports state that at least two of these are loaded with troops.

Today about noon, two Japanese warships fired several salvos into the area behind the Shanghai-Hongkew Pootung Wharf.

According to the best information obtainable there are no Chinese regulars in the Chinese city and Nantao.

2. Aerial Operations

Last night at 1800 a Japanese seaplane dropped two bombs on the Pootung Point. After this attack there were no further aerial operations near the city until morning.

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

At about 0900 Japanese planes flew over Pootung and the Hungjao region. Several small bombs were dropped in the vicinity of the airdrome, apparently in an effort to dislodge the Chinese troops that have recently been moved there.

Shortly after 1300 today there was great activity at the Japanese airdrome. Planes took off in rapid succession, and at about 1400, 45 of them departed toward the northwest. At 1430, ten more planes took off and followed in the same direction. Their objective was apparently the Kiangyin forts, for a large number of Japanese planes are reported to have raided the defense works there this afternoon. Chinese military spokesmen declare that the attackers were driven off by Chinese aircraft.

A Japanese seaplane was seen circling over Pootung at 1330. After fifteen minutes reconnaissance, it dropped one bomb and departed.

It is reported that in the Nanking air raid of yesterday over 100 bombs were dropped. Despite this heavy concentration, little damage to military objectives is reported.

Japanese planes bombed Canton this Morning at 0400, and again at 0830. They raid was not carried off unopposed however, for according to neutral reports, Chinese planes and anti-aircraft guns were both active.

We are informed that the Chinese government has in reserve a number of new type bombers and fighters, and further, that German, Russian, and Polish pilots have been hired to fly them.

3. Miscellaneous

There are 3,791 wounded Chinese soldiers under treatment in Concession and International Settlement hospitals today. 63 convalescents were sent to Hangchow by train.

The number of Chinese refugees remaining in Shanghai was further reduced by 1,700 yesterday.

About 400 persons, mainly British women and children, who evacuated to Hongkong at the beginning of the present incident, returned to Shanghai yesterday on board the SS. Chenonceaux.

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

4. Items of Interest to American Forces

The Sixth Regiment relieved the Fourth Regiment on the "C" Sector defense line this morning. The relief was accomplished without incident.

f. H. Kulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA.

24 September, 1937

CONFIDENTIAL

B-2 REPORT FOR PERIOD 1800, 23 SEPTEMBER, TO 1800, 24 SEPTEMBER, 1937

1. Operations

During the period of this report, military operations in the Lotien-Liuhang sector were confined to a steady shelling of the Chinese positions. There were a few minor skirmishes, but no Japanese infantry assault of any consequence, and little advance is reported at any point in the line. The continued rain has had a deterring effect on the Japanese effort, rendering mechanized units almost useless, while the Chinese defense has not been materially affected by the wet weather.

The Kiangwan area was quiet throughout the night. Japanese artillery in the Civic Center fired a few rounds into the region west of the village, but no small-arms firing is reported.

From time to time during the night, the Hongkew Barracks batteries fired into the Paoshan Road area. At 0600 several shells fell near the Commercial Press, and between 0800 and 0900 Japanese artillery shelled the Chung San Road, Commercial Press, and area west of the Japanese Crematorium. Following this, a few rounds were fired into the North Station vicinity. From 1240 to 1300 the Landing Party Barracks batteries fired several shells into the region just south of the Southern Baptist Mission School. Beginning at 1800, a desultory shelling of Central Chapei was taken up by the Japanese.

The Chinese troops along Soochow Creek continue to strengthen their defenses today.

During the day, snipers from the Pootung Point fired a few shots at the Japanese warships. These vessels shelled the area back of the Point occasionally in return.

The most significant item noted recently is the continued influx of Japanese army reinforcements. Today six transports arrived at wharves in Yangtzepoo and began immediately to discharge troops, horses, supplies, and munitions. Last night, the troops that were disembarked yesterday were transported into the Kiangwan area. In all, it is estimated that about 10,000 Japanese troops have landed in Yangtzepoo in the past three days. Transports have also been seen discharging troops at Jukong Wharf and the Whangpoo Conservancy.

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

2. Aerial Operations

There was little aerial activity around the city during the past 24 hours. The rains have made operations from the Japanese airdrome extremely precarious. The field being small and crowded at best, take-offs and landings are rendered doubly dangerous under muddy conditions. It is known that there are at least 72 planes at the field at this time.

Early this morning one Japanese plane dropped a single bomb at Canton. Chinese sources claim that the raider was driven off by Chinese fighters.

3. Miscellaneous

There are 3,694 wounded Chinese soldiers under treatment in International Settlement and French Concession hospitals today. The ban on further admission of Chinese wounded to the two municipalities due to the Cholera menace has been lifted, and 110 were admitted today.

1,800 Chinese refugees left the city during the past 24 hours.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA.

CONFIDENTIAL
25 September, 1937

B-2 REPORT FOR PERIOD 1800, 24 SEPTEMBER, TO 1800, 25 SEPTEMBER, 1937

1. Operations

There is little information of activity in the Lotien-Liuhang sector. The Japanese artillery bombardment of Liuhang continues but the appearance of the lines is essentially the same as yesterday.

The most important development of the day has been the continuation of the Japanese preparations in the Kiangwan district. Troops and artillery which landed yesterday, were transferred directly to the Civic Center area. It is believed that upwards of 20,000 Japanese troops are massed in the Kiangwan region, adequately supported by light and heavy artillery.

There was intermittent artillery fire in Northern Chapei last night, coming from the Hongkew Barracks. Bursts of machine gun fire were noted along the railroad south of Kiangwan at infrequent intervals. Beginning at about 0800, Japanese batteries in Hongkew Park and Rokusan Gardens began a general bombardment of the Chapei area which lasted, with short intervals of quiet, throughout the day. Shells fell in the Markham Yards, at the Wusih Guild, the Pao An Dong Cemetery, North Station, and along Chung San and Paoshan Roads. During the night, and early this morning numerous trucks were seen hauling troops east and north on Chung San and Liu Ying Roads, destined apparently, for the Kiangwan front.

At 1145, after warning persons south of the Creek of their intentions, the Chinese set off a charge of dynamite under the Ichang Road bridge, seriously damaging the northern end. At 1730 Chinese forces blew up the Tsung-Sing bridge, near the Kiwa Cotton Mill. At this time preparations are being made to destroy the San Kwan Tang bridge in rear of the Kung Dah Mill #3.

At about 0900 Japanese destroyers fired several shots into Pootung.

2. Aerial Activities

At about 0800 Japanese planes were sighted over Chapei and Kiangwan. At 0830 two bombers dropped a number of bombs on the area just west of Kiangwan. Later, at 0903, Japanese planes dropped 3 bombs on the intersection of Chung San and Chao Tung Roads.

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

Following this there were bombs dropped near the Commercial Press, the Tailors Guild, North Station, Pootung Point, and a number fell on the roads running north out of Chapei.

There was great activity throughout the day at the Baptist College airdrome. By 0900 over 40 planes had taken off. A number of these, estimated at 30, bombed Nanking at 1000. Little damage resulted. An American observer saw 3 Japanese planes fall, while Chinese authorities claim that 7 were shot down.

This afternoon, beginning at 1530 bombers began taking off from the Japanese airdrome. By 1700, 35 planes had left the ground, all flying in a northwesterly direction.

During the morning, Chinese anti-aircraft guns located near the North Station fired a few rounds. Several of the spent projectiles landed south of Soochow Creek, and 8 injuries are reported.


3. Miscellaneous

One Japanese transport docked at the D.K.K. Wharf this morning, and discharged troops and supplies.

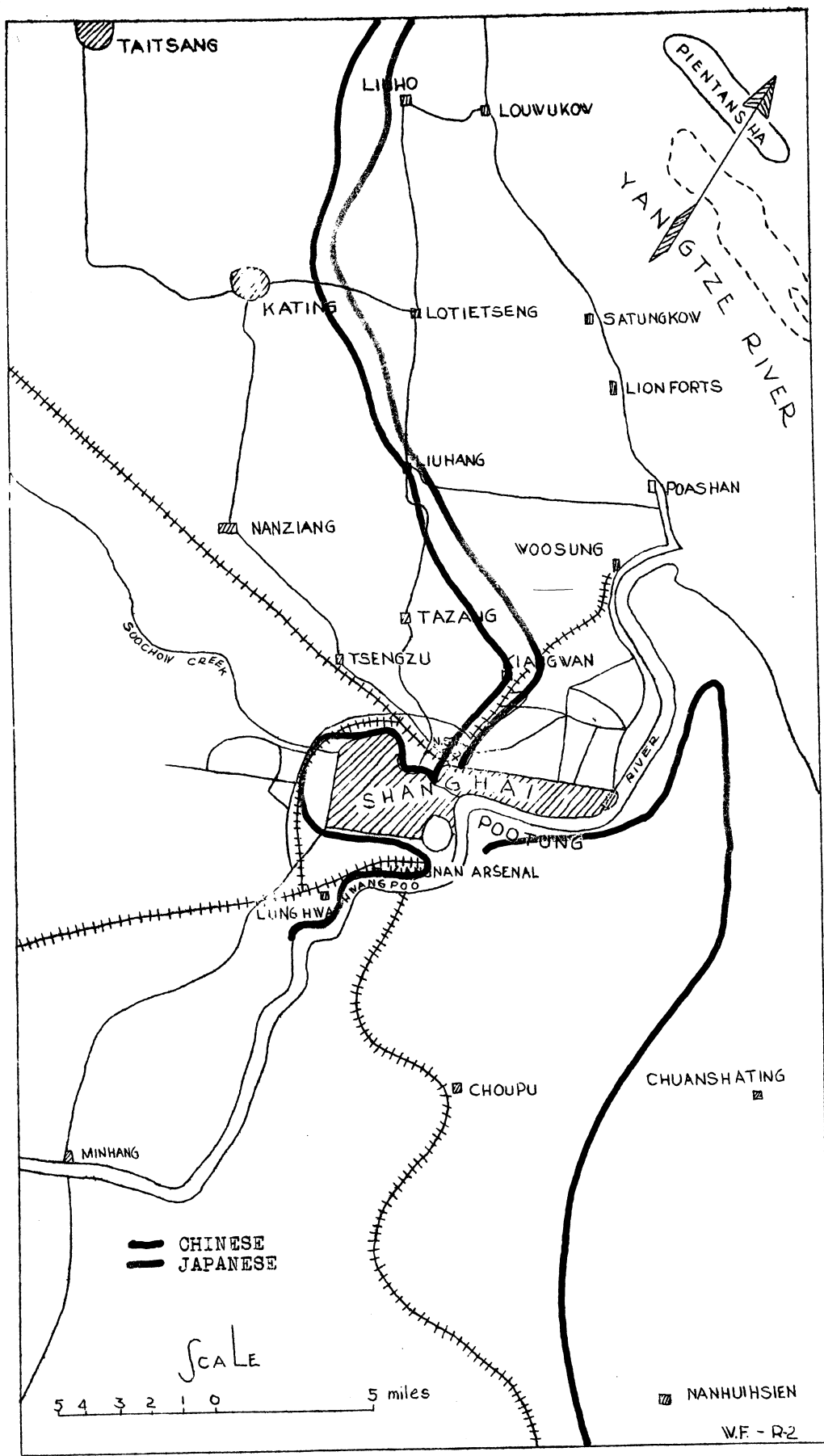
At about 1800 two artillery shells landed near the Nippon Wata Kaisha Mill, in the Italian sector. At 1900 another fell in the same area.

There are 3,583 Chinese wounded under treatment in the city today. 100 convalescents were sent to Hangchow yesterday.

1,800 Chinese refugees left Shanghai by train during the past 24 hours.


R. A. BOONE,
Captain, U. S. Marine Corps,
Brigade Intelligence Officer.

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



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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 8, 1937.

~~MEM~~
~~JCV~~
~~RCM~~
~~MMH~~

*Referred to Mr. [unclear]
for [unclear]
consideration*

Mr. Gauss' despatch contains interesting comments on the members of the Consular Body at Shanghai (Pages 1-2). The body of the despatch is in the nature of a brief compendium of Consular Body circulars relating to the Sino-Japanese hostilities at Shanghai up to September 22nd, with an alphabetical index. This despatch should be of value for reference purposes.

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

NO. 984

COPIES SENT TO
 D.N.I. AFTER
 M.I.D.

AMERICAN CONSULATE GENERAL

Shanghai, China, September 29, 1937.

SUBJECT: The Consular Body and Sino-Japanese Hostilities
 at Shanghai.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose copies of a number of Consular Body circulars relating to the Sino-Japanese hostilities at Shanghai. It is the practice at this Consulate General to mail copies of such circulars to the Department, without transmitting despatches, immediately they are received from the Consular Body secretariat. It is probable, therefore, that copies of most of the enclosed circulars have been forwarded to the Department, but I now send the additional copies and offer my comment on them.

The Senior Consul at Shanghai is Mr. N. Aall, the Norwegian Charge d' Affaires and Consul General, who has been posted here since 1921. He is a personable and honorable officer but not particularly active or energetic, and I know that he feels that as Senior Consul he does not enjoy the influence and prestige which would attach to his post were it filled by the consular representative or one of the more important Powers. He has been inclined, therefore, not to take any initiative; and even at Consular Body meetings he has had little to suggest or recommend for the consideration

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his colleagues.

The Consular Body as at present constituted is not outstanding for the calibre of its membership. Great Britain and Germany are represented by acting consuls general; the Consul General of France, an able official, has been inclined to interest himself principally in matters affecting the French Concession; the Consul General for Italy is disposed to take a strong Fascist pose and, I feel, to be rather closely interested in seeing only the Japanese side; while amongst the representatives of the smaller Powers there are but few who take an intelligent, active or helpful part in the activities of the Corps.

1/ The Meeting of August 10, 1937, the minutes of which are set out in Circular 131-G-v herewith, was called on the insistence of the Italian Consul General who told me that he realized that very little could be accomplished but that a gesture should be made or record. It will be noted from the Minutes that his sole contribution to the meeting was a proposal to make complaint to the Mayor in support of the Japanese "against the improper functioning of the Peace Preservation Corps on a Shanghai Municipal Council Road." The proposal was rejected.

At this meeting, which appeared to be drifting without purpose, I made the proposal for representations to both sides definitely to exclude Shanghai from the sphere of any Sino-Japanese hostilities. The proposal was supported by the British acting Consul General and represents the sole result of the meeting.

A statement made by the Japanese Consul General in reply to the representations to him in this regard by the Senior

Consul

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2/ Consul is enclosed.

Responsibility for the outbreak of hostilities was charged against the Japanese by the Mayor in his letter of August 13, 1937 (Circular 133-G-VII), to which the Japanese Consul General replied under date of August 16th, 1937, (Circular 135-G-VII), alleging that the clash originated in the "illegal firing" by Chinese plainclothes snipers.

Complaint that the Japanese were using the International Settlement as a military base was made by the Mayor in individual letters to the several consular representatives under date of August 14th, 1937. I enclose copy of an English translation which accompanied the Chinese text sent to this Consulate General.

The Senior Consul consulted me and our British, French and Italian colleagues concerning this matter, suggesting, through the secretary of the Consular Body, that representations be made to both the Chinese and Japanese sides in the same sense as those made in 1932. In concurring I assumed that the representations would be made in writing, but as appears from the minutes of the Consular Body meeting of August 15th, examined below, the representations were oral and were made by the Secretary of the Consular Body on behalf of the Senior Consul.

6/ The Meeting of August 15th, 1937, is reported in circular no. 150-G-V, copy of which is attached.

At that meeting the Senior Consul reported the oral representations made by the Secretary of the Consular Body on behalf of the interested colleagues on August 14th, as follows.

REPRESENTATIONS TO THE MAYOR:

- (1) With reference to the Chinese protest on the use of the Settlement by the Japanese as a military base, the Consular Body returned the same answer as was made to Mayor Wu Te-chen in 1932, that is to say, that the consular representatives must continue to hold

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hold both sides responsible for any loss or injury to their nationals and interests arising out of the conflict.

- (2) The hope was expressed that the Chinese side would not attempt to use the foreign areas as a base of military operations.
- (3) The flying of Chinese military planes over the foreign areas and the dropping of bombs from such planes was protested.

The Mayor noted the representations made under (1) above but stated that he must persist in the attitude set forth in his letter; he stated that the Chinese side had no intention of using the Settlement as a base "unless the Japanese did so", and as to the flying of Chinese planes over the Settlement he asserted China's "air sovereignty" over the foreign areas.

REPRESENTATIONS TO THE JAPANESE CONSUL GENERAL.

- (1) The use of the Settlement as a military base was protested on behalf of the Consular Body, and reply was made by the Japanese Consul General that his Naval Landing Party had the right to use portions of the Settlement for the landing of supplies or reinforcements "the same as other foreign military units"; the Landing Party or any other Japanese armed force was or would be acting only in self defense.
- (2) On the firing of Japanese anti-aircraft guns and the flying of Japanese planes over the foreign areas, the Japanese Consul General stated that this was due to the unprovoked aerial attack of the Chinese and asserted that it would be absurd to deny Japan appropriate action in the circumstances.

The meeting then proceeded to consider further matters:

- (A) As to a Chinese complaint made to the Senior Consul that anti-aircraft and machine guns were mounted on Japanese buildings on the Bund in the neutral foreign area, it was disclosed that this report was without foundation and the offer was made by the Japanese Consul General to permit the Chinese authorities to verify this statement by an inspection.
- (B) The Italian Consul General insisted that a truce be arranged between the Chinese and Japanese. Such a truce would have benefited the Japanese by giving them an opportunity to bring up reinforcements. The matter was discussed at length but the proposal failed.
- (C) On the flying of airplanes over the neutral foreign area, the Japanese Consul General was prepared to give an assurance that no Japanese war planes would fly south of Soochow Creek over the foreign areas provided a similar assurance were forthcoming from the Chinese side. (The Secretary of the Consular Body later received a message from the Japanese Consul General altering his original statement to one to the effect that Japanese naval bombers would not fly over the area south of the Creek. It

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It was agreed that the Senior Consul should make representations to the Mayor on subjects (A) and (C) above set out.

The American Consul General was unable to attend this meeting of the Consular Body being detained in his office on other important matters. He communicated with the Secretary by telephone, however, and approved the proposed action as above set out.

The representations to the Mayor on the basis of the Consular Body Meeting of August 15th were made orally and in person by the Senior Consul on the evening of the same day, as reported in the enclosed memorandum dated August 16th, circulated over the initials of the Secretary of the Consular Body who had accompanied the Senior Consul.

The Mayor:

1. Accepted the assurance that no anti-aircraft and machine guns were mounted on Japanese buildings on the Bund.
2. Rejected the request that an assurance be given that Chinese planes should not fly over the foreign areas south of the Creek unless the Japanese could be prevailed upon to move the flagship IZUMO, moored in front of the Japanese Consulate General. He also reasserted China's claim to "air sovereignty" over the foreign areas.

8/ A protest from the Chairman of the Shanghai Municipal Council on the tragic air bombing of August 14th was circulated by Consular Body Circular 134-G-VII, copy of which is enclosed.

9-12/ The question of the right of foreign nationals to have access to their property in the area north of Soochow Creek and to remove cargo from that area has been the subject of exchanges with the Japanese Consul General, the correspondence being circulated to the consular representatives by Circulars 151-G-VII, 162-G-VII, 165-G-VII and 169-G-VII, copies of which are enclosed.

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13-15/ The misuse of foreign flags was the subject of Circular 145-G-VII, Circular 147-G-VII and Circular 161-G-VII, copies of which are attached.

16/ Arrangements for the control of Chinese Red Cross operations were notified by Circular 163-G-VII, copies of which are enclosed.

17-10/ The Japanese Blockade of the China Coast was notified through the Senior Consul by Circulars 138-G-VII and 157-E-11, copies of which accompany this despatch.

19 A Chinese effort to discontinue the meteorological signals of Siccawei Observatory at Shanghai was discussed at a meeting of the consular representatives of the interested "shipping powers" on September 1st. The minutes of the meeting are enclosed as Circular 156-E-II.

20 A Japanese complaint that signal lights were being displayed in the Soviet embassy and consular building near the Japanese Consulate General was handled by the Senior Consul as reported in Circular 149-G-VII herewith.

21-22/ The problem of Russian (non-Soviet) Refugees at Shanghai also came before the Senior Consul who reported to his colleagues by Circular 146-G-VII and Circular 164-G-VII, copies of which are attached.

23 This matter also received some attention from the Evacuation Sub-Committee of the Shanghai Municipal Council which at one time was disposed to believe that plans should be prepared for a general evacuation from Shanghai. All proposals for a plan of general evacuation were dropped as reported in Circular 155-G-III herewith.

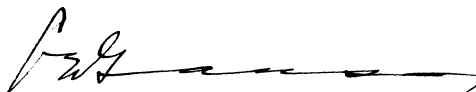
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An index of the several matters covered by the Consular
Body circulars and memoranda copied to the Department by
this despatch will be found at the head of the enclosures.

Respectfully yours,



C.E. Gauss
American Consul General.

23 Enclosures.
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In quadruplicate to the Department
Copy to the Embassy, Nanking
Copy to the Embassy, Peiping
Copy to the Embassy, Tokyo

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 Consul H.H. Smith

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ENCLOSURE No. 1

(CIRCULAR 131-G-V.)

SUBJECT: CORRECTED MINUTES OF A SPECIAL MEETING OF THE EXTRATERRITORIAL HEADS OF CONSULATES AT THE RESIDENCE OF MR. N. AALI, CONSUL-GENERAL FOR NORWAY AND SENIOR CONSUL ON AUGUST 10TH, 1937.

Present

N. Aali, Esquire, Senior Consul and	Consul-General for Norway.
E. Lardy, Esquire,	Consul-General for Switzerland.
Comm. L. Neyrone,	Consul-General for Italy.
Dr. A. J. Alves,	Consul-General for Portugal.
P. Scheel, Esquire,	Consul-General for Denmark.
M. Baudiez, Esquire,	Consul-General for France.
C. E. Gauss, Esquire,	Consul-General for the U.S.A.
S. Okamoto, Esquire,	Consul-General for Japan.
A. van Cutsem, Esquire,	Consul-General for Belgium.
J.W.O. Davidson, Esquire,	Acting Consul-General for Great Britain.
R.C.W. Behrend, Esquire,	Acting Consul-General for Germany.
Dr. L.A. Gastmann,	Acting Consul-General for the Netherlands.
H. da Silveira Carneiro, Esquire,	Acting Consul-General for Brazil.
E. Kronvall, Esquire,	Acting Consul-General for Sweden.

The Senior Consul said that he had convened the meeting at the suggestion of a few of his colleagues and also because it would seem advisable to have a general discussion in view of the tense situation. He did not know whether or not anything could be accomplished but perhaps those of his colleagues who were better informed would be good enough to enlighten the others. He asked if his Japanese colleague would be willing to give the meeting a little information about the situation.

Responding Mr. Okamoto said he would be glad to comment briefly on the situation. At the moment he did not see any danger of an immediate clash in Shanghai, although the situation was very tense. The situation up north, which arose from the incident on the night of July 7th, was also quiet for the time being and his Government had adopted and was pursuing a policy of localization and of reaching a settlement with the Chinese authorities on the spot. Nevertheless the situation was also very tense because of the heavy concentrations of Chinese troops in that area and along the railways leading thereto and he supposed that further developments depended on the attitude of the Chinese, that is to say if the Chinese did not withdraw these concentrations, which the Japanese military naturally regarded as a menace, a further collision might take place. Coming back to Shanghai, he could assure the meeting that the Japanese authorities both civil and military, positively did not want any trouble in this area, and so if the Chinese side "kept quiet" no trouble would occur. However, he desired to point out that the Pacantui (Peace Preservation Corps) in the Shanghai area presented a very serious source of danger. Sometime ago he had occasion to bring to the notice of the Joint Commission a reported large increase in the numbers of the Peace Preservation Corps, who had been supplied with "heavy" arms both circumstances being contrary to the assurances given by the Chinese side, after the Truce Agreement of 1932. He was informed that there was now nothing to distinguish this Peace Preservation Corps from soldiers of the regular army, except their uniforms. The Peace Preservation Corps was intended for the preservation of peace and order, in other words, police duties, and not for military purposes, like digging trenches, erecting sand bags, barricades, barbed wire and other military works and warlike preparations. These activities and the almost nightly manoeuvres of the Peace Preservation Corps have caused a great deal of apprehension amongst residents in Shanghai, especially in the Northern districts, and was largely responsible for the wholesale exodus from Chapoi, it being estimated that more than 50,000 Chinese had left Chapoi within the last 10 days or two weeks. He very much regretted this state of affairs and he had frequently had conversations with the Mayor, asking for the cessation of those warlike preparations. He sometimes wondered if the Mayor had the authority.

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authority or ability to stop these provocative acts as he had made many promises which were not fulfilled in performance. He was willing and anxious to settle all issues by diplomatic means but talks did not seem to be getting him anywhere. The Japanese authorities did not want any trouble here as evidenced by the decision of the Japanese Naval Landing Party to postpone the holding of manoeuvres and in avoiding anything which would serve to alarm the Chinese residents. He was also doing his best to keep the Japanese residents quiet. How over the activities of the Peace Preservation Corps were becoming more and more provocative, interfering with the free passage of persons even on the municipal roads, and he was of the opinion that something must be done at once to check these activities. The Mayor had assured him again and again that he had instructed the Peace Preservation Corps not to fire on any account unless he (the Mayor) himself gave the order and yet the day before the unfortunate incident at Hungjao Road had occurred in which two members of the Landing Party had lost their lives at the hands of the Peace Preservation Corps. He greatly deplored the tense situation and as he had mentioned before he was exhausting all means to reach a settlement by diplomatic negotiations; certainly for the present the Japanese side did not have any hostile intentions. That was about all he could tell the meeting about the situation.

The Senior Consul remarked that as Norwegian Consul-General he was of course concerned in assuring his nationals that there was no danger at present. He presumed his colleagues were anxious to give the same assurances which was one of the reasons he had called the meeting so they could if possible learn the truth of the situation from an authoritative source. Undoubtedly there was a great deal of nervousness and he did not want to lay himself open to the charge of not having done anything about it.

The Consul-General for Portugal observed that he also would like to be in a position to advise his nationals who were asking him whether or not they should move from Honkew to a safer place. There was a belief that the French Concession would be a safer refuge than the International Settlement because of the danger of the latter area, especially the Hongkew district, becoming involved, as in 1932, if hostilities eventuated. He would like to know from his colleagues representing the Greater Powers if some steps had been taken to maintain the integrity and neutrality of the International Settlement in the event a conflict took place.

The American Consul-General said he would like to enquire of his Japanese colleague if an additional 300 men had been landed in Shanghai from Japanese warships? The Japanese Consul-General replied in the affirmative saying they were the men who had been guarding the Japanese Concession at Hankow and had now been brought to Shanghai where they would remain for the present.

The Consul-General for Portugal said that he thought it would not be discreet to ask his Japanese Colleague, but he would like to know whether the Japanese forces in Shanghai had the intention of using the Settlement as the base of their military operations in the event of hostilities breaking out. That would be the real danger to the integrity and neutrality of the Settlement.

The Consul-General for Japan replied that it was difficult to answer that question. He repeated that the Japanese side was not out to make any trouble, but they did not know what would happen and therefore he could not give a definite answer to a question based on an hypothesis. Of course the Japanese side did not want to make the Settlement a base for military operations, but the experience of five years ago had shown them that many Japanese in the Settlement were likely to be shot by Chinese snipers or plain clothes men who had got surreptitiously into the Settlement. In that eventuality the Japanese side must act promptly in self-defense.

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The Consul-General for Portugal wondered if it were not possible, through the influence of the Great Powers, to declare the Settlement, or even an area around Shanghai, a neutral zone so as to avoid the unhappy occurrences of 1932.

The Consul-General for Japan replied that it would be a question for the Governments concerned to decide. Certainly, he, as Consul-General could not decide such a matter.

The Consul-General for Denmark said there were persistent reports of a large increase in the numbers of the Peace Preservation Corps in Chapei and elsewhere and he wondered if representations could not be made to the Chinese Government to withdraw some of this armed force.

The Consul-General for Japan observed that his Danish Colleague had indicated the precise source of danger. This danger he was attempting to remove by diplomatic negotiations. The Peace Preservation Corps (which he understood was controlled by a Commission) had prevented the Shanghai Municipal Police from entering the area at Hungjao where the incident of the previous evening had taken place and even his consular assistant whom he sent to the spot to investigate at about 7.30 P.M. was threatened by a display of gunfire and only reached the place after great difficulty.

The Consul-General for Italy proposed that a complaint should be made to the Mayor against the improper functioning of the Peace Preservation Corps on a Shanghai Municipal Council road.

The Consul-General for Denmark said that perhaps the consular representatives of the "Big Powers" could approach the Mayor on the subject.

The Consul-General for Japan remarked that it was quite unnecessary for the Peace Preservation Corps to entrench themselves in that part of the Western area as it was absurd for them to think that the Japanese were going to fight in that part. Hungjao road was an extra-settlement road and the property of the Shanghai Municipal Council, like Rubicon road, the approach to which was heavily barricaded by the Peace Preservation Corps. Continuing he said that the other day he had visited a place on the "new park" (Hongkew Park) about 2000/3000 metres from the barracks of the Naval Landing Party where he found a number of holes about 4 feet deep had been dug by the Peace Preservation Corps. This was provocative and warlike preparation, especially at this time of tension and might easily lead to trouble with the Naval Landing Party. Fortunately the Naval Landing Party had refrained from holding their manoeuvres for the time being. He had also had complaints from Japanese residents in the Hongkew District about the rightly manoeuvres of the Peace Preservation Corps which had progressively added to their terror so that he had been obliged to ask the Japanese Residents Association to assist those unfortunate in removing to a safer place. The Japanese side could not any longer endure these provocative activities.

The Consul-General for Portugal enquired if any of his colleagues had advised their nationals to move to a safer place.

The Consul-General for Italy replied in the negative. Continuing he said he thought a delegation of the Consular Body ought to visit the Mayor with a view to getting some assurance about the peace and integrity of the Settlement, and the activities of the Peace Preservation Corps which had been described by his Japanese colleague.

The Acting Consul-General for Great Britain said that in that event the Mayor probably would return the same answer as his Japanese colleague had just mentioned, namely that it was a matter for the Governments concerned.

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The Consul-General for France endorsed this view saying that the local authorities could not proclaim the neutrality of Shanghai.

The American Consul-General said that his Japanese colleague had spoken very frankly and he thought the facts of the situation should be now faced. From the experiences of 1932 it would seem that if hostilities occurred the northern area of the Settlement would be involved and so he thought it would be perfectly proper for the Consular Body to ask both sides if in that event (hostilities) the Consular Body could expect the neutrality of the Settlement to be respected. The Consular Body should place its attitude on record. It could say to the Mayor and to the Japanese Consul-General (as the principal local representatives of their Governments - and presumably the statement would be communicated to their Governments) that as general uneasiness now prevailed in Shanghai as the result of the recent fighting in north China and in view of the fear of an armed clash in the Shanghai area, the Consular Body desired to bring to their attention the large foreign population in this area and the important commercial and shipping interests of the port, which would be seriously endangered if hostilities broke out in this area and to express the hope that it might be possible to obtain from them some assurance that the Shanghai area would be excluded from the sphere of any hostilities and also the hope that armed forces of whatever character now here would be restrained from all acts which might disturb the peace or cause panic and alarm. The Japanese Consul-General had given assurances about the attitude of the Japanese Naval Landing Party which he very much appreciated. He had talked several times to the Mayor and had urged him to do everything to prevent Shanghai being drawn into the area of hostilities. So he thought that it would serve a good purpose if representations along the lines he had mentioned were made to the local representatives on both sides, and at the same time this action should be communicated to the interested foreign diplomatic representatives.

The Japanese Consul-General asked how his American colleague defined the term "Shanghai area". The American Consul-General replied that he was not "drawing lines". However he had in mind something like the 1932 line north of the Creek. He added that his primary consideration in making his proposals was of course the protection of American lives and property.

The Consul-General for Japan remarked that his nationals had very large interests outside of the Settlement area.

The American Consul-General observed that it would of course be desirable if the neutrality of the entire Shanghai area should be established. He recalled that in the year 1894, during the Sino-Japanese war, Japan had declared that she would not extend hostilities to Shanghai or its approaches and he believed the same assurances were given during the Franco-Chinese war.

The Consul-General for Japan replied that 43 years ago (1894) Japanese interests in Shanghai were very small. The situation had very much changed since then.

The American Consul-General remarked that he believed at Hankow the Consular Body had taken some action along the lines he had suggested, which caused the Consul-General for Japan to observe that Japan could not withdraw completely from Shanghai as she had done at Hankow.

The American Consul-General deprecated the sending of further Japanese reinforcements to Shanghai at this time saying it might prejudice the chances of persuading the Mayor to curb the activities of the Paoantui and to withdraw them from the immediate neighbourhood of the Settlement; which would relieve the situation at any rate for the time being.

Mr. Okamoto replied that the Japanese Naval Landing Party considered their numbers insufficient in view of the Chinese forces they/

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they were facing and therefore welcomed the addition of the 300 additional men from Hankow.

The Acting Consul-General for Great Britain said he was quite prepared to endorse the proposals of his American colleague, although he apprehended that they might raise questions very difficult to answer. For instance the Mayor might say "What guarantees can you give for the protection of Chinese interests in the Settlement?" (in the event of hostilities and if the Chinese forces withdrew).

The Consul-General for Japan mentioned that at a meeting of the Joint Commission (June 23rd) he had brought up the question of the increase in numbers and armament of the Peace Preservation Corps (Paoantui). Previously he had looked into the record filed at his Consulate five years ago, after the 1932 Truce Agreement. The Peace Preservation Corps were introduced into the prohibited area because no regular soldiers were to be allowed there. Mr. O.K. Yui, the present Mayor, who was, and still is, the Chinese Civil Delegate on the Joint Commission, gave an assurance to the Japanese side which was on file that the Paoantui would not exceed 2000 in number and would be only lightly armed with revolvers and machine guns but not with heavier weapons. While he did not know the exact numbers at present of the Paoantui he did know that the Corps had been very greatly increased and had been engaged in warlike preparations in the prohibited area including territory in proximity to the Japanese Naval Landing Party Headquarters. This constituted a serious menace to the Japanese side. He had done his utmost to remedy matters through the Joint Commission but could not get any satisfaction from the Chinese side; hence if any trouble broke out the responsibility must rest with the Chinese side.

The Consul-General for Switzerland said there appeared to be two questions involved, namely (1) the neutrality of the Settlement which seemed to be a matter for the Governments concerned and (2) the immediate matter of dealing with the Peace Preservation Corps so as to avoid an armed clash.

After further discussion the following representations were decided upon, which the Senior Consul was asked to convey to the Mayor forthwith, on behalf of the Consular Body. It was also decided that the Interested Diplomatic Representatives were to be informed of these representations.

MEMORANDUM

Shanghai August 11th.
 1937

In view of the general uneasiness now prevailing in Shanghai as a result of recent unfortunate events in China and the fear of an armed clash in the Shanghai area, the Interested Consular Representatives desire to direct the attention of the Mayor and of the Japanese Consul-General to the fact that there is a large foreign population in Shanghai and also extensive and important commercial, industrial property and shipping interests in the port which would be seriously endangered by any conflict in the Shanghai area. These Representatives therefore express the hope that it may be possible definitely to exclude the Shanghai area from the sphere of any possible hostilities and that all armed forces of whatever character now here may be restrained from any acts which might disturb the peace or cause uneasiness or alarm to the foreign and Chinese residents of the port.

THE MEETING THEN TERMINATED:

E. A. Long.
 Secretary, Consular Body.

Circulated: September 14th, 1937.

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Enclosure No. 2

Shanghai, August 11th, 1937.

CONFIDENTIAL

The Senior Consul presents his compliments to his Honourable and Interested Colleagues and has the honour to circulate for their information the following statement which was handed to him personally by the Consul-General for Japan this afternoon, when he called to deliver the memorandum circulated today.

MR. OKAMOTO'S STATEMENT MADE IN REPLY TO THE HONOURABLE N. AALL, NORWEGIAN CONSUL GENERAL AND SENIOR CONSUL OF THE CONSULAR BODY, SHANGHAI, ON AUGUST 11TH, 1937.

"It has been my sincere desire to keep Shanghai free from trouble in the present Sino-Japanese crisis and with this object in view and acting under instructions from my Government I have been making earnest efforts on our part to avoid any untoward happenings in Shanghai. However, in view of the increasing warlike preparations now being undertaken by the Chinese in the districts immediately adjacent to the foreign controlled areas of Shanghai, I avail myself of this opportunity to draw the serious attention of the interested Consular representatives to this flagrant violation of the Agreement of the Cessation of Hostilities of 1932.

In these circumstances the Consular Body is well advised to direct the attention of the Chinese Authorities to this deplorable state of affairs which may prove a serious menace to the safety and integrity of the Settlement and Concession of Shanghai."

Enclosure No. 3

(CIRCULAR 183-G-VII.)

SUBJECT: WRITTEN PROTEST FROM THE MAYOR TO THE JAPANESE
CONSUL-GENERAL.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND
INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOW-
ING FOR THEIR INFORMATION.

(Translation of letter from the Mayor to the Senior Consul.)

Shanghai, August 13, 1937.

N. Hall, Esquire,
Consul-General for Norway
and Senior Consul,
Shanghai.

Sir:

I have the honour to inform you that to-day I have
sent a written protest to the Japanese Consul-General, con-
cerning the breach of promise and the opening of hostilities
this morning by the Japanese. A copy of the written protest
is hereby made and enclosed herewith for your information.
Kindly forward the same to the Consuls-General of the various
countries stationed at Shanghai.

Mayor: Yui Ong Kyuin
chopped

(Copy of translation of the written protest from the Mayor to the
Japanese Consul-General.)

With reference to the action recently taken by you by gathering
together your naval units in Shanghai to threaten this country, I
have already filed strong protests with you. For the sake of
maintaining the peace and order of this Municipality to the fullest
extent, I have agreed with you that both sides shall not open
hostilities on the slightest pretext. This assurance was heard by
all the representatives of Great Britain, the United States of
America, France and Italy present at the conference of the Joint
Commission yesterday (the 12th instant) and they can prove it.
However, as the words are still lingering in our ears, the Landing
Party of your Navy in the northern district at 9.15 a.m. today,
suddenly rushed into the lines of defence of this Municipality and
attacked our army defending there. Our army accordingly resisted
the attack. As we did not wish the incident to be extended to
serious proportions, aside from repulsing your naval land party
who provoked the hostilities, we did not chase and counter-attack
them. The dispute subsequently ceased.

I consider the action on the part of your naval landing party
is sufficient to endanger the peace and to interfere with the
public order. This protest is hereby filed. You are requested
to take note of its contents and forward same to the Naval author-
ities of your country to honour their promise and to strictly
suppress any further such action. A reply is awaited.

S. Okamoto, Esquire,
Consul-General,
Japanese Consulate General,
Shanghai.

Mayor: Yui Ong Kyuin
(chopped)

Circulated: August 14th, 1937.

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

Enclosure no. 4

(CIRCULAR 135-G-VII)

SUBJECT: THE CONSUL GENERAL FOR JAPAN ANSWERS
THE WRITTEN PROTEST FROM THE MAYOR OF
AUGUST 13TH.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE
COLLEAGUES AND HAS THE HONOR TO CIRCULATE THE FOLLOWING FOR
THEIR INFORMATION.

August 16th, 1937.

Sir:

With reference to your circular No. 133 dated
August 13th, I have the honour to enclose herewith for
your information a copy of the self-explanatory letter,
being the translation of my reply to Mayor Yui.

I should be grateful if you would kindly circulate
this letter among our honourable colleagues in the usual
way.

I have the honour to be,
Sir,
Your obedient servant,

(sd) Suemasa Okamoto
Consul General.

N. Aall, Esq.,
Consul General for Norway,
and Senior Consul,
Shanghai

Translation.

Sir:

I have the honour to acknowledge the receipt of
your letter No. 6708 under the date of August 13th, con-
cerning a clash between the Chinese and Japanese forces
which took place on the same day.

In reply I beg to state that the clash originated
in the illegal firing by your plain-clothes snipers upon
our sentries and therefore the Chinese side should be held
solely responsible for the affair.

I have the honour to be,
Yours, etc.,
(Sd) (S. Okamoto)

Mayor O. K. Yui,
Mayor of the Municipality of Greater Shanghai.
Shanghai.

Circulated: August 16th, 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. Quisenberry NARS, Date 12-18-75

Enclosure NO. 5

TRANSLATION (accompanying the original Chinese text) of a letter addressed on August 14, 1937, by the Mayor of Greater Shanghai to the American Consul General).

THE CITY GOVERNMENT OF GREATER SHANGHAI
Translation.

Sir:

I have the honour to address you as follows:

Whereas Japanese armed forces wantonly initiated the attack on our defence forces and invaded our territory here yesterday,

And whereas our troops, determined to resist the alien invasion, have been compelled to adopt measures for self defense,

I have the honour solemnly to declare to Your Honour and the consular representatives of other friendly powers, that in pursuance of the established policy of our Government, our troops will assume the responsibility of according adequate protection to all foreign life and property in areas under their control.

I beg, however, to call your attention to one urgent matter, namely, our military authorities hope and request that the Settlement authorities concerned shall immediately restrain the Japanese forces from making use of the Settlement as a base for military operations. Otherwise, in the event of our troops being compelled to take such self-defense measures as may be deemed necessary for reducing the danger and harm caused by Japanese armed forces in so making use of the Settlement areas, the Chinese Government will not be responsible for whatever consequences that may result therefrom.

I have the honour to remain,

Sir,

Your obedient servant,

O. K. Yui,

Mayor.

Enclosure No. 6

(CIRCULAR 150-G-V.)

SUBJECT: CORRECTED MINUTES OF SPECIAL MEETING OF THE CONSULAR
BODY AT THE ITALIAN CONSULATE, 2 P.M. AUGUST 15TH 1937.
Present

N. Aaál, Esquire,	Senior Consul and Consul-General for Norway
E. Lardy, Esquire,	Consul-General for Switzerland
Comm. L. Neyrone,	Consul-General for Italy
Dr. A.J. Alves,	Consul-General for Portugal
P. Scheel, Esquire,	Consul-General for Denmark
M. Baudéz, Esquire,	Consul-General for France
S. Okamoto, Esquire,	Consul-General for Japan
A. Van Cutsem, Esquire,	Consul-General for Belgium
Dr. J. Kryszinski,	Acting Consul-General for Poland
J.W.O. Davidson, Esquire,	Consul-General for Great Britain
R.C.W. Behrend, Esquire,	Consul-General for Germany
Dr. L.A. Gastmann,	Consul-General for the Netherlands
E. Kronvall, Esquire,	Consul-General for Sweden
H. da S. Carneiro, Esquire,	Acting Consul-General for Brazil
J. Stepan, Esquire,	In charge of Consulate General for Tchecoslovaquie
E. A. Long, Esquire,	Acting Consul-General for Finland.

The Senior Consul expressed deep sympathy with the families of the victims of the two air bombings which had occurred the previous day in Nanking Road and Avenue Edward VII. The meeting respectfully concurred.

The Acting Consul-General for Great Britain remarked that he would like to leave before 3 P.M. if possible as he had other important meetings to attend.

The Senior Consul read the letter from the Chairman of Council asking that a protest be made to the Mayor regarding the bombings of the previous day (see Cir: 134-G-VII.) He mentioned that a Norwegian vessel had been struck by fragments of a shell intended for the Japanese flagship (Idzumo) and that as Norwegian Charge d'Affaires he had protested to the local office of the Waichao pu.

The Senior Consul then proceeded to read the following memorandum:-

MEMORANDUM August 15th, 1937.

Under instructions of the Senior Consul (and the approval of the American, British, French and Italian Consuls-General) I called on Mayor CK. Yui at 10 A.M. today, after several unsuccessful attempts to get in touch with him last night, and delivered the following:-

1/ In reply to his letter to the various Consulates, disclaiming responsibility for any Chinese action if the Japanese side used the Settlement as a base of military operations, I said that the Consulates wished to answer in the same way as the Senior Consul did to Mayor Wu Teh Chen in 1932 to a similar communication, that is to say, that the Consulates must continue to hold both sides responsible for any loss or injury to their national interests arising out of the present conflict.

2/ I expressed the hope that the Chinese side would not attempt to use the foreign areas as bases of military operations.

3/ I protested against the flying of Chinese Military planes over the foreign areas and the dropping of bombs thereon.

Mayor Yui said in reply to:-

1/ That he would note what I said but that he must persist in the attitude set forth in his letter.

2/ That the Chinese side had no intention of using the foreign areas as bases of military operations unless the Japanese side did so.

3/ That China claimed "air" sovereignty over the foreign areas and therefore the right to fly her planes in that domain the same as elsewhere in China. He expressed great regret for the dropping of bombs by Chinese planes in the foreign areas yesterday and for the loss of life and injury caused thereby.

He/

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He added that information had reached him that anti-aircraft guns and machine guns were mounted on certain Japanese buildings on the Bund and said that if the report proved to be correct, the Chinese side would not be held responsible for any action taken.

After leaving the Mayor, I called on Mr. Okamoto, Japanese Consul-General, and delivered the following:-

- 1/ The Consular Body hoped that the Japanese side would not use the Settlement as a base or channel of military operations in the present dispute, and if they had already done so, the Consular Body wished to lodge a strong protest thereanent.
- 2/ The Consular Body wished to protest against the firing of anti-aircraft guns and the flying of Japanese planes over the foreign areas.

Mr. Okamoto said in reply to:-

- 1/ The Japanese Naval Landing Party, being stationed here for the protection of Japanese interests, had the right to use portions of the Settlement for the landing of supplies or reinforcements the same as other foreign military units did. The Landing Party or any other Japanese armed force was or would be acting only in self-defence.
- 2/ The firing of Japanese anti-aircraft guns and the flying of Japanese planes over the foreign areas was due to the unprovoked aerial attack by the Chinese side on the Japanese flagship and other Japanese positions and property. It would be absurd to deny Japan appropriate action in these circumstances.

Mr. Okamoto declared that there were no anti-aircraft guns or machine guns mounted on the roofs of Japanese buildings as alleged by Mayor Yui.

E.A.L.

The Acting Consul-General for Germany remarked that as his nationals did not possess Extraterritorial rights and as according to the accepted interpretation of the Land Regulations, the responsibility for Settlement affairs including internal peace and order were reserved to the Shanghai Municipal Council and the Extraterritorial Powers, he could not associate himself actively with the representations to the Mayor, although he of course approved of them personally.

The Consul-General for Portugal said that in the present emergency he thought the representatives of the so-called Smaller Powers would like some guidance from the representatives of the so-called Larger Powers so as to be in a better position to advise and care for their nationals. He wondered if his British Colleague would care to express his views.

The Acting Consul-General for Great Britain said he had no definite knowledge of what his Ambassador had done at Nanking, but he had verbally protested to the Mayor against the flying of Chinese planes over the Settlement to bomb the "Idzumo".

The Consul-General for Italy remarked that he had heard over the radio that the Mayor had declared there were machine guns and anti-aircraft guns on the roofs of certain Japanese buildings on the Bund.

The Acting Consul-General for Great Britain observed in this regard that he had communicated with the Shanghai Municipal Council who had their police conduct an investigation as a result of which they declared there were no such weapons mounted in the places alleged.

The Consul-General for Japan said he could assure the meeting the report was untrue.

The Senior Consul remarked that he had also given the Mayor the same assurances.

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

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The Consul-General for Japan said he would make a statement on the situation. He had brought to the notice of the Joint Commission the great increase in the numbers and armament of the Paoantui in the demilitarized zone created by the 1932 Truce Agreement. The Paoantui had become like regular troops and very menacing, so he had proposed, in order to avoid a clash, that the Chinese withdraw these Paoantui to a proper distance away from the Settlement borders and the Japanese positions. However the Mayor would not listen to the proposal, either when he made it at the meeting of the Joint Commission or when he had made it previously in his capacity of Japanese Consul-General. Shortly afterwards Chinese regular troops in large numbers had penetrated into the demilitarized zone which was denied to them under the 1932 Agreement, giving as their excuse the arrival of further Japanese warships. While negotiations were still going on for the withdrawal of these Chinese troops, the terrible bombing of the foreign areas by Chinese planes the previous day had taken place. The Japanese warships were in Shanghai for the sole purpose of protecting the lives and properties of Japanese nationals, who numbered over 25000, the largest foreign population in Shanghai, and it was perfectly proper for those warships to be anchored in places near to where Japanese people were living or their property situated. Japanese warships would not fire unless attacked. He had told the Secretary to inform the Consular Body that when Japanese warships were attacked by Chinese planes they would fire at them in self-defence. Of course great care would be taken to avoid injury to foreign lives or damage to their property.

The Acting Consul-General for Great Britain enquired "how"? The Consul-General for Japan replied that it would of course be very difficult if the Japanese warships were compelled to fire over the foreign areas. Concluding he said that naturally he deeply deplored the injury and damage caused by the previous day's terrible bombing, but the Chinese side were solely responsible for that tragedy.

The Consul-General for Italy remarked that as there was satisfactory evidence there were no anti-aircraft or machine guns on the roofs of Japanese buildings on the Bund, he supposed the Mayor would accept the assurances given in that regard. As to the fighting in and around Shanghai, it seemed to be the result of a regrettable misunderstanding or misapprehension and so in order to save the foreign areas from threatened destruction he would like to propose that the Consular Body ask for a truce, so as to give both sides time to examine the question further. The Mayor could be told of the Japanese assurances that they had no desire for hostilities in the Shanghai area and that the sole purpose for the existence of their armed forces here was for the protection of their nationals. The Japanese attitude was that they had nothing to gain by fighting in Shanghai.

The Acting Consul-General for Germany said he entirely agreed with his Italian Colleague on the necessity of trying to arrange for an immediate truce. The situation was too critical for mere protests and he thought the representatives of the foreign powers should take active steps to avoid hostilities and to give time at least for the evacuation of women and children and others into places of safety.

The Acting Consul-General for Great Britain said he would like to support the proposal for a truce in order that foreign nationals may be given time to evacuate.

The Consul-General for Italy observed that his proposal for a truce was principally to give time for the further discussion of the misunderstanding and misapprehension which he had mentioned.

The Acting Consul-General for Great Britain adhered to his view that the truce, as far as his nationals were concerned, would be primarily for evacuation.

The Senior Consul expressed the opinion that if a truce was asked for to discuss the matters mentioned by his Italian Colleague, the disputants/

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disputants might not listen to the proposal.

The Consul-General for Italy said a truce could be asked for the reasons he had given and if granted, it could be used also for the purpose of evacuation.

The Consul-General for Portugal apprehended that a request for a truce for the purpose of evacuation only might occasion panic and alarm among the public.

The Senior Consul remarked that in asking for a truce it might be declared that it was for the purpose of bringing people to safety from the danger zones but at the same time the hope might be expressed to both sides that the opportunity would be seized in an endeavour to clear up the points at issue.

The Consul-General for Italy persisted in his attitude that the truce should be asked for to give an opportunity to both sides to compose their differences and misunderstandings. During the existence of the truce the Consuls could do what they liked about their nationals.

The Acting Consul-General for Germany said the safety of millions of people were at stake and this was more than sufficient reason for a truce. He had about 2000 Germans to think of with no warships to protect them.

The Senior Consul remarked that as there appeared to be differences of opinion on the reasons for requesting a truce, those who favoured the views of his Italian Colleague might ask for a truce on his grounds and the others for the purpose of evacuation.

The Consul-General for Italy observed that the most important thing was to avoid war in the Shanghai area. As his Japanese Colleague had made it clear that his country did not want hostilities here and as the Mayor had declared the same thing, he thought it was logical to ask for both sides to agree to a truce to allow further time for discussion, so that a disaster might be avoided.

The Consul-General for Japan mentioned that exhaustive efforts had been made on his side to avert hostilities. He had even enlisted the aid of Messrs. Baudez, Gauss and Davidson, as members of the Joint Commission to make proposals to the Mayor regarding the withdrawal of the Chinese army from the prohibited area, which would afford an immediate solution. If that had been agreed to, Japan of course would have made changes in her defensive forces. However the trouble started while these discussions were still going on and the Japanese side therefore were taken by surprise. If as the result of action by his colleagues he had some assurance that the Chinese side would agree to a truce, he would gladly ask for instructions from his Government.

The Consul-General for Italy remarked that a truce should be asked for, even if unsuccessful the effort certainly should be made.

The Acting Consul-General for Germany observed that from previous experience of hostilities and their dangers in Shanghai he believed it was imperative a truce should be asked for at once in order to get their nationals, at least women and children, to places of safety. Real war might break out at any moment in which case there would be no time for those measures.

The Consul-General for Japan said he was very sympathetic with the desire of his colleagues to convey their nationals to safety and would do everything possible to assist in realizing their desire. As mentioned before the Japanese side had been taken by surprise and the Japanese armed forces in Shanghai were small comparatively, in number. However, he believed effective military measures, which would be increasingly effective, would be taken by the Japanese side to destroy Chinese bombing activities and to keep the fighting away from the foreign areas.

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The Consul-General for Denmark said he would be glad to know a little more, if possible, about the general military situation in order to assist him in deciding about the evacuation of his nationals. Some of them were in a very difficult position with regard to evacuation and while the British Authorities may not object to their evacuation to Hongkong there was the question of expenses. Then there was the question of transfer to safer zones in Shanghai.

The Consul-General for Japan said he was quite optimistic about the military situation and personally he did not think there was any immediate necessity for evacuation of non-Japanese foreigners. Such fighting as would occur would only directly affect the area north of the Soochow Creek. So the area south should be fairly safe.

Regarding the Mayor's statement of the report that anti-aircraft and machine guns were mounted on certain Japanese buildings on the Bund, the Senior Consul asked if his Japanese colleague would be willing to consent to a Chinese representative seeing for himself that these were non-existent. The Japanese Consul-General replied that he would be willing to so arrange.

The Consul-General for the Netherlands said there was no guarantee from both sides that their planes would not fly south of the Soochow Creek over the foreign areas. He thought it was the duty of the Consular Body to do its utmost to obtain a pledge that this would not eventuate.

The Senior Consul said he would of course be willing to try and obtain such a promise.

The Consul-General for Japan said his side was already exercising great care in trying to avoid flying their military planes over the foreign areas south of the Soochow Creek, but evidently the Chinese side were not restraining their military planes from so doing.

The Consul-General for France suggested the Consular Body should offer its good offices to both sides in any way acceptable towards avoiding further hostilities.

The Consul-General for Switzerland suggested that the Mayor be informed (1) that as the Consular Body had received assurances from the Consul-General for Japan that Japanese military planes would not fly over the foreign areas south of the Soochow Creek the Consular Body on the basis of these assurances would be ready to see that neutral military representatives verify that point. (2) The Consular Body would be willing to offer its good offices in any service designed to prevent further hostilities.

Referring to the possibility of evacuation the Consul-General for the Netherlands mentioned the desirability of obtaining safe conduct from both sides for passage down the river.

The following representations were finally decided upon and the Senior Consul was asked to convey them to the Mayor forthwith:-
 Shanghai. August 16th, 1937.

Representations made by the Senior Consul to the Mayor on the evening of August 15th, in accordance with the decision at the meeting of the Consular Body that afternoon.

1/ As regards the report which the Mayor is reported to have received that Japanese anti-aircraft and machine guns have been mounted on certain buildings on the Bund, the Consular Body has been assured by the Consul-General for Japan that the report is altogether erroneous and that he is prepared to arrange for an inspection on the spot by Chinese officials designated by the Mayor in order to verify his assurances. If these representatives confirm that no such weapons are mounted in these buildings the Consular Body hopes that the Mayor will give the fact due publicity.

2/ As the

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2/ As the Consular Body has been assured ⁶ south of by the Consul-General for Japan that no Japanese war planes will fly over the foreign areas, the Consular Body hopes that the Mayor will give a similar undertaking for the Chinese side.
 3/ The Consular Body wishes to offer its services and to put itself at the disposal of both sides in any way designed to prevent further hostilities in the Shanghai area in the present conflict.

August 15th, 1937.

Secretary's Note

As regards Point (2) The Consul-General for Japan telephoned the Secretary after his return from accompanying the Senior Consul on the visit to the Mayor, and asked that the wording be changed to read as follows:-

"It is the intention of the Japanese Commander in Chief to see that Japanese Naval bombers do not fly south of the Soochow Creek over the foreign areas. The Consular Body therefore hopes that the Mayor will give a similar undertaking for the Chinese side."

THE MEETING THEN TERMINATED.

(The American Consul-General telephoned to the Secretary during the course of the meeting explaining that certain exigencies prevented him from attending and asking that he be informed of any proposed action. Accordingly the above proposals were telephoned to him and to the Acting Consul-General for Great Britain, who had left the meeting before its conclusion, and received their approval.)

E. A. Long.
 Secretary, Consular Body.

Circulated: September 11th, 1937.

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

Enclosure No. 7

Shanghai. August 16th, 1937.

MEMORANDUM OF CONVERSATION BETWEEN THE SENIOR CONSUL AND THE
 MAYOR ON THE EVENING OF AUGUST 15TH.

Mr. Aall (accompanied by the Secretary) called about 5 P.M. and informed the Mayor that he had come on behalf of the Consular Body to make certain representations. These representations had been written down in the form of a memorandum and the Senior Consul handed a copy of it to the Mayor who read it forthwith. (See accompanying circular).

Replying to point 1 of the representations the Mayor said that as he had received information through the Senior Consul that the Japanese Consul General has given assurances that there were no anti-aircraft guns or machine guns on the roofs of Japanese buildings on the Bund, which assurances had been confirmed by the Shanghai Municipal Police who had conducted an investigation, he was satisfied of the truth of these assurances and therefore an inspection by Chinese officials was not necessary.

However he pointed out that such weapons might be mounted on those buildings in the future in which case the Chinese side reserved liberty of action. He would not promise to announce his satisfaction on the point in the press, but said he would communicate it if he was asked. As regards representation No. 2, the Mayor repeated what he had told the Secretary in the morning, viz. that Chinese possessed "air" sovereignty over the foreign areas and therefore had the right to fly her planes in that domain. Unless the Japanese side could be prevailed upon to remove the flagship "Idzumo" from its present berth alongside the Japanese Consulate he could not undertake not to fly Chinese military planes over the foreign areas south of the Soochow Creek, although such flights most probably would not take place in view of the unfortunate occurrences of Saturday afternoon. Moreover as the Japanese side were using portions of the Settlement as bases for military operations, China could not assume responsibility for anything she might feel constrained to do involving the foreign areas.

The Senior Consul pointed out that the "Idzumo" was about 35 years old and so must be of very little use from the military point of view. It was probably berthed where it was to give the Japanese community which was very large in the adjacent areas, a sense of security. The Mayor replied that the "Idzumo" had done a lot of damage, presumably because of her anti-aircraft firing, which caused the Senior Consul to remark that of course she must defend herself if attacked. Continuing the Senior Consul asked the Mayor in the name of humanity and for the sake not only of foreign residents but the millions of Chinese inhabitants of Shanghai to do everything possible to avoid hostilities in the foreign areas, particularly the dropping of bombs or shells therein. He reminded the Mayor that the Japanese side were disposed to do everything possible in that direction. The Mayor replied that he was likewise deeply concerned over the safety of the noncombatants in Shanghai, but maintained that China was merely acting in self-defense.

The Senior Consul read the letter from the Chairman of Council (see Circular 134-G-VII) asking that a strong protest be made to the Mayor regarding the bombing of the International Settlement the previous afternoon. The Mayor repeated his great regret at the unfortunate occurrence, but maintained that the replies he had already given were a sufficient answer to it. However he hinted that steps had been taken in the proper quarters to prevent a recurrence of the bombings of the foreign areas. As regards representation No. 3 the Mayor said he would be glad to receive and consider at all times any proposals which the Consular Body wished to put before him and would refer them to Nanking if necessary.

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However, he believed that nothing could be done to avoid a conflict unless the Japanese armed forces withdrew immediately. Any delay in an attack by the Chinese side would give an advantage to the Japanese side in that it would give them time to bring in heavy reinforcements.

E.A.L.

Shanghai, August 16th, 1937.

Representations made by the Senior Consul to the Mayor on the evening of August 15th, in accordance with the decision of the meeting of the Consular Body that afternoon.

(1) As regards the report which the Mayor is reported to have received that Japanese anti-aircraft and machine guns have been mounted on certain buildings on the Bund, the Consular Body has been assured by the Consul General for Japan that the report is altogether erroneous and that he is prepared to arrange for an inspection on the spot by Chinese Officials designated by the Mayor in order to verify his assurances. If these representatives confirm that no such weapons are mounted in these buildings the Consular Body hopes that the Mayor will give the fact due publicity.

(2) As the Consular Body has been assured by the Consul General for Japan that no Japanese war planes will fly south of the Soochow Creek over the foreign areas, the Consular Body hopes that the Mayor will give a similar undertaking for the Chinese side.

(3) The Consular Body wishes to offer its services and to put itself at the disposal of both sides in any way designed to prevent further hostilities in the Shanghai area in the present conflict.

Shanghai. August 15th, 1937.

Secretary's Note: As regards Point 2, the Consul General for Japan telephoned the Secretary after his return from accompanying the Senior Consul on the visit to the Mayor, and asked that the wording be changed to read as follows:

"It is the intention of the Japanese Commander-in-Chief to see that Japanese naval bombers do not fly south of the Soochow Creek over the foreign areas. The Consular Body therefore hopes that the Mayor will give a similar undertaking for the Chinese side."

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

Enclosure No. 8

(CIRCULAR 134-G-VII.)

SUBJECT: LETTER OF PROTEST FROM THE CHAIRMAN, SHANGHAI
 MUNICIPAL COUNCIL.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE
 COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR
 THEIR INFORMATION.

Council Chamber,
 August 15th, 1937.

N. Aall, Esquire,

Consul General for Norway and Senior Consul,
 Shanghai.

Sir:

As Chairman of the Shanghai Municipal Council I
 have the honour to request you to convey to the Chinese
 Authorities the most solemn protest against the tragic
 and unpardonable bombing yesterday of part of the
 International Settlement, which was known to be entirely
 free of belligerent troops. I most earnestly urge ~~upon~~ you
 to press the Chinese Authorities to take immediate steps
 to prevent the recurrence of further loss of life in this
 International area.

I have the honour to be,

Sir,

Your obedient servant,

(sd) C. S. Franklin

Chairman.

Circulated: August 16th, 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

Enclosure No. 9.

(CIRCULAR 151-G-VII.)

SUBJECT: PROPERTY IN AREA NORTH OF THE SOOCHOW CREEK.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. THE STATEMENT OF THE JAPANESE COMMANDER IN CHIEF OF THE THIRD FLEET REFERRED TO IN THIS CORRESPONDENCE APPEARED IN THE PRESS ON AUGUST 28TH.
(Letter from the Consul-General for Japan to the Senior Consul.)

August 28th, 1937,

Sir and dear Colleague,

I have the honour to inform you that of late not a few foreigners have approached us with the request that they be permitted to visit their property or to salvage the goods stored in the Hongkew and Yangtzepoo sections of the International Settlement.

While this desire of those who have business interests or who had been living north of the Sookchow Creek is quite understandable I must point out that from our military point of view these areas are not yet open to outside traffic and the situation now obtaining in these districts does not warrant the general public to resume their normal business activities.

Such being the case the Commander-in-Chief of the Japanese Third Fleet on August 26th published the statement, gist of which is as follows.

"With gradual improvement in the situation in the Hongkew and Yangtzepoo districts, foreigners with business interests or who had previously been living in these areas have been attempting to return or to get access to their property at the earliest opportunity.

"However, in view of the fact that maintenance of peace and order in the above-mentioned districts leaves much to be desired, and that these areas have still to be strictly patrolled by the Japanese authorities, Chinese will be forbidden to enter the Hongkew and Yangtzepoo districts until further notice.

"As for people of other nationalities, they are requested to take into account the efforts being made by our forces for the restoration of peace and order and are hereby asked voluntarily to refrain for the time being from returning to their former domicile or having access to their property in these districts."

I shall be grateful if you will kindly circulate this letter among our honorable colleagues for their information.

I have the honour to be,

Sir and dear Colleague,

Your obedient servant,

(sd) Suomasa Okamoto
Consul-General.

N. Aall, Esq.,

Senior Consul and

Norwegian Consul-General,

Shanghai.

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

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(Letter from Senior Consul to Consul-General for Japan)

Shanghai. August 30th, 1937.

S. Okamoto, Esquire;
Consul-General for Japan,
Shanghai.

Sir and dear Colleague:

I have the honour to acknowledge the receipt of your letter of August 28th regarding the desire of certain foreigners to visit property owned by them or to salvage goods stored in the Hongkew and Yangtszepoo sections of the International Settlement. You represent that from the Japanese military point of view, those areas are not yet open to outside traffic or in a position for the resumption of normal business activities and quote a statement published by the Commander-in-Chief of the Japanese Third Fleet on August 26th in this regard.

In reply I desire to confirm the verbal representations made on behalf of my interested colleagues last Saturday evening (29th) which drew your attention to the enormous stocks of merchandize as well as the large installations of plant and machinery belonging to nationals of neutral Powers in the area North of the Soochow Creek. The Owners are innocent victims in the economic sense of the present hostilities and already have sustained staggering financial losses because of destruction and non-accessibility to their property; losses which are being progressively added to each day the present impasse obtains.

As the area mentioned is under occupation by Japanese Naval forces and as in practice it is necessary to have the co-operation of the Japanese Authorities in dealing with the stocks and equipment referred to, I desire to appeal to you in all earnestness to urge upon your Naval Authorities, now that the military situation has so much improved in those districts, to facilitate without further delay the entry and free movement in the said districts of the owners or their agents and not to interfere with them in dealing with their property.

If passes are necessary for the purpose, my interested colleagues hope that a definite procedure will be established in this regard.

I trust you will lend your valuable support to this appeal.

I have the honour to be,

Sir and dear Colleague,

Your obedient servant,

(sd) N. Aall,

Consul-General for Norway and

Senior Consul.

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

Enclosure No. 10

URGENT.

(CIRCULAR 162-G-VII.)

SUBJECT: REMOVAL OF FOREIGNERS BELONGINGS FROM THE HONGKEW AND YANGTSEPOO AREAS.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. (Received 3 P.M. Sept: 15th, 1937.)
(Letter from the Consul-General for Japan to the Senior Consul.)

September 15th, 1937.

Sir and dear Colleague:

With reference to my letter of August 28th in which I communicated to you the decision of the Japanese naval authorities to close the Hongkew and Yangtsepoos districts for outside traffic I have the honour to inform you that in view of the approaching cooler weather the following exception will be allowed in favour of those foreigners who had previously been residing in the districts north of the Creek.

For the period of five days beginning September 16th as per schedule attached below, these foreigners will be permitted at their own risk to take out their personal effects, blankets and beddings, for the removal of which, however, the following regulations should strictly be observed.

- (1) Applications must be filed with the respective Consular authorities, who are requested to provide the applicant with a certificate properly signed or stamped, giving the name, age and address of the applicant (with a rough map showing the location of the house) as well as quantity of goods to be removed.
- (2) Removal should be effected as quickly as possible and no excursion into the battlefield will be permitted.
- (3) Suspicious persons will be detained and their goods will forthwith be confiscated.
- (4) No one will be allowed to look into the damage done to others' property.
- (5) Removals might be suspended should military operations necessitate.
- (6) The Japanese authorities will not be held responsible for any danger to the lives and property of the foreigners.

Schedule

<u>District</u>	<u>Route to be taken</u>
Sept. 16 Hongkew Area	Dixwell Road
17 (North of Kashing, Gee Mai Roads, south of the Hongkew barracks)	
Sept: 18 The Settlement Area between Hongkew and Yangtsepoos Creeks, including Kashing and Gee Mai Roads.	Broadway, Yangtsepoos and Kashing Roads.
Sept: 19 The Settlement Area east of the Yangtsepoos Creek	Yangtsepoos Road

N.B. Hours (9-11 a.m.
(2-4 p.m.

Each foreigner should be accompanied by a members of the S.M.C Japanese/

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

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Japanese police or a Japanese Consular policeman.

I should feel grateful if you would
be so good as to circulate this communication among our honourable
colleagues. immediately

I have the honour to be,
Sir and dear Colleague,
Your obedient servant,

(sd) Suemasa Okamoto
Consul-General.

N. Aall, Esquire,
Consul-General for Norway
and Senior Consul,
Shanghai.

Circulated: September 15th, 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

Enclosure No. 11

(CIRCULAR 165-G-VII.)

SUBJECT: CARGO IN GODOWNS IN THE AREA OF HOSTILITIES.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.
(Letter from the Shanghai General Chamber of Commerce to the Senior Consul.)

16 September, 1937.

N. Hall, Esq.,
Consul-General for Norway and Senior Consul,
2 Peking Road,
Shanghai.

Sir:

We have the honour to inform you that we have been directed by our Committee to respectfully bring to the notice of the Consular Body the serious situation at present existing regarding cargo contained in general storage and wharf godowns in the eastern and northern areas of Shanghai. Merchants and Shippers find their interests seriously jeopardized by the continued refusal of the Japanese authorities to permit the removal of the cargo in question.

As it would seem that conditions have now improved, in certain sections of those areas at any rate, to permit the working of cargo, our Committee beg to suggest that the Consular Body press for immediate relaxation in existing restrictions and the provision of facilities to Merchants to move their cargo where at all reasonably possible.

Our Committee have received representations on the matter from many quarters and they trust your colleagues will find it possible to take action on the lines indicated with as little delay as possible.

We have the honour to be,

Sir,
Your obedient servant,
Beck and Swann
Secretaries.

(b) (letter from the Senior Consul to the Consul-General for Japan.)

September 16th, 1937.

S. Okamoto, Esquire,
Consul-General for Japan,
Shanghai.

Sir and dear Colleagues:

I have the honour to refer to my letter of August 30th, appealing for your support in urging upon your naval authorities the expediency of allowing neutral foreign owners (and their agents) of merchandize and of plant and machinery in the districts north of the Soochow Creek to enter those districts for the purpose of dealing with the property mentioned in an attempt to avoid further serious financial and other loss to those owners. I have not yet received a reply to that letter.

One aspect of this matter has now been raised by the Shanghai General Chamber of Commerce in its letter to me of September 16th, a copy of which is transmitted herewith. The Chamber represents the serious jeopardy in which the interests of Merchants and Shippers have been placed because of the refusal of the Japanese authorities to allow them to work cargo stored in the eastern and northern districts of the International Settlement and presses for an immediate relaxation of the existing restrictions in this regard.

My/

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

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My interested colleagues desire to support these representations of the General Chamber and to reiterate those made in my letter of August 30th hereinbefore referred to.

It should be possible at the present time to permit entry and disposition of cargo in at least some portion of the districts mentioned and to enlarge the permissive area as the military situation warrants it.

Permit me again to commend this matter to your earnest consideration.

I have the honour to be, etc.,
 (sd) N. Aall
 Consul-General for Norway
 and Senior Consul.

(c) (Letter from the Senior Consul to the Chairman, General Chamber of Commerce.)

September 16th, 1937.

G. Boolsen, Esquire,
 Acting Chairman,
 Shanghai General Chamber of Commerce,
 Shanghai.

Sir:

I have the honour to acknowledge the receipt of the letter from the Secretaries of your Chamber of September 16th, representing the serious jeopardy in which the interests of Merchants and Shippers have been placed because of the refusal of the Japanese authorities to permit the working of cargo stored in the eastern and northern districts of Shanghai and pressing for an immediate relaxation of the restrictions in this regard.

existing
 On August 30th last I made earnest representations on behalf of my interested colleagues to the Japanese Consul-General asking him to urge upon his naval authorities the expediency of allowing owners of merchandize, plant and machinery in the districts north of the Ssochow Creek free entry in those districts for the purpose of inspecting and disposing of their property. I have not yet succeeded in this desire but I will make further representations based on your letter under acknowledgement and will inform you of any developments in the premises.

I have the honour to be, etc.,
 (sd) N. Aall
 Consul-General for Norway
 and Senior Consul.

Circulated: September 16th, 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

Enclosure No. 12

URGENT

(CIRCULAR 169-G-VII.)

SUBJECT: TRANSPORTATION OF GOODS AND ARTICLES STORED
 IN THE HONGKOW, WAYSIDE AND YANGTSEKOO AREAS

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE
 COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR
 THEIR INFORMATION.

(Announcement from the Japanese Consul-General to the
 Senior Consul.)

The Japanese Consul-General presents his compliments
 to the Senior Consul and has the honour to request that
 the latter be so good as to circulate the notice herein
 enclosed among his honourable colleagues.

September 22nd, 1937.

TEXT OF THE ANNOUNCEMENT

Arrangement will be made for the transportation of
 goods and articles stored in the Hongkew, Wayside and
 Yangtseepoo areas.

Those wishing to transport such goods should make
 application in duplicate to that effect to the Japanese
 Consulate General stating exact location of the goods
 to be moved, their quantity, their nature, their roughly
 estimated value and the number of trucks required for
 their transportation.

The application should duly be certified by the
 consulate having jurisdiction over the applicant and
 filed with the temporary office of the Japanese Consulate
 General at the N.Y.K. office at the Bund on September
 22 and 23.

Taking into consideration requirement for military
 operations and the adequate policing on the protection
 of the areas from which the goods are to be moved, as
 well as sanitary conditions and the state of traffic in
 those districts, the date to be assigned for the removal
 of the goods will be announced at the earliest possible date.

Circulated: September 22nd, 1937.

(Received September 22nd, at 11.45 a.m.)

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

Enclosure No. 13

URGENT

(CIRCULAR 145-G-VII.)

SUBJECT: THE HOISTING OF FLAGS BY THE CHINESE

The Senior Consul presents his compliments to his honourable colleagues and in circulating the following letter has the honour to say that he asked the Secretary General of the Shanghai Municipal Council whether the Shanghai Municipal Police would not be able to assist the various Consuls in reporting cases when their national flags are misused and assisting those Consuls in putting a stop to this malpractice if requested to do so. The Secretary General replied that the Shanghai Municipal Police could probably be of use in this respect, if the Consul concerned so desired.

(Letter from the Japanese Consul-General to the Senior Consul.)
(Circulated by the request of the Japanese Consul-General)

August 25th, 1937.

Sir and dear Colleague,

I have the honour to draw your serious attention to the fact that in the present Sino-Japanese hostilities in and around Shanghai there have been many instances in which Chinese-owned houses and buildings, by hoisting flags of various neutral Powers, have been used for military operations against us by the Chinese.

This widespread abuse by Chinese of national ensigns of third Powers is a matter to be condemned and I have to request each of the countries concerned to take immediate steps to put an end to this irregular practice.

Similarly in view of the fact that Chinese troops have been entrenched themselves for military purposes in some of those buildings which are believed to be neutral property the Japanese authorities deem it imperative in such cases to take appropriate defensive measures against these Chinese and will not be held responsible for damages thereby inflicted on these properties.

It is earnestly hoped, therefore, that the neutral Powers, when property of their nationals fly their own flags, will do whatever they can in their power to prevent the Chinese troops from making use of those properties for military purposes.

I have the honour to be,
Sir and dear Colleague,
Your obedient servant,

(sd) Suemasa Okamoto
Consul-General.

N. Hall, Esquire,
Consul-General for Norway
and Senior Consul,
Shanghai.

Circulated: August 26th, 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. Hueston NARS, Date 12-18-75

Enclosure No. 14

(CIRCULAR 147-G-VII.)

SUBJECT: Flags Of THE NEUTRAL POWERS BEING USED
BY THE CHINESE.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(Letter from the Senior Consul to the Mayor.)

Shanghai. August 28th, 1937.

Mayor O. K. Yui,

Mayor of the City Government of Greater Shanghai,
Shanghai.

Sir:

I have the honour to inform you that the Consul-General for Japan has represented to me that in the course of the Sino-Japanese hostilities in and around Shanghai there have been many instances in which Chinese owned houses and buildings have displayed the flags of various neutral Powers and that such houses and buildings have been used by Chinese troops during military operations. The Consul-General requests that the various countries concerned take immediate steps to put a stop to this irregular practice and also towards preventing the use by Chinese troops of neutral properties flying the national flags of the owners. He warns that appropriate measures will be taken if these requests are disregarded.

I have asked for the assistance of the local foreign authorities in preventing as far as possible any irregularity in the use of neutral flags and property in the present unhappy dispute and I wish to solicit your co-operation and help towards the same end. You will, I am sure, appreciate that the foreign authorities mentioned are doing everything possible in circumstances of great difficulty to preserve an attitude of neutrality in the Shanghai area at the present time.

I have the honour to be, etc,
(sd) N.Aall

(Circulated 28/8/37) Consul-General for Norway and Senior Consul.

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

Enclosure No. 15

(CIRCULAR 161-G-VII.)

SUBJECT: THE HOISTING OF FLAGS BY THE CHINESE

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND WITH REFERENCE TO CIRCULARS 145 AND 147-G-VII, HAS THE HONOUR TO CIRCULATE THE FOLLOWING LETTER FOR THEIR INFORMATION. HE WISHES PARTICULARLY TO INVITE THEIR ATTENTION TO THE 4TH PARAGRAPH OF THAT LETTER.
 (Letter from the Japanese Consul-General to the Senior Consul.)

September 14th, 1937.

Sir and dear Colleague:

With reference to my letter of August 25th I have the honour to inform you that the Japanese forces have come across not a few instances in which the Chinese armed forces including plain clothed snipers have taken advantage of those buildings, motor trucks and other means of transportation which hoist foreign flags in order to attack the Japanese.

Careful investigations reveal, however, that these buildings or conveyances in many cases turn out to be the property of those whose nationality has nothing to do with the flag which is being ostensibly flown over the property.

The Japanese military and naval authorities cannot allow this widespread abuse of foreign national ensigns by the Chinese and are anxious that each (of the) foreign authorities concerned should take some effective measures to deal with this deplorable practice.

I may mention in this connection that some of the foreign consular authorities have taken the trouble to furnish me with maps showing the location of those properties which legitimately fly their own national flags. Some such arrangements are highly advisable and I cannot help expressing earnest hope that the interested consular authorities will do their utmost to cooperate with us for the suppression of this dastardly measures now so wantonly resorted to by the Chinese forces.

I should be grateful if you would kindly bring this communication to the attention of our honourable colleagues.

I have the honour to be,
 Sir and dear Colleague,
 Your obedient servant,
 (sd) Suemasa Okamoto
 Consul-General.

N. Hall, Esquire,
 Consul-General for Norway
 and Senior Consul,
 Shanghai.

Circulated: September 14th, 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

Enclosure No. 16

(CIRCULAR 163-G-VII.)

SUBJECT: WORKERS OF THE RED CROSS SOCIETY OF CHINA.

The Senior Consul presents his compliments to his honourable Colleagues and has the honour to circulate the following for their information. From enquiries which have been made, he understands that the foreign (non-Japanese) military authorities have come to an arrangement with the Red Cross Society of China regarding the entry and exit of their authorized agents through the barriers.

(Letter from the Mayor to the Senior Consul. September 12, 1937.)
 (Translation of Despatch No. 928 Character Te, from Mayor Yui of the Municipality of Greater Shanghai.)

Sir: I have received a letter No. 47 from the Red Cross Society of China, which states:

"After the outbreak of hostilities this Society has, in accordance with the instruction received, undertaken all the rescue work. Aside from dispatching our rescue corps to the front to carry out their work, we have established in the special areas of this District branch hospitals for treating the wounded soldiers. For purposes of identification arm bands and flags were issued to all our rescue workers and the vehicles used for rescue purposes. There might be some abuse on the part of undesirable characters after the outbreak of hostilities at Shanghai, and due to suspicions thus aroused, the Settlement authorities have on occasions detained our rescue workers and vehicles. After discovery of the matter this Society has enacted a new set of provisional rules relating to the certificate and arm bands for the rescue workers of the Red Cross Society of China. Definite arrangements have been made and a thorough improvement has been effected. Such rules have been submitted to the Nanking-Shanghai Garrison Commander's Headquarters for record and also circulated to all the troops for information. Under the circumstances the Settlement authorities should not again cause inconvenience to us. We forward herewith 2 copies each of the provisional rules in Chinese, English and French with the request that you make it clear to the Consular Body at Shanghai as to the stand taken by this Society and the actual condition of the work done by us. We also request that you take up the matter with the Consular Body so that there might be no more interference with our rescue workers and vehicles on leaving or entering the Settlements. Thus our work may be facilitated and the general situation maintained. As the matter concerns the rescue work of an extraordinary nature we hope you will deal with it immediately and favour us with a reply."

Since the Red Cross Society is an internationally recognised and lawful organization for public welfare, due protection and cooperation should be afforded in regard to the work to be carried out by it. There is now growing tension in the war activities, and the wounded soldiers and civilians in the war areas require immediate treatment. The coming and going of the rescue workers and vehicles of the said Society should be regarded very important. Detailed provisions have been made in the provisional rules enacted by the Society and it seems that there will not be any more abuse arising. Enclosed herewith please find one copy of the original rules and translations of same in English and French. I hope you will transmit same to all the Consuls at Shanghai and notify the Shanghai Municipal Council and French Municipal Council to give the Society every facility. Awaiting your reply.

Chopped: O. K. Yui

Mayor

N. Hall, Esquire,
 Senior Consul and Consul General for Norway,
 Shanghai.

Circulated: September 16th, 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

Enclosure No. 17

(CIRCULAR 138-G-VII.)

SUBJECT: NAVIGATION OF CHINESE VESSELS.

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION.

(From the Japanese Consul-General to the Senior Consul.)

August 18th, 1937.

The Japanese Consul-General presents his compliments to the Senior Consul and has the honour to request Mr. Aall that he be good enough to circulate the notice herein enclosed among his honourable colleagues.

N O T I C E

The third Fleet of the Imperial Japanese Navy hereby notifies that navigation of Chinese vessels in Sections VI, VII, VIII of the Whangpoo River will be prohibited beginning to-day from 7 p.m. to 5 p.m. as a measure of self-defence. Those vessels which navigate in defiance of this prohibition will properly be dealt with.

Vessels of other nationalities which have to navigate in the prohibited area during the above-mentioned hours are advised to notify the Japanese Naval Authorities in advance in order to avoid any possible danger arising out of misunderstanding.

(Sgd) Vice-Admiral K. Hasegawa

The Commander-in-chief,
The Third Fleet of the
Imperial Japanese Navy.

Mr. N. Aall,
Senior Consul,
Shanghai.

Circulated: August 19th, 1937.

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

Enclosure No. 18

(CIRCULAR 157-E-II.)

SUBJECT: TWO SHIPPING PROCLAMATIONS

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. (SEE NOTE BELOW.)

(From the Consul-General for Japan to the Senior Consul.)

Received Sunday 5th at 10.40 a.m.

September 5th, 1937.

Sir and dear Colleague:

I have the honour to enclose herewith copies of two proclamations, made by Commanders-in-chief of the 2nd and 3rd Fleet of the Imperial Japanese Navy respectively, and shall be grateful if you will kindly take immediate steps to bring them to the notice of the interested authorities through our honourable colleagues.

I have the honour to be, etc.,
(sd) Suemasa Okamoto.
Consul-General.

N. Aall, Esq.,
Senior Consul and Consul-General for Norway,
Shanghai.

PROCLAMATION

I hereby announce that, commencing from 6 p.m. of September 5th, 1937, Chinese shipping, both government owned and private, will be prohibited by the naval forces under my command from entering into or exiting from the Chinese territorial waters extending from 40.00 degrees north latitude and 119.54 degrees east longitude to 34.30 degrees north latitude and 119.55 degrees east longitude but excepting the port of Tsingtao.

The present prohibition will be applicable to all Chinese shipping but will not prevent vessels of third Powers and of Japan from entering into or exiting from the proscribed zone.

Vice-Admiral Zengo Yoshida,
Commander-in-chief of the 2nd Fleet of the
Imperial Japanese Navy, On board H.I.J.M.S. "Takao"

Sept: 5, 1937.

PROCLAMATION.

I hereby announce that, commencing from 6 p.m. of September 5th, 1937, Chinese shipping, both government owned and private, will be prohibited by the Naval forces under my command from entering into or exiting from the Chinese territorial waters extending from 34.30 north latitude and 119.50 east longitude to 21.33 north latitude and 108.03 east longitude but excepting the waters belonging to Leased Territories of third Powers.

The present prohibition will apply to all Chinese shipping but vessels of third Powers and of Japan will not be prevented from entering into or exiting from the proscribed zone.

The present proclamation will replace the previous one issued by me on August 25th, 1937.

Vice-Admiral Kiyoshi Hasegawa,
Commander-in-Chief of the Third Fleet of the
Imperial Japanese Navy, on board H.I.J.M.S.
"IZUMO"

Sept. 5, 1937.

Circulated: September 6th, 1937.

Note: (This information was communicated to the "Shipping" Consulates on the morning of the 5th.)

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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

Enclosure No. 19

(CIRCULAR 156-E-II)

SUBJECT: MEMORANDUM REGARDING A MEETING OF THE INTERESTED
"SHIPPING" CONSULAR REPRESENTATIVES AT THE ITALIAN
CONSULATE GENERAL ON WEDNESDAY, SEPTEMBER 1ST AT
4 P.M.

PRESENT

Messrs: N. Aall Esq., (Senior Consul) Consul-General for Norway.			
Comm. LeNeyrone	"	"	" Italy.
Dr. A.J. Alves	"	"	" Portugal.
P. Scheel, Esq.,	"	"	" Denmark.
M. Baudez, Esq.,	"	"	" France.
C.E. Gauss, Esq.,	"	"	" U.S.A.
R.C.W. Behrend, Esq.,	Acting	"	" Germany.
Dr. Gastmann,	" " "	"	" Netherlands.
E. Kronwall, Esq.,	" " "	"	" Sweden.
I. Kawasaki, Esq.,		Vice-Consul	" Japan.
A.J. Evans, Esq.,	Representing A.C. General	"	" Great Britain.

The Senior Consul said he wished to emphasize first of all that this was a meeting of the Consular representatives interested in shipping and was not a Consular Body meeting. It had been convened at the instance of the Consul-General for France.

Mr. Baudez said that the Chinese Government (the Waichapu at Nanking, through Mayor O.K. Zui) had asked that meteorological signals which were broadcasted from Sicawei Observatory be discontinued at once. The only weather signals which they would allow would be in Chinese code, this being available only to Chinese vessels. As this was a matter of great interest to all his "shipping" colleagues and as the Shanghai Municipal Council contributed towards the support of the Observatory, he would like to have the opinion of his interested colleagues before telegraphing to his Government on the matter.

The Senior Consul remarked that the weather reports were vital to shipping all along the coast.

The Consul-General for Italy observed that as this was the typhoon season these signals were particularly valuable. The threatened stoppage certainly should be resisted. If necessary a Chinese official representative could be appointed to assist the meteorologists at the Observatory. He did not think there would be any objection to that from the Observatory.

Acting

The Consul-General for Germany said he thought the Chinese Chamber of Commerce might be approached in the matter. He was in Manila in 1932 when apparently there was some threat against the functioning of the Sicawei Observatory, and the Cavite Observatory then represented that the absence of information from Sicawei would constitute a serious danger to shipping and he was urged to do what he could to remedy matters on arrival at Shanghai through the Chinese Chamber of Commerce.

Mr. Gauss said that as there was no declaration of war between Japan and China the latter had no right to interfere with the functioning of Sicawei Observatory. The American Admiral would, he was sure, protest vigorously against such interference. It would be very dangerous for shipping in general.

Mr. Evans (on behalf of Mr. Davidson, Acting Consul-General for Great Britain) concurred in the remarks of Mr. Gauss.

Mr. Kawasaki remarked that Japan was not concerned as she had her own Observatory here and elsewhere in these seas.

The Meeting unanimously decided that any interference with Sicawei Observatory would be a serious danger to shipping in general and fully endorsed any protests Mr. Baudez might make against it.

E.A. Long.

Circulated: September 2nd, 1937.

Secretary, Consular Body,

7401

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

Enclosure No. 20

(CIRCULAR 149-G-VII.)

SUBJECT: ALLEGED LIGHTS IN THE SOVIET CONSULATE BUILDING.

The Senior Consul presents his compliments to his honourable colleagues and has the honour to circulate the following for their information.

Mr. Simansky, Acting Consul-General for the U.S.S.R. visited here on the morning of the 26th instant and imparted the information that the Consul-General for Japan had complained to him (Mr. Simansky) that lights had been shown from the Soviet Consulate Building (signalling?) He suggested that the Senior Consul or the Consular Body send a representative to accompany one of the officials of the Soviet Consulate to satisfy themselves that nobody was in the building and that there were no lights there. The Senior Consul requested Mr. Simansky to send in a written request about the matter and Mr. Simansky returned the same evening with this request, which is reproduced below:-

Consulate General of the U.S.S.R.
Shanghai. August 26, 1937.

Sir and dear Colleague,

In my letter dated August 18th, 1937 I informed you that the office of the U.S.S.R. Consulate General was temporarily removed from No. 20 Whangpoo Road to No. 64 Route de Grouchy, French Concession.

Since we left the old premises, the Japanese Consulate General has telephoned to this Consulate General saying that there seemed to be some light in the U.S.S.R. Consulate General on Whangpoo Road, which indicated the signal for Chinese troops, and that unless the signal is stopped, the Japanese troops will bomb the premises.

With regard to the above, I have protested to Mr. Okamoto, the Japanese Consul-General, on the 16th instant, saying that inasmuch as the office of this Consulate General has been vacated, all responsibilities for the safety of the premises and the property contained therein lie on the Japanese side. I also mentioned that as the territory on which the U.S.S.R. Consulate General is located is controlled by Japanese troops, they should assume all responsibilities for any provocative action on the part of the anti-Soviet elements who might take this advantage to enter the premises. The said protest was confirmed in my letter to Mr. Okamoto dated the 25th instant.

In order to avoid any provocation in the future I should be grateful if you would kindly render your assistance by sending some of the representatives of the Consular Body to inspect the premises and make a protocol together with the representatives of this Consulate General.

Thanking you in anticipation,
I have the honour to be, etc.,
(sd) B.M. Simansky
Vice-Consul in charge of Consulate General.

N. Aall, Esq.,
Senior Consul and Consul-General for Norway,
Shanghai.

The Senior Consul had in the meantime requested that he be represented in the matter by one or two inspectors of the Shanghai Municipal Police and Mr. Simansky agreed to this. Accordingly when he arrived in the evening the inspectors were telephoned for and they repaired to the Soviet Consulate Building accompanied by a representative of the Soviet Consulate General. The result of their search is recorded in the following report, a copy of which has been received by the Consul-General for Japan.

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Report by D.I. Duncan, Esquire,
S.M.P.
August 27th, 1937.

At 7.25 p.m. 26/8/37 Capt. Smyth, D.O."C" Division telephoned to D.I. Duncan and instructed him to get a Japanese members of the S.M.P. and proceed to No. 2 Peking Road where Mr. Aall, Senior Consul and representatives of the U.S.S.R. Consulate were waiting in order that arrangements could be made to search the U.S.S.R. Consulate building on Whangpoo Road. The Japanese authorities alleged that lights were burning in the building and that it was occupied.

In accordance with the above instructions D.S.I. Black, J.D.S. Iguchi and D.I. Duncan proceeded to the Banzai-kan Hotel, Minghong Road in order to obtain the assistance of Supt. Kasumi and at 7.45 p.m. all the above officers arrived at No. 2 Peking Road where Mr. Aall, Senior Consul, Mr. Constantino U.S.S.R. Chancellor, two other representatives of that Consulate and Capt. Smyth were met. The U.S.S.R. Chancellor expressed his willingness to allow any members of the S.M.P. other than Japanese, to accompany him in a search of the Consulate and accordingly D.I. Duncan and D.S.I. Black accompanied Mr. Constantino and another U.S.S.R. representative to the Consulate on Whangpoo Road. Supt. Kasumi returned to the station with Capt. Smyth while J.D.S. Iguchi remained at the Garden Bridge and explained to the Japanese Marines on duty there what was to take place.

Entry to the Consulate was gained and the S.M.P. officers accompanied the representatives of the U.S.S.R. in a thorough search of the building. No lights were found burning and there was no person living on the premises. With the exception of two or three windows broken probably by stray bullets the building was found to be in good order and there was no sign of illegal entry.

Several strong lights were seen in the Public Gardens along the side of Soochow Creek and it is quite possible that the reflection from these lights might be mistaken for lights burning on the upper floors of the Consulate.

The search lasted from 8.15 P.M. to 9.15 P.M. and on being completed the building was securely locked up and the two U.S.S.R. representatives escorted back to No. 2 Peking Road. D.S.I. Black and D.I. Duncan then returned to the station at 9.30 P.M.

(sd) W.H. Duncan.
D.I.

Circulated: August 28th, 1937.

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

Enclosure No. 21

(CIRCULAR 146-G-VII.)

SUBJECT: RUSSIAN REFUGEES

The Senior Consul presents his compliments to his honourable colleagues and has the honour to circulate the following letter and appended remarks for their information and to invite any comments thereon which they may care to make.
(Letter from the Nansen International Office for Refugees to the Senior Consul.)

Shanghai. August 25th, 1937.

Sir,

We have the honour to ask you to consider our letters of the 19th instant as cancelled.

We now wish to inform you that at our interview with Mr. H.Y. YUI, Director of the Passport Examination Office of the Bureau of Police of Greater Shanghai we were assured by him that the authorities concerned will issue certificates for going abroad only to the Russian Refugees who were formerly duly registered with the Bureau and besides this they will renew the registrations of the Russian Refugees upon expiry.

However no certificates will be issued for the interior of China.

As some of the Russian Refugees did not register in due time with the Chinese Authorities, such will have no possibility to receive certificates for leaving Shanghai.

To such persons certificates of identity will be issued by the Representative in China of the Nansen International Office for Refugees under the authority of the League of Nations after investigation and recommendation by the Russian Emigrants' Committee and we should be very much obliged if you could bring this matter before the local Consular Body and obtain from them official recognition of the Identity Certificates issued as outlined above.

This recognition does of course not involve the automatic granting of a visa by the different nations being members of the Consular Body. Each Consulate will have to consider application for a visa by each individual on its own merits and in accordance to their own government regulations.

Any assistance taking into consideration the present circumstances prevailing in China and the helpless position of the Russian Refugees will be greatly appreciated.

We have the honour to be,

Sir,

Your obedient servants,

(sd) A Loonis

Honorary Representative in China of the Nansen International Office for Refugees.

(sd) Ch. Metzler

Chairman.

Russian Emigrants' Committee.

N. Aall, Esquire,
Senior Consul and Consul-General for Norway,
2 Peking Road,
Shanghai.

Remarks by the Senior Consul.

In the letter referred to of the 19th instant which is now cancelled, the Representative in China of the Nansen International Office for Refugees requested the Senior Consul "to take up with the local Consular Body the question of a free issue to Russian Refugees/

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Refugees of visas to all foreign countries upon presentation of certificates (permis de sejour) which they may have on hand."

I told the Representative that the Consular Body could hardly agree to this request and that moreover each consul would have to follow his own instructions anyhow, when it came to giving visas for Russian Refugees to enter his country.

The Representative thereupon has sent the Senior Consul the above letter.

Circulated: August 27th, 1937.

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

Enclosure No. 22

(CIRCULAR 164-G-VII.)

SUBJECT. RUSSIAN REFUGEES IN SHANGHAI

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING:

The newspapers in Shanghai have printed various reports regarding the Nansen International Office for Refugees and the Russian Refugees in Shanghai.

For the information of his colleagues the Senior Consul begs to state that on September 4th he received the following telegram from Geneva:

"Consul General Norway
Shanghai.

Alarming news Russian Refugees Shanghai stop
Earnestly beg examine situation with representative Nansen
Office Loonis 290 Szechuen Road and afford as far as possible
protection Consular Corps.

Michael Hansson"

After having discussed the matter both with Mr. Loonis and Mr. Metzler (Chairman of the Russian Emigrants' Committee) and after having taken it up also with the International Relief Committee, Mr. Aall sent the following telegram to Geneva on the 7th last.

"LC Nansen Office
Geneve

Russians not particularly wanting protection, but assistance, which is given already stop International relief committee will also help to extent possible but means limited I have arranged Loonis effected on that committee

Aall"

Mr. Aall also confirmed the contents of his telegram in a letter to Mr. Michael Hansson who is the President of the Governing Body of the Nansen International Office for Refugees.

Circulated: September 16th, 1937.

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

Enclosure No. 23

(CIRCULAR 155-G-III.)

SUBJECT: EVACUATION

The Secretary presents his compliments to the Honourable the Heads of Consulates and has the honour to circulate the following for their information.

(Letter from the Secretary, Evacuation Sub-Committee to the Secretary.)

Council Chamber.
Shanghai, August 31, 1937.

E. A. Long, Esq.,
Secretary.
Consular Body.

Sir:

I am directed by the Chairman of the Council's Evacuation Sub-Committee to circulate the contents of a letter dated August 30, 1936, received by him from the Secretary of Council which reads as follows:-

"I am directed to inform you that the Council has decided not to proceed with any schemes for the general evacuation of the foreign population.

This decision has been arrived at after careful consideration and in view of the great anxiety of the Chinese community during the past fortnight which has naturally tended to undermine confidence. It is felt that it would be unwise at the present time to take any practical steps with regard to plans for the evacuation of foreigners since such would inevitably lead to still further loss of confidence at a time when it is most necessary to take all possible steps to restore it.

In thus concluding the work of the Evacuation Sub-Committee, I am directed to express the Council's gratitude and deep appreciation to the Sub-Committee for its labours and for the valuable advice tendered by members on this difficult and delicate subject."

To the Council's thanks, the Chairman wishes to add his personal appreciation of the valuable assistance rendered by members of the Sub-Committee in this matter.

I am, Sir,
Your Obedient Servant,
(sd) J.W. Allan
Secretary Evacuation Sub-Committee

Circulated: 1st, September, 1937.

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



NOTED
DIVISION OF FAR EASTERN AFFAIRS

UNDER SECRETARY OF STATE

November 8, 1937.

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MR. WELLES

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Reference Shanghai's No. 987, September 30, 1937, entitled "Statement by the Japanese Consul General at Shanghai of Japan's Case in the Present Sino-Japanese Hostilities in the Shanghai Area."

This despatch comments on a published statement made by the Japanese Consul General at Shanghai giving his version of the present Sino-Japanese hostilities at Shanghai, and on editorial criticism elicited by that statement. Mr. Okamoto's statement is in general correct but differs in certain instances from the facts previously reported by Mr. Gauss and from the minutes of the meeting of the Joint Commission of August 12.

In Mr. Gauss's opinion the Chinese Government made Shanghai rather than North China the main theatre of war for the following reasons:

- (1) possible involvement of and intervention by those powers having large interests in Shanghai;
- (2) realization that operations in Shanghai would be given the fullest publicity;
- (3) the

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DIVISION OF FAR EASTERN AFFAIRS

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(3) the consequent weakening of the effectiveness of Japanese operations in North China;

(4) the retention of Nanking's modern army within its own primary sphere of influence; and

(5) the possibility of crushing the then small Japanese garrison at Shanghai and destruction of several Japanese war vessels by air bombing through a surprise attack, thereby gaining national and world support.

Mr. Gauss believes that the Joint Commission was not entitled to declare a violation of the 1932 agreement - that if such a declaration were made the Chinese would have challenged the authority of the Commission and the Japanese would have used such a declaration as an excuse for the opening of hostilities.

In conclusion Mr. Gauss states that while China may be held responsible for bringing hostilities to the Shanghai area, the fact remains that such hostilities are a part of a general war of resistance against Japanese aggression dating from the Manchuria incident of 1931.

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

NO. 987

V. G.
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AMERICAN CONSULATE GENERAL

Shanghai, China, September 30, 1937.

SUBJECT: Statement by the Japanese Consul
General at Shanghai of Japan's Case
in the Present Sino-Japanese Hostil-
ities in the Shanghai Area.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

1/ I have the honor to enclose an article from THE
NORTH-CHINA DAILY NEWS (British) of Shanghai, issue
of September 24, 1937, publishing a statement by Mr.
Suemasa Okamoto, the Japanese Consul General, present-
ing the case for Japan in the present Sino-Japanese
hostilities in the Shanghai area.

I also enclose copy of an editorial which appeared
in the same issue of that paper, together with copy of
an editorial from the September 25th issue of THE SHANG-
HAI TIMES (British, with Japanese leanings).

As stated in the opening lines of the first men-
tioned editorial, the Japanese Consul General

"... has taken pains elaborately to prove what
few people will endeavor to deny: that the Chi-
nese Government faced in the North by unwarranted
aggression from Japan, decided that the politico-
military needs of the situation demanded the com-
bination of resistance in the North with a strong
attack on Japanese forces in the Shanghai area.
Mr. Okamoto's statement may also be cordially
endorsed in its contention that he, as represent-
ing the Japanese Government here, did his best
in the few weeks leading up to the outbreak to
keep Shanghai clear of hostilities."

In my opinion there can be no doubt that the
National Government determined to make Shanghai rather

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than North China the main theatre of a war of resistance against Japan. Having reached that decision, the National Government moved swiftly toward hostilities. The area around Shanghai had long been prepared by the Peace Preservation Corps for occupation in a military way. The Peace Preservation Corps itself had been substantially augmented and given heavier armament.

It would be unjust to assert that the killing of sublieutenant Ohyama and his seaman chauffeur Saito on the afternoon of August 9th was deliberately planned, although as reported in my despatch no. 943 of August 29, 1937 a British eyewitness of the killing asserts that the motor car in which the Japanese were riding was deliberately, and heavily, fired on by the Peace Preservation Corps guards at the airdrome.

In any case, after the incident and while there was discussion looking toward a "diplomatic settlement", events moved rapidly; and there is evidence that the regular Chinese army forces promptly violated the 1932 truce line and moved in force toward the Shanghai area.

It is possible to advance a number of considerations which may have entered into the final decision of the National Government to make Shanghai the main theatre of the war of resistance against Japan:

1. It undoubtedly was, and probably still is, the hope of a number of the Chinese leaders that by bringing hostilities into this area of large foreign interests, the Powers concerned might be obliged or induced to intervene to the disadvantage of Japan and the advantage of China.

2. By

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2. By bringing the war to Shanghai, one of the world's largest ports, the full light of world opinion and influence would be directed on it, while to confine it to North China--after the immediate clash around Peiping and Tientsin--would be to relegate it to secondary importance in the present turmoil of world affairs.
3. By extending hostilities to Shanghai, the strength of the Japanese effort in North China would be reduced and Japan (but China, likewise) would be placed under the added financial and military responsibility of carrying on a war on two widely separated fronts.
4. By bringing the war to this area, the National Government would be able to hold within its own primary sphere of influence its modern German-trained army with its superior equipment and its extensive air corps, and thus avoid dissipating them over a northern front in support of military leaders whose loyalty to the National Government has not always been outstanding or constant.
5. It was the evident hope and expectation of the National Government that by a swift stroke--using its air force and its modern army--it could crush the small Japanese garrison at Shanghai ("drive it into the sea", as stated by one local Chinese commander) and destroy a number of the vessels of the supporting fleet, thus winning for the Nanking regime the confidence and support of the nation and world acclaim which might bring prompt support for the Chinese side. In this expectation, at least, the Nanking Government has failed.

Turning to an examination of the statement of the Japanese Consul General, I find that in general it is a fairly accurate account of events as they followed one after another at Shanghai, although there are certain inaccuracies of statement probably made to strengthen the Japanese case.

In mentioning the meeting of the Joint Commission on June 23d, last, the Japanese Consul General states:

"At a meeting of the Commission on June 23 last, the Japanese delegation communicated their reports

regarding

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regarding the construction of Chinese military works in the neutral area, particularly at Woon-sung, and asked for an inspection by the neutral members of the Commission to determine whether or not the reports were true. . . . The Chinese delegates at the meeting relied on the absence of an express provision in the 1932 agreement prohibiting the construction of military works in the neutral area and for an inspection by the neutral members as suggested. . . ."

An examination of the minutes of the Joint Commission meeting of June 23d will show that the Japanese demand was for an inspection by the Japanese, with the attendance of the neutral members if the Chinese so desired.

In speaking of the Consular Body meeting of August 10th, the Japanese Consul General says:

"At the meeting of the Consular Body, with the concurrence of the Japanese Consul General, decided to make representations to the Mayor asking that Shanghai be excluded from the sphere of hostilities in the unhappy event of a clash--which representations subsequently were made."

The record will show that at the meeting, which was a meeting of the consular representatives of the extraterritorial Powers who are principally concerned with the administration of the International Settlement, it was agreed that representations should be made to the Mayor and to the Japanese Consul General asking that Shanghai definitely be excluded from the sphere of any possible hostilities. This action was taken on the suggestion of the American Consul General supported by his British colleague.

A further inaccuracy is found in the following statement:

"A culminating piece of evidence of the Japanese determination to exert all means of averting a conflict with the Chinese in this area may be cited.

On

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On the afternoon of August 13 the Japanese Consul General through an intermediary enlisted the good offices of his American, British and French colleagues, who saw the Chinese Mayor on his behalf and suggested (subject to the approval of the higher authorities) the restoration of the status quo ante by mutual withdrawal of the Chinese armed forces from the prohibited area and the concurrent withdrawal of the Japanese naval reinforcements . . . the Mayor received the proposal without enthusiasm, merely contenting himself with a statement that the suggestion would be transmitted to Nanking for consideration."

This statement suggests that the Japanese Consul General used the American, British and French Consuls General to approach the Mayor and propose to him on behalf of the Japanese a return to the status quo ante. The facts as reported by me in my several telegrams to the Department at the time are as follows:

On the morning of August 13th the Japanese Consul General sent the Secretary of the Consular Body to me to inquire whether I would be willing in conjunction with my principal colleagues to explore the situation further in the hope of finding some solution which would avoid a clash. The Japanese Consul General was quoted as saying that he was prepared even to recommend to his government the substantial reduction of the Japanese forces here if the Chinese side would take similar action with respect of the Chinese forces.

My British and French colleagues met with me and we agreed to visit the Japanese Consul General to confirm that he desired our mediation. We agreed that the only possible solution of the situation would be a return to the status quo ante. We visited the Japanese Consul General who indicated his appreciation of our decision to assist in endeavoring to find some solution, but in reply to our inquiry as to any solution he might have to put forward he stated that he had no suggestions. We then suggested a return to the status quo ante, which would necessitate a Japanese withdrawal concurrently with a Chinese withdrawal. He indicated that he would be disposed to put such a proposal to Tokyo. We then visited the Mayor and inquired as to his attitude. He agreed to submit the proposal to Nanking, and in reply to his inquiry as to just what would be intended we drafted with him the following general statement: (1) The Chinese troops to be withdrawn to their former positions (the 1932 truce line) and the Peace Preservation Corps to be withdrawn

about

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about two miles from the railway on the several sides of the Settlement, that two-mile area to be under the control of the Chinese police.

(2) The Japanese to withdraw their reinforcements including the additional naval vessels sent to Shanghai after the incident of August 9th, leaving only a normal garrison force which should remain east of the railway in the northern area and also retire from the Japanese cotton mills in the western district.

Both the Mayor and the Japanese Consul General separately agreed to put this proposal to their respective governments.

Several days later the Japanese Consul General informed me that this proposal had arrived at Tokyo too late; a clash had occurred at Shanghai and the attitude at Tokyo had stiffened. The Mayor has returned no reply and made no mention of the attitude of his Government toward the proposal.

Another comment of the Japanese Consul General should also be noted; he states: _____

"It was evident that the neutral members of the Joint Commission, at the meeting of August 12, were of the opinion that the Chinese army had violated the Peace Agreement of 1932, by entering the prohibited area, but it is very much to be deplored that they did not make a formal protest against this violation. They appeared to consider that this was the function of the respective Ambassadors, whose representatives they were."

While I believe it was the unexpressed opinion of all the neutral members of the Joint Commission that China had deliberately violated the 1932 truce agreement, there was no statement to the Japanese Consul General that it was the function of their respective Ambassadors, whom they represented, to make any such declaration.

The despatches of the American Ambassador will disclose that after the Joint Commission meeting of June 23, 1937, there was some difference of opinion amongst the interested Embassies as to the status and

functions

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functions of the Joint Commission.

It will be recalled that this Joint Commission was set up in 1932 for the purpose of "certifying" the mutual withdrawal of the Chinese and Japanese forces pending "later arrangements". These later arrangements I understand were to be made at a "round table conference" on the Shanghai problem. Conditions favorable to such a round table conference were not found to exist at any time after the 1932 agreement was signed. The Joint Commission seems to have remained in existence by the desire of both the Chinese and the Japanese, but it was not called upon to meet until June 23d, 1937.

The neutral members of the Commission considered that their functions in the existing situation were largely those of "observers", reporting to their respective Ambassadors. I do not believe that they would have been entitled to declare a violation of the 1932 truce agreement; and if they had made such a declaration their authority would have been questioned by the Chinese side while the Japanese side would have used the declaration to justify their military operations in this area. It will be recalled that in 1932 the Japanese sought to justify their invasion of Chapei on the basis of the international defense plan, the decisions of the international defense committee, and the declaration of a "state of emergency" by the Municipal Council. (A declaration of emergency by the Council was avoided during the present affair, in accordance with the understanding reported in my telegram No. 384 of July 22, 10 P.M. to the Department.)

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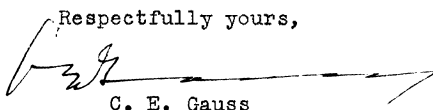
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At the Joint Commission meeting of June 12th, 1937, the neutral members of the Joint Commission directed their efforts toward suggesting possible measures for "holding" the situation until a solution might be found between the two sides. Their efforts were in vain; the Chinese side rejected all suggestions.

If there were involved in the present conflict the question only of the responsibility for the outbreak of hostilities in the Shanghai area, the Japanese would have an excellent case. China might be charged with responsibility for bringing hostilities to this area; and China might be charged deliberately to have made Shanghai the main theatre of the war; but the Shanghai hostilities are part of a general war of resistance to Japanese aggression in China which dates in fact from the Manchurian incident of 1931.

Respectfully yours,


C. E. Gauss
American Consul General

Enclosures:

- 1/- Article from THE NORTH-CHINA DAILY NEWS, September 24, 1937: "Japan States Her Reasons for Fighting".
- 2/- Copy of editorial from same, September 24, 1937: "The Naughty Animal".
- 3/- Editorial from THE SHANGHAI TIMES, September 25, 1937: "Origins of Clash in Shanghai".

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In quintuplicate to the Department.

Copy to Embassy, Nanking.

Copy to Embassy, Peiping.

Copy to Embassy, Tokyo.

Copy to Commander in Chief, U.S. Asiatic Fleet.

Enclosure No. 1 to despatch No. 987 of C. E. Gauss,
American Consul General at Shanghai, China, dated Sep-
tember 30, 1937, on the Subject: "Statement by the Japa-
nese Consul General at Shanghai of Japan's Case in the
Present Sino-Japanese Hostilities in the Shanghai Area."

SOURCE: THE NORTH-CHINA DAILY NEWS
(British), September 24, 1937.

JAPAN STATES HER REASONS FOR FIGHTING

Consul-General Outlines Events Up to Breaking Out
of Hostilities in Shanghai

CHINA ACCUSED OF BROKEN PLEDGES

THE following has been circulated by the Japanese Consul-General in Shanghai as a statement of Japan's case in the present Sino-Japanese hostilities in the Shanghai area. Mr. Sue-masa Okamoto presents the document, dated September 22, 1937, in his capacity as Consul-General and Japanese Civil Delegate of the Joint Commission established by the Peace Agreement of 1932.

In view of the persistent, insidious and dishonest attempts of certain publications and spokesmen to represent Japan as the culprit and aggressor in the present hostilities in and around Shanghai, it is deemed advisable, in the interests of justice and truth, to make public an authoritative and authentic account of the events leading up to this outbreak, with a brief but necessary excursion into occurrences at the Peace Conference which ended the Sino-Japanese conflict of 1932 in this locality. For this purpose official records have been made available and their use is justified on the ground that the Chinese Mayor currently communicated garbled and highly coloured information to the Press concerning the meetings to which these records refer. It is very much to be deplored that the publications alluded to include some of the foreign journals of supposed repute.

A few observations herein on other matters germane to the principal issue may not be out of place.

During the peace parleys in 1932, the Japanese delegates laboured hard for the creation of a demilitarized zone to completely encircle Shanghai, the design being, of course, to remove the danger, once and for all, of hostilities occurring again in this great metropolitan area and shipping port which would bring disaster, misery and loss to foreigners and Chinese alike. These delegates only abandoned their efforts in this direction at the instigation of the representatives of the Participating Friendly Powers, after receiving assurances from the various representatives, including the Chinese, gathered at the Conference, that a Round Table Conference to discuss the future status of Shanghai would be convened shortly after the liquidation of the conflict. These assurances, in deference to Chinese susceptibilities, were embodied in the Peace Agreement of May 5, 1932, under the euphemistic term "pending later arrangements" (vide Art. II). Accordingly Japan contented herself with provisions in the said agreement binding the Chinese side (pending later arrangements) to remain in the positions to which their troops had retreated and the Japanese side to withdraw to the regions occupied by their armed forces prior to the outbreak of hostilities, thus creating the neutral zone along the northern and eastern boundaries of the International Settlement, in the full expectation that the promised Round Table Conference would determine measures for safeguarding Shanghai against any fighting in and around its entire borders in the future. However, despite Japan's insistent efforts, the Chinese side, encouraged by the laissez faire attitude of the Participating Friendly Powers, have successfully resisted during the intervening years the Japanese demand for the convocation of the Round Table Conference. Thus the

make a voluntary declaration on the composition and number of the Peace Preservation Corps and on the question of any fortifications within the so-called prohibited zone, thus indicating, by inference, that the neutral members held it was the intention of the Participating Friendly Powers that such matters were to be within the competence of the Joint Commission. The Chinese Civil Delegate (the Mayor) replied that "nothing so far undertaken by the Chinese authorities (in the area concerned) held behind it any hostile intention or warlike preparation." "He (the Chinese Civil Delegate) denied that any warlike preparations had been made by the Chinese authorities as alleged by the Japanese Civil Delegate." These quotations are from the official minutes of the meeting which were approved by the Chinese delegation and are interesting in the light of subsequent revelation. At the meeting referred to the Japanese Civil Delegate repeatedly emphasized the grave consequences which would arise if his allegations about the state of affairs in the prohibited area proved to be correct.

Japan's Suspicions

The Japanese suspicions regarding the Chinese military preparations in the prohibited area were not allayed by the assurances of the Chinese Civil Delegate above referred to as they had reliable information that these preparations, including the construction of fortifications (pill boxes) and the armament of the Peace Preservation Corps, which apparently was being augmented by regular army units, were being steadily carried on. Nevertheless, in furtherance of their desire to avoid a conflict, the Japanese authorities conducted pourparlers direct with the Chinese authorities, with a view to having these illegal menaces to the Settlement removed. However, no success attended these efforts, and at a Consular Body meeting on August 10, the Japanese Consul-General (concurrently the Japanese Civil Delegate on the Joint Commission) in reviewing his efforts to avoid a clash, pointed out that the Chinese military preparations in the prohibited area, including preparations in close proximity to the Headquarters of the Japanese Naval Landing Party and the regions where Japanese residents lived in great numbers, had become accentuated, with almost nightly manoeuvres of the Peace Preservation Corps, all pointing to an expectation on the Chinese side of an impending clash. The Japanese Consul-General stated at that meeting that the Japanese naval authorities were exercising great forbearance in the face of this provocative attitude and the Japanese Naval Landing Party had even refrained from holding its customary manoeuvres in order to avoid any aggravation of the situation. He expressed the opinion that the Mayor

of the Japanese side were endeavouring to use the Joint Commission to serve their nefarious ends. He also advanced the specious excuse that Chinese troops had been brought into the prohibited area (thereby admitting it) because the previous year the Japanese Naval Landing Party had sent a small force to the Eight Character Bridge, and had thus violated the Agreement which was therefore null and void, although at the meeting on June 23 he had affirmed that the agreement was still in force. As a matter of fact this small Japanese force was sent to that locality with the implied concurrence of the Chinese side, and as the neutral members of the Commission pointed out, no protest was made to the Joint Commission at the time or subsequently. To quote again from the minutes of the meeting, the Japanese Civil Delegate said that "he would like to point out again that this was not the time for heated discussion and that not a single moment should be lost. No useful purpose could be served by argument on which side was responsible, etc. The great thing before the Commission was to consider means of averting an unfortunate clash of arms which was immediately threatening. He wondered whether or not his Chinese colleague really wanted to avoid the armed clash that was menacing Shanghai. If his Chinese colleague sincerely entertained such a desire he ought to agree on the necessity of searching

do his utmost to that end and he hoped the Joint Commission would do something to help." Continuing he drew attention to a detachment of Chinese regular troops which had occupied an area around Haskell Road opposite a section of the Settlement boundary quite close to the Headquarters of the Japanese Naval Landing Party. He readily agreed to a suggestion of the Italian Civil Delegate that a detachment of neutral troops should be posted in that section so as to preclude the necessity of Japanese forces occupying it, thus minimizing the danger of a clash at that point. However no Italian troops were then available and the other neutral members stated they could not offer troops of their respective nationalities for the purpose. In answer to an enquiry of a neutral member if the Chinese detachment mentioned could not be withdrawn, the Chinese Civil Delegate stated "that the Chinese had a right to be there" and suggested that the Japanese side should make some move. The answer to this of course is that the Chinese detachment was there in violation of the 1932 agreement, and as regards the suggestion that the Japanese side should make some move, as a matter of fact there were no Japanese forces posted in that section at the time of the meeting, but the Japanese naval authorities had intimated they would be compelled to station a detachment there

at Nanking and its minions deliberately chose the Shanghai area as a theatre for major military operations against the Japanese; that the Japanese side went to extremes in trying to avoid a conflict and that the Chinese authorities were only giving lip service to the cause of peace while completing their plans for an attack on districts north of the Soochow Creek in which are situated the large centres of Japanese population and of economic activities; that the Japanese naval authorities delayed until almost too late in bringing in reinforcements for self-defence, and that, if the defence force (not without subsequent augmentation) had not successfully resisted the Chinese onslaught, all Japanese would have been massacred. It is clear that the Chinese side wantonly violated the 1932 Peace Agreement on a flimsy and wholly untenable pretext. The Japanese troops in their recent advances over the former prohibited area have discovered defence works whose character of permanence and elaboration prove that they had taken a long time to construct, thus substantiating the Japanese contention that military preparations were being made long before the hostilities commenced. In choosing the Shanghai area for major warfare, the Chinese authorities acted in cynical disregard of an expected catastrophe in which they knew that millions of their own people, mostly of the poorer class, would be involved, besides the thousands of neutral foreigners. Their design obviously was to provoke foreign intervention because of the large foreign interests centred at Shanghai, and to this end their "leaders" are with nauseating hypocrisy broadcasting to the countries of the world, hoping with lying propaganda and appeals to the emotions to accomplish this intervention. Further proof that the Nanking Government deliberately provoked a conflict in Shanghai may be found in that Government's warning to the foreign (non-Japanese) diplomatic representatives at Nanking on August 13, while negotiations were still going on, to have their nationals in the Hongkew and Yangtzepoo districts of the International Settlement evacuated within the course of the same day. This is a clear indication that the Nanking Government had already reached an irrevocable decision to fight in the Shanghai area and to subject the districts mentioned to the forces of destruction. As a matter of fact the Chinese bombing occurred the very next day.

Journalists Assailed

Many of the foreign journalists in Shanghai have degraded a noble calling by prostituting their pens in gross misrepresentation, using the contemptible device of the half truth and the suggestion of the false. A comparison of current "war news" with the confirmed events will show their dishonesty, as they cannot blame these discrepancies entirely on the unreliability of Chinese communications. They are rendering a grave disservice to their nationals and to the cause of international peace with all it connotes, especially in a cosmopolitan place like Shanghai. Blind prejudice and self-interest, are the mainsprings of their canards, palpable to all but those who share their aberrations. How little of condemnation (not to mention a complete absence of sympathy) has been heard of such Chinese atrocities as the horrible massacre at Tungchow, of the brutal murder of the two Japanese naval men at Hungjao, completely substantiated by a subsequent joint enquiry and by independent testimony, and of the terrible loss of life in the foreign areas due to Chinese bombing? The apologists for the last named will no

corollary to-day, and so it is Japan's task to expose and to extirpate this artificial anti-Japanism and to place the relations of the two peoples on a sane and healthy basis. Had there been a real and widespread development of political or national consciousness among the Chinese masses, an outraged public opinion would surely have questioned and checked the autocratic arrogation of authority by the Nanking clique as well as the swift rise to affluence of its members. That corruption is still rife in Chinese officialdom, any purveyor of foreign material for Government use, especially of war material, can attest, if he is honest enough or courageous enough to do so.

Poor Propagandist

Japan pleads guilty to being a poor propagandist. Especially does she plead guilty to abstention from mendacious propaganda at Geneva and elsewhere where Chinese and their paid spokesmen pour forth their false vapourings with consummate hypocrisy. In any case "propaganda" had come to be invested with a sinister meaning—a dissemination of false news—and it may be that a self-respecting nation hesitates to use the dubious service it dispenses. Any informed foreign official in China knows of the wide ramifications of the opium traffic in this country in which high Chinese officials work hand in glove with notorious criminals, as is evidenced by the recent collaboration of these elements in official "opium suppression." Yet witness the Chinese pharisaical outpourings at Geneva, speaking presumably with "their tongues in their cheeks."

Let the perturbed friends of China and the Japonophobes remember that the principal leaders at Nanking are the same men who ten years ago were actively allied with the communists, and that but for the timely protection of their national armed forces they would have been sacrificed on the altar of Bolshevism. It may also be well for them to remember that their armed forces have been long in China and are still here to protect them against their best friends. The Chinese have manifested their inherent xenophobia many times in the past and it has not always been directed against the Japanese. Frequently no nice distinctions have been made and this also is commended for remembrance.

Enclosure No. 1 to despatch No. _____ of C. E. Gauss,
American Consul General at Shanghai, China, dated Sep-
tember 30, 1937, on the Subject: "Statement by the Japa-
nese Consul General at Shanghai of Japan's Case in the
Present Sino-Japanese Hostilities in the Shanghai Area."

SOURCE: THE NORTH-CHINA DAILY NEWS
(British), September 24, 1937.

herself with provisions in the said agreement binding the Chinese side (pending later arrangements) to remain in the positions to which their troops had retreated and the Japanese side to withdraw to the regions occupied by their armed forces prior to the outbreak of hostilities, thus creating the neutral zone along the northern and eastern boundaries of the International Settlement, in the full expectation that the promised Round Table Conference would determine measures for safeguarding Shanghai against any fighting in and around its entire borders in the future. However, despite Japan's insistent efforts, the Chinese side, encouraged by the laissez faire attitude of the Participating Friendly Powers, have successfully resisted during the intervening years the Japanese demand for the convocation of the Round Table Conference. Thus the Japanese purpose of removing Shanghai from the area of any future hostilities has been set at naught.

Troop Passage

During discussions at meetings of the Joint Commission, which was set up under the terms of the 1932 Peace Agreement, it was agreed that there should not be any passage of Chinese troops through the mentioned neutral zone, unless with the permission of the Japanese side who would, in their discretion, allow Chinese troops in transit to other points, to pass through by train provided notification thereof was given. It is thus clear that the neutral zone was to be considered a demilitarized area. Moreover, it is provided in Art I of the 1932 Agreement that the "forces of the two sides will so far as lies in their control cease around Shanghai all and every form of hostile act". It cannot be gainsaid that the system of elaborate defence works, which the revelations of the present hostilities have now proved to exist in the neutral zone, are not "hostile acts" within the meaning of Art. I of the said agreement, or that the construction of these works does not violate the essentials of a demilitarized area. Yet these defence works by their nature must have taken a long time to construct and thus construction must have commenced long before the present hostilities eventuated. The Japanese side had information regarding this construction as far back as November 1936, and the matter was taken up by them with the local Chinese authorities who, however, denied that any "war preparations" were being made in that area. Nevertheless evidence of such war preparations grew stronger as time went on, leading ultimately to a Japanese demand for an investigation by the Joint Commission. At a meeting of the Commission on June 23 last, the Japanese delegation communicated their reports regarding the construction of Chinese military works in the neutral area, particularly at Woosung, and asked for an inspection by the neutral members of the Commission to determine whether or not the reports were true. Moreover the Japanese delegation reported that they had information the Peace Preservation Corps in the demilitarized area had been very largely increased (estimated number 6,500), over the 2,000 which the present Chinese Mayor had assured the Japanese side in 1932 would be their number. That assurance also embraced an undertaking that the Peace Preservation Corps referred to would be equipped with light arms such as rifles and revolvers, whereas the Japanese side had information that the Corps had since possessed heavy armament, including tanks, and were really indistinguishable from regular Chinese army units. The Chinese delegates at the meeting relied on the absence of an express provision in the 1932 agreement prohibiting the construction of military works in the neutral area and for an inspection by the neutral members as suggested, and succeeded thus in evading the issue. However, they were requested by the neutral members to

Delegate on the Joint Commission) in reviewing his efforts to avoid a clash, pointed out that the Chinese military preparations in the prohibited area, including preparations in close proximity to the Headquarters of the Japanese Naval Landing Party and the regions where Japanese residents lived in great numbers, had become accentuated, with almost nightly manoeuvres of the Peace Preservation Corps, all pointing to an expectation on the Chinese side of an impending clash. The Japanese Consul-General stated at that meeting that the Japanese naval authorities were exercising great forbearance in the face of this provocative attitude and the Japanese Naval Landing Party had even refrained from holding its customary manoeuvres in order to avoid any aggravation of the situation. He expressed the opinion that the Mayor was unwilling or unable to stop the Chinese military activities and among other things mentioned that "the Mayor had assured him again and again that he had instructed the Peace Preservation Corps not to fire on any account unless he (the Mayor) himself gave the order and yet the day before the unfortunate incident at Hungjiao had occurred in which two members of the Landing Party had lost their lives at the hands of the Peace Preservation Corps. He greatly deplored the tense situation and as he had mentioned before he was exhausting all means to reach a settlement by diplomatic negotiations; certainly for the present the Japanese side did not have any hostile intention." (extract from minutes of the meeting). At that meeting the Consular Body, with the concurrence of the Japanese Consul-General, decided to make representations to the Mayor asking that Shanghai be excluded from the sphere of hostilities in the unhappy event of a clash, which representations subsequently were made.

Growing Gravity

In view of the growing gravity of the situation, the Japanese Civil Delegate on the Joint Commission asked for another meeting of the Commission, which was held on August 12. In his opening statement, the Japanese Civil Delegate said "in spite of the statements of the Chinese Civil Delegate to the contrary, he had received definite information to the effect that units of the Peace Preservation Corps since last evening had taken up various positions in areas quite close to the International Settlement. Moreover troops of the 88th Division were now at a position off Haskell Road near the North Station, with the result that the position to-day had taken suddenly a turn for the worse. This heavy concentration of Chinese armed forces all over the territory covered by the Truce Agreement of 1932, to say nothing of various points in close proximity to the International Settlement has caused grave anxiety and fear of an unfortunate clash between the Sino-Japanese forces. In the face of this sudden entrance of Chinese armed forces the Japanese Naval Landing Party who up to the present had confined their activities to the protection of Japanese nationals, would be obliged to take up suitable protective positions. In these circumstances he thought the duty devolved on the Joint Commission of taking immediate steps towards averting the grave danger threatened and with this object in view, he suggested that the Joint Commission form an investigation party composed of members of the Neutral Friendly Powers, accompanied by both Chinese and Japanese delegates, to look into the state of affairs now obtaining in the areas in question. He would like to add that this was not a moment for discussions, rather a single moment should not be lost" (quotation from approved minutes).

A "Fatuous Statement"

The Chinese Civil Delegate (Mayor) replied with a fatuous statement that

locality with the implied concurrence of the Chinese side, and as the neutral members of the Commission pointed out, no protest was made to the Joint Commission at the time or subsequently. To quote again from the minutes of the meeting, the Japanese Civil Delegate said that "he would like to point out again that this was not the time for heated discussion and that not a single moment should be lost. No useful purpose could be served by argument on which side was responsible, etc. The great thing before the Commission was to consider means of averting an unfortunate clash of arms which was immediately threatening. He wondered whether or not his Chinese colleague really wanted to avoid the armed clash that was menacing Shanghai. If his Chinese colleague sincerely entertained such a desire he ought to agree on the necessity of searching at once for a suitable way of accomplishing it. He recalled that only the previous night the Chinese Civil Delegate had promised him to do his best to withdraw the Paoantui (Peace Preservation Corps) from places where Japanese residents were living or from positions close to the Headquarters of the Naval Landing Party, yet this morning not only had the Paoantui not been withdrawn, but units of the Chinese army had entered the prohibited zone. His Naval Landing Party had not yet done anything in preparation (to resist an attack) but he wanted to know at once if anything could be devised to avoid an armed clash."

Reinforcements

The Chinese Civil Delegate's reply to this was that promise which he had made as the Mayor had not been carried out because of the arrival of Japanese naval reinforcements. The fair-minded reader may judge whether (with the certain knowledge possessed by the Japanese side that the Chinese were occupying with regular army units the prohibited area, plus the aforesaid greatly augmented Peace Preservation Corps and military works, and were taking up a challenging position in close proximity to the Japanese positions,) the Japanese authorities were not justified in summoning reinforcements, seeing that there were nearly 30,000 civilians including women and children to protect, who undoubtedly would have been the immediate target of Chinese attack if they had broken through the Japanese defence? Any responsible government would have been criminally negligent if it had failed to take such precautions. These reinforcements were not summoned until the situation as revealed by Chinese intransigence had become so critical as to justify the expectation of an immediate attack by the Chinese. When the Chinese attack did eventuate, the small Japanese defence force was so overwhelmingly outnumbered that it was only through the most desperate and heroic fighting that the attackers were held at bay. Some day the story of that epic struggle against stupendous odds will be told. Moreover, what made the position seem well-nigh hopeless at the time was the delay in the arrival of Japanese reinforcements, which were detained two precious days because of typhoon weather. Does this look like Japanese aggression?

Willingness to Co-operate

To return to the Joint Commission meeting of August 12th, the Japanese Civil Delegate repeated that "he wished to emphasize his willingness to co-operate with the Chinese delegates or with the Joint Commission in devising some way to avert the threatened clash which seemed imminent. That was his earnest intention and he hoped he would not be misunderstood. He had already telegraphed to his colleague in Nanking (Counsellor of the Japanese Embassy) asking for his assistance in approaching the Chinese Government to do everything possible to avert a serious clash in Shanghai. He was going to

that point. However no Italian troops were then available and the other neutral members stated they could not offer troops of their respective nationalities for the purpose. In answer to an enquiry of a neutral member if the Chinese detachment mentioned could not be withdrawn, the Chinese Civil Delegate stated "that the Chinese had a right to be there" and suggested that the Japanese side should make some move. The answer to this of course is that the Chinese detachment was there in violation of the 1932 agreement, and as regards the suggestion that the Japanese side should make some move, as a matter of fact there were no Japanese forces posted in that section at the time of the meeting, but the Japanese naval authorities had intimated they would be compelled to station a detachment there in self-defence unless the Chinese units withdrew.

It was evident that the neutral members of the Joint Commission, at the meeting of August 12, were of the opinion that the Chinese army had violated the Peace Agreement of 1932 by entering the prohibited area, but it is very much to be deplored that they did not make a formal protest against this violation. They appeared to consider that this was the function of the respective Ambassadors, whose representatives they were.

Flying Over Settlement

As a further illustration of Chinese intransigence, it may be mentioned that at a Consular Body meeting on August 15, the Japanese Consul-General gave an undertaking that his side would not fly bombing planes over the foreign areas south of the Soochow Creek provided the Chinese side gave a similar undertaking. The offer subsequently was rejected by the Chinese Mayor on the specious ground that China claimed air sovereignty over the foreign areas. The claims of humanity were thus weighed against technicalities and found wanting. Nevertheless the Japanese undertaking was adhered to.

Lest the Japanese side be accused of unfairness in quoting ex parte statements, it is here stated that they are perfectly willing to agree to the publication of the complete minutes of the meetings of the Joint Commission of June 23 and August 12 if there is no objection on the part of the other members of the Commission. The Japanese side feel that the unreserved publication of these records will greatly strengthen their contention that the blame and responsibility for the present hostilities at Shanghai must be placed squarely on the shoulders of the Chinese authorities.

A culminating piece of evidence of the Japanese determination to exert all means of averting a conflict with the Chinese in this area may be cited. On the afternoon of August 13 the Japanese Consul-General through an intermediary enlisted the good offices of his American, British and French colleagues, who saw the Chinese Mayor on his behalf and suggested (subject to the approval of the higher authorities) the restoration of the status quo ante by mutual withdrawal, that is, the withdrawal of the Chinese armed forces from the prohibited area and the concurrent withdrawal of the Japanese naval reinforcements. Had the Chinese side possessed a sincere desire to preserve the peace, such an offer would have been seized upon with avidity and extraordinary measures would have been taken to meet it. Instead of this the Mayor received the proposal without enthusiasm, merely contenting himself with a statement that the suggestion would be transmitted to Nanking for consideration. When it is remembered that Chinese military units attacked the same night, this casual attitude is indeed illuminating.

Nanking's Action

No impartial person can read the foregoing and avoid the inescapable conclusion that the Chinese oligarchy

disloyalty, as they cannot blame these discrepancies entirely on the unreliability of Chinese communications. They are rendering a grave disservice to their nationals and to the cause of international peace with all it connotes, especially in a cosmopolitan place like Shanghai. Blind prejudice and self-interest are the mainsprings of their canards, palpable to all but those who share their aberrations. How little of condemnation (not to mention a complete absence of sympathy) has been heard of such Chinese atrocities as the horrible massacre at Tungchow, of the brutal murder of the two Japanese naval men at Hungjiao, completely substantiated by a subsequent joint enquiry and by independent testimony, and of the terrible loss of life in the foreign areas due to Chinese bombing? The apologists for the last named will no doubt say that it was caused by the berthing of the Japanese flagship at a place which exposed the foreign areas to attack, as if in any case that excused the Chinese airmen in attempting to seek safety by retreating over those areas when they had miles of expanse in other directions in which to fly away. It may be instructive here to recall that in 1927 when the British were the principal objects of attack, a number of warships of that nationality were berthed alongside both banks of the Whangpoo in positions protective of British nationals and property. It is true that China had no fighting aeroplanes in those days but she had other offensive weapons including artillery, and had these warships been attacked it were idle to deny that they would have retaliated and would have refused to vacate their positions in the same circumstances as the Japanese in Shanghai find themselves in to-day. Moreover in that year Great Britain ultimately brought out four brigades of troops to Shanghai, equipped with artillery and aeroplanes, and was using the Settlement as a base in her self-defence operations against the Chinese. At one time it was reported that Great Britain was contemplating the recovery by armed force of her concession at Hankow, and if that campaign had eventuated can anyone deny that the Settlement here would have been used as a base of military operations?

Not Enemy of China

Japan is not the enemy of the Chinese people with whom she sincerely desires to cultivate the closest relations. No unbiased economist can fail to support the view that China and Japan are complementary territories, and that if no baneful influences are made to intervene, the two countries will, from sheer economic urge, gravitate towards economic co-operation to the common benefit of the peoples of both nations. The real enemies of the Chinese people are the coterie at Nanking and their venal satellites, foreign and Chinese, with their perverse policies and pursuit of self-interest, caring little for the welfare of the people they "misrepresent." For many years they have been diligently—and with calculated malice and complete irresponsibility—installing into the minds of their countrymen, old and young alike, a hatred and contempt of Japan. These inculcations are finding their natural

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

Enclosure No. 2 to despatch No. 106 of C. E. Gauss
American Consul General at Shanghai, China, dated Sep-
tember 30, 1937, on the Subject: "Statement by the Japa-
nese Consul General at Shanghai of Japan's case in the
present Sino-Japanese hostilities in the Shanghai area."

THE NORTH-CHINA DAILY NEWS

September 24, 1937

THE NAUGHTY ANIMAL

Mr. Suesama Okamoto has taken pains elaborately to prove what few people will endeavor to deny: that the Chinese Government, faced in the North by unwar-ranted aggression from Japan, decided that the politico-military needs of the situation demanded the combination of resistance in the North with a strong attack on Japa-nese forces in the Shanghai area. Mr. Okamoto's state-ment may also be cordially endorsed in its contention that he, as representing the Japanese Government here, did his best in the few weeks leading up to the outbreak to keep Shanghai clear of hostilities. He was supported by a marked mitigation in the asperity of the Japanese Landing Party's occasions. He was assisted by co-oper-ation from the City Government of Shanghai so far as that administration could control local events. Unfor-tunately, in endeavouring to throw on Chinese shoulders all the blame for the gradual increase in local tension and for breaches of the Peace Agreement of 1932, he entirely overlooks the progressive measures which the Japanese Naval garrison took from 1932 onwards to usurp the authority of the Shanghai Municipal Council in the Settlement, to flaunt the preparedness of the armed might of that garrison, to convert Hongkew and Yang-tzepoo into what became increasingly a Japanese enclave and therefore a clear menace to the security for which the Peace Preservation Corps, with Japanese approval, was originally intended to provide. No-one who recalls the various local "incidents"--some of them more accu-rately described as "mare's nests"--which incessantly demanded the alertness of high officials of the Muni-cipal Council to an extent altogether beyond their intrinsic significance can be blind to an aspect of the situation which, not unnaturally, cannot be taken into account by Mr. Okamoto but which is vital to a fair appreciation of the issues involved. The nice adjustment of responsibility for breaches of the Peace Agreement cannot be satisfactorily achieved without consideration of those points and particularly of the Chinese argument that the proceedings of the Joint Commission on which Mr. Okamoto so firmly relies were, by circumstances not entirely within Japanese control, transformed into machinery less for supervising the observance of the agreement by both sides than for registering Japanese protests.

Mr. Okamoto graphically reveals the extent to which he went in relying on the efficacy of his co-operation for preserving the peace of Shanghai. His bona fides in that matter cannot be disputed. He

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took risks which might have seriously prejudiced his own position with his Government and evidently the rapid concentration of the Chinese forces in vastly superior numbers severely tested the comparatively small garrison at the disposal of the Japanese Naval Commander. No doubt the reinforcement and military armament of the Chinese Preservation Corps could be regarded as a technical breach of the Peace Agreement, but in the light of the constant pressure exerted by Japanese militarism on the Government at Nanking and the reflection of that pressure by Japanese activities in the Settlement, it is not unreasonable to argue that the conditions in which the Peace Agreement was signed had been radically changed. China, in fact, whether in Shanghai, East Hopei or Peiping, had been put in the position of the little animal who, liable to attack, was so naughty as to prepare to defend itself. Mr. Okamoto's personal conscience is justifiably so clear in this matter that he may be forgiven his apparent lack of perception that the course of events in China since September 1931 should impel a Japanese spokesman to tread more delicately even than Agag in dilating on the subject of breaches of agreement. So allegations that the Chinese authorities have been concerned to strengthen their defences are apt to leave the critic cold, as he ponders over the extravagant claims of Japan's military and naval representatives here and in the North to order the goings of the people of this country and to develop an ever-increasing control over Chinese territory. Such encroachment which, despite the welcome but abortive evolution of the "new concept" of China in Tokyo, never paused in its stride, could not but drive its victim to the desperation of resistance. That fundamental fact is not disposed of in Mr. Okamoto's study of the local situation here.

With Mr. Okamoto's suggestion that the Powers were remiss in failing to summon a round table conference to discuss the future status of Shanghai there may be some measure of agreement, but it must be confessed that, apart from their world-preoccupations, the Powers could not have felt that opportunity for such a discussion was facilitated by the aggressive trend of Japan's policy. Just as they were opposed to consideration of the scheme for a demilitarized zone because it definitely took shape under the shadow of the attack on Shanghai in 1932, so they could not expect practical results from discussions which were bound to raise the whole question of Japanese intentions as betokened by the uninterrupted march of events in the North. Perhaps it would have been better for Shanghai had they faced those difficulties, but he would be a bold man who would aver that such action would have borne fruit, especially in view of the chequered story of the International Settlement's own efforts to secure Japanese co-operation in solving problems of the outside roads and the inspection of factories. Mr. Okamoto plaintively describes his own country as a bad propagandist. No-one

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will quarrel with the description, for nothing could be so damaging to the case which he painstakingly seeks to establish than Japan's own actions in China during the last six years. Nor does he do himself justice when he ventures to go beyond Shanghai and launch an attack on the personnel of the Government at Nanking. Even if it be conceded that his picturesque charges are justified--a view which this journal must not be taken to endorse--it may pertinently be asked whether on that account a friendly neighbour desirous of cultivating the "closest relations with the Chinese people" is entitled to descend in overwhelming force on that people's shores and spread death and destruction in assertion of the altruistic desire to change its leaders. Logic moreover is not Mr. Okamoto's strong point, for he attributes the main responsibility for the sins of the Chinese Government to the lack of "political or national consciousness among the Chinese masses." So it is not surprising that the armed forces now operating in China at Japan's bidding are not able notably to distinguish between those whom Mr. Okamoto describes as enemies and those whom he clasps to his bosom as friends. It is unnecessary perhaps to recall that the attempt by Tokyo--repeated by Mr. Okamoto--to draw a parallel between the present situation and that of 1927 when the British Defence Force came to Shanghai has been devastatingly exposed in London. Mr. Okamoto's catholic taste in perusing the foreign press has apparently not led him to that discovery. The concluding passages of his statement show an abandonment of the earlier effort to be objective. Breathless incoherence marks its criticisms of world opinion as of the Chinese Government. That sure sign of a bad case evokes sympathy for a diplomat gallantly struggling with adversity. It does not detract from the accuracy of his assessment of the propaganda to which it thus makes contribution.

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

Enclosure No. 3 to despatch No. _____ of C. E. Gauss,
 American Consul General at Shanghai, China, dated Sep-
 tember 30, 1937, on the subject: "Statement by the Japa-
 nese Consul General at Shanghai of Japan's Case in the
 Present Sino-Japanese Hostilities in the Shanghai Area."

SOURCE: THE SHANGHAI TIMES (British)
 September 25, 1937.

ORIGINS OF CLASH IN SHANGHAI

Among those who have taken care to keep clearly in mind the actual march of events in Shanghai which preceded the outbreak of hostilities here on August 13 it has always been recognized that the Japanese did not launch an attack in this area, as has so mistakenly been charged against them, and that they were extremely anxious to avoid it. The lengthy statement which has now been made on this point by Mr. S. Okamoto, Japanese Consul-General, gives full and factual confirmation, and also very clearly shows the efforts which that official made to prevent a clash developing. His statement might be left to stand for itself as it seems to call for no reinforcement. It is perfectly true that happenings in Shanghai cannot be divorced from the general Sino-Japanese situation, from all that has transpired since September 1931, especially in North China, and that Nanking, having made the momentous decision to offer armed resistance against Japan, had a clear right to choose its own most suitable venue for at least one of the scenes of operations. For good or for ill, Chinese military leaders decided that here in Shanghai they could best stage part of the inevitable war, and for a very great number of rather obvious military reasons they may have been thoroughly justified in that decision. The best-trained Chinese troops were near to hand, supplies were within short lines of communication, control and direction in the field was easier, and the nature of the terrain was favourable. From the purely military point of view, strategists will doubtless agree that the best decision was made. Landed Japanese forces were small, it would be difficult to land a big expeditionary army with Chinese troops holding the points they did, there would be time to prepare the ground behind from a defensive standpoint, and China's military aviation could be used effectively at so short a distance from its bases. North China had its own forces in the way of provincial armies and levies and it might have complicated political matters if Nanking had insisted upon taking over direct military control and sending up its own divisions. In Shanghai there was no such complication and there was also a good chance of a swift military victory.

Mr. Okamoto's statement changes nothing to those who have intelligently followed events, but it ought to disabuse other minds which have nursed

The above picture was taken
 a fierce attack from Loien. Here
 column of Chinese troops had re-
 soldiers at rest outside the village



CHINESE SOLDIERS

errors, have come to be regarded as diametrically opposed, as being worth this hideous war to adjust. Perhaps it is not given to the parties themselves to see at this heated moment how, in real essence, their cause for the welfare of China and the stability of the Far East are really one—could be made one to the benefit of both—but neutral observers, saddened and seriously affected themselves, can only hope that the larger view will soon be discernible to those who are now so destructively locked in a war which ought really never to have happened.

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Enclosure No. 3 to despatch
 American Consul General
 September 30, 1937, on the
 Chinese Consul General at
 Present Sino-Japanese Ho

order to show Japan that China
 could only go so far and no far-
 ther in what was regarded as
 submitting to successive tres-
 passes on Chinese territory and
 sovereignty. Foreign trade,
 Customs revenue, works of re-
 construction, developing in-
 dustries, and all other things in-
 volved were, in the last analysis,
 not so important as the preser-
 vation of national entity and
 the right to rule as one wished
 in one's own house. That is the
 plea and justification offered
 and—provided its bases are all
 accepted—it is a plea that will
 find extremely wide acceptance.
 It is impossible to foretell at
 this present stage, with violent
 warfare still in progress, whether
 the event will prove China to
 have been wise or unwise in the
 decision she made—whether the
 physical, political, moral and
 psychological gains will outweigh
 the losses which are inevitable.
 China still hopes to be able to
 defeat Japan, to carry on the
 war at least to the point where
 Japan will be ready to talk
 peace in chastened mood be-
 cause of the enormous cost to
 her more delicately poised
 financial and economic
 structure. There is still a
 weighing in the balance and
 neither side has as yet seen
 the scales tip over to a
 degree to cause real alarm.
 China, and all foreign interests
 within the country, know al-
 ready the colossal cost which
 cannot be escaped; Japan is
 fully conscious of the great
 cost to herself, but each side
 still regards the end to be
 achieved as of greater worth
 than the cost of the means.
 The tragedy is that those
 ends should, through a long
 series of past errors, have
 come to be regarded as diame-
 trically opposed, as being
 worth this hideous war to
 adjust. Perhaps it is not
 given to the parties them-
 selves to see at this heated
 moment how, in real essence,
 their cause for the welfare
 of China and the stability
 of the Far East are really
 one—could be made one to
 the benefit of both—but
 neutral observers, saddened
 and seriously affected them-
 selves, can only hope that
 the larger view will soon
 be discernible to those who
 are now so destructively
 locked in a war which
 ought really never to
 have happened.

SOURCE:

ORIGINS OF CLASH IN SHANGHAI

Among those who have taken
 care to keep clearly in mind
 the actual march of events in
 Shanghai which preceded the
 outbreak of hostilities here on
 August 13 it has always been
 recognized that the Japanese
 did not launch an attack in this
 area, as has so mistakenly been
 charged against them, and that
 they were extremely anxious
 to avoid it. The lengthy state-
 ment which has now been made
 on this point by Mr. S. Okamoto,
 Japanese Consul-General, gives
 full and factual confirmation,
 and also very clearly shows the
 efforts which that official made
 to prevent a clash developing.
 His statement might be left to
 stand for itself as it seems to
 call for no reinforcement. It
 is perfectly true that happen-
 ings in Shanghai cannot be
 divorced from the general Sino-
 Japanese situation, from all that
 has transpired since September
 1931, especially in North China,
 and that Nanking, having made
 the momentous decision to offer
 armed resistance against Japan,
 had a clear right to choose its
 own most suitable venue for at
 least one of the scenes of opera-
 tions. For good or for ill,
 Chinese military leaders decid-
 ed that here in Shanghai they
 could best stage part of the in-
 evitable war, and for a very
 great number of rather obvious
 military reasons they may have
 been thoroughly justified in
 that decision. The best-trained
 Chinese troops were near to
 hand, supplies were within
 short lines of communication,
 control and direction in the field
 was easier, and the nature of
 the terrain was favourable.
 From the purely military point
 of view, strategists will doubt-
 less agree that the best decision
 was made. Landed Japanese
 forces were small, it would be
 difficult to land a big expedi-
 tionary army with Chinese
 troops holding the points they
 did, there would be time to pre-
 pare the ground behind from a
 defensive standpoint, and
 China's military aviation could
 be used effectively at so short a
 distance from its bases. North
 China had its own forces in the
 way of provincial armies and
 levies and it might have com-
 plicated political matters if
 Nanking had insisted upon
 taking over direct military con-
 trol and sending up its own
 divisions. In Shanghai there
 was no such complication and
 there was also a good chance
 of a swift military victory.

(British)

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Mr. Okamoto's statement changes nothing to those who have intelligently followed events, but it ought to disabuse other minds which have nursed the impression that hostilities in Shanghai were deliberately at Japan's own choosing. The neutral observer must, of course, concede to China her own free choice to decide where she would fight, but the great and very honest difficulty which so many neutral observers have is to reconcile what China might have thought to be a military advantage with the seemingly prodigal disregard of all that hostilities in Shanghai must inevitably have meant in other ways. To China's economic, financial and industrial welfare Shanghai means more than any other centre; it is her greatest port, the home of a great deal of her immediate wealth, the concentration point of by far the greatest proportion of her material machinery, and, incidentally though hardly less important, the abiding place of vast foreign interests and investments which are of enormous value to this country as well as to the foreign nationals who own them. It can and has been argued that Nanking had come to a point of desperation; that it was forced to choose to fight—even though that might entail sacrifice to the uttermost—in

1947, JANUARY 1948

geborenen 22. 1894.

SECRET: 2025 RELEASE UNDER E.O. 14176

[illegible]

CHINESE SOLDIERS

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

793.94/10937

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

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COMMUNICATIONS
AND RECORDS

Division of
FAR EASTERN AFFAIRS
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General
Office
MID ONI

A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH
ARE REPORTED TO HAVE HAPPENED IN AND NEAR
SHANGHAI DURING SEPTEMBER AS CULLED FROM THE
NEWSPAPERS AND ARRANGED IN A DAY TO DAY
CHRONOLOGICAL ORDER.

793.94/10937

From:

Clarke Vyse

Clarke Vyse, American Consul

American Consulate General
Shanghai, China.

Date completed: September 30, 1937.

Date mailed: _____

Forwarded
~~APPROVED:~~

RE
C. E. Gauss,
American Consul General.

FILED
JUL 13 1937

F/FG
10/5/37

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A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH ARE REPORTED TO HAVE HAPPENED IN AND NEAR SHANGHAI DURING SEPTEMBER AS CULLED FROM THE NEWSPAPERS AND ARRANGED IN A DAY-TO-DAY CHRONOLOGICAL ORDER.

September 1, Wednesday

In the morning, Admiral Yarnell made second tour of inspection of the preparations made by the U. S. Marine Corps in their defense section of the International Settlement, and commented that the U. S. Marines are doing fine work and that they have now completed their entrenchments and barbed wire entanglements and have erected substantial gun emplacements.

In the evening, the Shanghai Municipal Council Daily Broadcast states that "After consideration of the reports of activities received...it may once more be stated that the Settlement's position continues to show a very definite improvement." Local coasting steamers are moving more freely and business in the Central Districts is assuming a comparatively normal aspect.

Eight marooned Americans are brought to Shanghai from Tsingtao by the U. S. Destroyers BULMER and STEWARD today.

Mr. T. V. Soong, in a press statement issued today, declares that he had been wrongly quoted as saying that the entire proceeds of the Liberty Loan would be devoted to national defense. He states that the purpose of the Liberty Loan is to meet the general needs of the Government. The Loan for \$500,000,000 is authorized by the National Government and is now open to subscription.

Espionage activities are reported to have grown to such a proportion in Lotien and other nearby towns
of

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of Shanghai that General Yang Hu, Garrison Commander of the Woosung-Shanghai Area, seeks cooperation of the Settlement and French Police in checking the work of spies.

September 2, Thursday

As from today, curfew restrictions are ameliorated by the Settlement and French authorities to be effective only from 11:30 p.m. to 5 a.m.

News is received in Shanghai that the Japanese Cabinet today decided to change the terminological description of the current crisis from "NORTH CHINA INCIDENT" to "CHINA INCIDENT".

The Japanese Tung Wen College, unable to open the fall term on its campus on Hungjao Road; Shanghai, will begin its 1937-38 school year in a Girls' Normal School building in Nagasaki.

September 3, Friday

Madame Chiang Kai-shek, in an interview with a Reuter correspondent in Nanking, sent a message to the women of Britain and America on the present Sino-Japanese fighting.

The Headquarters of the Japanese 3rd Fleet announces today that the main buildings of the Chenju Wireless Station have been completely destroyed by Japanese aerial bombardment.

Many shells struck the Bund and Western areas today; two foreigners were wounded at Peking Road corner and British Volunteers were hit at the Race Course. More than 30 injured throughout the day.

September 4, Saturday

Scores of Chinese were wounded as shells fell in Settlement and Concession areas in a single day today:

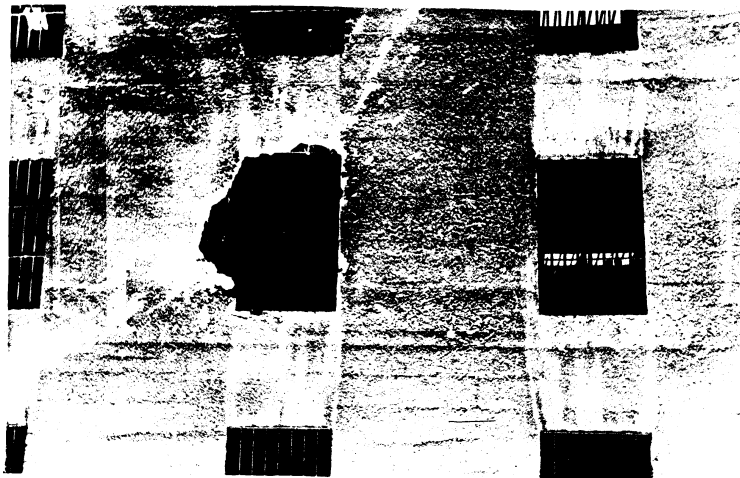
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88 wounded and 3 killed at Avenue Foch, Chungking, Mohawk, Chengtu and Bubbling Well Roads and in the French Concession.

The Cercle Sportiff Francais, Chengtu Road Police Station, and a British ship alongside the French Bund were also amongst those which were hit.



A corner of the Shanghai Municipal Jail House showing a direct hit by a shell

The American, British and French Consuls-General address a formal communication to the Chinese and Japanese authorities requesting the removal of Japanese warships down-river to below the China Merchants Lower Wharf at Kungping Road and the withdrawal of Chinese troops in Pootung to a point east of the Pootung Road and South of Changkadoo Creek, to avoid dangers causing civilian casualties in the Settlement and the Concession.

In a telegram addressed to the Committee for Industrial Organization in Washington, D.C., the Chairman of the Chinese Federation of Chinese Civic Associations of Shanghai expressed deep appreciation for the demand

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demand of the American Seamen's Union to enforce an embargo against Japan until all Japanese troops are withdrawn from China and to have American ships resume calling at Shanghai.

650 men, women and children will board the French SPHINX for Hongkong, Saigon, Singapore, and Europe today.

French authorities stretch defense works along lengthy Concession border. Along the Zikawei Creek, which has been filled in, particularly in the neighborhood of the Power Plant, engineers are constructing a brick wall which faces Nantao, Chinese city. The construction proceeds at 50 yards a day. It is to be nine feet high.

September 5, Sunday

About 7:30 a.m. some 20 Japanese planes bombing Jessfield Area, western part of Shanghai, exacting a toll of 50 civilians killed and a further 100 injured.

5400 Chinese are evacuated from Shanghai by the Shanghai Relief Commission in a single day today to Soochow, Wusih, and Kashing respectively.

Effective at 6 p.m., the entire China coast is closed to Chinese Shipping from Chingwangtao in the North to Pakhoi in the South, as announced by the Commanders of the 2nd and 3rd Fleets of the Japanese Imperial Navy. The port of Tsingtao along being excepted.

September 6, Monday

Japanese Embassy announces that foreign merchantmen, especially those bearing Chinese names may be hailed by Japanese men-of-war to ascertain their identity as it is possible that Chinese ships would attempt to run the Japanese blockade "camouflaged as foreign ships."

The S.S. TINGSANG, Jardine Matheson & Company's

China

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coaster, carrying 36 foreign passengers and 46 Russians from North China, is the first ship to enter Shanghai through the new Japanese naval blockade of the China coast today without being subjected to search.

The opening of Shanghai American School is postponed.

The Wayside Telephone Exchange is still out of operation.

A Reuter dispatch dated Washington, September 6, states: "All Americans, without exception, had been warned to leave China, stated President Roosevelt at a press conference today aboard his Yacht INDIAN. Sufficient time, he added, would be given them to take advantage of the facilities for evacuation, and the Government would not be responsible for their protection if they chose to remain. The President described the Sino-Japanese situation as an 'awful mess'."

September 7, Tuesday

Paoshan, a walled city at the mouth of the Yangtse River, fell to the Japanese with a lone battalion of 600 Chinese soldiers dying fighting, whose epic heroism is most highly lauded all over China.

The American Chamber of Commerce in Shanghai, replying to President Roosevelt's statement on Monday, warning all Americans to leave China, dispatches a cable to Washington today, saying, "The Chamber strongly deprecates any official statement which could be interpreted here as indicating withdrawal or abandonment of American interest in China. American prestige is seriously injured thereby."

Chinese Chamber of Commerce in Shanghai requests Chinese Government to suspend payment of Boxer Indemnity funds to the Japanese Government.

Chinese

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Chinese planes claim to have heavily bombed Japanese warships off Woosung during the night, scoring direct hits with heavy bombs on two destroyers and one cruiser.

Chinese Buddhist monks in Shanghai, who are organized under the leadership of Abbot Hung Ming, who was himself a soldier but who was later ordained a Buddhist priest, carry on first aid and relief work to Chinese wounded officers and soldiers in front lines.

Chinese sources in Hongkong today reported that a Japanese cruiser and destroyer carried out the occupation of Pratas Shoal, 180 miles south of Hongkong, site of a meteorological station.

September 8, Wednesday



Hangchow bound refugees
bombed into tree branches at Sungkiang Sta-
tion. Picture by "Newsreel"
Wong

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Japanese bombed Hangchow bound refugee train at Sungkiang station killing 300 civilians and wounding 400. Corpses were blown into tree tops where they clung until removal.

The Chinese Ministry of Foreign Affairs requests naval and merchant vessels of all third powers to exercise the utmost care in avoiding Japanese warships and transports when approaching the China coast and requests that national flags be painted conspicuously on to decks in order to avoid unintentional attacks and to ensure safety.

Gas supply is restored after lapse of 23 days.

Japanese naval forces are said to have forcibly occupied a certain islet off the coast of Kiangsu and an aerodrome is being erected there as a base for aeroplanes operating in and around Shanghai.

The British S.S. TAI SHAN was held up by a Japanese destroyer and boarded by a party at 3:45 a.m. while proceeding from Canton to Hongkong. Warning shots were first fired across the ship's bow to stop the vessel. After her passenger list and papers had been examined the ship was allowed to proceed.

A radiogram reading as follows is received in the morning from the Washington bureau of the NEW YORK TIMES by the Shanghai Office of the same newspaper:

"Secretary Hull indicated plainly today that President Roosevelt did not mean to say on Sunday that there would be any change whatever in the Administration's policy of leaving Marines and Navy ships in Shanghai and other troops in Tientsin and Peiping.

The State Department is sorry that Americans in China have been alarmed. Every indication here is that there is no change in policy in contemplation.

President Roosevelt on Sunday probably

referred

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referred to missionaries and teachers who stubbornly insist upon staying up-country despite repeated warnings from their Consuls. The Government can afford them no protection, and is most anxious that they come at once to some indicated concentration point."

September 9, Thursday

Soldiers and officers of the U.S.S. AUGUSTA stage a Minstrel Show to full house in the Grand Cinema Theater on Nanking Road. Proceeds are devoted to the War Refugee Fund.

Three small calibre anti-aircraft shells fell around the Foochow Road and Kiangse Road intersection in front of the American Consulate General office quarters at 5:30 p.m. Eleven Chinese were injured, but a score of foreigners had miraculous escapes.

In addition to bombs, Japanese airplanes strew propaganda leaflets over the Chinese city and the vicinity in the morning.

1200 Americans evacuated from Kuling, Kiukiang and other Yangtse cities as well as from places inland are now concentrated in Hankow preparatory to evacuating to Manila and the U.S.A. by way of Canton if hostilities are intensified.

At 2:30 p.m. exploding anti-aircraft shells rained near the U.S. Marine outposts at the Markham Road-Wuting Road sector resulting in injuries to some 15 civilians on both sides of the perimeter.

Shortly after the shelling, according to the CHINA PRESS, a Japanese officer visited the outpost and offered profuse apologies and promised that the range of the anti-aircraft guns will be changed.

The Seventh Day Adventist Mission compound is still occupied by the Japanese.

The

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The office of China National Aviation Corporation has been moved to Hankow. Resumption of its Hankow-Nanking air service is announced today.

The Shanghai City Government's Administrative Building, the Library, the Museum, Municipal Hospital and Laboratory in the Civic Center are badly damaged by shells.

September 10, Friday

News was received in Shanghai from Sian to the effect that the Chinese communist forces have been re-organized into the 8th Route Army under the Military Affairs Commission. General Chu Teh, formerly commander of red forces, is appointed Commander of the Army and Peng Teh-huai, the Deputy-Commander. The appointments are said to have been made on August 22nd.

According to the NORTH CHINA DAILY NEWS, the British Naval authorities, through the Consul-General, have informed British shipping companies that although the situation has not radically changed there is no objection to British ships calling at Woosung to unload cargo and passengers for Shanghai.

600 Sikh women and children and 300 men evacuated Shanghai aboard the S.S. ELEPHANTA bound for India, including the senior watchman of the American Consulate General.

The Central Police Station (next to the American Consulate General office quarters), the Wayfoong House, property of the Hongkong and Shanghai Bank, and other buildings and streets in the downtown area were struck by fragments of anti-aircraft shells in late afternoon.

1200 Russian holiday-makers returned to Shanghai from Tsingtao aboard the S.S. ROSALIE MOLLER under a
most

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most hazardous, long-drawn-out and trying experience in the history of Shanghai when, for miles along the Whangpoo, they were close to battery fire and bombing and, upon tying up in the harbor, were subjected to a cross firing between the Japanese battery and Chinese artillery in Pootung.

S.M.C. Health Department issues statement to the effect that Cholera has reached epidemic form in Shanghai and that more than 130 cases have developed in a period of ten days. According to the definition of an epidemic such a state is attained when there have been an average of 3 new cases a day for one week.

September 11, Saturday

Japanese launches major offensive along Woosung-Yuehpoo-Lotien fronts. With the exception of fall of Yanghong, a small village, Chinese are reported to have held their lines.

Chinese airplanes stage another night raid on the Japanese warships in the Whangpoo.

Japanese bombing Lunghwa.

Foreign missionaries are urged to stay in China in a statement made by President Liu of the University of Shanghai today. Many Chinese Christian leaders are said to share this viewpoint with Mr. Liu.

A dispatch received in Shanghai states that the U. S. State and Navy Departments on September 10th warned American merchant vessels that it was dangerous for them to operate in waters adjacent to the China coast owing to the Japanese blockade.

After a night tour behind the Chinese lines, Mr. Hessel Tiltman, a British war correspondent, writes in part: "In the face of the heaviest concentration of

mechanized

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mechanized might,...the Chinese troops defending the forty-mile battleline adjacent to Shanghai are fighting with a courage and discipline which deserves the highest praise...even though in firing power they are hopelessly inferior to the opposition."

September 12, Sunday

At 10:30 a.m., Mr. R. G. Howe, British Charge d'Affaires, made a call on Japanese Ambassador Kawagoe in the latter's residence in Shanghai. The interview lasted one full hour. It is said that Mr. Howe presented four points to Mr. Kawagoe in connection with the protection of British interests in China.

Twelve members of the Japanese Diet, headed by Mr. Takejiro Nishioka, arrived here this morning aboard the N.Y.K. SHANGHAI MARU to visit Shanghai for one week and to view the Japanese front lines.

3450 Chinese refugees left Shanghai today: 1200 aboard CHAKSANG (British) for Hongkong; 2000 aboard ENDERTA (Italian) for Ningpo; 250 aboard SHINGU (British) for Haichow.

The National Liberty Bond campaign has now reached \$86,000,000 declared Mr. Chin Fen, Secretary General of the National Economic Council in an interview today in Nanking.

A U. P. dispatch from Tokyo of September 12 states that the Japanese Foreign Office today notified foreign envoys concerned that any negotiations or reply to proposals to neutralize Shanghai or portions of Pootung must be made through Japanese officials in Shanghai. Any such proposal must also be preceded by a thorough investigation.

September 13, Monday

Chinese

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Chinese start strategic withdrawal to first inland defense lines extending from North Railway Station through Kiangwan, Tachang and Liuhang to the northermost tip of the original Sino-Japanese war front at Lotien.



Chinese Troops near North Station.

24 Americans evacuated Shanghai aboard the U.S.S. SACRAMENTO for Hongkong where they will be transferred to the S.S. PRESIDENT COOLIDGE. It is said that the U.S.S. SACRAMENTO has accommodation for 40 persons, but only 24 who were willing to leave Shanghai were found.

The \$3,000,000 plant of the China Alcohol Distilling Company at Pailienching in Pootung was wrecked as a result of bombing by Japanese airplanes.

Two shrapnel shells burst over the British Consulate General at 5:50 p.m. and sprayed bits of steel over the quarters of the Superintendent Consul, Mr. A.G.N. Ogden, O.B.E. No one was injured and the damage is small.

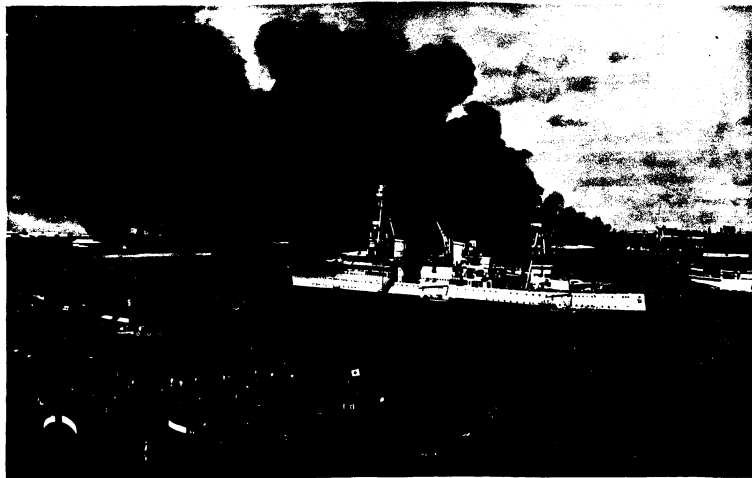
Five Chinese are wounded by anti-aircraft shells in the vicinity of Avenue and Carter Roads.

Six

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Six Japanese planes bombing Nantao and Pootung
 in the afternoon.



Fires at Pootung Point—
 resulting from Japanese Naval Shelling.
 U. S. Flagship AUGUSTA in foreground.

Sale of Liberty Bonds passed \$100,000,000 mark.

The Pope has given a sum of money, the amount of which is unknown but is stated to be considerable, for the assistance of Catholic missionaries in Shanghai.

An American hospital at Waichow, Kwangtung was bombed by Japanese planes, and damage is believed to be exceedingly heavy.

A London dispatch of today states that The British Board of Trade have advised master of British ships bound for Chinese ports that, in the absence of a British warship, they should, if requested to heave to by a Japanese warship, allow Japanese officers to examine the certificate of registry.

September 14, Tuesday

S.M.C. Police proclaims curfew from 6 p.m. to 6 a.m.

over

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over the area inside the Settlement boundary north of the Soochow Creek. This area is adjacent to the North Station of Railway Lines.

Japanese occupy the Civic Center.

800 Italian Grenadiers of Savoy arrived here direct from Addis Ababa aboard the S.S. CONTE BIANCAMANO. 720 foreigners evacuated Shanghai aboard the same ship bound for Hongkong, Singapore and Italy.



Italian Troops arriving on the Bund
 from Addis Ababa

Mr. R. G. Howe, British Charge d'Affaires, accompanied by two British Embassy officials, arrived at Nanking by motor car at 4 p.m. today.

According to a Canton Dispatch, Ambassador Johnson has requested the U. S. State Department to file a protest with the Japanese Government over the Japanese bombing of the American Seventh Day Adventist Mission Hospital at Waichow.

September 15, Wednesday

American, British, French, Italian and Netherlands Admirals sent joint petition to Chinese and Japanese forces
 requesting

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requesting airplanes of both parties to avoid flying over the Settlement.

French Ambassador Naggiar and other French officials visit French Concession police stations, service posts and volunteers.

Admiral Yarnell announces that facilities for the transport of additional baggage of American evacuees who have left for Manila are being provided by the American naval authorities.

The Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways have announced provisional schedules maintaining daily service on the lines. It is learned that a recent train from Nanking arrived at Shanghai after 24 hours on the way while it takes only about 7 hours in normal times.

September 16, Thursday

Rainy weather holds up major operations in the front lines.

Chinese Catholics cable to League of Nations asking that sanctions be applied against Japan.

That American exporters are retiring from Chinese markets is denied by local American businessmen.

An experiment in both concrete and permanency is being conducted by the Shanghai Municipal Council on a sandbag barricade at the intersection of Avenue Edward VII and Fokien Road. After being completely covered with wire and concrete, this small fort, it is learned, will require shelling from field guns to destroy.

The cable used by the Great Northern Telegraph Company, the Eastern Extension Telegraph Company and the Commercial Pacific Cable Company, which connects with a larger sea-going cable and was ruptured on Wednesday

evening

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evening, probably by a ship's anchor, was restored to operation yesterday evening. The service, which is world wide, was resumed at 6 p.m.

Special arrangements have been made with Japanese authorities to enable foreign residents of Settlement areas north of the Soochow Creek to remove clothing and personal effects from their premises during next four days, September 16-19, inclusive. 250 foreigners were understood to have been permitted to go today.



Trucks removing household effects to South of Soochow Creek

It is reported that there is a likelihood of a boom being stretched across the Ningpo River by the Chinese authorities. Concern is therefore felt locally for the safety of nearly 200 foreigners, most of them American missionaries, who are to be evacuated from Mokanshan and the Ningpo area.

The Island of Cheniushan, off Hangchow Bay, held by a strong force of Chinese troops, was captured by a Japanese naval landing party this morning. The light house
 inoperative

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inoperative since Japanese declaration of the blockade of the Chinese coast, on the island will be put in service again.

September 17, Friday

300 more Britons visit Hongkew area today. But North Szechuen and Dixwell Roads are closed, presumably because of nearby military operations.



Evacuee on Garden Bridge
 moving personal effects from the
 Hongkew District

I. A. Zeculia, a Russian barber, and 2 Russian women, are arrested by the Chinese Police at the South Railway Station and are being held as "spies".

The total of cholera cases registered in the International

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national Settlement up to this morning is given as 272, with 35 deaths. The corresponding figures on the previous day were 240 and 20.

According to a Reuter dispatch from Lisbon today, the Portuguese Admiralty has decided to establish an Eastern Naval Division. The sloop Bartholomeu Dias is leaving for Macao to join the forces already in China.

September 18, 1937, Saturday

Cathay and Palace Hotels, which has closed down since August 14, after the first bombing incident on the Nanking Road Bund, reopen for business today.

A Japanese "Puppet Government" is said to have been set up in the city of Paoshan which fell to the hands of the Japanese troops on September 7th. Paoshan is a small walled city at the mouth of the Yangtse River.

4000 Chinese refugees left Shanghai for Ningpoo: 1200 aboard the British ship HSIN PEKING and 3000 aboard the Italian ship ENDERTA.

Anti-aircraft shells from Japanese guns kill 3 and wound 12 south of Soochow Creek.

A dispatch from Tokyo dated September 18 states: "Foreign powers were informed today by the Japanese Government that it would recognize no transfer of Chinese vessels to foreign ownership effected after the declaration of blockade of the China coast, unless proof were produced that such transfer was bona fide."

More than five Chinese planes stage six air raids over Yangtszepoo District during the night. Several foreign owned factories and warehouses were damaged by blazes. Loss may amount to eight figures.

September 19, Sunday

43 Japanese planes stage two severe mass-attacks on
Nanking

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

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Nanking, the capital. Soochow, Kashing and a few other places were also bombed. Six Japanese and four defending airplanes were claimed to be brought down.

U.S.N.T. CHAUMONT arrived here today after she broke her 1927 record in crossing the Pacific to Shanghai in less than 21 days, with 1435 men and officers of the 2nd Brigade and the 6th Regiment of the U. S. Marine Corps aboard the ship under the command of Brigadier General John C. Beaumont. 555 landed in the afternoon.



6th Regiment, U. S. Marines
 newly arrived being transported to
 temporary quarters in the International
 Settlement

Japanese Admiral Hasegawa issues warning today to all foreign nationals that Nanking will be bombed after noon on September 21st and urging them to take precautions for their personal safety.

According to a report received in Shipping and Naval circles here, all Chinese merchant ships, about 15 in number, under charter to Japanese interests, have been detained in Japan. The move is regarded as a retaliatory gesture

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gesture because of the Chinese sinking or blockading of Nisshin Kisen Kaisha vessels at Nantao, Shanghai, and Chinkiang when the booms were thrown across the Whangpoo and Yangtse Rivers.

September 20, Monday

880 more U. S. Marines landed Shanghai from the U.S. N.T. CHAUMONT. Landing of the 1435 officer and men has so far been completed.

About 9 p.m. today, Ambassador Nelson T. Johnson, according to the CHINA PRESS, accompanied by a retinue of approximately 10 American Embassy officials and employees in Nanking, went aboard the U.S.S. LUZON, flagship of the U. S. Yangtse Patrol, preparatory to sailing up-river to Wuhu. Mr. Paxton, Second Secretary of the Embassy, however, is understood to be remaining in Nanking to represent the U. S. Government in the Capital.

Limited parcel services are resumed by Chinese Post Office today. Only ordinary parcels for Kiangsu, Anhwei, Hupeh, Hunan, Kiangsi, Szechuen and Kweichow, will be accepted, it is learned.

September 21, Tuesday

Generalissimo Chiang Kai-shek, in an interview granted to a representative of the "Paris Soir" declared that China will not give up the struggle against Japan until the last Japanese soldier has left Chinese soil. He also stated he believed most of the foreign statesmen are cognizant of the present situation in the Far East and that Chinese could hope for a favorable action of the League of Nations.

Two foreigners, both reported to be Americans, were injured by shrapnel shells falling about the Standard-Vacuum installation down the Whangpoo River Saturday night.

Dr. Hu Shih, noted Chinese philosopher and dean of the College

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College of Arts of National Peking University, left Hong-kong for the United States on the China Clipper today.

4000 Chinese refugees evacuated aboard the S.S. ROSALIE MOLLER for Amoy via Keelung, Formosa, and 1200-1500 aboard the HSIN PEKING for Ningpo.

Because of the boom which has been laid but has not yet been completely effective, Ningpo Harbor is still open and ships are entering up to date.

A Tokyo Reuter dispatch of September 21, states Anglo-Japanese accord over blockade is reached subject to the following conditions:

1. If a British warship is within one mile of the vicinity, the Japanese warship must ask permission before inspecting a British merchantman.
2. If no British warship is within a mile, the Japanese warship must immediately report such inspection which must be limited to verification of the certificate of registry.

September 22, Wednesday

85 French soldiers, 398 foreign and 127 Chinese passengers, arrive aboard the French Liner CHENONCEAUX from Marseilles via Djibouti, Singapore, Saigon and Hongkong.

Ambassador Johnson returned to American Embassy quarters in Nanking.

A report is received from London dated September 22, Japan's reply to the British protest regarding the wounding of Sir Hughe Knatchbull-Hugessen, British Ambassador to China, is said to be satisfactory and the incident is regarded closed.

Scores of Japanese planes made large scale bombing on Nanking. An average of two or three bombs were dropped over thirty different places, including the South City, the most densely populated section of the capital, and the new residential district, where the American, Italian and German Embassies are to be found and where the residences of

practically

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practically the entire local foreign population are situated.

Canton was bombed by Japanese during night raids.

Chinese metal stocks, worth \$4,000,000 stored in Hongkew, center of metal trade in Shanghai, said to have been seized and shipped to Japan for the manufacture of arms and ammunition.



Japanese Guard at Garden Bridge
 leading to Japanese controlled part
 of International Settlement

September 23, Thursday

In commenting on the manifesto issued by the Chinese Communist Party, Generalissimo Chiang today said that the Government would gladly accept the services of any political organization which sincerely desires to stem foreign aggression and work for the cause of the Nationalist revolution under the leadership of the Kuomintang.

101 Americans arrived at Shanghai from Ningpo aboard the S.S. HSIN PEKING today. These Americans reached Ningpo from Mokanshan, a summer resort in Hangchow, two days ago.

Sir Frederick Maze, Inspector-General of Chinese Maritime Customs, makes an agreement with Japanese Navy by which

1445

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which Chinese Customs continues to carry on coast lights service.

September 24, Friday

Mr. Herbert Phillips, who was appointed to succeed Sir John Brenan as British Consul General in Shanghai, arrived from England today. Mr. J. W. O. Davidson, who has been acting as Consul General left immediately for England.

Japanese planes bombing Hankow; more than 300 were killed when bombs fell in thickly populated Chinese city.

Generalissimo Chiang Kai-shek, in an interview with foreign correspondents today, declared that the Japanese bombings of Nanking will not affect the Chinese military situation, but will only give the Chinese populace and also the people of the world a fuller realization of Japanese barbarism. He also said that the present attitude of the United States was not, in his opinion, America's real attitude. He was convinced that the people and the Government of the U. S. had always upheld justice, law and order, and, with the long history of Sino-American friendship, would give China sympathy and support in her struggle against Japanese aggression.

September 25, Saturday

Japanese raiders again bombing Nanking in mass formation. Hundreds were reported killed. Power plant and waterworks partially crippled. Heavy denotations of bombs shook the American Embassy buildings.

Sir Hughe Knatchbull-Hugessen left Country Hospital to convalesce in the home of a friend in Shanghai.

The full service of three foreign cable companies was restored this afternoon.

According to a Reuter dispatch, the U. S. Navy Department issued a statement yesterday to the effect that the

U.S.

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

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U. S. Asiatic Fleet will remain in Chinese waters as long as the present trouble between China and Japan exists.

A London dispatch dated September 24, stated that Rear-Admiral Reginald Holt, recently appointed Rear-Admiral and Senior Naval Officer on the Yangtse in succession to Rear-Admiral Lewis Crabbe, will sail from England in the P. & O. S.S. RAJPUTANA on October 9. The vessel is due to arrive in Hongkong on November 11.



Royal Welsh Fusiliers beside their sandbag barricades in "B" sector North of Soochow Creek.

September 26, Sunday

Only after long negotiations by the S.M.C. authorities, Japanese permission was given to remove portion of the food and goods stored in Hongkew before the trouble started.

General Chu Shao-liang, veteran army officer and former Chairman of the Kansu Province, has been appointed new Commander-in-Chief of the Chinese forces in the Shanghai area.

Hospitals for Chinese wounded soldiers operated
 privately

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privately by local relief organizations and philanthropists have been instructed by the National Government to hand over their administration to the Chinese Red Cross Society to bring about centralization in control and to effect economy in man-power and money.

The M.V. GLENAPP of the Glen Line was the first ship to berth at the newly provided Whangpoo anchorages for ocean-going liners since the outbreak of hostilities. The ship arrived from Dalny to load refrigerated and general cargo amounting to 1300 tons for London and Continental ports.

September 27, 1937

Japanese bombing Canton-Hankow Railway. If the line is destroyed, according to the NORTH CHINA DAILY NEWS, it will mean the bottling up of the foreign communities and the crew of foreign gunboats in the Yangtse as the railway is at present their only means of reaching the outside world besides the extremely hazardous railway journey from Nanking to Shanghai.

Tientsin-Pukow Railway and the Pukow area of Nanking were also bombed by Japanese today.

September 28, Tuesday

Japanese planes dropped 100 bombs over Wuhu, a river port on the Yangtse River in Anhwei Province, causing two huge fires and many deaths, according to the CHINA PRESS.

Mr. Dimitri Bogomoloff, Soviet Ambassador to China, left Nanking for Moscow yesterday by airplane.

In the press conference, the Chinese military spokesman states that the Chinese line running from Lotien to Chapei is still intact.

September 29, Wednesday

Japanese attacks are said to have been repulsed in heavy

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heavy fighting along the Lotien-Chapei fronts again.

Japanese bombing Hangchow.

At 4:50 a.m., a mine, towed upstream by Chinese soldiers from the Pootung side of the Whangpoo and touched off near the Japanese flagship IDZUMO, exploded about 100 yards from the Japanese flagship while some five Chinese volunteers were endeavoring to pass it through ship's protecting net.

150 American missionaries now in Shanghai send telegrams to U.S.A. directly and indirectly asking the U. S. Government for enforcement of treaties and cooperation with other countries in imposing sanctions against Japan immediately.

September 30, Thursday

* The U.S.N.T. CHAUMONT arrived with 500 American women and children aboard, who were evacuated from North China ports. The Transport will take on another 100 at Shanghai and will sail for Manila tomorrow. Majority of passengers are either navy families or indigent Americans.

Japanese airplanes bombing Chapei and Pootung.

Corporal Proteroe, of the Royal Welsh Fusiliers, was stated to be slightly injured by shrapnel shells yesterday afternoon on North Shanse Road.

Shanghai Municipal Council appoints committee to consider the possibility of re-opening municipal schools. The American School and the Cathedral School have already announced opening on an emergency basis.

During the day, Chinese are reported to have gained ground in Chapei in face of terrific bombardment from field artillery and fire from the Japanese Naval craft.

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APPENDIX I

A Summary of Major Events
Said to have happened in and near Shanghai during
the 1937 Incident

Blockade of China Coast

Entire Chinese Coast by Japanese	Sept. 5
A boom was laid at Ningpo by Chinese	Sept. 16-20

Major Bombing Incidents

Chenju Wireless Station completely destroyed by Japanese	Sept. 3
Refugee train bound for Hangchow by Japanese	Sept. 8
Civic Center by Japanese	Sept. 9
China Alcohol Distilling Plant, Pootung by Japanese	Sept. 13
American Waichow Hospital at Waichow, Kwangtung by Japanese	Sept. 13
Nantao, Pootung and Chapei by Japanese	Sept. 13-30
Yangtsepoo District by Chinese	Sept. 18
Nanking by Japanese	Sept. 19, 20, 22, 24
Canton, Hankow, Hangchow and Wuhu by Japanese	Sept. 22, 24, 28, 29
Canton-Hankow Railway and Tientsin-Pukow Railway by Japanese	Sept. 27

Major Shrapnel Incidents

Cercle Sportiff Francais compound, Chengtu Road Police Station, Avenue Foch, French Bund and five other places	Sept. 4
Outside American Consulate General premises	Sept. 9
U.S. Marine outposts at Markham-Wuting Road Sector by Japanese	9
Next to American Consulate General, inside Central Police Station	10
British Consulate General premises	13
Two Americans injured at Standard-Vacuum Installation, Pootung	21

Cholera Epidemic

Cholera reached epidemic form according to statement issued by S.M.C.	Sept. 10
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Chinese Troops

Strategic withdrawal to first defense line (exactly one month after the commencement of the hostilities)	Sept. 13
--	----------

Evacuation

600 Sikh women and children and 300 men aboard S.S. ELEPHANTA for India	Sept. 10
24 Americans aboard U.S.S. SACRAMENTO for Hongkong to connect S.S. PRESIDENT COOLIDGE	Sept. 13

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300 Foreigners and 100 French sailors aboard S.S. D'ARTAGNAN for Hongkong and Europe	Sept. 17
650 men, women and children left aboard the French S.S. SPHINX for Hongkong, Singapore and Europe	Sept. 4
101 Americans arrived from Mokanshan, Hangchow via Ningpo	Sept. 23
British evacuees were told by British Consul General in Shanghai not to return to Shanghai until the military position is stabilized	Sept. 5
<u>Foreign authorities' request to move the "Theater" of war away from Shanghai</u>	
American, British and French Consuls-General's request	Sept. 4
American, British, French, Italian and Netherlands Admirals' request	Sept. 14
<u>Public Utilities and Business, Resumption of</u>	
Cathay and Palace Hotels reopened	Sept. 18
Gas supply restored	Sept. 8
Air service between Nanking and Hankow	Sept. 9
Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways announce provisional daily service	Sept. 15
Limited Post Office Parcel Service	Sept. 20
Cable lines outside Woosung fully repaired	Sept. 25
<u>Occupation by Japanese</u>	
Civic Center	Sept. 14
Paoshan	Sept. 7
Pratas Shoal, South of Hongkong	Sept. 7
Island of Cheniushan, off Hangchow Bay	Sept. 16
<u>Seizure of Chinese vessels by Japanese</u>	
Two Customs cruisers near Hongkong	Sept. 6
15 Merchant vessels detained in Japan	Sept. 19
<u>Troop arrivals</u>	
800 Grenadiers of Savoy aboard S.S. CONTE BIANCAMANO (Italian)	Sept. 14
1435 U. S. Marines aboard the U.S.N.T. CHAUMONT (American)	Sept. 19
85 French soldiers arrived aboard the S.S. CHENONCEAUX (French)	Sept. 22

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APPENDIX II

ANDREINI, Lieutenant-Colonel, Commander of the Italian Grenadiers of Savoy, now stationed in Shanghai.

LE BIGOT, Vice Admiral, Commander-in-Chief, French Naval Forces in the Far East.

BEAUMONT, JOHN C., Brigadier-General, Commanding, the 2nd Brigade, consisting of the 4th and the 6th Regiments, U. S. Marine Corps, now in Shanghai.

BOGOMOLOFF, DIMITRI, Soviet Ambassador to China

CHU SHAO-LIANG, General, formerly Chairman of the Kansu Province, now new Commander-in-Chief of the Chinese forces in the Shanghai Area.

CHU TEH, formerly Commander of Communist Forces, now Commander of the 8th Route Army recently organized under the Military Affairs Commission.

CLARKE, THOMAS S. Colonel, Commanding, the 6th Regiment, U. S. Marine Corps.

HOLT, REGINALD, Rear-Admiral, recently appointed Rear-Admiral and Senior Naval Officer on the Yangtse in succession to Rear-Admiral Lewis Crabbe.

HOUTSMULLER, J., Lieutenant Commander, Senior Netherlands Naval Officer Present.

HOWE, R. G., Charges d'Affaires, British Embassy, Nanking.

JOHNSON, NELSON T., American Ambassador to China.

MAZE, FREDERICK, Sir, Inspector General of Chinese Maritime Customs.

NAGGIAR, PAUL E., French Ambassador to China.

NISHIOKA, TAKEJIRO, Head of the Japanese Diet Party consisting of 12 members on visit to Shanghai.

PHILLIPS, HERBERT, new British Consul General at Shanghai, formerly British Consul General at Canton, China.

PRICE, CHARLES F. B., Colonel, Commanding, the 4th Regiment, United States Marine Corps.

SOONG, T. V., Chairman of the National Economic Council and Chairman of the Board of Directors of the Bank of China.

TELFER-SMOLLETT, A. P. D., Brigadier, Commander of the British Forces in Shanghai who is promoted to the local rank of Major-General with effect from September 15.

TILTMAN, HESSELL, British war correspondent in Shanghai.

YANG

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YANG HU, General, Garrison Commander of Shanghai and
Woosung Area.

DA ZARA, ALBERTO, Capitano Di Vascello-Comandante
Superiore Naval in E.O.

H. C. Chen, Consular Clerk, ably assisted
in the preparation of this report.

800

CV:Hcc

In quintuplicate to the Department of State;
One copy to the American Embassy, Nanking;
One copy to the American Embassy, Peiping.

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

Sources of Information

NORTH CHINA DAILY NEWS

CHINA PRESS

SHANGHAI EVENING POST AND MERCURY

SHANGHAI TIMES

7 4 5 8

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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

November 16, 1937.

~~MSM~~
~~JCV~~
~~JWB~~
~~RCM~~
~~MMH~~

Reference Shanghai's No. 978, September 28, 1937, entitled "Transmitting Special Number of ORIENTAL AFFAIRS concerning Shanghai Hostilities."

The attached publication, "Oriental Affairs", for the month of September, 1937, contains a number of items of particular interest, among which are the following:

(1) A very clear map of the war zones, facing page 127;

(2) A number of excellent photographs;

(3) The article, headed "Shanghai in Torment", beginning on page 126.

(4) An article, headed "Armed Garrisons in Shanghai", beginning on page 123. In this article Mr. Woodhead has seen fit to take the Joint Commission to task for its failure, on June 23, 1937, and again on August 12, 1937, to take a stronger position in connection with alleged breaches of the 1932 Agreement. According to Mr. Woodhead a clear-cut ruling on the charges and countercharges made by the Japanese and Chinese authorities might possibly

have

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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have furthered the cause of peace. (In this connection it may be mentioned in defense of the passive attitude adopted by the Joint Commission that some doubt exists as to whether there is any legal foundation for the continued existence of this Commission.) In this article Mr. Woodhead strongly recommends that all interested governments should insist in future on the establishment of a demilitarized belt which would extend completely around the foreign areas rather than being confined to that area north of Soochow Creek. Mr. Woodhead concludes his article with the following paragraph:

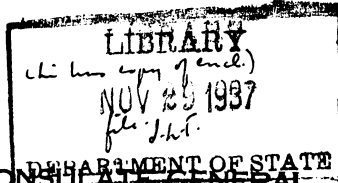
"In conclusion it may be added that if the Japanese charges relating to the Pao An Tui were well-founded they showed a sad lack of initiative in withholding them until so late an hour. The sole hope of the 1932 Peace Agreement proving effective lay in the literal enforcement of the demilitarization stipulations. . . . There is little doubt that until satisfied of Japanese tolerance the Chinese authorities would have given due attention to any well-founded protest regarding the Pao An Tui endorsed by the Joint Commission."

ARR
FE:ARR:VCI

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

NO. 978



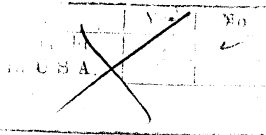
AMERICAN CONSULATE GENERAL,

Shanghai, China, September 28, 1937.

1937 NOV 2 AM 11 00

COMMUNICATIONS
AND RECORDS

M
Stanton

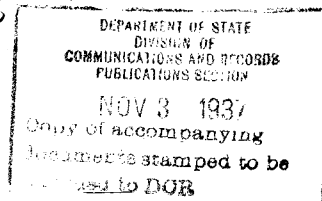
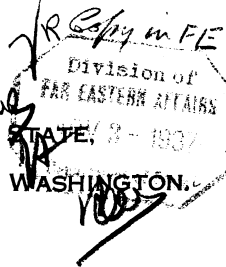


SUBJECT: Transmitting Special Number of ORIENTAL
AFFAIRS Concerning Shanghai Hostilities.

THE HONORABLE

THE SECRETARY OF STATE, 2-1937
WASHINGTON.

SIR:



793.94/10938

1/

I have the honor to enclose herewith copies of a special number of ORIENTAL AFFAIRS, a magazine edited and published by Mr. H. G. W. Woodhead, which is devoted to the outbreak of hostilities in the Shanghai area and to subsequent events. It is believed this number will be a valuable addition to the Department's records of recent events in Shanghai inasmuch as several of the articles contain well documented material of unusual interest.

The Department's particular attention is invited to the article entitled "Shanghai in Torment" which is a chronological presentation of the various developments which led up to the actual outbreak of hostilities on August 13th and includes carefully arranged material concerning the Hungjao Road incident, the deliberations of the Consular Body and Joint Commission and the various statements issued by Chinese and Japanese officials. Attention is also called to the article

entitled.

F/FG

3 3 1937

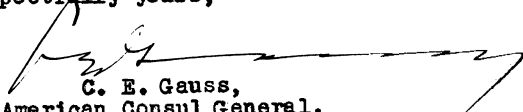
10938

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

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entitled, "Foreign Garrisons in Shanghai and the 1932
Peace Agreement" which analyzes the truce agreement con-
cluded in 1932 between representatives of the Chinese
and Japanese Governments and draws attention to its
lack of specifickness.

Respectfully yours,


C. E. Gauss,
American Consul General.

✓ Enclosure:

1/- Copy of Special Number of
ORIENTAL AFFAIRS. Vol. VIII, No. 3,
Sept. 1937.

IN TRIPLICATE
Copy to Embassy, Nanking.

800
EFS/Syz

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

118-1

TELEGRAM RECEIVED

JR

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

FROM

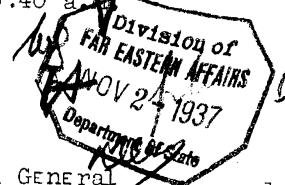
CINCAF

November 2, 1937

Rec'd 10:40 a.m.

TO: NAVY DEPARTMENT

INFO: AMEMBASSY NANKING



0002. Conference held this morning with General Harada, Military Attache, and Consul General Okazaki representing General Matsui, also present senior British, French, Italian, Netherland naval officers. Expressed regret inability confer directly with General Matsui; informed Japanese plainly and emphatically that continued killing wounding neutral soldiers and noncombatants by firing of shells dropping bombs into International Settlement French Concession was creating very grave situation and most essential that effective steps be taken prevent recurrence such incidents in future. We felt it most important that General Matsui should realize gravity of situation and that every effort must be made both by neutral authorities and Nipponese by conference or other practicable means to avoid future incidents.

Japanese replied situation very difficult as Chinese entrenched in immediate vicinity British French troops west of Settlement, in dislodging them necessary shell drop bombs near boundary; occasionally inevitable some would drop in neutral territory. HOWEVER they had issued orders not to shell or bomb immediate vicinity, also they were trying

penetrate

793.94/10939

F/FG

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-2- #0002, November 2, from CINCAF..

penetrate Chinese lines at some distance from boundary
thus forcing retirement, large scale map issued to artillery
and liaison officers appointed to British French forces.
They said fully realized necessity avoiding further
incidents and Matsui would be informed neutral view
immediately.

Feel that Harada and Okazaki were impressed by
conference and will use their influence improve situation;
as long as both forces have flanks against Settlement great
danger more incidents continue. Am endeavoring arrange
similar conference with leading Chinese Generals. 1650.

CSB

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

MBo
AMEMBASSY PEKING
AMEMBASSY NANKING
AMCONSUL SHANGHAI
AMCONSUL HANKOW
AMCONSUL SWATOW
AMCONSUL AMOY

TELEGRAM RECEIVED
SPECIAL GRAY AND PLAIN
Canton via N.R.

Dated November 2, 1937

FROM Rec'd 8:30 a.m.

Secretary of State,
Washington.

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



November 2, 5 p.m.

Canton Hong Kong railway twice raided yesterday by three planes dropping total of about fifteen bombs at track and bridges south of Cheungmuktou without effect. Raid this morning near the same point also failed to cut track.

Refugees arriving here today by train leaving Hankow October thirtieth report passing eleven trains of unidentified troops moving north between Hankow and Changsha and one at Pingshek.

Press states that Kwangtung military headquarters has ordered Amoy to be held at all costs and has despatched 10,000 soldiers from Canton to reinforce Fukien garrison.

In a recent address on Nine Power Conference the official representative of General Yu Han Mou stated emphatically that in no event can China accept international pressure to compromise on vital issues which concern her primarily; and that however the conference acts China must continue her own battle for national existence and territorial integrity. Same attitude increasingly manifested by vernacular press. Mailed Hong Kong.

CSE:

LINNELL

793.94/10940

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NOV 4 1937

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DECLASSIFIED: A.D. 11-52, Sec. 1(a) and 5(D) on
Department of State letter, August 10, 1972
By William C. H. Jefferson NARS, Date 12-15-75

ORIENTAL AFFAIRS

EDITED & PUBLISHED BY H G W. WOODHEAD, C

Fifth (Emergency) Edition

SHANGHAI in TORMENT

(*An Illustrated Record*)

THIS DOCUMENT MUST BE RETURNED TO THE
DIVISION OF COMMUNICATIONS AND RECORDS

Vol. VIII

SEPTEMBER, 1937

No. 3

0466

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

The Shanghai Waterworks

Company Limited

(INCORPORATED IN ENGLAND)

Authorised Capital:

£1,164,000, Tls. 2,000,000
and \$3,000,000

Issued Share Capital:

40,236 'A' shares of £20 each,
108,505 'B' " " £1 "
250,000 'C' " " £1 "

100,000 7% Cumulative Redeemable
Preference Shares of Tls.
10.00 each.

100,000 6½% Cumulative Redeem-
able Preference Shares of
Tls. 10.00 each.

Loan Capital:

Tls. 2,800,000 6% Debentures 1932.
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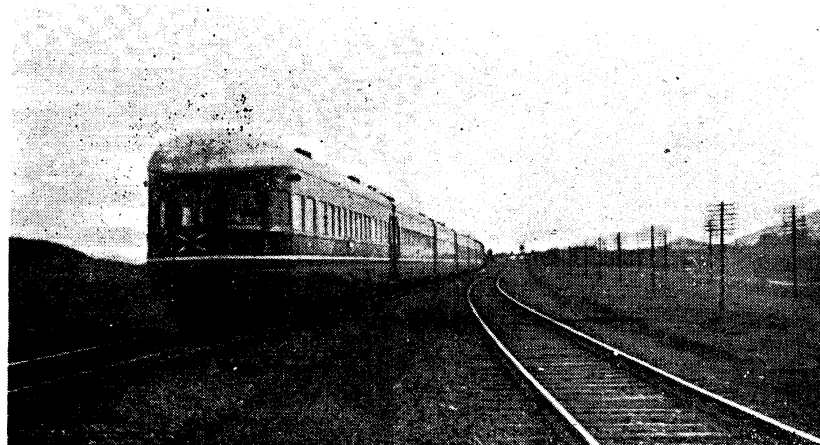
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NOTES & COMMENTS

HOSTILITIES in the North and around Shanghai have resulted in the disruption of the mail service. The experiences through which residents of this City have passed since the last issue of *Oriental Affairs* was published have not unnaturally monopolized practically the whole of the space of the local Press. In these circumstances it has proved impossible for this journal to fulfil its usual role of publishing articles on a variety of Far Eastern topics, and correspondence surveying the course of events throughout the Far East. The Editor has therefore decided to devote the greater part of this issue to a chronicle of and commentary upon Shanghai's experiences during these weeks of torment. An attempt has been made to give an objective account of events leading up to and following the latest outbreak of hostilities, and though at a time when passions run high this attempt is bound to be resented in some quarters, it is hoped that the result will be a review of permanent historical value. In view of what happened in 1932 it has been assumed by most of the Press in Europe and America that the Sino-Japanese conflict of 1937 is a mere repetition of that catastrophe. It is shown in the following pages that that is not a correct view. Without denying to China the right to take action in whatever locality she deems most suitable for defence, it is a grotesque misrepresentation of realities to suggest that the Japanese sought and provoked the recent hostilities in Shanghai. Her responsibility for them—in so far as she is responsible—is due not to her recent actions in Shanghai but to her policies and actions in North China. She obviously never contemplated a situation arising in which she would have to evacuate most of her nationals from this centre, resist with a mere handful of Blue-jackets the onslaughts of over 30,000 of China's best troops, and engage in a major military campaign in this area. It may be doubted, also, whether until a very late hour the Nanking Government committed itself to the policy which brought about these results.

In view of the North China situation four courses appeared to be open to the Nanking Government:

(a) It might make the best terms possible with Japan for the moment, in the hope and expectation that a decade or so hence it would be in a position politically, financially and militarily to recover any lost ground.

(b) It might restrict its military efforts to local resistance in the North.

(c) It might elect to make Shanghai rather than North China the main theatre for a war of resistance against Japan.

(d) It might declare war, and risk all the consequences of such a course.

No doubt there were political factions which favoured each of these courses. The approximate grouping of the more important military and political leaders may perhaps be guessed, but to put such a guess on paper today would be to expose many of these men to the charge of being traitors. Nanking for the moment appears to be in the grip of a war-fever as intense as that which has over-

whelmed Japan. In neither country today would it be safe for any prominent figure publicly to counsel moderation, and a settlement other than by ordeal by battle.

Shanghai so far as the neutral foreign communities were concerned, was caught less prepared on this occasion than in 1932. The Defence Forces other than Japanese (i.e. American, British and French) numbered only some 2,800 officers and men, compared with 4,400 in January, 1932. The defence perimeter South of the Soochow Creek, therefore, could only be very thinly held, even with the cooperation of the Shanghai Volunteer Corps.

Fortunately there was no evidence of any hostility towards the American, British and French troops on the part of the Chinese forces that had been massed round the foreign areas. Nevertheless the strain imposed upon these units and their commanders during the first few days while barbed wire, sand-bag-redoubts, etc. were being put into place, was enormous. The work, however, was done cheerfully, speedily and efficiently, and when the much needed reinforcements began to arrive they found well-protected lines awaiting them. The British Government was the first to send additional troops, a Battalion of the Welch Fusiliers arriving here on the fourth day after the first shot had been fired. A second Battalion, of the Ulster Rifles was here soon afterwards, and in due course reinforcements of American Marines and of French Colonial Infantry made welcome additions to the strength of the neutral Defence Force.

The responsibility undertaken by the Shanghai Volunteer Corps on this occasion was far heavier than during any previous local crisis. Mobilized on the evening of the 12th it had to play an important part on the Defence line even in the most exposed positions, while various units undertook many difficult and dangerous missions in connection with the evacuation or rescue of civilians, food supplies, etc. from the war-torn areas. The Volunteers were also assigned to the gruesome duty of helping to clear the streets of torn and mangled bodies after the disastrous bomb explosions of August 14 and 23. "I take off my hat to your Volunteers" was a remark volunteered to the writer by an Officer of one of the relieving British Battalions; "I don't see how you could have carried on without them."

The work done by the Police, also, has earned the gratitude of the community. Though on some occasions units have had to evacuate their stations owing to their coming under heavy shell-fire from one side or the other, they invariably reoccupied them at the first opportunity, restoring confidence to what remained of the Chinese or foreign population in the district, and in particular imposing a salutary check upon looting. The S.M. Police, alas, suffered a number of fatalities, while performing traffic or other duties on the scenes of the bombing tragedies. The Gaol Staff deserves special mention, as it was isolated for days at a time, surrounded by a ring of

raging fires, and subjected to frequent shell hits, while in charge of 6,000 frenzied prisoners. The Gaol staff suffered a number of casualties in the performance of their duties.

Less publicity is given to the activities of the authorities in the French Concession than to those of the Shanghai Municipal Council. But all residents within the French area must have been impressed by the quiet and efficient manner in which the defences of the Concession were prepared, and with the persistent efforts to maintain peace and order as the area became more and more congested with refugees. The Concession's armoured cars, supplemented by chartered taxis, played a useful role in this connection. As in the Settlement area, the French Police were so overworked in the early days of the crisis that most traffic duties had to be temporarily suspended.

The amount of human misery resulting from the local hostilities simply baffles description. Day after day main streets and by-streets have been congested with homeless, workless and, in many instances, destitute refugees, wandering about aimlessly and hopelessly from dawn to dark. On the whole the conduct of these unfortunates left little to be desired. There were occasional disturbances when some mischief-makers started a "traitor"-hunt or espied a Japanese, or when people rendered desperate by starvation attempted to loot foodshops. The prevalence of dry, warm weather perhaps made existence for most of the day in the open less trying. But the patience and endurance of the men, women and children who in so many instances had been deprived of home, belongings and livelihood was extraordinary, and cannot be too highly commended. The bombing disasters, of course, created a nervous atmosphere. An extraordinary feature was the quickness with which the average man in the street learnt to distinguish a Japanese from a Chinese plane. Not without its humorous side was the flight for cover when a Chinese aircraft was identified, in contrast with the stolid curiosity with which the idlers watched the evolutions of Japanese aeroplanes.

The Foreign communities in the Settlement had little contact with, and knew very little about, the Japanese civilians during the crisis. Most of them at the outset were in Hongkew, and those who were not evacuated continued to live North of the Creek and behind the Japanese lines. Their experiences during the days and nights of incessant and bitter fighting must have been nerve-racking. And their sufferings from loss of business, livelihood and property must have been heartbreaking.

The general assumption that the Hongkew sector was defended by large Japanese forces was at complete variance with the facts. The normal strength of the Naval Landing Party was 2,000. It received 300 reinforcements when the Hankow Concession was evacuated, and another 1,000 men when the Third Fleet came up river on August 11. For the greater part of the first week the Northern area was being defended by not more than 4,000 officers and men. The strength of the force was insufficient to man a continuous defence line, and to this was due the fact that small Chinese detachments occasionally penetrated Hongkew, and even in one or two instances reached the river-front. If the truth about the fighting during that first week were

told, and Japan were not exposed to so much odium for her policy in the North, the gallantry of the Japanese defence would have won world-wide admiration. It was not until the second week that reinforcements brought the strength of the Landing Party up to approximately 6,000. From the outbreak of hostilities until the landing of and junction with, the Japanese military forces, the Naval men bore the brunt of attacks by four modern Chinese Divisions, in addition to the Pao An Tui.

One of General Matsui's first statements on arriving to command the Expeditionary force was to pay a tribute to the gallantry of the Chinese troops. The operations in the Northern and Eastern areas of the Settlement once more proved the advantage that accrues to the defence in a built-over thickly populated area. This advantage thwarted the Japanese in Chapei in 1932. It enabled a numerically inferior Japanese force to hold its lines against Chinese troops ten times as numerous, in 1937. The Chinese though well-equipped as infantry, appear to have suffered from a serious lack of artillery. Moreover, behind the Japanese defence-lines were the powerful guns of the Japanese Fleet, which on more than one occasion saved the Landing Party from extinction. For there is no doubt that the object of the Chinese forces around the area was to overwhelm the Japanese before the arrival of military reinforcements, which, as in 1932, appeared to take an unconscionable time in coming.

In aerial warfare the Japanese appear to have demonstrated far greater accuracy in bombing than the Chinese. On the other hand they had no pursuit planes that could equal the performances of China's latest aircraft of this type. Undoubtedly the Japanese suffered heavier losses than were officially admitted during the daylight air-raids on aerodromes in the interior, especially at Nanking. Undoubtedly, also, they did far more serious damage to these air-fields than was admitted by the Chinese. It would be interesting to know how many aerial bombs and artillery shells were directed at the Japanese flagship, *Idzumo*. On several occasions she came perilously near being hit, especially during the surprise torpedo attack. The bombs intended for her, however, did much more harm to human life and property than to any military objective. The planes responsible for the tragedies of August 14 were attempting to destroy the *Idzumo*. It remains a mystery what was the target of the plane responsible for the Sincere-Wing On catastrophe of the 23rd.

The diplomatic propaganda of the Chinese was as superior to that of the Japanese as its military propaganda was inferior. From the beginning of hostilities to the date of writing the Japanese have given the world no coordinated, reasoned account of their case in Shanghai, with the result, as already stated that they have been denounced throughout the world as the aggressors in this area as well as in the North. At the outset the Japanese naval and military authorities contented themselves with laconic denials of Chinese claims of local successes. Later they established machinery for daily releases of military and naval information to the Foreign Press. Except in regard to their aircraft losses, and their claims in respect of the destruction of Chinese aircraft, the information given by the Japanese spokesmen has generally proved to be reliable.

Military information from Chinese sources has been deplorable. The Headquarters of the Naval Landing Party and the Kung Dah Mill were reported to have been captured at least three times. Infiltration of Chinese snipers was consistently magnified into penetration, and splitting up, of the Japanese defence lines. The number of times that the Japanese Expeditionary force was driven into the sea is past counting. And there appeared to be nothing inconsistent in Chinese eyes in the publication in the same or an adjoining column of circumstantial reports of heavy fighting by that force some miles inland. The Chinese Military authorities have much to learn in the matter of distributing military information. They have undermined public confidence to such an extent that they can only hope to regain it by strict adherence to the truth even if not altogether palatable over a considerable period.

The Foreign communities of Shanghai have nothing to be ashamed of so far as this crisis is concerned. Evacuation of as many women and children as possible was admittedly a wise precaution, and was carried out efficiently and quickly with the aid of the American, British and French Naval authorities. A tribute should be paid to the courage of the women, torn from their homes, with a minimum of baggage, at a few days' or hours' notice, and in several instances taken down river to the accompaniment of bombing and anti-aircraft fire.

Male foreigners of all nationalities have stoutly resisted the proposal for a general evacuation, and insisted upon their right to remain here, despite the temporary dangers, to save what can be saved of their interests. Fortunately most of their Governments have come round to the view that protection, not evacuation, is the soundest policy, and taken every possible step to ensure the safety of those of their nationals who intend to "stay put." Apart from the Volunteers to whom a tribute has already been paid, many men of all nationalities undertook public duties of one kind or another in the interests of the Foreign and the Chinese Communities. The smooth working of the various emergency organizations in both the foreign areas has been due largely to these volunteer workers.

A section of the community that also deserves mention is the Russians. No machinery or organization existed for the evacuation of their women or children, who have simply had to stick it out. The Russian Regiment, and Volunteers again played a conspicuous part in the defence of the Settlement.

Numerous Chinese organizations have done invaluable work for their countrymen. Red Cross and Relief Agencies have been particularly active, and have done a great deal to alleviate the sufferings of the unfortunate war victims. Boy scouts have done good work in various capacities. Countless Chinese women have given their assistance to the suffering and the wounded. But for the public spirit of many prominent Chinese the internal conditions of the two Foreign Areas would have become much more critical than has actually been the case.

There has been some difference of opinion as to the wisdom of the measures taken to control the currency situation. It appears anomalous, for instance that the Chinese

Government should in effect impound foreign accounts in Government Banks, and insist upon cash payments for Customs duties, and other official charges. It is hoped that as the local situation becomes more stable some of the more unreasonable restrictions will be modified or cancelled. The Government admittedly has a difficult task in finding a method by which the currency position can be conserved with the minimum of injury to Chinese and foreign interests.

The local foreign Press, on the whole, maintained its reputation for impartial reporting of events. Simultaneous and equal publicity was given to official reports or statements from both sides, with results which were often as confusing to the Editors and to the readers. Press photography attained a high standard. The only foreign evening paper, the *Shanghai Evening Post*, published three or more editions a day, and frequently contained photos of events that had occurred an hour or so before printing. All foreign dailies were affected by the cessation of the gas supply, as most of their linotypes were operated with gas furnaces. This resulted in a reduction in size of all foreign newspapers.

The Chinese Press could not in the circumstances be expected to be impartial. Morning, noon and night one could see copies of the Chinese papers being eagerly scanned in all parts of the City. The hourly appearance of sensational mosquito journals was unquestionably a serious menace to local peace, and where possible the worst offenders were suppressed by the Municipal authorities.

The Medical Profession—Foreign and Chinese—gave its services unstintingly to the public. Physicians and Surgeons worked for hours on end in the various hospitals, in efforts to save the lives of victims of bombing and of shellfire. The evacuation of the Isolation, General, St. Lukes, and Sacred Heart Hospitals added to the difficulties of coping with the constant flow of wounded.

For permission to use the photos that are reproduced in this issue, the Editor must express his gratitude to:

Mr. Randall Gould (whose picture of the flight from Hongkew, is certainly one of the finest taken during the crisis); The Mercury Press,* who have allowed him to make a large selection from their collection; Domei; the Liang You Co.; and the *North China Daily News and Herald*.

The loss of life and the material damage, caused by the Shanghai hostilities have been appalling. Most of the human casualties have, of course, been Chinese. The disastrous air-bomb explosions of August 14 fortunately occurred in localities in which there were few foreigners in the streets at the time. Had the Bund-Nanking Road explosion happened during a week-day morning or any afternoon other than a Saturday or a Sunday there would have been scores of foreign victims. Both the British and the American Governments have warned the Chinese and Japanese Governments of their intention to claim indemnification for the losses of their nationals. It would be comforting to feel that there was any hope of this threat being

*These photos, prints of which are on sale at the offices of the Mercury Press are identified by the letter M. P.

followed by compensation. The possibility seems to be extremely remote, for apart from the difficulty of establishing which side was directly responsible for any particular piece of destruction, each side is likely to claim that even where that responsibility can be brought home to it, the action in question was the outcome of the other's aggression. In many instances it is doubtful whether destruction of premises has been due to aircraft or artillery projectiles or incendiary. The desirability of reserving the right to claim indemnification cannot be questioned. The possibility of enforcing that right is, so say the least, extremely dubious.

The military situation at the time of going to press may be summarized as follows. The Japanese Naval Landing Party solidly holds its original line on the Hongkew perimeter, and has extended its front North-eastward beyond the Shanghai University. Large Japanese military forces have effected landings at various points on each side of the mouth of the Whangpoo. The main landings are believed to have been effected between Liuhoo and Woosung, and the landing forces have established themselves some distance inland at various sectors, especially in the Lotien region. Of the landing said to have taken place near Chwangsha, due East of Shanghai and on the Pootung side of the river little is known. It is estimated that between 30,000 and 40,000 Japanese troops with large quantities of artillery and mechanized equipment have already disembarked. It is the avowed intention of these forces which are commanded by General I. Matsui, to crush the Chinese Armies before they can retreat. At the moment the Japanese appear to be attempting to make room for deployment by pushing up the left bank of the Whangpoo, where they expect to effect a junction with the Naval Landing Party in the near future, if this has not already been done.

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The Chinese are believed to have four Divisions in line between the North Station and the Coast, with probably as many more in reserve. Reports that they would withdraw to fortified positions on the approximate line Hupei-kow-Quinsan-Soochow have not been confirmed. If they resist on their present front, and are unable to check the Japanese offensive, it is expected that with their left, pivoting on Shanghai, they will swing back to form a semi-circle connecting with the line already referred to.

It would be as unwise for the Chinese as for the Japanese to underestimate the strength of the enemy opposed to them. In the operations in the coastal area the Japanese enjoy the advantage of a naval monopoly, and can rely upon the support of their naval guns to a depth of 10,000 to 12,000 yards. If a retreat to the positions mentioned takes place the Japanese will be confronted with the necessity of developing a wide flanking movement up the coast, a break through in the direction of Wusih, or a heavy attack on the Chinese right wing, which would bring hostilities unpleasantly near to Shanghai. A Chinese retreat, if it did not affect the morale of the troops, would confront the Japanese with the difficult problem of how far afield they could afford to continue their offensive. Their immediate object will be to clear a zone at least 20 miles deep around Shanghai. If they succeed in this it will be a tactical success only. The strategic aspects of the campaign present problems on which no amateur can venture to express any opinion.

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Shanghai

FOREIGN GARRISONS IN SHANGHAI

And the 1932 Peace Agreement

THE Foreign Garrisons stationed in Shanghai, unlike those in North China, are not there by virtue of any specific Treaty right. They are there in accordance with the right that has frequently been claimed by civilized Powers, to protect their nationals when the local authorities have shown their unwillingness or inability to do so. The over-running early in January 1927 of the British Concessions at Hankow and Kiukiang, and the violent anti-British demonstrations that followed the Nationalist occupation of each centre in which there was a foreign community, decided the British Government to take adequate military precautions for the defence of Shanghai. Other Powers—such as America (with troops at Manila) and Japan—were in a position to land troops in Shanghai within a few days, in the event of danger to their nationals or their property. British troops could not be spared from the small Hongkong Garrison, and the nearest place from which a Brigade could be sent, was India. The British Government notified the League of Nations, the signatories of the Nine Power Treaty, and China, of its intention to despatch a Defence Force to Shanghai, the Jhansi Brigade being followed by three other Brigades from Europe, which with ancillary troops brought the strength of the Shanghai Defence Force up to about 20,000 of all ranks. After and not until after, this decision had been taken, and British troops were on the way, the American, French and Japanese Governments decided to play their part in the defence of the foreign areas. The action of the four Powers concerned was fully justified by what occurred at Nanking, on March 24. The assumption that the Nationalists would restrict their attacks to the British was shown to be unjustified by the barbarous assaults made upon Americans, French, Italians and Japanese. A State of Emergency was proclaimed in Shanghai on March 21, 1927, and maintained until the latter part of April, though the Regular Foreign Forces had taken up positions on the prearranged defence line at the end of February. During the State of Emergency the only serious incident occurred on March 22, when Chinese troops made determined attempts to enter the Settlement near the North Station.

After the Nationalist occupation of Shanghai, followed by the capture, in the following year, of Peking, the establishment of nominal Kuomintang rule throughout intramural China, and an abatement of anti-foreign activities, the British and other Governments reduced their Shanghai garrisons. By 1931 the strength of these garrisons had been reduced, approximately, to the following:

American	1,380
British	2,100
French	1,200
Japanese	650
	5,330

There was a temporary increase of the American, British and French garrisons during the Sino-Japanese

conflict in 1932, augmented by detachments of Italian Blue-jackets and Marines, which brought the total (exclusive of the Japanese Naval Landing Party and the 12th and 14th Divisions and the 9th Brigade) up to approximately 9,000.

After the restoration of peace there was a further reduction, only one British Battalion remaining on duty in Shanghai, so that although the Japanese Naval Landing Party was increased to about 1,860, the total Foreign Forces only numbered about 4,680, until the recent crisis. The Japanese have since been reinforced, and the total number of American, British and French forces has been raised to 7,000 to 8,000 exclusive of naval units.

It is this force, in association with the 2,000 members of the Shanghai Volunteer Corps, that has had, to undertake the protection of the Settlement and the French Concession, on the recurrence of Sino-Japanese hostilities.

The Sino-Japanese conflict in 1932 was formally terminated by a Peace Agreement signed on May 5 by Japanese and Chinese representatives, in the presence of the British, American, French and Italian Envoys, who were described as "Representatives of the friendly Powers assisting in the negotiations in accordance with the Resolution of the Assembly of the League of Nations of March 4, 1932."

Hostilities had ceased on March 3, when, in consequence of the landing of Japanese forces at Liuhoo, which exposed the flank of the Chinese position, the Chinese troops had retreated beyond the twenty kilometre line which had been insisted upon in the Japanese ultimatum of February 18.

The Peace Agreement stipulated that "the Chinese troops will remain in their present positions pending later arrangements upon the re-establishment of normal conditions in the areas dealt with in this Agreement," the aforesaid positions being indicated in Annex I; that the Japanese should withdraw to the International Settlement, and the extra-Settlement Roads in the Hongkew District as before the incident of January 28; and that the mutual withdrawal should be observed and certified by "a Joint Commission, including members representing the participating friendly Powers."

The effect of the fulfilment of this Agreement was to establish a demilitarized zone, within which only Chinese Police should function, and though China made the reservation that "nothing in this agreement implies any permanent restriction on the movements of Chinese troops in Chinese territory" the fact that the "later arrangements" referred to above have never been made, must be regarded as perpetuating the demilitarized status.

It is a curious fact that the Annex defining the position of the Chinese troops relates only to those North of the Soochow Creek. The line started from a point near the village of Anting, on the left bank of the Soochow Creek, and proceeded via Wang-hsien-ch'iao to a point four

kilometres East of Shatow, and thence North-west up to and including Hu-pei-kou, on the Yangtze River. Anting is about twenty miles from Shanghai; Hu-pei-kou is on the coast about forty miles from Woosung, or fifty miles from Shanghai.

When the Chinese forces began to retreat at the beginning of March, though the main body was North of the Soochow Creek, there were also troops to the South, and in Nantao, and at Lunghwa. These also were withdrawn. The Hungjao Aerodrome had been destroyed by Japanese bombing on February 23.

While it was the avowed aim of the Japanese to create a demilitarized zone of a minimum depth of 20 kilometres, right round Shanghai, this was not the effect of the Agreement, which left the Chinese free, unless other considerations prevailed, to station troops along the right bank of the Soochow Creek to the Settlement Boundary, and along it and the boundary of the French Concession, to Nantao. If this right were conceded, the entire effect of the demilitarization plan would be nullified, both the Western District of the Settlement and the French Concession, as well as the area in which the Japanese are most interested—the Northern District—being exposed to as much danger from a Chinese military invasion as before 1932. It must be regarded as extremely unfortunate, in the light of recent events, that the "present positions" of the Chinese troops South of the Soochow Creek were not defined in Annex I.

The Hungjao Aerodrome has been reconstructed, extended and fortified, and apparently garrisoned by regular troops. It can hardly be gainsaid that the location of a military aerodrome in this locality, accessible only by an extra-Settlement (Municipal) Road constitutes a serious threat to the security of the Settlement. It is a moot question whether Chinese troops should be allowed to occupy and barricade Municipal Roads. There would be no necessity or justification for their doing so if it were not for the Aerodrome. Because of its reconstruction nearly all foreigners in the outlying portion of Hungjao Road had to move out on the eve of hostilities after warnings from both by their own and the Chinese authorities.

Annex 3 to the 1932 Agreement dealing with the powers and functions of the Joint Commission, states that "all matters of procedure will be left to the discretion of the Commission, whose decisions will be taken by a majority vote, the Chairman having a casting vote." Further, it lays down that

"The Commission will in accordance with its decisions watch in such manner as it deems best the carrying out of Articles 1, 2 and 3 of this Agreement, and is authorized to call attention to any neglect in the carrying out of the provisions of any of the three Articles mentioned above."

From the date of the conclusion of the Peace Agreement until April 3, 1936, General Wu Te-chen, Mayor of Greater Shanghai, held the concurrent position of Garrison Commander of Shanghai and Woosung. There could therefore be no question of evasion of responsibility by him for any breach of the Agreement. But on the latter date, on the ground that he was required to devote his attention solely to the mayoral duties, a Nanking order appointed General Yang Hu as Garrison Commander of the two areas.

The Japanese authorities appear to have been somewhat remiss in allowing to pass unchallenged the appointment of a special official in command of a garrison in an area in which no Chinese troops were supposed to be stationed. And as events showed, the separation of the office of Mayor and Garrison Commander led to a deadlock whenever the former was approached with complaints of alleged violations of the Agreement.

The signature of the Agreement had been followed by a "voluntary declaration" by the Chinese Government of its "intention immediately to establish on its own initiative, for the maintenance of peace and order in the evacuated area in the vicinity of the Shanghai Settlements a force of special constabulary, for which it contemplates the employment of experts as officers and instructors. It is understood", added the declaration, "that the incoming Chinese police who take over from the evacuating Japanese forces in accordance with the arrangement for the cessation of hostilities at Shanghai will be drawn from the above special constabulary."

The functioning of the local Peace Preservation Corps (Pao An Tui) began on July 1, 1932, and its organization was regarded with some misgiving by the Japanese, who obtained from the then Secretary General of the Municipality of Greater Shanghai assurances that it had been created for no other purpose than the maintenance of peace and order, that it was only to be 2,000 strong, and that although it would be armed with revolvers, rifles and machine guns, no tanks, armoured-cars or trench-mortars would be included in its equipment. He added that regular soldiers would in no circumstances be admitted to its ranks, which would be filled from ex-gendarmes, ordinary police, and a portion of the well-known Peking constabulary.

The Joint Commission was not bothered with any question of the status of the local Pao An Tui until June 23rd, 1937, when it met at the request of the Japanese Consul-General to consider two issues raised by him, namely the rearming of the Woosung Forts, and the alleged expansion of the Pao An Tui to 6,500, and their equipment with tanks and artillery. Mr. Okamoto further alleged that trenches and other military works were being prepared by the Pao An Tui.

The Acting Mayor maintained that he was not in a position to give any information about the alleged Woosung fortifications, arguing that even if they existed it did not imply any violation of the 1932 Agreement, and did not come within the jurisdiction of the Joint Commission. He admitted that the Agreement was still in force, but stated that China's right to maintain the Pao An Tui could not be challenged.

After a lengthy discussion the Joint Commission reached the conclusion that it could not give any opinion on the conflict of views between the Chinese and Japanese members, but suggested that the Mayor might make a voluntary statement regarding the numbers and equipment of the Pao An Tui, and any fortifications within the prescribed area.

The Mayor's reply was that as a civil official his powers were limited, and that as these matters did not come

within the jurisdiction of the Joint Commission he could not make any statement without Nanking's permission. He concluded by denying any hostile intent on the part of the Chinese.

The matter was then dropped until it was too late to avert a clash. To the layman it would certainly seem that if Chinese troops were to remain in their "present positions" on the prescribed line, so also must Chinese artillery, and that it would be a travesty of the Agreement to suggest that artillery could be mounted at Woosung, and manned by "constabulary." Also that at least a *prima facie* case had been made out for an investigation of the number and status of the Pao An Tui.

Developments in the North reacted upon the local situation, which daily became tenser, and a further meeting of the Joint Commission was convened at Mr. Okamoto's request on the afternoon of August 12. At this meeting the Japanese Consul General again alleged that the Pao An Tui had become in numbers and equipment a military rather than a police force, and demanded its withdrawal. He also protested against the presence close to the Northern boundary of troops of the 87th and 88th National Divisions as being a flagrant violation of the 1932 Agreement and demanded their removal.

The Mayor, (Mr. O. K. Yui) countered by alleging that that Agreement was being exploited by Japan to facilitate the carrying out of her national policy *vis a vis* China, and that it had been "torn to pieces" by the stationing of Japanese armed forces at Pa Tsu Chiao (Eight Character) Bridge.

It might have been hoped that in view of the gravity of the situation the Commission on this occasion would have exercised its right to investigate, and where justifiable, to "call attention to any neglect" in the carrying out of the Agreement by either side. The status of the Pao An Tui should have been cleared up. Japanese patrols, it is true, had been periodically visiting a post on land owned by the Naval Landing Party near the Eight Character Bridge—without previous protest from the Chinese. Situated about half a mile across the railway this site was regarded as an observation post for the protection of the Japanese Barracks, which are on an extra-Settlement Road close to the Railway. If the use of their own land for this purpose contravened the Agreement the Japanese should have had their attention called thereto.

It is incontestable that while the Agreement remained in force, the despatch of Chinese Regular Divisions to the vicinity of Shanghai, within the demilitarized zone, constituted a serious breach thereof. An immediate definite ruling from the Joint Commission on this issue, and upon the Eight Character Bridge incident, might well have spared Shanghai from the recent hostilities. Either party that did not accept the ruling of the majority of the Commission would have put itself hopelessly in the wrong.

It can hardly be denied that on this occasion as on June 23 the Commission failed to fulfil its most vital function. When it met on August 12 the situation had become too grave for suggested compromises. Only a clearcut ruling on the charges and countercharges could possibly have furthered the cause of peace.

Omission from the 1932 Peace Agreement of any

reference to the positions of Chinese troops South of the Soochow Creek can hardly have been an oversight on the part of the Japanese. They evidently limited their demilitarization demands to the area beyond their own defence line, and assumed that the other Powers would adopt a similar course regarding the territory beyond the Western boundaries of the Settlement and the French Concession. Of course if aircraft are to be used in local warfare a demilitarized zone of 20 kilometres will afford little or no protection. In normal circumstances, however, Shanghai would enjoy much greater security if a demilitarized belt extended right round the Foreign Areas. And this or some such arrangement it must be the object of all the Governments with substantial interests in this centre to secure when the Sino-Japanese conflict has come to an end. Had it been in effect previously the possibilities of a recurrence of Sino-Japanese hostilities would have been infinitesimal.

In conclusion it may be added that if the Japanese charges relating to the Pao An Tui were well-founded they showed a sad lack of initiative in withholding them until so late an hour. The sole hope of the 1932 Peace Agreement proving effective lay in the literal enforcement of the demilitarization stipulations. When, as has been shown, from April, 1936 this force was under the command of a separate Garrison Commissioner, it is difficult to understand Japan's *laissez faire* attitude. There is little doubt that until satisfied of Japanese tolerance the Chinese authorities would have given due attention to any well-founded protest regarding the Pao An Tui endorsed by the Joint Commission.

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SHANGHAI IN TORMENT

August's Tragic Record

THE BACKGROUND

IT is impossible to deal with the calamity which has overtaken Shanghai during the past month without reference to the historical background, Sino-Japanese relations in general, and the local situation on the eve of the outbreak. The status of the foreign military garrisons in Shanghai is the subject of a special article, in which it is pointed out that the so-called demilitarized zone established by the Peace Agreement of May, 1932, extended only to the area North of the Soochow Creek, i.e. the area beyond the defence lines occupied by the Japanese in Hongkew. It is a matter for regret that on the termination of hostilities in 1932 the Governments concerned did not implement the proposal made by Mr. Boncour, and accepted by the League Council and the Chinese and Japanese, to convene a Conference "on the basis

- (a) that Japan has no political or territorial designs and no intention of establishing a Japanese Settlement in Shanghai or otherwise advancing the exclusive interests of the Japanese, and
- (b) that China enters the Conference on the basis that the safety and integrity of the International and French Settlements must be preserved under arrangements which will secure these areas and their residents from danger."

These stipulations were interpreted by most of the local foreign organizations as paving the way for a Conference which would deal with the general problems of Shanghai, including a neutralization scheme for the entire area. But the British and other Governments held that the convening of a Conference of this nature would be untimely, and the situation was therefore allowed to drift. Nevertheless, if the 1932 Peace Agreement had been loyally observed by both sides the recent outbreak of hostilities would have been averted. Each party charges the other with breaches of that agreement. The one charged against the Japanese—the sending of a detachment of the Landing Party to the Eight Character Bridge—was obviously a minor one. An incursion of Chinese troops into the demilitarized zone to the same distance would either have passed unnoticed or merely been the subject of a formal protest. Even the alleged military status of the *Pao An Tui*—charged by the Japanese—would not necessarily have led to hostilities, had it not been for the occupation of the Kiangwan and Chapei areas by regular troops of the Chinese National forces: the 87th and 88th Divisions.

As a background to the whole trouble it must be remembered that Chinese hostility towards Japan has been aroused to an intense pitch by events in the North. Chinese organizations were clamouring for resistance to the Japanese Army in Hopei. And the main question for a couple of weeks appeared to be whether National (as distinguished from Provincial) troops should be sent North of the Yellow River to resist. The dangers and difficulties of such a

movement were emphasized in several quarters, but it did not occur to many that the Nanking Government would elect to choose Shanghai instead of Hopei, as its battleground with the Japanese. As is usual at a time of crisis in China there was a moderate and a chauvinistic element in the Government. And one must assume that on this occasion the views of the moderates were overborne by the chauvinists, and it was decided, even if it meant the complete ruin of China's most important commercial, industrial and financial centre, to make Shanghai the principal war zone, if a settlement was not reached on terms satisfactory to the Central Government. It may be doubted whether those who advocated this course fully appreciated the appalling consequences it would entail, and the incalculable loss that would be inflicted upon Chinese and foreign interests if Shanghai became a centre of military, naval and aerial operations. Shanghai had a tragic enough experience in 1932 when aerial bombing was confined to one side. When, as on this occasion, both of the warring parties relied largely upon aerial warfare the results were bound to be appalling.

It is proposed here to give a chronological commentary on the events in Shanghai up to the time of going to press.

The first local incident that seriously threatened to disturb local peace was the report given to the Japanese Naval Landing Party by an unknown informer, on the evening of July 24, that he had seen a Japanese Bluejacket kidnapped by a party of Chinese near the North Szechuen-Chapoo roads corner, and carried off in a car. Apparently a cap and a scarf were produced in evidence, and identified as belonging to Seaman Miyazaki, who was found to be missing after a roll of the Landing Party had been taken. Japanese Bluejackets were immediately called up, and made an intensive search, in which the Chinese authorities co-operated. The disappearance of the informer added to the mystery, which was not elucidated until the missing man was seized by the Chinese authorities near Chinkiang. It appeared, from his own story, that having been involved in a scuffle, in which he lost his cap and scarf he decided to desert and commit suicide. He stowed away on a British River steamer on July 26, and jumped into the river late that night. When found he was detained, and handed over to the Japanese Consul-General at Nanking. On July 31 the Commandant of the Landing Party published a statement expressing his regret over the incident, and thanking the Council, and other authorities, "last but not least" the Chinese, for their cooperation in the search. There was a strong suspicion that the informer and the deserter were one and the same man. Fortunately the Japanese authorities did not formally hold the Chinese responsible while the search was in progress.

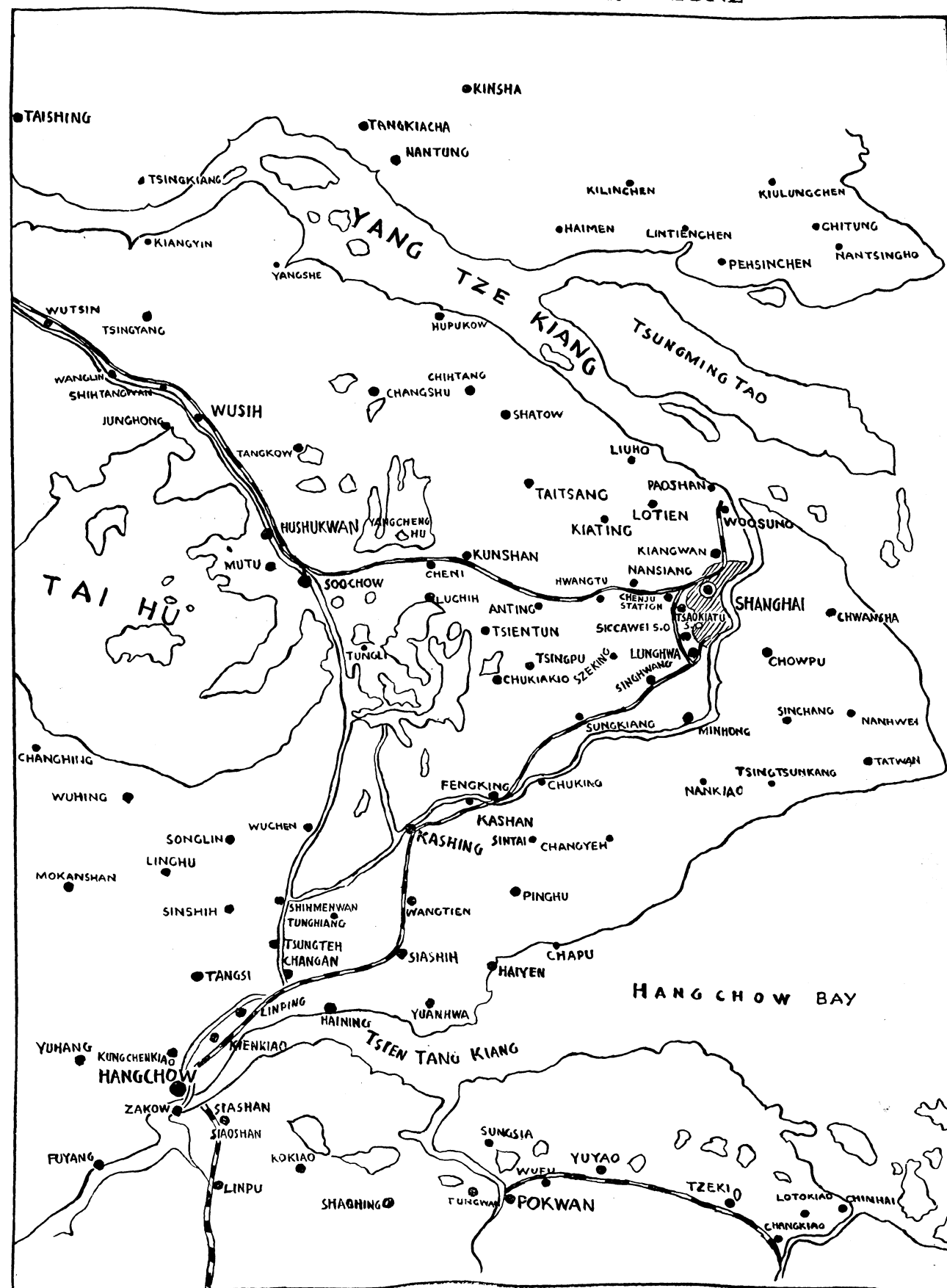
In the meantime, however, the local atmosphere was becoming more highly charged. On July 28 it was an-

THE FLIGHT FROM HONGKEW



As seen from Broadway Mansions at Midday on August 14, after the first aerial attack on the *Idzumo*
Photo by courtesy of Randall Gould, Esq.

MAP OF SHANGHAI WAR ZONE



September, 1937

ORIENTAL AFFAIRS

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nounced, apparently with official authority from Nanking, that the Chinese had gained a series of military successes in the North, including the capture of Langfang, Fengtai and Tungchow. Scenes reminiscent of those that occurred in 1932 when false reports of an overwhelming victory over General Shirakawa's forces were circulated, followed in Shanghai. Fusillades of crackers were discharged in every part of the Settlement and the French Concession. There were no serious disorders, but that night Vice-Admiral Hasegawa, Commander-in-Chief of the Third Fleet warned the Chinese authorities—and his own nationals—of the necessity of avoiding untoward local incidents, adding that if the Chinese did not cooperate in this policy he would be compelled to take such measures as might be necessary for the protection of the lives and property of Japanese.

The false reports of Northern victories spread to Tientsin, and apparently were the deciding factor in precipitating an outbreak of hostilities in that City, the Pao An Tui being so elated thereby that they decided to gain a victory of their own. The attack upon the Japanese in Tientsin appears to have taken them completely by surprise, and at one time their air-field and military aircraft were in danger of capture, and they were forced out of the Central Station. When they had had time to organize effective resistance they had recourse to drastic measures, including intensive air-bombing. News of the outbreak of hostilities at Tientsin, of course, added to the tensify of the situation in Shanghai and throughout the Yangtze Valley. The Japanese Government, which had already begun evacuating its nationals from the Upper River ports, ordered the evacuation of Japanese women and children from Hankow on August 6, and by 5 p.m. the next day had also evacuated the male civilian population. Detachments of the Naval Landing Party which had been put ashore, as well as all Japanese naval and merchant vessels were also withdrawn, leaving the Hankow Concession in the hands of the Chinese police. This wholesale evacuation was explained by the steadily growing tension and the desire of the Japanese authorities to adopt a policy of non-aggravation. There is a strong possibility that this evacuation was interpreted by most Chinese as a symptom of weakness.

In Shanghai apprehensions of trouble took the usual forms of a large-scale exodus of Chinese from 'Chapel, which became accentuated when the next "incident" occurred. On the afternoon of August 9 Sub-Lieutenant Isao Ohyama, and Seaman Yozo Saito, of the Naval Landing Party were shot dead on Monument Road, in the vicinity of the Hungjao Aerodrome. As usual there were conflicting versions of what occurred, and it is difficult to get at the truth. The first Chinese story was that Lieut. Ohyama had attempted to force his way into the aerodrome, had been challenged by and fired upon and killed a Chinese sentry, and that with his naval Chauffeur, he had been shot down by the Pao An Tui (Peace Preservation Corps) sentries. The Mayor, Mr. O. K. Yui, stated that he had already had occasion to complain of Japanese bluejackets frequenting and apparently spying upon the aerodrome.

The Japanese authorities asserted that the dead men were fully within their rights in motoring on a municipal outside road. An inspection of the scene of the incident took

place about midnight, both the Mayor and the Japanese consular and naval authorities, being represented.

If the bodies remained *in situ* it would appear that the bullet-ridden car came to a standstill about 200 yards along Monument Road, which joins the Hungjao Road just in front of the main entrance to the aerodrome. The corpse of the dead Chinese sentry lay about 100 yards up the road. That of the dead Lieutenant was by the car, while the Bluejacket was found about 400 yards across country.

Immediately following this incident the Pao An Tui began erecting barricades on Hungjao Road and in the Kiangwan District. A state of acute tension occurred, though both sides professed their willingness to adjust the matter through Diplomatic channels.

It was arranged for a joint inquiry to be held the following morning, but when the Japanese representatives appeared on the scene it was stated that all Chinese eye-witnesses of the incident had been summoned to Nanking. In these circumstances only a medical examination of the corpses was possible.

It was stated that the dead Lieutenant whose body was found on the footboard of the car had eighteen bullet and bayonet wounds, and that his skull had been smashed in spattering the brains over the footboard. The Bluejacket was wounded in the eyes, cheek, neck and chest, and it appears incredible that he could have covered 400 yards thus wounded. A Japanese denial that Lieut. Ohyama was armed was countered by the Chinese with the statement that they had in their possession a revolver, No. 6816 which, they alleged, had been found beside his body.

An inquiry conducted without the actual eyewitnesses was obviously futile. It has since been rumoured that the latter were withdrawn because of the danger of mutiny on the part of the Pao An Tui if any of their comrades were disciplined.

The inquiry so far as it was carried was a farce. A scientific investigation would have established whether the Chinese sentry was shot by a Japanese service revolver or by a bullet from one of his comrades' rifles. The number and position of the wounds on Lieut. Ohyama's body raises serious doubts whether they were all sustained in the car, or whether he was dragged out and savaged after the vehicle had come to a standstill.

Admittedly it was unwise to the point of recklessness for any Japanese officer in uniform to motor in the vicinity of the aerodrome during such a period of tension, even if he could claim the technical right to the unrestricted use of a municipal road. He had, however, made a tour over this route daily at about the same hour. The Japanese version of what occurred on that fateful evening is, of course, valueless as direct evidence, as both victims were killed. The incident became one of academic interest only when events of such much greater, and more tragic importance occurred. Otherwise it would undoubtedly have been revealed that the shooting of Lieut. Ohyama and his naval chauffeur were observed at close quarters by an independent foreign eyewitness whose version was at direct variance with the explanation given by the Chinese authorities. Fire was opened upon the Japanese when their car was at a standstill on Monument road, and was continued

when they tried to escape along that thoroughfare, even after the car had run into the ditch.

The Japanese Authorities criticized the Chinese for their "lack of sincerity" in connection with the investigation. And on the evening of August 10 it was announced that if the inquiry showed the Chinese to have been to blame the Japanese might demand the withdrawal from the Shanghai area of the Pao An Tui, on the grounds that in violation of the 1932 Agreement they numbered in their ranks numerous regular soldiers dressed in their uniforms, that they were adopting military measures in the vicinity, and that they were holding nightly manoeuvres on the outskirts of Shanghai. To their activities the Japanese attributed the exodus of Chinese from Chapei and the Kiangwan areas.

This was not, in fact, the first time that the Japanese had raised the question of the military status of the Pao An Tui. As will be shown later at a meeting of the Joint Commission provided for by the 1932 Peace Agreement, as far back as June 23, the Japanese made allegations regarding the military status of the body.

The result of the farcical joint investigation of the Hungjao incident was soon revealed in a cable from Tokyo, quoting a "naval spokesman" there as complaining of China's "dilatatory tactics" and stating that "Should the Chinese maintain their present attitude and attempt to pigeonhole this case, as they have done with similar incidents in the past, we shall have to take steps to bring them to their senses." This statement was issued on August 11. On the same day a Japanese Naval Squadron arrived in Shanghai with reinforcements for the Naval Landing Party, and it was reported that about 1,000 additional men were landed, bringing the total strength of the Naval Landing Party (with the 300 brought down from Hankow) to 3,300 men. Four Cruisers and seven Destroyers came up river that day, and men, arms munitions and other supplies were landed in a continuous stream at the O.S.K. and other wharves. The arrival of this formidable Armada added to local excitement. Though it was announced that the arrival of this Fleet did not involve any change in policy on the part of the Japanese, who desired to avoid any aggravation of the situation, it was not unnaturally regarded as a menacing movement by the Chinese. And this impression was not removed by the early withdrawal of most of the Japanese warships.

Meeting of Joint Commission

On the day following the arrival of the Japanese reinforcements (i.e. on the afternoon of August 12), a meeting of the Joint Commission provided for under the 1932 Agreement was held at the request of the Japanese Consul-General. At this meeting Mr. Okamoto charged the Mayor with failure to fulfil his promise to withdraw the Pao An Tui, and alleged that since the night of August 11, the Settlement had been surrounded by Chinese troops, and that Chinese Regulars had arrived in the Shanghai area in violation of the 1932 Agreement. (It appears that at midnight on August 11 the 87th and 88th Divisions of the Chinese National Army occupied the North Station and the Kiangwan Area. Two Divisions, of course, are not moved in a day. It takes at least thirty trains to move one. And as until then there had been no dislocation of railway traffic between Shanghai and Nanking, it must

be assumed that these Divisions were moved down gradually, and probably at night starting from August 9 or 10, at the latest. At the very latest the movements of the two Chinese Divisions must have begun immediately after the Hungjao incident had further embittered Sino-Japanese relations. The occupation of the Shanghai area by these troops, which were seen by foreign eyewitnesses at the North Station and Kiangwan on August 12, was obviously a violation of the 1932 Agreement.)

After hearing Mr. Okamoto's protest at this meeting of the Joint Commission, the Mayor replied that the Japanese authorities were attempting to use the Joint Commission for their own purposes, and charged the Japanese with previously violating and tearing to pieces, the Agreement by stationing armed forces at the Pa Tsu-chiao ("Eight Character") Bridge, on the far side of the Railway. He claimed that by this action the Agreement had been rendered null and void, and the Japanese were no longer entitled to appeal to it. With reference to the Hungjao Road incident, he asserted that while agreeing that it should be settled diplomatically, and while an investigation was under way, "there has been concentrated in Shanghai an alarmingly large fleet, while the armed force of Japan is considerably increased, and armaments and other supplies are being rushed to China." Under these circumstances, he stated, "China must adopt such measures as are necessary for self-defence."

Both parties undertook not to attack the other, though the Chinese asserted that any advance of the Japanese into Chinese territory would be resisted. To this the Japanese replied that as Chinese troops were now so close to the Settlement, their defensive measures would probably necessitate their taking up certain positions which might or might not be without the Settlement.

The Mayor replied to a suggestion that the 87th and 88th Divisions be withdrawn that orders to that effect could only come from Nanking.

A suggestion by the Italian representative that neutral foreign troops should take over certain points between the Chinese and the Japanese lines to prevent a clash, was acceptable to the Japanese, but not to the British or American representatives. The Italians had no troops here, and the American Marines and the British Battalion, numbering in all only about 2,000, could not be spared for duties outside their own defence sector.

On the Eve

On learning of the virtual breakdown of the Joint Commission the Shanghai Municipal Council at 8 p.m. on August 12, decided to mobilize the Shanghai Volunteer Corps.

That night the Nanking Government issued a statement dealing with Sino-Japanese relations, which had this to say about Shanghai:

"At Shanghai, where an incident occurred on August 9, involving the loss of lives of one Chinese sentry and two Japanese Naval men, the Japanese verbally agreed to our proposal that an equitable settlement be sought through diplomatic channels.

But in spite of this undertaking the Japanese Government has dispatched to Shanghai large numbers of warships, aeroplanes, marines and other armed forces.

At the same time the Japanese have presented various demands calculated to remove or undermine the Chinese defence.

Japanese aeroplanes have made illegal flights over Shanghai, Hangchow, Ningpo and other places, evidently with a view to commencing military operations.

All these actions infringe upon Chinese territorial sovereignty, and violate various international Treaties. Under these circumstances China's endurance has been taxed to the limit.

There is no other way for her but to act in self-defence by resisting aggression and violence. The responsibility for future developments of the situation must rest entirely with Japan."

The same evening the Whangpoo was barricaded at the French Concession-Nantao boundary, by the sinking of several steamers and a number of junks, across the fairway, and that night Yangtze lights were reported to have been extinguished.

Besides presenting its demands through the Joint Commission, the Japanese Government instructed its representative at Nanking formally to demand the withdrawal of the Pao An Tui from the vicinity of Shanghai, and the removal of all defence works.

In view of the obvious gravity of the situation the British and American Consular authorities advised all their nationals in the Northern area to withdraw within the Settlement, and those living in the Western area, beyond the railway line, to come inside that line. Simultaneously Japanese residents North of Range Road were ordered to evacuate.

The City Government moved from the Civil Centre to a provisional Branch Office on the road to Lunghwa.

The situation at midnight on August 12 appears to have been that the Chinese had surrounded the Settlement with forces numbering between 20,000 and 30,000 men; that the Defence Forces (including the S.V.C.) had manned their defence positions as arranged in 1932; and that among them were less than 4,000 Japanese, occupying a line stretching from the vicinity of the North Station to the Golf Course, just beyond the Yangtzepoo boundary. With the state of tension then existing there appeared to be but little prospect of avoiding an outbreak of hostilities the next day.

The Outbreak

The evidence as to how fighting actually began is conflicting. There appears to have been an exchange of shots about 9.30 a.m. in the Wanping-Tientungan-East Paoshan Roads vicinity. The Chinese claimed that the Japanese had attempted to rush their lines "thus violating the pledge given by the Japanese Consul-General to the Consular Body not to strike first." The Japanese asserted that the Chinese first opened fire with a machine-gun from the ruins of the Commercial Press, and that intermittent sniping compelled them to make house to house searches. A foreign eyewitness stated that about 4.30 p.m. fire was opened upon the thousand or so coolies who were employed in levelling the Japanese Golf Course to fit it for a landing ground. Between that hour and 8 p.m. artillery seems to have come into action on both sides. Japanese warships assisted in the bombardment. By midnight hostilities had got beyond

control. The statements made by both sides are reproduced below:

Chinese Version

A strong protest was lodged with the Japanese Consul-General by Mr. O. K. Yui, Mayor of Greater Shanghai, against the provocative attack on Chinese troops by Japanese marines on August 13.

With a view to maintaining peace and order in Shanghai, the Note pointed out, assurances had been given at the meeting of the International Joint Commission for the enforcement of the Agreement of 1932 held on Thursday by Chinese and Japanese authorities that both sides should refrain from taking any provocative actions.

While this pledge was still fresh in the memory of the British, American, Italian and other foreign representatives who were present at the meeting of the Joint Commission, the Note continued, Japanese marines suddenly invaded the Chinese garrisoned area at Chapei and attacked the Chinese line.

In self-defence, the Note emphasized, Chinese forces were compelled to put up resistance. The fighting ceased shortly after the Japanese intruders were repulsed by the Chinese defenders who, however, did not pursue the retreating Japanese marines, in order not to aggravate the situation.

Declaring that the provocative act on the part of the Japanese Naval Landing Party constitutes a menace to peace and order, the Note requested that the Japanese naval authorities refrain from further provocations.

Mayor Yui also sent a Note to the local Consular Body notifying them of the breach of the pledge given by the Japanese Consul-General at Thursday's meeting of the International Joint Commission.

Violating the pledge given by the Japanese Consul-General to the local Consular Body not to strike first, Japanese marines, it was learned, suddenly crossed the Shanghai-Woosung Railway track and launched a provocative attack on Chinese positions in the vicinity of Paoshan Road, Rifles and machine-guns were brought into action during the attack.

In self-defence Chinese Paoantui men put up stiff resistance. Following an encounter lasting about 20 minutes, the Japanese marines were repulsed.

Japanese Version

Chinese "bad faith," exemplified in an alleged attack on Japanese Marines by Chinese plainclothes men armed with machine-guns at 9.30 o'clock on August 13, was deplored in a statement issued at 11.30 o'clock that morning by Mr. Okamoto, Japanese Consul-General.

The Japanese official took strong exception to the allegation of Mayor Yui that Japanese forces had violated their pledge "not to strike first."

Reiterating his announcement at the meeting of the Joint Committee for the enforcement of the Shanghai Peace Agreement on Thursday, Mr. Okamoto declared that the Japanese forces had "strictly adhered to their attitude of not firing the first shot."

"However, at 9.30 o'clock this morning, a Japanese force located at the intersection of Paoshan Road and Hongkew Creek was subjected to firing from a machine-

gun manned by Chinese snipers hidden in the ruins of the Commercial Press building.

"The Japanese force was therefore compelled to return the fire. Fortunately, the engagement ended soon afterwards without any Japanese losses.

"The bad faith of the Chinese exemplified in this attack is most deplorable," the statement declared.

Introducing a new factor in the tense Shanghai situation, the Japanese Army on the night of August 13 joined the Japanese chorus of protest against the alleged Chinese violation of the 1932 Shanghai Truce Agreement.

Speaking on behalf of the service, Major-General Kita, Military Attache to the Japanese Embassy, announced that the Japanese Army "could not but regard as an act of gross provocation" the arrival of Chinese Central troops in Shanghai.

Recalling that the Japanese Army was "one of the most interested parties in the agreement, Major-General Kita emphasized that the Army "did not intend to bring the ravages of war to Shanghai."

"It must not be forgotten that the Japanese Army concluded the agreement with the specific intention to alleviate a difficult situation brought about by hostilities around Shanghai. It has not the slightest wish to precipitate a repetition of such an unfortunate situation," Major-General Kita stated.

"However, we cannot ignore such a blatant and overt violation of an agreement by a responsible party, who, but a few weeks ago, reaffirmed the existence of the agreement," he continued.

According to the Military Attache, Mayor O. K. Yui of Shanghai had recognized the continued existence of the accord at the first meeting of the Joint Commission for the supervision of the execution of the Peace agreement held on June 23 in Shanghai.

"The Japanese Army has been aware for a long time that the Chinese authorities had been violating the terms of the agreement by increasing the effectiveness of the Peace Preservation Corps to a number far in excess of that necessary for the execution by the Corps of its duties. In addition, the Corps had been equipped with heavy arms, armoured cars, tanks and other armament, while it openly engaged in digging trenches, stringing barbed wire and building semi-permanent pill boxes in the demilitarized zone," the military attaches said.

"The silence maintained up to now by the Japanese Army did not signify acquiescence to such violations. We expected China to adhere to the terms of the accord voluntarily without being invited to do so by the Joint Commission.

"Only by living up to its agreements can China win international confidence and prevent the extension of war to Shanghai.

"We hereby affirm that the future peace of Shanghai now rests entirely upon the adherence by China to her former pledges and by her acquiescence to our just and fair demands for a withdrawal of her forces from the demilitarized zone and the dismantling of defence works erected in that area."

Other developments on that fateful day included: The strengthening of the Nantao-Pootung barricade by sinking further steamers.

A proclamation by General Yang Hu, the Garrison Commander of the Shanghai-Woosung Area, stating that he was undertaking the defence of Chinese territory, and urging all residents to be calm and to afford adequate protection to foreigners.

The closing of the Yangtze to all traffic below Chinkiang.

The suspension of business over the week-end of all Chinese Banks.

Decision of the British authorities to despatch the Welch Fusiliers from Hongkong to Shanghai immediately.

A panicstricken exodus from the Chapei and Hongkew areas.

A SUMMING UP

Before proceeding with a day to day narrative of events in Shanghai it may be well to attempt an impartial summing up of the events that led up to hostilities.

The 1932 Agreement fixed a definite line North of the Soochow Creek, ranging in depth from 20 to 40 miles from Shanghai on which Chinese troops were to remain "pending later arrangements." It provided for the withdrawal of Japanese troops "to the International Settlements and the extra-Settlement roads in the Hongkew District as before the incident of January 28, 1932." In the demilitarized zone only Chinese police—described as "special constabulary" by the Chinese—were to function. Observance of the Agreement was to be supervised by a Joint Commission.

Until early in 1936, General Wu Te-chen, Mayor of Greater Shanghai, held the concurrent post of Garrison commander of the Shanghai-Woosung Area. Then the offices were separated and General Yang Hu was given the latter post. In other words a military command was established within the demilitarized zone. The Japanese authorities appear to have been remiss in overlooking the change, which unquestionably put the Pao An Tui outside of the Mayor's jurisdiction. A protest at that time would have raised the issue whether the Pao An Tui constituted a police or a military force. It was not until June 23 of this year, however, that the Japanese raised the question of the military status of the Pao An Tui. And it is strange that when they did so, the Joint Commission permitted the Acting Mayor to sidetrack the issue by asserting that the matter did not come within its jurisdiction. For this was undoubtedly one of the matters on which it should, if the charge was substantiated, have called the attention of the Chinese authorities to neglect in carrying out the provisos of the Agreement. No action was taken, either, on the alleged re-arming of the Woosung Forts.

The charge that Japan desired or provoked hostilities in Shanghai is absolutely unsubstantiated, and is on the face of it extremely improbable. As pointed out earlier, Japan's actions in North China had aroused intense indignation among the Chinese, and created an extremely tense atmosphere. This was aggravated by various local incidents, the gravest of which was the shooting of the two members of the Naval Landing Party at Hungjao. Admitting that it was reckless folly on their part to visit that locality, no satisfactory evidence—indeed no evidence at all—has been

produced to prove that they were guilty of conduct that justified their being shot. And the removal to Nanking or elsewhere, that night, of all eyewitnesses, raises a suspicion that no such evidence was available. The Chinese version of what occurred is completely at variance with the evidence of a foreign eyewitness.

The charge against the Japanese of occupying the Pa Tsu Chiao (Eight Character) Bridge was not one of sufficient gravity, if proved, to justify the tearing to pieces of the 1932 Agreement. It is only about half a mile distant from Hongkew Park, there is a Japanese cemetery there, and an incursion of Chinese military forces to a similar depth over the line assigned to them in the 1932 Agreement would probably have passed unnoticed, and certainly would not have been regarded by Japan as justification for hostilities. The despatch of the two Chinese Regular Divisions—the 87th and the 88th—into the demilitarized zone, and their occupation of the Northern boundary of the Settlement, was an undeniable breach of the 1932 Agreement. It is explicable only on the theory that the Nanking Government decided that if there was to be a military showdown with the Japanese it would elect to use its best troops and material in the Shanghai area, rather than in the North, owing to the fact that enormous international interests were involved, and international intervention might therefore be expected. It is not being argued here that this decision was unjustified. A Government that considers itself to be the subject of aggression may reasonably claim the option of deciding where to meet the alleged aggressor. But it is not tenable to pretend that the Japanese were the aggressors in Shanghai, whatever they may have done in the North. Nearly every action of theirs went to prove their desire to avoid being involved in another outbreak of hostilities in Shanghai. They had evacuated their nationals from all the Yangtze ports, including their important Hankow Concession. They had refrained from anything in the nature of an ultimatum in connection with the Hungjao incident. The arrival of the Third Fleet and the landing of reinforcements therefrom, on August 11, was a tactless move, but it can hardly seriously be pretended that an addition of 1,000 Bluejackets to the Naval Landing Party foreshadowed an intention to attack Chinese territory. At the outside there were not more than 3,300 to 4,000 men here when the reinforcements had been landed. They had a community of about 20 to 25 thousand civilians to defend. And after their experiences in 1932 it is inconceivable that, confronted by 20 to 30 thousand troops drawn from China's German-trained Divisions, they would have opened an offensive. They may have been foolish in assuming that they could act on the offensive in North China, and be left in peace or act only on the defensive in Shanghai. They have, however, got away with this apparently inconsistent policy on several occasions, and throughout the North China crisis their spokesmen have harped upon the "localization" of hostilities. On this occasion Chinese public opinion and the insistence of China's military leaders would appear to have forced the Nanking Government to treat a local as a national issue. And the intensity of their feelings can be judged from their willingness to risk Shanghai, and the enormous Chinese and foreign interests in this city, in resisting Japan.

The Foreign Councils

Various activities of the Settlement and French Concession authorities will be mentioned in the course of the daily chronicle of events. On January 28, 1932, when local Sino-Japanese tension had become acute, the Settlement Council proclaimed a State of Emergency to take effect at 4 p.m., a step which the Consular Report to Geneva described as being "in effect notice to the Commanders of the various national forces that they are expected to be prepared to defend their sectors." This implied notice to the Japanese as well as the other Defence Forces, and may be said to have precipitated hostilities, for it was while moving out to their defence line that the Japanese were fired upon by snipers, and later became embroiled with the Nineteenth Route Army. The declaration of the State of Emergency had embarrassing consequences, as the Japanese, who alone had a quarrel with the Chinese at the time, were able to claim that they were acting in defence of the International Settlement, while the Chinese regarded the use of the Settlement as a Japanese naval and military base, as an unneutral act.

On the present occasion the Council avoided declaring a State of Emergency—a very nebulous "state" in any case. The Volunteers' and Special Police were mobilized, and the defence lines South of the Soochow Creek were manned by the British Loyal Regiment, the American Marines and units of the S.V.C. and the Russian detachment. The French authorities adopted similar precautions. At the same time both Councils began to put their emergency machinery for the control of food supplies, fuel, evacuation etc., into operation.

On the evening of August 13 the Shanghai Municipal Council issued the following statement:

"The Shanghai Municipal Council considers it expedient to issue the following public statement for the information of all concerned.

The duty of the Council during these abnormal times is to adopt every means in its power to ensure the safety of life and property within the area under its control, and to preserve the peace, order and good government of the International Settlement.

For this purpose and as a part of the necessary protective arrangements the Shanghai Volunteer Corps has been mobilized, and assisted by certain national defence forces is taking part with the Police in preserving the International Settlement as a peaceful area in which all persons irrespective of nationality can dwell and carry on their lawful occupations.

All persons are urged in the common interest to cooperate with the authorities to the utmost extent to bear cheerfully any inconvenience to which they may be subjected and to assist generally in preserving calm, peace and good order."

The French authorities enforced curfew between 10 p.m. and 5 a.m. from the 15th. The Settlement Council

followed suit the next day. Both Councils issued Proclamations relating to the maintenance of peace and order, precautions against air-raids, etc.

Saturday, August 14

First Bomb Attack—The Nanking Road and Avenue Edward VII Holocausts—A Chinese Protest.

On the morning of August 14 the Chinese inaugurated bombing from the air. Their main objective was the Japanese Flagship, *Idzumo*, moored at the N.Y.K. Wharf just below the Japanese Consulate-General. The flagship opened up with her anti-aircraft guns. Several bombs fell in different parts of Hongkew causing a number of casualties. Following the first air-raid the British and other foreign authorities issued urgent orders to all of their nationals who could do so to leave the Northern and Eastern areas.

Following the attempt on the *Idzumo* there was a panic-stricken flight of Chinese from Hongkew, the Garden and other Bridges, and the whole Bund, being packed with refugees.

At 1.30 the same day two Japanese seaplanes bombed the Hungjao aerodrome.

* * *

Between 4 and 5 p.m. that afternoon two Chinese bombing planes dropped two bombs each, one at the traffic circus at the junction of Avenue Edward VII-Yu Ya Ching Road, and Boulevard de Montigny, and the other on the Bund end of the Nanking Road, over the Cathay and Palace Hotels. The traffic circus was crowded with refugees at the time. The first bomb struck the road at the Boulevard de Montigny side, making an enormous crater, and the second was apparently detonated in mid-air by the first. The slaughter was appalling. It was not until several days later that approximate figures of the casualties were available. At least 1047 persons were killed, and 303 injured. On the Nanking Road the canopy of the main entrance to the Cathay Hotel, and most of the windows facing that thoroughfare were shattered, and the top floor of the Palace Hotel was wrecked. The casualties here are believed to have numbered over 200, including at least 145 killed. Most of the victims in both cases were Chinese. But among the foreigners killed were the well-known American Missionary, Dr. Frank J. Rawlison, Mr. and Mrs. H. J. Honigsberg, Mr. A. D. Williams, Accountant of the *N.C.D. News*, Professor R. C. Reischauer of Princeton, and Mrs. Ismond, two children and her mother-in-law, who had just been evacuated from Kalgan. It was fortunate that the catastrophe occurred on a Saturday afternoon when most of the shops were shut, and the Nanking Road was relatively deserted.

It taxed the efforts of the two Municipalities to cope with these disasters. Lorry-load after lorry load of corpses were removed from the Avenue Edward VII traffic circus, while hundreds of persons still living, were taken to various hospitals for treatment. One foreign doctor inspecting some 400 corpses transferred to a cemetery in the French Concession actually found about

fifty of the supposed dead were still alive. In many instances identification of remains was impossible, as bodies had been literally blown to bits. A line of motor cars near the Nanking Theatre caught fire, and many of their occupants, who were probably in most cases killed instantaneously were incinerated beyond recognition. In the Nanking Road the Police and Fire Brigade were assisted by the Armoured Car Company of the S.V.C., who shared in the gruesome task of clearing up and removing mangled bodies and limbs.

On the same day the British and American flagships had narrow escapes from Chinese bombers. The *Augusta* was moored at the Lower Naval Buoys in the Whangpoo. H.M.S. *Cumberland*, carrying the Commander-in-Chief, Admiral Sir Charles Little, had just reached Woosung. She remained there while the Admiral, with a detachment of Bluejackets to assist the Loyals came up river on H.M.S. *Falmouth*.

A statement issued at Nanking that evening attributed the tragedies to the wounding of the Chinese pilots by anti-aircraft fire from the *Idzumo*. Vigorous protests were immediately lodged with the Nanking Government by the British, French and American Embassies.

During this day Chinese aircraft also dropped bombs on the A.P.C. Upper Wharf on the Pootung side, causing a fire among several hundred drums of lubricating oil stored there.

Representations made by the British and other Naval Authorities to Vice-Admiral Hasegawa, Commander in Chief of the Third Fleet, in connection with the removal of his flagship to a position less calculated to imperil the Settlement, met with a reply that the dispositions of his warships could not be changed unless guarantees were forthcoming for the safety of Japanese lives and properties equal to those then provided by his Fleet.

* * *

During the morning, the following Note was addressed to the Senior Consul by the Mayor of Greater Shanghai:

"I have the honour to address you as follows:

"Whereas Japanese armed forces wantonly initiated the attack on our defence forces and invaded our territory here yesterday.

And whereas our troops, determined to resist the alien invasion, have been compelled to adopt measures for self-defence.

I have the honour solemnly to declare to Your Honour and the Consular representatives of other friendly Powers, that in pursuance of the established policy of our Government, our troops will assume the responsibility of according adequate protection to all foreign life and property in areas under their control.

I beg, however, to call your attention to one urgent matter, namely, our military authorities hope and request that the Settlement Authorities concerned shall immediately restrain the Japanese forces from making use of the Settlement as a base of military operations. Otherwise, in the event of our

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 . 3(E) and 5(D) or (E)
 gust 10, 1972
 RS, Date 12-18-75

THE BUND



Any Morning before August 13



At 8.40 a.m. on Saturday, August 21



Corner Avenue Edward VII & Bund



Sinking Ship to form Nantao Barricade



Nanyang Bros. (Hongkew) & Japanese Cotton Mill (Pootung) afire on Evening of Aug. 20



Nanyang Bros' Fire, Aug. 20

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

"THESE, IN THE DAY WHEN HEAVEN WAS FALLING,



A Scene of Slaughter



Corner of Avenue Edward VII



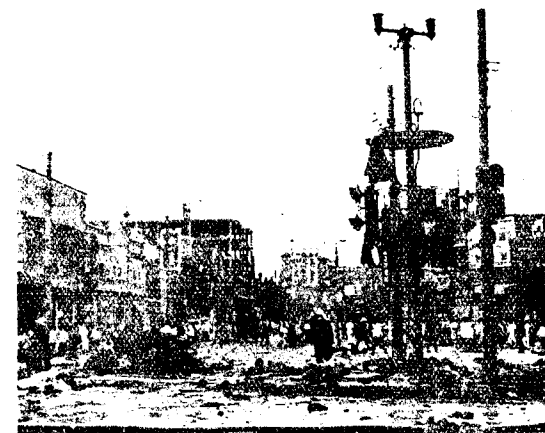
The Crater



Removing a Victim



A Massacre



Traffic Signal-tower

Scenes at Corner of Avenue Edward VII & Boulevard de Montigny, after air-bomb explosion at 4.30 p.m. August 14. Photos by courtesy of Randall Gould, Esq.

THE HOUR WHEN EARTH'S FOUNDATION FLED!"



Cathay Hotel



Palace Hotel

(Scenes of the bomb-explosion at 4.27 p.m., on August 14)

Photos by courtesy of N.C.D. News



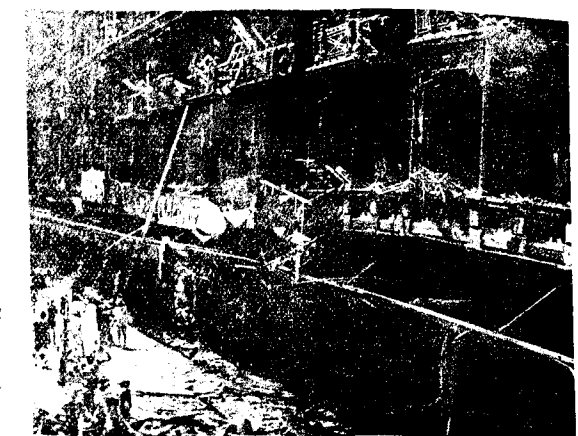
Domei



Domei



M. P.



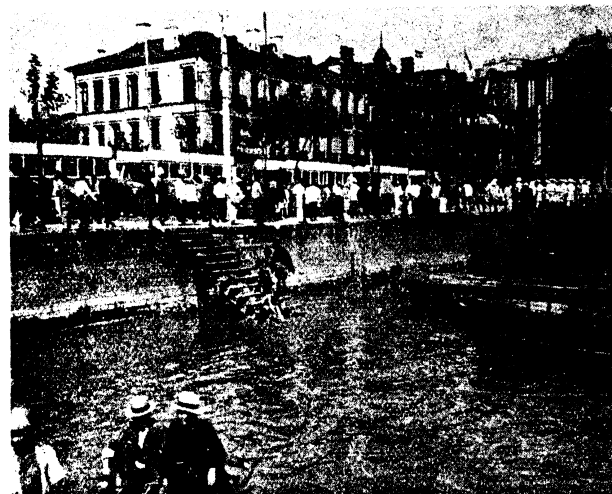
M. P.

Views after the Sincere-Wing On Tragedy, 1.5 p.m., August 23.

EVACUATION SCENES



British Women and Children Ready to Embark M. P.



Scene on French Bund



Sailors on the Job



A Mystified Child M. P.



Chinese in Soochow Creek Craft M. P.



Tender Leaving Bund

September, 1937

ORIENTAL AFFAIRS

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troops being compelled to take such self-defence measures as may be deemed necessary for reducing the danger and harm caused by Japanese armed forces in so making use of the Settlement areas, the Chinese Government will not be responsible for whatever consequence they may result therefrom."

At Nanking and at Tokyo the British Embassies made representations to the Chinese and Japanese Governments against the conversion of Shanghai into a theatre of war.

Fighting of an indecisive character took place throughout the day on the Sino-Japanese front. Then, as since, reports of what was occurring were extremely conflicting. Every day the Chinese claimed a further advance. On several occasions they claimed to have captured the Japanese Naval Barracks and Headquarters. The Japanese authorities for the most part confined their war reports to laconic denials of Chinese claims.

Sunday, August 15

British Evacuation Policy—Chinese and Japanese Statements on Shanghai Hostilities—Explanation of Saturday's Bombing—No Guns on Japanese Bank Roofs.

After a Conference of the British Naval, Military and Consular Authorities on this day the following Memorandum was circulated to the Press:

"In view of the serious situation which has arisen in Shanghai, the loss of lives that has occurred in the Settlement, and the vital need of reducing commitments to a minimum so that the limited defence available can concentrate all their efforts on measures of defence, the Commander-in-Chief of the British Naval Forces, in co-operation with His Britannic Majesty's Consul-General, Shanghai, will start the evacuation to Hongkong of all British women and children as early as practicable.

The first evacuation will take place by the P. and O. liner, *Rajputana*, which sails on Tuesday, the 17th August. Other ships are being called to port.

INSTRUCTIONS

"An office has been established at the Shanghai Club, No. 3 The Bund, telephone number (15480) (4 lines). Communication either in person or by telephone should be made as early as possible to this office after 8 a.m. on Monday, August 16.

Inquiries should be made to the Evacuation Superintendent, who will give advice and issue instructions. Passports must be shown before tickets are issued."

On the same day the American Consulate warned all U.S. Citizens to be ready for a possible evacuation.

The Council's Food Committee, under the Chairmanship of Mr. R. Calder Marshall, was organized.

On the front it was a relatively quiet day. The Japanese claimed that they had now landed sufficient reinforcements to make the Hongkew area safe. There were occasional bursts of anti-aircraft fire when Chinese planes approached the waterfront, and Japanese planes did some bombing and machine-gunning in the region of the North Station.

The Japanese made their first air-raid on Nanking at 2 p.m. with 12 planes, attacking the Ming Palace aerodrome, and other points. The Chinese claimed to have brought down three of the bombers.

Chinese Official Statement

A long official statement was issued by the Waichiao-pu giving its version of the events in North China, and locally, which had led to the outbreak of hostilities in Shanghai. The portion relating to Shanghai read as follows:

"While hostilities were raging in North China, the Chinese Government, solicitous of the immense commercial and other interests both foreign and Chinese concentrated in the important metropolis of Shanghai, repeatedly ordered the Municipal authorities of Greater Shanghai and the Peace Preservation Corps there to take special precautions against the occurrence of any untoward incident. On the evening of August 9, however, a Japanese officer, accompanied by a seaman attempted to force an entry into the Chinese military airdrome at Hungjiao, regardless of Chinese warnings and thus precipitated an incident resulting in the death of the two Japanese and a Chinese sentry belonging to the Peace Preservation Corps.

The Chinese Municipal authorities proposed that an equitable settlement be sought through diplomatic channels but the Japanese Government has dispatched to Shanghai a large number of warships and additional armed forces and at the same time, presented various demands calculated to undermine or reduce Chinese strength for self-defence.

Japanese airplanes have flown over Shanghai, Hangchow, Ningpo and other cities near the Kiangsu and Chekiang Coast, undoubtedly with a view to commencing military operations. On the 13th instant Japanese armed forces launched vigorous attacks on the Chinese Civic Center at Shanghai.

Such action together with the dispatch of immense numbers of Japanese troops into Hopei after the outbreak of the Lukouchiao incident clearly shows that Japan is bent on executing her traditional policy of continental expansion and conquest.

Using the Shanghai Armistice Agreement of May 5, 1932, as a pretext Japan has sought to prevent China from taking legitimate measures of self-defence during the present acute emergency. It must be borne in mind that the aim and spirit of the Agreement were to insure that within a specified area, both parties would exercise self restraint and moderation in order to avoid any armed clash prejudicial to the progress of peaceful negotiations. If one party after having violated its undertakings by advancing troops at its own will attempted to impose on the other party, restrictions of such a nature as to render it completely powerless against aggression, such an attempt was indeed based on a perversion of the Agreement which could not be justified either legally or morally.

The Chinese Government now solemnly declares that China's territorial integrity and sovereign rights have been wantonly violated by Japan in glaring violation of such peace instruments as the Covenant of the League of Nations, the Nine Power Treaty and Paris Peace Pact. China is in duty bound to defend her territory and her national existence as well as the sanctity of the above mentioned treaties. We will never surrender any part of our territory. When confronted with aggression we cannot but exercise our natural right of self-defence. If Japan did not entertain territorial designs on China she should use her efforts to seek a rational solution of Sino-Japanese problems and at the same time cease all her armed aggressions and military movements in China. In the event of such a happy change of heart China would in conformity with her traditional policy of peace, continue her efforts to avert a situation pregnant with dangerous possibilities both for East Asia and for the world at large.

In this our supreme fight not only for a national but for a world cause, not only for the preservation of our own territory and sovereignty but for the maintenance of international justice, we are confident that all friendly nations while showing sympathy with us will be conscious of their obligations under the international treaties to which they have solemnly subscribed."

Japanese Cabinet's Statement

After a Cabinet Meeting in Tokyo the following statement was issued at 1 a.m.

"Desirous of establishing lasting peace in East Asia, the Imperial Government has strenuously striven over a period of years, to promote Sino-Japanese friendship and co-operation.

The Nanking Government, on the other hand, utilized anti-Japanism to unify public opinion and to strengthen its authority. Over-confident of its strength and tending to slight Japan's power, it cooperated with Communist influences to create a warlike atmosphere by giving free rein to anti-Japanese sentiment and activities insulting to Japan.

There is not a single unfortunate incident arising in recent years that cannot be attributed to this attitude.

The present incident also occurred because this atmosphere reached a stage where an explosion was unavoidable. That it chose the banks of the Yungting River was only an act of fortune.

The massacre of Japanese nationals at Tungchow, an act which neither God nor man can forgive, is again attributable to this Chinese state of mind.

In addition, the provocative activities of the Chinese in South and Central China threatened the lives and property of Japanese nationals in those parts.

This compelled our residents to abandon temporarily their enterprises and undertakings built up during a number of years.

As repeatedly stated before, the Japanese Government has given evidence of patience and more patience

to carry out its policy against the aggravation of the situation and sought a peaceful and localized settlement.

In the face of provocative and illegal activities of the Chinese troops in North China, our garrison there was compelled to take steps in self-defence for the maintenance of free communications and protection of Japanese residents.

From the very outset, the Japanese Government called the attention of the Chinese Government to the desirability of an instant cessation of its challenging attitude and against interference with a settlement of the situation on the spot.

For its answer, the Nanking Government ignored the Japanese suggestions and reinforced its military preparations in flagrant violation of various military agreements.

Thus, the Chinese Government marched its troops northward, threatening the Japanese forces in North China. In addition, it assembled troops at Hankow, Shanghai and other localities, as further evidence of its challenging attitude.

Finally in Shanghai fire was opened by the Chinese on Japanese forces, while attempts were made to bombard Japanese war vessels.

Thus was the Empire insulted by the Chinese, who exhausted all illegal and outrageous acts in the process.

With the lives and property of its nationals threatened, the patience of the Japanese Government has now been taxed to the limit.

It has now been compelled to take determined action to mete out retribution to the Chinese troops for their outrageous acts and to bring the Nanking Government to gain a true realization of the existing situation.

This course of action, the Japanese Government naturally takes with great regret, for its policy has been the maintenance of peace in East Asia based upon the prosperous co-existence of Japan and China.

The constant aim of the Japanese Government has been Sino-Japanese co-operation. At this time, it has no intention other than the eradication of the anti-Japanese movement in China.

By eliminating from China the sources of the present state of affairs, the Japanese Government is seeking to bring to realization harmony and co-operation between Japan, China and Manchoukuo.

It goes without saying that Japan harbours no territorial ambitions, but is merely seeking to bring the Nanking Government and the Kuomintang, who are inciting the Chinese people to engage in anti-Japanese activities, to awaken to the realities of the situation.

The Japanese Government harbours no enmity against the people of China.

It is also without saying that Japan will not begrudge her best efforts for the protection of foreign interests in China."

The August 14 Tragedies

The following statement regarding the Shanghai tragedies of the 14th was issued by the Chinese military authorities at Nanking. "Upon investigation it was found

out that the aeroplanes in question, while engaging in operations against Japanese warships and other military objects were fired upon by Japanese anti-aircraft guns and as a result the pilots were injured and their bomb racks were so damaged that the bombs released themselves descending upon places which had never been intended as the objective of attack. The self release of the bombs was thus an unavoidable accident not only without the slightest intention on the part of the aviators but really against their own wish.

"That innocent people should bear the consequences of war in such an unexpected manner is indeed most regrettable when it is learnt that most of those killed and wounded by Chinese weapons of war are Chinese and that those few foreigners who unfortunately shared the same fate had been the friends of China.

"Renewed orders have been given to the fighting forces to avoid hostilities as far as possible in that part of the International Settlement in Shanghai which is not being used by the Japanese as a base of operations, and in the whole French Concession, and it is to be hoped that cases of an extraordinary nature involving the loss of many innocent lives but beyond the control of the Chinese combatants might not occur again."

All forms of public transport in the foreign areas suspended service on the 15th. Japanese aircraft bombed Chinese aerodromes at Hangchow, Kwangteh (in Anhwei) and Nanchang, Chinese reports claimed that little damage had been done and that eight Japanese aircraft had been brought down. Japanese official reports stated that more than 40 Chinese planes had been put out of action, and that all attacking aircraft returned safely to their bases.

When the Senior (Norwegian) Consul called upon the Mayor to protest against aerial operations over the Settlement, Mr. Yui made the charge that not only were the Japanese using the Settlement as a base for military operations, but that according to reliable reports they had mounted anti-aircraft guns on the roofs of Japanese banks and other buildings in the Central District. He claimed that China had aerial jurisdiction over the Settlement, and warned Mr. Aall that if the report about anti-aircraft guns were correct the Chinese Air Force would be compelled to bombard these buildings. In the course of a second interview during the day Mr. Yui was informed that an investigation by the Shanghai Municipal Council authorities had shown the report to be unfounded.

Monday, August 16

Local Military and Aerial Operations—Troublesome Bus-Drivers—Gas Supply Cut Off—Attempt to Torpedo "Idzumo"—British Evacuation Policy—Currency Restrictions.

Japanese aeroplanes were busy today bombing the Pootung area, where there were reported to be concentrations of Chinese troops. Chinese air squadrons made two further attempts to bomb the *Idzumo* during the morning, and damaged the pontoon alongside, besides causing a number of casualties in Broadway and other parts of Hongkew.

On this day an official statement was issued in Tokyo claiming that 72 Chinese planes and 17 hangars had been destroyed by Japanese air-raids on the 14th and 15th.

A Nanking cable claimed that sixteen Japanese planes had been brought down during the raids on Nanchang, Nanking, Hangchow, Tsaoerchiang and Kwangteh.

An announcement was made that Japanese planes carrying bombs, would not be flown over the former British area (i.e. the Central district).

Sufficient Japanese reinforcements to make the defence area safe were landed, according to a statement made by an officer of the Landing Party.

About 9.40 p.m. there was a terrific explosion on the Bund. Investigation showed it to have been caused by a torpedo fired at the *Idzumo*, which hit the N.Y.K. Wharf. Under cover of a tug, a Thorneycroft speed-boat, fitted for two torpedoes, came quietly down river, and then suddenly shot into the open, turned and loosed off a torpedo. Following this attack the Japanese Flagship moved across to the other side of the river, just below Pootung Point, her place near the Japanese Consulate being taken by a smaller craft. The Japanese Admiral subsequently announced restrictions upon the movement of all craft at night, and also upon daylight navigation in areas in which Japanese warships were moored.

About 3,000 Japanese refugees left for home on the *Tatsuta* and *Rakuyo* Maru.

Today and for several subsequent days Japanese, Koreans, and persons resembling Japanese, as well as a number of alleged Chinese "traitors" who were often charged with the most fantastic offences—such as putting poison in the Riecha coolies' tea—were savagely attacked, and in many instances fatally injured, before the police could come to their aid.

The General Hospital was evacuated during the evening, the patients being removed first to the former British Military Hospital, and later to the Lester Institute in Avenue Road.

The currency situation had become so difficult that many residents were compelled to accept \$4 in change for \$5 notes.

Arrangements for evacuating American women and children were made at a conference between Admiral H. E. Yarnell, and Mr. C. E. Gauss, the American Consul General.

Foreign Banks suspended business, and the Chinese banks remained closed. A British King's Regulation was promulgated, enacting that August 16, and each succeeding day "so long as these Regulations are in force," shall be Bank Holidays within the Consular District of Shanghai.

Practically all shops in the Central District were closed and shuttered up.

A number of the drivers in the employment of the China General Omnibus Co. having demanded several months' wages in advance, and been refused, attempted to seize about a dozen of the Company's buses, and to drive them into Chinese territory, presumably to sell them to the Chinese military. British patrols stopped the buses on the defence line, and later an armed guard was posted at the Connaught Road depot to prevent any further attempts to seize the Company's property.

The Council announced that arrangements had been made for the employment of armed convoys to bring food into the Settlement. Rice dealers and others desirous of bringing in or moving their stocks were invited to communicate with the Food Supply Committee.

Production of gas by the Shanghai Gas Company, whose works are in the Yangtszepoo area came to a standstill owing to the danger of explosions. The supply ceased about noon, and caused most inconvenience in the French Concession, where relatively few electric cookers have been installed. From now onward most residents who had relied on gas had to make use of charcoal, coal-ball or kerosene stoves, electric saucepans and kettles, etc.

The Chinese Post Office, whose operations had been paralyzed by hostilities, announced the temporary suspension of parcels and money orders services.

A cable from London coupled with the local announcement relating to the evacuation of British women and children (See August 14) caused great perturbation among the British community, being interpreted as foreshadowing a general evacuation of all British subjects. Leading British organizations took the view that such a step would strike an irreparable blow at British prestige, and that in spite of the obvious dangers from aerial bombing and stray shells, a general evacuation was unwarranted. Strong representations on these lines were made to the British authorities locally and in London. Although it was subsequently announced that British evacuation plans had been extended to include elderly males and men who had been rendered idle by the local hostilities, assurances were eventually forthcoming that no general evacuation was contemplated, and that the British Government would do all in its power to arrange for the defence and security of its nationals in Shanghai. It was understood that four-and-a-half Battalions of reinforcements were placed at the call of the British Brigadier in Shanghai, should their services be required, with further detachments from India, if necessary.

Nanking issued Provisional Regulations for the conservation of the Country's financial resources. These included restriction of depositors' withdrawals to five per cent of their deposits, or a maximum of \$150 per week, except where funds were required for payment of salaries and wages, or for military purposes. These restrictions were not to apply to new accounts. Fixed deposits could not be changed into current accounts, though with the consent of the Banks they might be mortgaged if the amount was below \$1,000. For long-term deposits ranging from \$1,000 to 2,000 a similar arrangement could be made if the mortgagor were willing to accept a 50 per cent reduction. All inter-bank transactions were to be made by legal tender notes.

Tuesday, August 17

Evacuation Begins—First British Reinforcements—Municipal Proclamation—Japanese Hard-pressed.

The evacuation of British and American women and children started this morning. Both the Japanese and Chinese authorities had been informed of the time during which they would be passing down river, and requested to refrain from any hostile action, while the convoys were

being assembled, and en route. Both batches of evacuees embarked on tenders at the Customs Jetty. The British tenders flew the White Ensign. A wind of almost gale force was blowing as the tenders came alongside, and as the P. & O. str. *Rajputana* was stated to be some distance outside Woosung, a last minute change in plan was made, and the British contingent was transferred to H.M.S.S. *Duncan* and *Falmouth*. Just as the American tender was leaving, and the British women and children were being transferred, Chinese planes appeared over the *Idzumo*, and there were heavy bursts of anti-aircraft fire. Embarkation and conveyance of the parties down river, however, proceeded according to plan, and without any casualties, though the strain to which the families concerned were subjected must have been nerve-wrecking. British and American Bluejackets did everything in their power to assist their respective nationals, helping in the transport of their baggage, and carrying babies and younger children on board. One British mother gave birth to a son on H.M.S. *Duncan* on the way down river. About 1,300 Britons, and 350 Americans were evacuated, the Americans destined for Manila on the *President Jefferson*, and the Britons for Hongkong on the *Rajputana*.

During the afternoon the 2nd Battalion of the Welch Fusiliers, which had come up from Hongkong on the Blue Funnel str. *Maron* was conveyed to the French Bund by the Destroyers *Duncan*, *Duchess*, and *Delight*. They were quartered at the Race Course, and soon took over some of the duties on the defence line.

The following Proclamation was issued by the Shanghai Municipal Council in the course of the day:

The Council for the Foreign Settlement of Shanghai hereby makes further proclamation for the maintenance of order and the good government of the Settlement.

1. As from Wednesday, August 18, 1937, all persons except members of the police and defence forces and those duly excepted by the Council are required to remain indoors within the hours of 10 p.m. and 5 a.m.
2. No person shall
 - (a) Loiter in streets or any public place;
 - (b) Organize or take part in any assembly or demonstration or take any action that may cause a crowd in any public place without the written permission of the Council;
 - (c) deliver any speech or print publish distribute any document picture flag banner or any other device in the streets or in any public place or do any other act calculated to cause public alarm or a breach of the peace.
3. No person except members of the police and defence forces shall carry any firearm or weapon without a written license from the Council.
4. Any person contravening any of the terms of this proclamation or interfering with the police or other duly authorized officers of the Council or usurping the authority vested in them or doing any act prejudicial to the good order and government of the Settlement will be arrested forthwith.

5. All residents are assured that the Council is directing all its energies and resources towards the maintenance of peace and order and ensuring the safety of life and property within the area under its control.

Today was probably the most critical day for the Japanese Naval Landing Party. Intensive bombing was done by both sides, the Japanese devoting special attention to the North Station region, and Pootung, where it was reported Chinese batteries were being installed. A Chinese plane was seen to fall in flames after being hit by a Japanese anti-aircraft shell, shortly before noon. It came to earth some way down river. During the evening and night the Chinese troops made very strong attacks upon the Hongkew sector, and undoubtedly for a time the Japanese were in a very precarious position. How far the Chinese penetrated was not authoritatively revealed, and the claim that they had captured the Naval Landing Party's Headquarters was afterwards proved to be unfounded. But they appear to have driven in the Japanese lines far enough to threaten to split them. The position became so serious that the Acting Commissioner of Police withdrew his men from the Eastern District. As the Japanese refused to allow them to leave via Fearon Road, they were concentrated at the Riverside Plant of the Shanghai Power Station. Their withdrawal appears to have caused considerable indignation among the Japanese who maintained that it left their civilian population without adequate police protection in a time of serious emergency. But it was obvious that the Council could not allow its Police to be involved in a Sino-Japanese fight, and that they would be useless if confined to barracks in the midst of the opposing forces, and under heavy shell fire.

A Japanese river-gunboat towing an armed launch came up river and searched the Preventive Cruiser *Fu Hsing* in connection with the attempt to torpedo the *Idzumo*. The magneto of the *Fu Hsing's* "mosquito" boat was removed, and the engine was then rendered useless with hammers.

Chinese claimed that a number of Japanese planes were shot down during a raid on the Hangchow aerodrome, bringing the total up to over 30 in three days. Eyewitnesses at Nanking confirmed the destruction of a number of Japanese bombers, which were apparently no match for the latest Chinese pursuit planes, one of which was credited with shooting down three in one engagement.

The Telephone Company had to shut off its service in portions of the Eastern District, leaving the Exchanges in the hands of maintenance staffs.

Chinese Government Banks resumed business on a restricted scale in temporary offices and most of the Foreign Banks afforded limited facilities to their customers at temporary offices in the Western District.

Wednesday, August 18

Ulster Rifles Arrive—Proposed Neutral Zone—Foreign Warships in Port.

The second American contingent of women and children, about 200 strong, left the Bund at 10 a.m. to the

accompaniment of heavy bombing of Pootung by Japanese planes. They embarked at Woosung on the *President McKinley*.

The 1st Battalion of the Royal Ulster Rifles arrived at Woosung on the *Empress of Asia*, which had been commandeered for the purpose, and was brought up river in Destroyers. They were quartered in the Yu Yuen Road Public School for Girls.

Messrs. Jardine, Matheson and Co. announced that they did not intend to evacuate their Bund offices, but would retain in them a staff sufficient to deal with current requirements.

At least two Japanese were murdered in the French Concession by Chinese mobs.

Washington announced its decision to send reinforcements of 1,200 Marines to Shanghai, under the command of Brigadier General J. C. Beaumont, who was formerly in command of the Marine Regiment here.

It was announced from London that the British Acting Consul General and his neutral colleagues were considering a plan for the establishment of a neutral zone around Shanghai, and that the British Cabinet was proposing to both sides the withdrawal of their military and naval forces from Shanghai, the British and other forces assuming full responsibility for the protection of Japanese interests in the International Settlement. If necessary the British forces would be strengthened by further troops from India. The proposal when communicated to the Japanese Government was not considered acceptable. Acceptance by the Chinese would apparently have been possible only if reservations regarding their rights of self-defence were recognized.

As a result of the heavy fighting during the night of August 17 to 18 it was stated that the Chinese forces had penetrated Hongkew as far as Ward Road. The Municipal Gaol which houses more prisoners than any other similar institution in the world, was hit on several occasions by shells, which caused a number of casualties among the convicts, and for some time was completely isolated.

Hostilities in the vicinity of the river caused most foreign shipping to leave the Hongkew and lower Pootung wharves and seek safety lower down or outside the Whangpoo. It was announced that the P. & O., Blue Funnel and C.P.R. steamers would temporarily omit Shanghai as a port of call.

An incendiary bomb from an unidentified plane was dropped at 9.15 p.m. at the intersection of Haining and North Kiangse Roads, and caused a fire in some Chinese houses which was quickly extinguished by a detachment of the Royal Welsh Fusiliers. Fortunately little damage was done to the Haining Road Telephone Exchange.

Forty-four rice shops were reported to have reopened in response to an appeal from the Chinese Chamber of Commerce.

Shanghai witnessed an unprecedented spectacle when the stately American Flagship, *Augusta*, came up river, swung just above the Garden Bridge, and anchored in mid-river just below the British Naval Buoys. The Garden Bridge-Nantao section of the Harbour was now closely packed with American, British and French warships, Revenue Cruisers, and other government craft. Assur-

ances came by cable from London that the Cabinet had decided to take all possible measures to protect British lives and interests in Shanghai.

Chen's Wireless Station was bombed and damaged by Japanese planes, and it was reported that diplomatic representations would be made to Japan against further attacks upon this vital link in international communications. It was announced that arrangements had been made for the Settlement Police to return to the Eastern District where four or five sub-stations would be established in addition to the ordinary Yangtzepoo, Wayside, Kashing and Yulin Roads stations, this step being rendered necessary to prevent further looting.

Local bombing activities by the Japanese included attacks upon Kiangnan Dock and Arsenal, and Chapel, and the destruction of the Eurasia hangars at Lungwa.

The Mayor of Greater Shanghai issued a statement to the effect that a quarter of the effectives of the 87th and 88th Divisions had been killed or injured by Japanese bombardments.

It was stated that the Shanghai Power Company was carrying only one-tenth of its normal load, and that it had coal stocks sufficient for two months. The staff was stated to consist of 20 to 25 Britons, Americans and Russians, and about 1,000 Chinese. The public was urged to economize as much as possible in the use of current.

Foreign warships in port on this date as listed by the *China Press* were as follows:

Augusta, American cruiser, arrived August 14, berthing at opposite Hongkong and Shanghai Banking Corporation Building.

Amago, No. 16, Japanese destroyer, arrived August 12, berthing at China Merchants' Central Wharf.

Ariake, No. 9, Japanese destroyer, arrived August 12, berthing at N.Y.K. Pootung Wharf.

Ataka, Japanese gunboat, arrived August 8, berthing at Japanese Navy Jetty.

Duncan, British destroyer, arrived August 16, berthing at British Navy Buoy.

Dumont d'Urville, French sloop, arrived August 13, berthing at French Navy Buoy.

Danae, British cruiser, arrived August 8, berthing at British Navy Buoy.

Doudart de Lagree, French gunboat, arrived May 27, berthing at Kioussin Dock Wharf.

Duchess, British destroyer, arrived August 16, berthing at British Navy Buoy.

Ermanno Carlotto, Italian Gunboat, arrived July 4, berthing at Nos. 8 and 9 Buoy (Upper Section).

Falmouth, British sloop, arrived August 14, berthing at British Navy Buoy.

Fuyo, No. 16, Japanese destroyer, arrived August 12, berthing at N.Y.K. Pootung Wharf.

Hatsushimo, No. 21, Japanese destroyer, arrived Aug. 15, berthing at O.S.K. Yangtzepoo Wharf.

Hase, Japanese destroyer, arrived August 12, berthing at Japanese Navy Buoy.

Hira, Japanese gunboat, arrived August 9, berthing at M.B.K. Upper Wharf.

Idzumo, Japanese cruiser, arrived July 11, berthing at Nos. 2 and 3 Buoys.

Kerakoya, No. 16, Japanese destroyer, arrived August 12, berthing at N.Y.K. Pootung Wharf.

Kasato, Japanese gunboat, arrived August 10, at M.B.K. Upper Wharf.

Kotaka, Japanese gunboat, arrived August 9, berthing at Japanese Navy Jetty.

Lamotte Picquet, French cruiser, arrived August 11, berthing at French Navy Buoy.

Nenoh, No. 21, Japanese destroyer, arrived August 15, berthing at O.S.K. Yangtzepoo Wharf.

One Japanese destroyer (name unknown), arrived at 7 p.m. August 14, berthing at Nos. 11 and 12 Buoys.

Ramapo, American transport, arrived August 11, berthing at United States Navy Buoy.

Sendai, Japanese cruiser, arrived August 11, berthing at Nos. 9 and 10 Buoys.

Shigure, No. 9, Japanese destroyer, arrived August 11, berthing at Nos. 7 and 8 Buoys.

Shiratsuyu, No. 9, Japanese destroyer, arrived August 11, berthing at French Navy Buoy.

Savorgnan de Brazza, French sloop, arrived August 11, berthing at French Navy Buoy.

Seta, Japanese gunboat, arrived August 9, berthing at M.B.K. Upper Wharf.

Sacramento, American gunboat, arrived June 7, berthing at Nos. 31 and 32 Buoys.

Toba, Japanese gunboat, arrived August 9, berthing at United States Navy Buoy.

Three Japanese destroyers (names unknown), arrived August 15, berthing at Jukong Wharf.

Yugure, No. 9, Japanese destroyer, arrived August 11, berthing at N.Y.K. Pootung Wharf.

Thursday, August 19

Relief Organization—Ultimatum to Foreign Navies.

Chinese charitable organizations combined to form an International Relief Committee, with headquarters at the Chinese Y.M.C.A. in Boulevard de Montigny. Its activities are to be directed mainly to the establishment and maintenance of Refugee Camps, and the sending of refugees to places of safety. Besides numerous prominent Chinese, the Executive Committee included, Mr. N. Aall, Norwegian Consul-General, Father Jacquinet, and Mr. Hans Berents. The Council, after discussing the refugee problem, requested and obtained permission from the Japanese Admiral to send away 5,000 daily by ship to Ningpo. The refugee problem was aggravated by the flight of Chinese from Pootung, after military operations had extended to that area.

There was another large exodus of foreign women and children during the day, 1,400 Britons leaving by the *Empress of Asia* and a number of Scandinavians and Italians leaving by other vessels. The first British contingent was reported to have arrived safely at Hongkong, where those who could not provide their own accommodation or put up with friends, were housed at the Jockey Club, and the Lido at Repulse Bay.

Local conditions improved somewhat today. Skeleton bus and tram services were resumed in the Settlement. The foreign Banks reopened for restricted business on the Bund, and a number of Chinese provision and other shops resumed business with shuttered windows and half-opened doors.

Heavy fighting continued in the Hongkew area. Chinese claimed that they had reached Seward Road and captured the Wayside Wharf. The Japanese stated that they had reoccupied and established themselves on the whole perimeter, and pushed several kilometres beyond their Golf Course, and Shanghai University.

Another Japanese air-raid was made on Nanking, in the course of which the Chinese claimed to have shot down three planes. They also claimed to have intercepted eight bombers at Kwangteh, en route to Nanking, and shot down two more. The Japanese claimed to have hit an ammunition dump at Nanking.

In reprisal for the sinking above the Nantao barrier of six N.K.K. vessels during the night of August 18-19 the Japanese were reported to have occupied the China Merchants Lower Wharf. There was no confirmation of the report that they intended to treat the cargo stored there—much of it foreign-owned—as enemy goods.

The Council notified its intention to broadcast summaries of each day's events in English and in Chinese, twice each evening.

* * *

In what was virtually an ultimatum, the Chinese Military authorities, the Waichiaopu, and the Mayor of Greater Shanghai issued a demand to all foreign Naval authorities that failing withdrawal of Japanese warships, all their own warships and merchantmen should move a distance of at least five nautical miles from the nearest Japanese ship of war. A Reuter telegram from Nanking summarized the demand as follows:

The Chinese military authorities to-day requested all foreign warships and merchant vessels in Shanghai to move to a distance of at least five nautical miles away from any Japanese warships, failing which the Chinese military authorities would request the Powers concerned to make Japanese warships move away from foreign warships and merchant vessels to a similar distance.

If neither request is complied with within 12 hours, the Chinese Government, it is declared, will not assume any responsibility for any damage which may be caused to the warcraft or merchant ships of third countries during engagements of the Chinese air force, or any other forces, with Japanese warships.

Since the outbreak of hostilities at Shanghai, it is explained, Japanese warships operating there have often sought shelter from Chinese artillery fire and aerial bombardment by taking up positions in close proximity to warships and merchants vessels of third countries.

It is pointed out that the Japanese warships stationed in such positions, where they are comparatively safe due to the careful attention which the Chinese fighting services have been giving to the security of foreign lives and property, have hitherto been most active in shelling Chinese positions in Chapei and Kiangwan.

"Such tactics on the part of Japanese naval units," it is added, "have aroused the most contemptuous comments in Chinese military circles, where it is also emphasized that the defending party should

have at least an equal opportunity for legitimate operations against the aggressor."

It was understood that the British Commander-in-Chief replied that compliance with this demand was impossible, and that H.M.'s Government had every right to retain British warships in the positions in which they could render most effective assistance to British subjects, and that the American Commander-in-Chief replied to the effect that his Flagship would remain where it was as long as there was an American citizen to protect in Shanghai.

Friday, August 20

Fires and More Fires—Tragedy on the "Augusta"—Britain and Compensation—Plight of the Gaol—Japan & Neutral Zone Project.

A DAY of very heavy bombing, both in the Pootung and Hongkew areas. Raids by both sides and consequent anti-aircraft fire, made the Bund so unsafe that for some hours bus and tram services were suspended. Pedestrians and motorcar occupants were stopped and warned against traversing the Bund unless necessary for their business. Toward dusk huge areas in Chapei, in Hongkew, and in Pootung were burning, some of the fires being attributable to aerial bombing, and others to incendiary. In Hongkew an enormous blaze seemed to be due to the burning of the Nanyang Bros. Tobacco Co.'s factory and warehouse. On the Pootung shore, just behind the American flagship, a Japanese cotton-mill was in flames, and later at night one of Mackenzie's godowns caught. The staff, led by Mr. Poate, made heroic efforts to save a portion of the contents, and prevent the flames from spreading to the firm's other godowns.

At 6.40 p.m., while heavy firing was proceeding along the river from both sides, a shell exploded on the quarter-deck of the American Flagship, *Augusta*. One Seaman, Frederick John Falgout, was killed, and 18 members of the crew were injured, some seriously. The projectile is supposed to have come from an anti-aircraft gun, but a subsequent investigation failed to reach a decision as to whether it came from a Chinese or a Japanese weapon. Admiral Yarnell warned both sides against firing in the proximity of his Flagship, which every night flew a floodlit American flag at the top of the foremast.

The Japanese made two air-raids on Nanking during the day, the Chinese claiming that little damage was done and two bombers were shot down.

From this date irresponsible Chinese organs persistently published reports of Japanese Bluejackets surrendering and being disarmed by the British or Municipal Authorities at the Garden Bridge. The story was told with such a wealth of circumstantial detail that the Council found it necessary to request formal denials. A serious international situation might, of course, have arisen, had the reports been true, as the Japanese Naval Authorities would almost certainly have demanded the handing over of the men as deserters.

It was announced from London that "Britain will demand compensation for damage done, that is for damaged commercial interests and business and prestige lost."

Registration of all food supplies was requested by the Council, which stated that there was no fear of any shortage of imported foodstuffs.

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

From this date the Council began daily broadcasts, summarizing each day's events, in English from Stations X.M.H.A. and X.Q.H.B. at 8 and 9 p.m. respectively, and in Chinese from Stations X.H.H.H. and X.H.H.P. at 9, and 9.30 p.m. respectively.

Several more attacks upon alleged Chinese traitors were reported by the Settlement and Concession Police during the day.

The Soviet Government issued a formal statement at Moscow denying that the buildings of the Russian Consulate General on Whangpoo Road had been used for night signaling. Some days previously a member of the Consulate Staff accompanied by a Japanese official had visited the building, and extinguished a light which had inadvertently been left burning in one of the upper rooms.

The plight of the Ward Road Gaol became considerably more serious. Fires were raging all round the building, shells and fragments of shells were frequently falling inside the walls, and a number of convicts were reported to have been killed and injured. The problem of dealing with the gaol occupied the attention of the Council for several days.

Wiring and other defences around the defence line having been completed by the Foreign Military and Naval detachments, the construction of sandbag redoubts at the Bund corners, and other important road junctions, was begun. Relieved from service on the outer defences the Volunteers were more in evidence on patrol duty in the Central and Western Districts. In an effort to prevent isolated mob outrages the French Concession authorities hired fifty Ford Taxis which constantly patrolled the streets, carrying two armed police or troops.

A Tokyo cable summarized what purported to be Japan's reply to the British proposal for a neutral zone patrolled by neutral forces. The Japanese Government was reported to have requested Great Britain to take the initiative in influencing Nanking "to cause a withdrawal of Chinese troops now illegally within the Shanghai demilitarized zone." The Vice-Minister for Foreign Affairs stated that as this action of the Chinese constituted a grave menace to Japanese lives and property, it would be "impossible" for Japan to leave the grave task of defending national lives and property in foreign hands.

The First Special District Court, sitting at temporary premises in Weihaiwei Road, was concerned, today, chiefly with charges of looting. Two Russians and several Chinese charged with this offence were handed over to the Chinese military authorities, and, it was reported, promptly shot.

Evacuation of American and British nationals continued, 800 Americans leaving by the *President Hoover*, 392 British women and children by the *Patroclus*, and 200 men by the *Maron*.

A Chinese official statement claimed that since the outbreak of local hostilities 40 Japanese planes had been shot down, while China's losses in aircraft totalled seven only.

Twenty-five rice depots were opened under Police protection within the Settlement at which rice was sold at \$15 per picul. A similar arrangement was made in the French Concession.

It was claimed that an attempt by Japanese bombing planes to reach Hankow had been successfully repelled.

Three American prisoners awaiting trial in the Ward Road Gaol, two of whom were women, were evacuated by the U.S. Marshal.

S.V.C. Volunteers in Armoured Cars made a gallant but futile attempt to rescue two Swiss citizens, M. & Mlle. Juvet, who were reported to be marooned in Messrs. Hirsbrunner's godown at the corner of Chaoufoong and Point Roads. The Swiss Consul-General accompanied the two cars, which were unable to reach their objective. Subsequently the two Swiss managed to make their way to safety through the Chinese lines, where they reported they were shown every consideration and courtesy by the Chinese troops.

Saturday, August 21

An Aerial Battle—Council & Chinese Chamber of Commerce—Decision to Evacuate Gaol—British Evacuation.

Fires continued to spread widely over the Hongkew, Chapei and Pootung areas.

A sharp protest was reported to have been made to both sides in connection with the catastrophe on the U.S.S. *Augusta*.

Royal Marines and Bluejackets from H.M.S. *Cumberland* took over a section of the Western defence lines from the Loyals, who in turn were replaced by the Welsh Fusiliers today. The Ulster Rifles took over the West Hongkew sector hitherto held by the Volunteers.

The raging fires added to the obscurity of the situation in Hongkew and Pootung. The Japanese Flagship *Idzumo* moved down river during the night, presumably to support the Naval Landing Party in the Yangtzepoo Area, where it was being hotly attacked.

It was announced today that sixty camps, accommodating 50,000 refugees, had been established in the Settlement, mostly in the Western area.

Chinese reports stated that 30 Japanese warships were off Pailung Harbour, on the Chekiang coast, seeking a chance to land military forces.

A number of French women and children left on the M.M.S. *Aramis*, and upwards of 2,000 Chinese refugees were repatriated to Ningpo under the British flag.

At 6.30 a.m. the first local authenticated aerial battle between Chinese and Japanese planes took place just beyond Jessfield. For about ten minutes a Japanese seaplane and a Chinese bomber exchanged machine-gun fire. The fight appeared to be indecisive until a second Japanese plane swooped down from above and put the Chinese aircraft out of action. The latter's pilot, who is understood to have been a Russian, escaped by using his parachute, as his machine crashed.

The following exchange of correspondence between the Chinese Chamber of Commerce and the Shanghai Municipal Council was published:

The Chamber wrote:

The people here depend on the shops for the supply of daily necessities; consequently the closing of the shops has further added to the nervousness of the local community. We now beg the Council to find all means within its power to afford adequate protection to the

REINFORCEMENTS ARRIVE



Welch Fusiliers Disembark



Ready to Move off



U.S. Marine Reinforcements M. P.

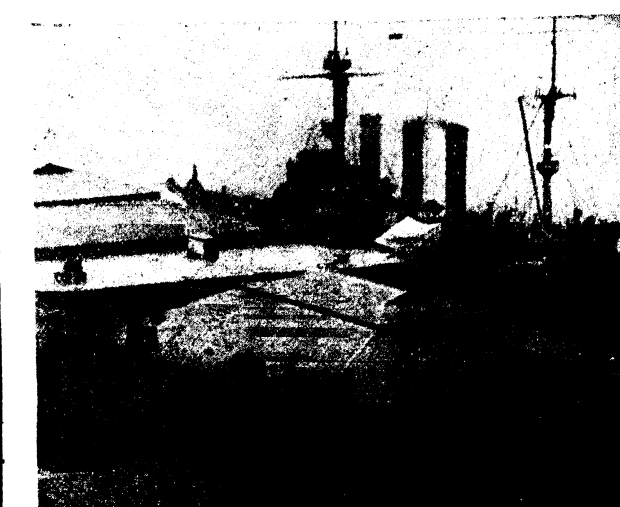


Fallen in M. P.

WAR SCENES



At Eventide 1 M. P.



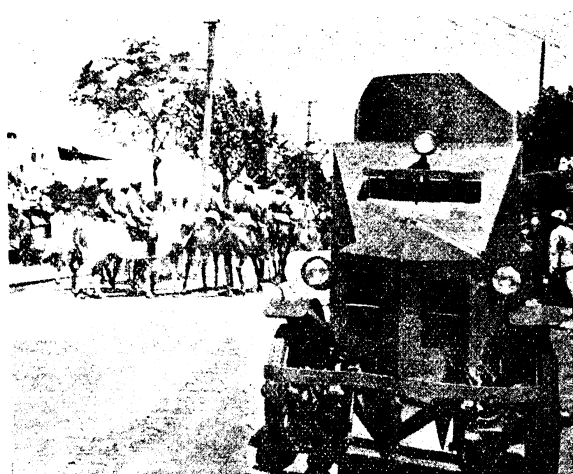
H.I.J.M.S. "Idzumo" M. P.

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

RELEASE OF CONVICTS



The Convicts' Convoy (opposite Country Club, Aug. 22)



Escort in Great Western Road



Where the Convicts were Loosed (British Outpost on Great Western Road)



A Scene near the Municipal Gaol M. P.

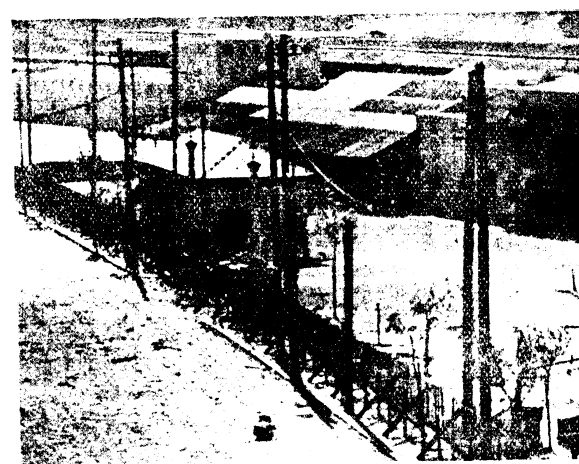


Released Convicts (August 22)



Convicts Changing in a Field

WAR'S DEVASTATION



View of North Station



Chinese Troops on Paoshan Road. (Wiring on Settlement Boundary)



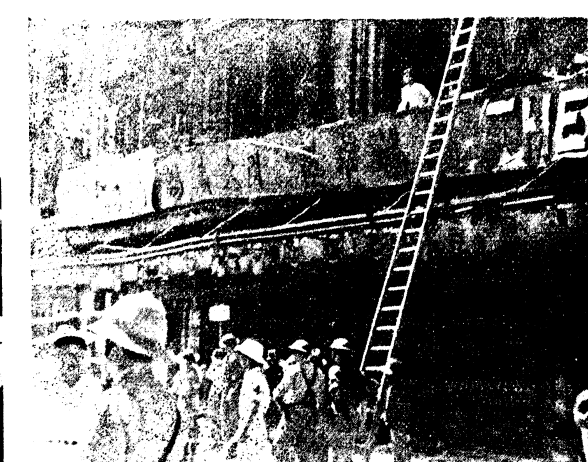
In Yangtzepoo



Chinese Troops in Paoshan Road



View From Gaol Roof



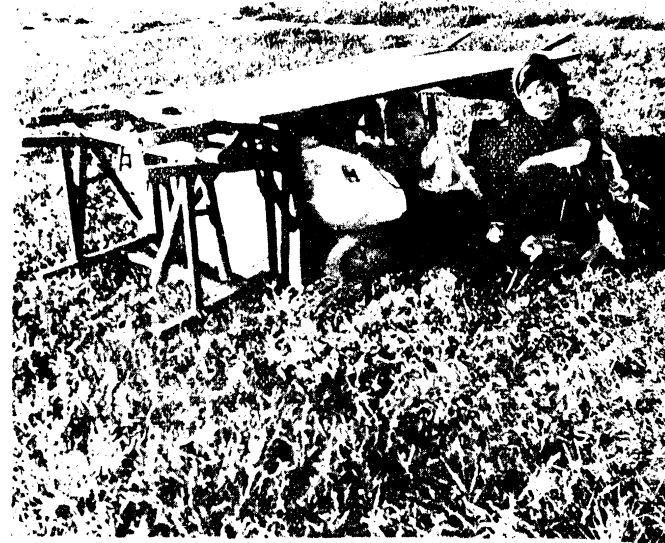
Another View of Sincere-Wing On Tragedy M. P.

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

DEVASTATION BEHIND THE CHINESE LINES.



In Nantao (Shanghai Suburb)



A Temporary Home



Street in Nantao



Ruin at Tai'sang



Dug-outs at Nantao



American Poplar Grove Dairy Farm (Pedigree Cattle)
 Photos by Liang You Co.

September, 1937

ORIENTAL AFFAIRS

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local business establishments so that they, reassured, may resume at an early date. This Chamber is publishing a notice in the newspapers urging all shops here to reopen. Will the Council please take note and act accordingly.

The Council's reply was:

I have to acknowledge receipt of your letter of August 16 requesting the Council to afford adequate protection to business establishments and shops in order to permit resumption of business activities.

In reply, I have to inform you that the Shanghai Volunteer Corps and the Shanghai Municipal Police are now cooperating in regard to internal security and to assure you that everything possible will be done to ensure the safety of business undertakings and shops.

It is requested that your Chamber should notify all concerned that the nearest Police or S.V.C. patrol should be immediately communicated with or telephonic communication established with Police Headquarters (Tel. No. 15380) at the least threat of trouble when adequate assistance will be rendered.

The Yangtzepoo Depot of the Asiatic Petroleum Co. was hit by an aeroplane bomb at 6.30 a.m. and the fuel oil tanks caught fire. The flames threatened to spread to the gasoline tanks, but so far as can be ascertained they escaped destruction.

The situation at the Ward Road Gaol had become so serious that the Council decided that there was no alternative to evacuation. The Chinese authorities were approached and consented to the release in Chinese territory, of all but the most desperate criminals. The Japanese Admiral gave his consent to the removal of the prisoners under armed escort from the Gaol, and their release over the Western defence line. Arrangements were therefore made to evacuate the prisoners at the rate of about 1,000 a day, starting on August 22. It was understood that the convicts would be taken charge of by the Chinese Red Swastika Society. Foreign (non-extraterritorial) prisoners were to be given the option of being turned loose in Chinese territory, with the chance of continuing their sentences in a Chinese gaol, or serving the remainder of their terms in Police Station cells within the Settlement. It was understood that most of them chose the former alternative. As a humorous anecdote it was reported that Atma Singh, the condemned Sikh murderer, who escaped hanging when the rope broke, some months ago, was the only convict who was uniformly cheerful, and took no pains to take cover, his explanation being that as he had escaped the gallows he had nothing to fear from shells. He and the other Sikh "lifera" were later sent under escort to Hongkong.

A Simla message stated that the 5th Battalion of the 6th Rajputana Rifles, and the 4th Battalion of the 19th Hyderabad Regiment were under orders for the Far East, to be employed on internal security duties in Hongkong and Singapore, whose British garrisons had been depleted by the despatch of reinforcements to Shanghai.

The Sacred Heart Hospital, which had been bravely carrying on in Hongkew in the heart of the danger zone,

was evacuated tonight, with the aid of "Red Marias," Sisters and patients being installed in new quarters in the French Concession.

St. Luke's Hospital, also in Hongkew, had already been removed to St. John's University.

A Nanking message claimed that 21 heavy Japanese bombing planes, which had run short of gasoline, were forced down near Chuchow, 50 miles from Pukow.

It was announced that all American Pilots of the C.N.A.C. had been suspended from duty during hostilities, to avoid exposing them to the heavy penalties provided by American law.

The Japanese claimed 15 direct hits on the Chinese aircraft factory at Kienkiao, setting it on fire and rendering it useless in future. Further claims were that at Hsuehchow two military barracks and ten aircraft had been destroyed, and that at Yangchow three Chinese planes on the ground had been destroyed, and one shot down. The loss of one Japanese plane was admitted.

The Evacuation Policy

The following (unsigned) Notification appeared in today's papers:

The British Authorities have now evacuated from Shanghai 2,910 Women and Children and 22 men, whose responsibilities in present circumstances have enabled them to leave Shanghai. The Evacuation Office at the Shanghai Club will remain open daily from 10 a.m. to 12 noon for those wishing to register for evacuation. No further ships after the *Empress of Canada* on or about August 24 have at present been arranged. General Evacuation is not contemplated.

BY ORDER

Sunday, August 22

500 Convicts Let Loose—Moonlight Air-raid on Nanking.

The Council issued a strong warning against the foolish practice of crowding on to the roofs of buildings to watch the progress of bombardments and air-raids, threatening to take police action if it continued.

Chinese reported that attempts of Japanese military forces to land in the vicinity of Woosung, during the night, had been repulsed.

The Japanese reports were entirely contradictory. Japanese warships moved down river during the night to support the landing, and early on Monday morning it was officially announced that a successful landing had been effected. (See August 23.)

Evacuation of the Gaol started this morning, the first contingent of some 500 convicts, all of whom were light offenders, leaving Ward Road about noon crammed into about a dozen omnibuses, in which there were armed guards. Armoured cars led and were interspersed in the procession, for which the streets were cleared, all cross roads being guarded by Volunteers. The procession proceeded via Nanking and Bubbling Well Roads to the outer British Defence lines at the railway-crossing on Great Western Road, where "Red Marias," and a strong detachment of Sikh Mounted Police were in waiting. The men were given their own clothing and a rice-cake

apiece, and then put out beyond the barbed wire. In spite of previous notification, the Chinese authorities had made no arrangements to receive them, and the prisoners therefore scattered over the countryside, some of them later attempting to make their way back into the Settlement. It was stated that most of them were rounded up by the Chinese authorities later in the afternoon.

When the police and Armoured Car escorts returned to Hongkew to remove the second batch further evacuation was refused by the Japanese, who asserted that the Council, in lodging the juveniles in a Chinese institution in Yunnan Road had violated its undertaking to put all convicts over the Western defence lines. The misunderstanding, for such it obviously was, arose from the Council's view that it would be inhuman to loose 150 boys, many of them in their early teens, in the country without parents or other guardians to receive them. but a deadlock resulted, and evacuation was indefinitely suspended.

A number of shells causing several casualties, fell in the Central area during the day.

The Japanese staged a moonlight raid on Nanking at 8 p.m. with three planes. Chinese reports declared that they were dazzled by the searchlights and dropped their bombs outside the South gate. Anti-aircraft guns firing tracer shells came into action, and notwithstanding the orders to remain indoors many people witnessed this spectacular raid.

A Chinese plane flew over Shanghai about 11 p.m., but was apparently driven off without dropping any bombs.

Monday, August 23

Japanese Landing Near Woosung—General Matsui in Command—Sincere-Wing On Tragedy—Mutual Recriminations—Water Supply.

It was officially announced in the morning that Japanese troops had landed at several points at and near Woosung, the Army Spokesman stating that it would not be an exaggeration to place the military reinforcements at more than 50,000 men. The landing was supported by an intensive naval bombardment from the estuary and the river, and also by heavy bombing by Japanese aircraft. The ships' searchlights, according to an eyewitness, searched the ground beyond the waterfront, making the actual landing invisible to the defenders. Chinese resistance took the form of machine-gun fire and the explosion of land-mines, and there was occasional firing from trench-mortars "We intend to deliver a crushing blow to the Chinese troops before they have an opportunity to stage a strategic retreat", said Major Utsunomiya, during the daily Press Conference.

Japanese casualties during the landing were stated to have been 6 killed, 29 wounded, and 20 missing.

Chinese reports denied that the Japanese had made a successful landing.

Independent foreign observers on the way up river, however, reported heavy firing by Japanese warships, and intense activity in the landing of troops stores and equipment at the Shanghai-Nanking Railway Wharf.

The name of the Commander of the Japanese Military expedition was withheld today, but it was later announced that General Iwane Matsui, former Commander of the Formosan Army, and a member of the Supreme Military Council, was in command. He is a senior Japanese General, and his rank corresponds to that of an Army Commander. His selection for the command was generally interpreted as meaning that the Japanese General Staff had decided to make the Shanghai area a major theatre of war.

Shortly after 1 p.m. two heavy aerial torpedoes, each of about 250 kilos weight were dropped in the heart of the Central area. The first passing through the roof of the U.S. Naval godown just behind the Imperial Chemical Industries Building, and not fifty yards from the temporary offices of the British Consulate General at Hamilton House fell through the three storeys, and broke up without exploding, on the ground floor.

The second fell a few seconds later, hitting the balustrade on the second and third storeys of the Sincere Co's emporium, at the corner of Nanking and Chekiang roads. It exploded with terrific violence, blowing in a considerable part of the front and corner of the building, doing serious damage to the Wing On store opposite, and shattering most of the windows in the new Wing On Tower, further back. Scenes of carnage similar to those of August 14 resulted. Police ambulances and volunteers were rushed to the scene to remove the killed and injured, and worked with such efficiency that except for some bodies buried in the debris inside the two stores, the street had been cleared of all casualties, and most of the tons of broken glass had been swept up, within two hours of the catastrophe. The final count of casualties put the number at 173 killed and 549 wounded.

The peculiar noise made by the two projectiles caused a number of the public to believe that they were shells, fired from a gun in the direction of Pootung. The angle of descent in each case proved this to have been impossible. It was evident that they were aerial torpedoes, dropped from an immense height. A controversy started as to the nationality of the aeroplane responsible. Both sides put the blame on the other. The Japanese Admiral informed an interviewer that since the Nanking Road tragedy of August 14 Japanese planes carrying bombs had been specifically instructed not to fly over the Settlement. A Japanese explosives expert who inspected the fragments of the unexploded bomb stated that it bore inscriptions which were never used on Japanese projectiles, and was of an obsolete type.

A statement issued by the Chinese authorities asserted that no Chinese planes were flying over the Settlement at the time, and that the yellow paint marks were characteristic of Japanese rather than Chinese missiles. Later the alleged fuse cap of the bomb that exploded was stated to have been discovered in Chekiang Road, and adduced as further evidence that the aeroplane involved was Japanese.

The weight of evidence is against the bombs having come from a Japanese plane. The aircraft that dropped them was flying at an enormous height (estimated at over 15,000 feet) across the Settlement, and the suggestion that

has been made in Chinese quarters that Hamilton House and the Sincere and Wing On stores were deliberately aimed at is hardly tenable, even if one assumes the bomber to have been an expert at his job.

Most of the victims were Chinese. Mr. A. U. Brunner (Swiss) and Mr. K. Eckert (German) were killed. Those wounded included Mr. A. Billingham, Associate Correspondent of the N. Y. Times who was purchasing a pair of field glasses in Wing On, Mr. M. Zimmerman (Russian) Miss Blanche Tenney (American) and Miss Veronica Glasser (Polish). There were heavy casualties among the Police, the Sikh Constable in the traffic signal tower, and two Chinese Constables being killed, and a number of others seriously or slightly injured.

Some of the escapes were almost miraculous, particularly those of the driver and passengers of a No. 1. Bus, and Major Hans Berents, whose car with windows blown in, roof fittings torn down, and at least half a dozen perforations of the body by pieces of the missile, was still able to proceed on its way.

The foreign Banks resumed normal business today, having made a gentleman's agreement with the Chinese Banks not to accept new or largely increased Chinese accounts, or to engage in or permit speculation in exchange.

The following announcement relating to the water supply was made by the Council:

The Shanghai Waterworks Company is continuing to give a supply of water of its usual high standard of quality to every person who requires it, both in the Settlement and in those areas beyond Settlement limits in which its mains extend. The Chinese staff are working as usual and repairs to mains are being effected as necessary.

While ample reserves of fuel and other stores exist, consumers are requested to avoid wasting water and also to report by telephone any instances of water running to waste.

While the Company's production plant and substations are adequately guarded and protected, it has been considered desirable by the Council and the Company to provide for a water supply even in the very remote possibility of the Company's mains and production plant being rendered useless, and the necessary schemes for obtaining water from other sources are now well in hand.

To relieve the anxiety of the Company's Chinese employees at the Yangtszepoo works, all women and children from the staff quarters adjoining the plant are now being moved to a camp constructed by the Company in the Western District.

No alarm should be felt by any consumer should his supply of water fail temporarily as it is probable that such cessation is due to normal repair and maintenance work.

Press reports that Chinese or Japanese aircraft had been fired upon from the French Concession were emphatically denied by the Concession authorities, who permitted the Chinese authorities to satisfy themselves that no anti-aircraft guns had been set up in Avenue Petain, the district particularly mentioned.

Tuesday, August 24

Progress of Landing Operations—Responsibility for Sincere Tragedy—Interview with Japanese Admiral—Work of the S.V.C.

THE Japanese Army which had landed in the Woosung region, was reported, today, to have reached Lotien, after getting control of the Liuho area. A report was current that a landing had also been effected in the vicinity of Chapoo.

The Japanese claimed to have made successful air-raids upon Ningpo and Anking, Quinsan, Kading and Taitang.

Chinese aircraft were also active, making several raids in the vicinity of Shanghai, including another moonlight attack upon Japanese warships in the river. Three bombs were dropped, but with what effect it was not known. The Chinese also claimed to have made a successful raid on Japanese warships off Woosung.

A time-fuse cap alleged to have been found in the vicinity of Nanking and Chekiang Roads was produced by the Chinese as evidence that the aerial torpedo dropped there was of Japanese origin. It was said to bear a Japanese ideograph. If a genuine find, this fuse-cap added to the mystery of Monday's explosion by showing that the two projectiles, presumably dropped by the same plane, were of different types.

Attempts by the Chinese authorities to prove that the destruction was the work of a Japanese bomber were not generally credited. A fast-flying monoplane was observed travelling at a great height over the Settlement shortly before the explosion, by observers on a foreign (neutral) warship in the Whangpoo.

Reuters issued for publication in the local papers today an interview obtained on board his Flagship, with Vice-Admiral Hasegawa, by a member of its staff. The Admiral was reported to have stated that it was the intention of his Government to localize the conflict, but that it was deemed "imperative that a safety zone should be established in and around Shanghai, and that all causes of future trouble should be removed once and for all." Referring to the Sincere disaster he stated that "At the time of the tragedy no firing was being done by any of our Naval vessels either at Woosung or further up river, nor were any of the Japanese guns on shore firing." After denouncing the indiscriminate character of Chinese bombing he added "I wish you would say for me that the Japanese planes have been specifically instructed since the Nanking Road tragedy (of August 14) not to fly over the International Settlement while carrying bombs."

A Japanese Naval spokesman stated that no Japanese planes other than seaplanes were in the air at the time of the Sincere bombing, and that missiles of the size that were dropped on Monday could not be carried by these craft.

All doubts as to the position of the Japanese lines in Hongkew were set at rest during this afternoon by a tour of their positions by a party of Press correspondents who had full freedom to take photographs. The Headquarters of the Naval Landing Party which were visited only bore the marks of one shell-hit. Japanese Bluejackets were

holding their positions near the Eight Character Bridge, with the Chinese at least 300 yards distant. They also occupied the Rokkusan gardens beyond the railway. The Correspondents were informed that the Japanese Blue-jackets, outnumbered by ten to one, had confined their activities to holding their positions. It was admitted that they had been hard pressed at times, but the tour proved conclusively that despite repeated reports of the capture of the Headquarters and the Naval Officers' Club, these remained throughout in Japanese hands.

In the course of a Press interview, General Iwane Matsui paid a tribute to the courage of the Chinese troops which had opposed the military landing. He stated that "There can be no peace until China changes her attitude and ceases her provocative attacks." Most of the casualties suffered by the Japanese during their landings had been due to land mines, he said.

Reports reached Shanghai today that the Nantungchow Christian Hospital had been bombed by a Japanese plane on August 17. All the American staff were reported to be safe.

Eight godowns belonging to the Nishen Kisen Kaisha, on the Pootung front opposite Nantao, were set on fire by Chinese troops early in the morning.

Two truckloads of foodstuffs donated by Japanese philanthropic bodies for distribution among "innocent Chinese and foreign refugees" were handed over to the International Relief Committee, and the French Municipal Council, for distribution.

The S.M.C. Fire Brigade went into action again in the Yangtszepoo District to extinguish fires in a large block of Chinese buildings opposite the Ewo Cotton Mills, and also a fire near the Hongkew Hotel.

It was announced from Nanking that the notorious Communist, Chen Tu-hsiu, who was serving a sentence of eight years' imprisonment, had been released (after about three years), and called upon various high officials to express his gratitude.

From the North came a claim that the Japanese had captured the Nankow Pass early that morning.

Further evacuations of foreign civilians were stated to have brought the total since the outbreak of hostilities to approximately 16,800.

The Chinese Embassy at Washington broadcasted a message from Madame Chiang Kai-shek deploring the tragedies brought about by the hostilities at Shanghai which had caused loss of life to innocent foreigners. "They could perhaps have been avoided if the Powers had taken the necessary precautions to prevent the Japanese from using the International Settlement as a base of military operations", she added.

The Shanghai Municipal Police reoccupied Yulin and Chemulpo Roads Police Stations, and the Yangtszepoo Police Station, during the day.

The following official statement on the work of the S.V. Corps was issued:

Following on their splendid work in the line which commenced on the 13th inst. until the arrival of the Royal Welch Fusiliers enabled them to be relieved

after a continuous spell of front-line duty of over five days, the S.V.C. have now taken over their duties for the internal defence of the Settlement.

One Battalion is covering the whole of "A" and "B" Police Divisions of the Settlement (Central, Louza and Chengtu Road Police areas being "A" Division and Sinza, Bubbling Well, Gordon and Pootoo Roads, Police areas being "B" Division). Corps Cavalry and the Armoured Cars are covering with Armoured Car and Lorry patrols the whole of the Settlement area as required; and one battalion is always in reserve. One Company of "C" Battalion, is for immediate duty at S.V.C. Headquarters; a portion of the Battalion is on Soochow Creek and Bund post duty at night; and the remainder of the Battalion is standing by to give assistance to the Police in the event of emergency riot calls or calls of a similar nature.

No praise can be too high of the work of all members of the Corps, since the trouble started. In this connection the work of the Transport, Signals, Engineer Field Coy., Supply and Quarter-master's Staff and other sections of the Corps should not be forgotten.

The S. V. C. to-day provided guards and patrols in the following districts:—Central, Louza, Chengtu Road, Sinza, Kungdah Mill, Gordon Road and Bubbling Well Road. The Corps Cavalry furnished lorry patrols.

Wednesday, August 25

Japanese Claims of Progress—French Reinforcements—China and Neutralization Proposal—S.V.C. Rest Period—Gaol Staff.

The Japanese claimed that they had made successful progress at the four points at which they were known to have landed near Liuhu; at Woosung; at Chwangsha, East of Shanghai on the Pootung delta; and at Chapoo. Warning was given that if the Chinese forces in this delta retreated to Nantao it would be necessary to bomb that locality. Attention was also drawn to the alleged abuse of foreign and Red Cross flags by the Chinese, which if persisted in would necessitate drastic action. The total casualties of the landing force during the first 48 hours of its operations were stated to have been 241 of whom 215 were wounded. It was claimed that during an aerial combat over the Central Primary School at 4.25 p.m. a Chinese plane was shot down by a Japanese naval machine. Heavy bombing took place up river during the day. The large fires resulting therefrom were stated to be located at the Kiangnan Arsenal and Shipbuilding Works, and Kiaochangmao, near Nantao. During the evening two large fires, which illuminated the Eastern sky, were observed in or behind Hongkew.

The Mayor of Greater Shanghai issued stringent instructions that the persons and properties of non-combatant Japanese were to be protected.

A Rome cable announced the despatch to Shanghai of a Regiment of Grenadiers from Addis Ababa. It was stated that it would arrive in about seventeen days.

The first French reinforcements from Indo-China landed during the day. They consisted of about 700

Colonial troops brought from Haiphong on the *Sphinx*, under the command of Major Audeguix.

At 6 p.m. Vice-Admiral Hasegawa issued an order prohibiting navigation of the central China coasts by Chinese shipping between lat. 32.4 North, long. 121.44 East; and lat. 23.14 North, long. 116.48. The prohibited zone extends from about 140 kilometres North of Shanghai to a little South of Swatow. No restrictions were imposed on foreign shipping.

The Chinese Embassy in London issued the following *communiqué*.

"The Chinese Minister of Foreign Affairs has informed the British Ambassador to-day that China is prepared to accept the British proposal, in principle, for the immediate withdrawal of forces—including men-of-war—from the Shanghai area with the protection of Japanese settlements and extra settlement roads entrusted to foreign authorities, if such a proposal is accepted by Japan."

The following statement on the work of the S.V.C. was issued by the Council's Publicity Department:

S. V. C. "Rest" Period

Owing to the terrific pressure of duty in the first ten days of the present trouble, the full tale of the services which the S. V. C. have rendered to the Settlement can never be adequately described. In addition to holding the S. V. C. sector of the line until relieved by the Royal Welch Fusiliers, all sorts of extraordinary and unusual jobs of work were most cheerfully undertaken by different sections of the Volunteer Corps right from the commencement of the trouble. The S. V. C., of course, figured conspicuously side by side with other municipal departments and various organisations in the heart-rending work caused by the Palace Hotel, Yu Ya Ching Road and Sincere-Wing On corner tragedies. The Transport Co. has rendered heroic service throughout in expediting the work of clearing-up. But in addition to these major jobs, the Corps has had scores, if not hundreds, of appeals for help in evacuating all sorts and conditions of people from all kinds of sticky corners. When these appeals for assistance have come in, the Volunteers have wasted no time but have gone into action straight away and finished the jobs in hand first—leaving the question of the red tape adjustment of the details of the appeal to develop after successful accomplishment.

Emergency measures of this kind for the evacuation of people of all nationalities having been taken care of in the first place, the Corps transferred its labours during the "rest" period to the "rescuing" of food supplies such as rice, flour, Coal etc, and scores of these have likewise been promptly and efficiently undertaken, the food and fuel being removed to safer zones. So frequent have been these appeals for help of this kind that the Corps' is beginning to wonder whether the rest period may not become almost, if not quite, as strenuous as the August 13-18 period when it was engaged on more military duties,

The rumour that the Ewo Brewery had been taken over by a non-S. V. C. organisation was a very sad blow to the Corps but all sergeant-majors now report complete recovery on later re-assuring reports that supplies are coming forward steadily—the only real difficulty lies in getting time to remove the froth.

Council's Appreciation of Gaol Staff Services

The following letter of appreciation has been sent by Mr. C. S. Franklin, Chairman of the Municipal Council, to Major K. M. Bourne, the Deputy Commissioner of Police, In Charge:—

"Will you please convey on my behalf to the Deputy Governor of Gaols in Charge and the whole of the Gaol staff of all nationalities, my appreciation of the splendid service they have rendered during the present emergency.

I sympathize fully with what they have had to contend with and I wish to assure them that everything possible is being done to ameliorate the conditions under which they are serving."

* * *

Announcement was made of the formation of a Committee by the Foreign and Chinese Municipalities to arrange for the evacuation of refugees, of whom it was estimated that there were 400,000 in Shanghai, 100,000 of whom were destitute. Mr. N. H. Lacey, of Lacey and Cannan, Ltd., was appointed Secretary. The Council while promising all legitimate help stated that it would assume no direct or financial responsibility.

Another air-raid on Nanking took place during the evening. It was stated that 38 bombs had been dropped on the air-field without doing much damage, and that one heavy Japanese bomber was brought down by anti-aircraft guns.

Thursday, August 26

Hongkew and Yangtszepoo Closed—Japan's "Peace" Blockade—Misuse of Foreign Flags alleged—Wounding of British Ambassador—Bombed Stores Resume Business.

Foreigners attempting to enter Hongkew by the Garden Bridge were advised by Japanese patrols, unless their business was extremely urgent, not to proceed to Yangtszepoo, where the situation would be cleared up in another 48 hours. A Proclamation issued by Vice-Admiral Hasegawa during the day read:

"In view of the progress made in our military operations, persons, including former residents who had evacuated, have been gradually attempting to return to the Yangtszepoo and Hongkew districts.

Inasmuch as the maintenance of peace and order in the area still leaves much to be desired, Chinese will be forbidden from re-entering the aforesaid areas until further notice.

Foreign residents of the aforesaid districts are requested to take into account the efforts being made by our forces for the restoration of peace and order, and are hereby asked voluntarily to refrain for the time being from returning to those districts."

During the day the Japanese lines in the Hongkew area were reported to have been considerably extended, and eyewitnesses stated that Chinese regular troops

appeared to have been withdrawn about a thousand metres to new positions where they were strengthening their defences. Pao An Tui appeared to have taken over their original lines.

Both sides claimed successes on the Liuho-Woosung front. Chinese reports stated that of the 30,000 Japanese troops that had arrived only 5,000 had succeeded in landing in the Woosung-Changhuapang area, and that this force had sustained 1,500 casualties.

The Japanese claimed that the first Chinese air-raids upon their Army had resulted in the loss of three bombing planes, and that the Naval Landing Party had accounted for three out of the four Martin bombers that had attacked it.

The main theatre of war seemed to have shifted to the mouth of the Whangpoo, but it was reported that the Chinese were making feverish preparations for the defence of Nantao.

There was considerable discussion of the so-called "Peace" Blockade of Shanghai by Japan. Dr. Shinobu, Legal Adviser to the Third Fleet, cited the 1917 Blockade of the Montenegrin coast by the Allies as a precedent. It was intended to detain all Chinese shipping found in the prohibited area, regardless of the nature of their cargo. Foreign shipping could not be seized, detained, or compelled to change their course, but would be liable to visits by Japanese boarding parties, to establish their nationality. It was claimed that Japan could exercise "the privilege of pre-emption towards foreign bottoms found to be carrying cargo which in wartime would constitute contraband."

News of this "Peace" Blockade was reported to have caused considerable misgiving abroad. Locally it was stated to have resulted in brisk negotiations for the sale of Chinese steamers.

Japanese air-raids during the day were reported to have included bombing in the vicinity of General Chiang Kai-shek's Fenghua estate, in retaliation for the alleged killing of a Japanese pilot who made a forced landing at Ningpo.

The Eurasia Corporation was reported to be making efforts for a direct mail service to Europe and adjacent territories, to offset the interruption of the Siberian mail service.

The Japanese claimed to have sunk the Chinese warship *Chiao Jih* (presumably the 500 tons surveying vessel *Chew Jih*) off Woosung, with the third shell fired at her.

The Telephone Company announced the reoccupation of the Wayside Exchange, but anticipated that the repairs required would take at least a week before a restricted service could be resumed.

During the day the Japanese lodged two complaints with the foreign authorities. They alleged that the roofs of high buildings in the Settlement were being utilized for signalling to Chinese air-raiders, and that there was serious abuse of the use of foreign flags in the Shanghai area, for military purposes. The Consular Body decided

to request the Municipal Police to cooperate in preventing the continuance of this abuse.

At 7 a.m. the British Ambassador, Sir Hughe M. Knatchbull Hugessen, accompanied by the Military Attaché and Financial Adviser of the Embassy left Nanking by automobile, for Shanghai, to confer with the Commander in Chief, and to meet the leading members of the British community. What occurred en route was briefly described in the following communique:

"At approximately 2.30 p.m., en route to Shanghai from Nanking, His Majesty's Ambassador (Sir Hughe Knatchbull-Hugessen) was travelling in a car with the Military Attaché (Lieutenant-Colonel W. A. Lovat-Fraser) and the Financial Adviser (Mr. E. L. Hall-Patch).

Without any warning, a Japanese 'plane machine-gunned the cars, and a second 'plane bombed the cars after they had stopped. Both cars were flying the Union Jack.

The Ambassador received a spinal wound. He has been taken to the Country Hospital. The doctor states that the spinal cord is not severed, and there is no paralysis. The wound is serious, but there is no immediate danger."

The following Bulletin was issued by Dr. E. G. Gauntlet, following the Ambassador's admission to Hospital:

"The medical condition is that the bullet entered on the right side of the lower part of the chest, and it emerged on the left side of the spine.

It fractured the spine but the spinal cord appeared to have escaped. The Ambassador suffered intense pain but his condition is as satisfactory as the seriousness of the wound permits."

It was added that Sir Hughe had received a blood transfusion from an American Sailor, and a further statement issued at midnight described him as resting quietly and being as well as could be expected.

It appears that Lt. Colonel Lovat-Fraser was driving the car containing the Ambassador and Mr. Hall Patch, when about 2.30, having passed Wusih and being about 50 miles from Shanghai, he became aware that the vehicle was under machine-gun fire. He stopped, and with Mr. Hall Patch alighted. They found that the Ambassador had been hit, and while discussing what should be done a second plane approached and dropped a bomb into an adjoining paddy-field. Both the Military Attaché and Mr. Hall Patch were blown off their feet into a field. When they had regained the road they drove on to Shanghai as quickly as possible, and conveyed the injured Envoy to the Country Hospital. The car in which they were travelling, and another, driven by a Chinese chauffeur, which contained their baggage, both carried Union Jacks.

Japanese Diplomatic, Naval, and Consular authorities hastened to express their apologies as soon as the news became known. They stated that no official notification of the Ambassador's proposed visit to Shanghai had been received by them, adding that under the existing circumstances, regardless of who is to blame, it would

have been advisable for the car to carry a British flag spread over or painted on the roof, as cars proceeding along a strategic highway near the theatre of operations, could easily have been mistaken for staff cars. An immediate investigation was promised.

News of this tragedy caused a tremendous sensation abroad, especially as first reports appear to have suggested that the attack was deliberate. Messages of sympathy were conveyed by the Chinese Government to the victim, and to the Foreign Office.

Another air-raid over the Whangpoo by Chinese planes took place shortly before midnight.

It was reported that by friendly arrangement between the British and Chinese military authorities, all Chinese Police and Peace Preservation Corps men within the British sector near Jessfield were withdrawn from patrol duty for the period of hostilities.

After their buildings had been examined and found safe by the Municipal Authorities, the Sincere and Wing On stores resumed business today.

Nanking promulgated regulations for an issue of \$500,000,000 of Liberty Bonds, bearing interest at 2 per cent. and redeemable within 30 years. They were to be issued at par from September 1.

Today the Japanese claimed the capture of the Nankow Pass, due to the dramatic appearance in the rear of the Chinese positions of a unit belonging to the Kwantung Army.

Friday, August 27

Fighting moves North—Navy Ministry's Claims—British Ambassador's Condition—Evacuation of Chinese Refugees.

Military activity during the day was confined mainly to the Woosung area, where it was obvious that the Japanese were attempting to deploy and consolidate their positions previous to a general attack. Conflicting reports of the course of the operations, were, as usual, issued. The Japanese claimed at some unnamed point they had broken through the Chinese second defence lines, and that they had solidly established themselves in Lotien. They admitted to 410 casualties during the first 72 hours of military hostilities 65 of whom were killed. Heavy gunfire was reported from the mouth of the Yangtze, and the Woosung area.

Chinese reports claimed that all attacks in the region of Lotien had been repulsed, and placed the strength of the Japanese forces that had landed at absurdly low figures to justify the statement that there had been heavy fighting at various points North of Shanghai.

A Japanese bombing plane attacked by a Chinese pursuit plane, was seen to crash in the vicinity of Yangtszepoo, shortly after 4 p.m. During the night of August 26-7 twelve Japanese planes repeatedly attacked Nanking between 11.30 p.m. and 4 a.m. They were alleged to have caused several fires by the use of incendiary bombs.

An official communique issued by the Navy Ministry at Tokyo claimed that in raids of Japanese seaplanes upon Chinese aerodromes, and aerial combats, between August 14 and 25, 176 Chinese military aircraft had been destroyed, 110 on the ground, and 66 in the air. Twenty-five

Chinese hangars had been bombed, as well as arsenals, ironworks, tanks, barracks and armoured trains. Japanese losses had been 16 aircraft wrecked or missing.

A Japanese Military Spokesman issued a warning to foreign civilians and non-combatants against venturing behind the Chinese lines and into other war zones, stating that such adventures would become doubly dangerous when Japanese military planes, which had so far not participated in local hostilities, went into action.

Improvement of the local situation was evidenced by the reopening of a number of Cabarets, some of which kept the hours of 2 to 9.30 p.m.

A letter of thanks from Messrs. Jardine, Matheson and Co. to the Shanghai Fire Brigade for its services in Yangtszepoo, was forwarded to Captain Dyson, the Chief Officer, with a letter from the Chairman of the Council adding:

"I would like to add my personal appreciation of the work that the Brigade has been doing. I fully realize that splendid work has been done by you and all your staff under most trying circumstances."

It was announced that all Council Schools would remain closed until further notice.

An alleged warning by the Japanese that if the Soviet Consulate-General continued to display light signals the building would be shelled resulted on the night of August 26, in the inspection of the premises by a Soviet Vice Consul, in the presence of a representative of the Consular Body. It was reported that no-one was found on the premises, and that there were no signals whatever, or even electric light.

A Chinese communique denied the capture of Kalgan and of the Nankow Pass by the Japanese.

Another shell struck the Ward Road Gaol at 4 a.m., exploding in the Sikhs' dormitory, and wounding 7 Sikh warders and an Indian cook.

Messrs. Butterfield and Swire announced limited resumption of their shipping services, steamers being advertised as sailing for Northern ports, and Swatow.

News of the wounding of the British Ambassador caused heated comment in the American and European Press. It was announced that expressions of regret were tendered by the Ministers of Foreign Affairs and of the Navy, at Tokyo, by the Japanese Ambassador in China, and by the Japanese Ambassador in London.

Telegrams from the North announced that the Ambassador's Wife was speeding South in the Destroyer *Defender*.

During the evening the welcome news was announced that His Excellency had passed a fairly comfortable afternoon, that the haemorrhage was moderate and was decreasing and that "the general condition is definitely improved."

London cables reported that Mr. R. G. Howe, former Counsellor of the British Embassy in China who was on furlough prior to transfer to another post, would fly out to the Far East to take temporary charge of the Embassy.

Unfavourable comment was aroused by a report that Japanese Broadcasting Stations in their English broadcast, had announced that the Ambassador had been shot by "outrageous Chinese soldiery."

The following announcement was issued by Mr. W. H. Plant, Chairman of an influential international Committee for the evacuation of Chinese refugees:

The Committee's work falls mainly under two headings; firstly, the provision of shipping to carry the refugees from Shanghai, and secondly the necessary funds. A considerable number of the refugees can probably pay their fares, while there are others who can make a partial contribution thereto, although possibly cannot pay the full fare: there are perhaps still larger numbers destitute, or so nearly destitute that they are unable to pay any part of the cost of transferring themselves to their homes. It is believed that there are about 100,000 Chinese refugees, apart from those able to pay their own fares, requiring evacuation from this town. Of this number about 70,000 are natives of places in Kiangsu Province, and they can probably be enabled to reach their homes at the cost of a dollar or so per head. A further 15,000 require to be evacuated to Ningpo and these also can be assisted to get home, probably at a cost of no more than a dollar per head. There are also, however, some 15,000 natives of Kwangtung Province, and to assist these home will probably cost about \$8 per head. There is a need therefore for a total fund of well over \$200,000 which must be raised by public subscription.

Saturday, August 28

A Tragic Air-raid—Cables Interrupted—Mme. Chiang's Denunciation.

Chinese attacks on the Japanese positions around Lotien were stated to have been beaten off with the aid of artillery and aerial bombing. The Japanese claimed to have made further advances in the Woosung area, and to have effected a junction between their naval and military forces North of Shanghai University. Heavy gun-fire was heard from the direction of Woosung.

During the day it was reported that the Chinese forces had begun to withdraw, and would occupy a prepared defence line some 35 miles from Shanghai, with their right wing resting on the Whangpoo. Chinese official reports while admitting that there had been some rearrangement of the front denied any intention of withdrawing. It was stated that the Japanese had constructed rafts a mile and a half long, which were being towed along the Kiangsu coast by two warships.

Incoming passengers on the *President Lincoln* claimed to have seen two Japanese bombers shot down by anti-aircraft guns about 12.30 p.m.

The most serious air-raid of the day was the bombing of the South Railway Station by Japanese planes between 1 and 2 p.m. Chinese reports stated that the station was crowded with refugees at the time, and that as a result of the bombing over 300 casualties were inflicted upon them. It was stated that at the time Nantao and the South Station region were entirely denuded of Chinese troops, and that most of the victims were destitute refugees awaiting transporting into the interior. The bombing was followed by a panic-stricken flight from Nantao into the French Concession, whither many of the victims were brought for treatment. The attack was bitterly denounced

by the Chinese military spokesman and this demonstration that accurate bombing of an avowed military objective took so heavy a toll of helpless civilians aroused general horror and dismay.

The Japanese asserted that the station was bombed "because it was used for the transportation of Chinese units from the South." Chinese forces in Nantao had been numerically increased, and defence works were being erected there. If further increases of Chinese effectives took place in Nantao, it might be necessary to carry out the threat to take effective action in that district.

Shelling of the Hongkew area by Chinese artillery, using an armoured train, in the vicinity of the North Station after dusk resulted in an explosion of a shell in the N.Y.K. godown, which shattered the windows of the Japanese Consulate General.

During the day it was announced that cable communication with the outside world had been interrupted, apparently by damage to the foreign Cable Companies' cables between Woosung and Paoshan. Permission was being sought to effect repairs, but it was impossible to say how long the service would be interrupted until the nature and location of the damage had been discovered.

A cable from Tokyo reported the Japanese Premier as stating that the existing situation rendered diplomatic negotiations with the Nanking Government "virtually impossible. Japan's one course is to beat China to her knees so that she may no longer have the spirit to fight."

It was announced from London that the British demarche in Tokyo in regard to the wounding of H.B.M.'s Ambassador in China "will go beyond a mere protest" and might even include a demand for an indemnity.

Lady Knatchbull-Hugessen arrived in Shanghai on H.M.S. *Defender*, and after a visit to her husband in Hospital announced that in his present condition he could receive no visitors. Late in the evening Dr. Gauntlett announced that the Ambassador was out of danger, and that it would be only a matter of time—six to seven weeks—before he recovered.

It was stated that the Union Jacks flown on the two cars that brought the party down from Nanking were not on the radiators, but were flags 27 by 18 inches in size, flown from the roofs.

It was announced that as from August 29 the offices of the British Consulate General would be re-established in their Bund premises, with an entrance from Yuenming-yuen Road.

The *Shanghai Evening Post* published an interview that its News Editor Mr. Henry Ford had had with Mme Chiang Kai-shek, in which she denounced "the monstrous destruction of life and property proceeding in Shanghai which is horrifying the whole world" and claimed that China was only fighting in self-defence. She criticized the Settlement authorities for their remissness in tolerating the erection of concrete pill-boxes in the Hongkew area.

MUNICIPAL EMERGENCY COMMITTEES

The personnel of the principal Emergency Committees in the Settlement was as follows:

The following is a list of the personnel of the emergency committees appointed by the Municipal Council, all of which have been working continuously since August 15, and in several cases holding daily meetings at the Administration Buildings:—

Supplies & Fuel:—

Messrs. R. Calder-Marshall (Chairman), A. Eveleigh, L. W. Hutton, G. A. Parker, E. F. Watts, T. F. Wei, and departmental representatives.

Transport Committee:—

Messrs. W. J. Hawkings (Chairman), N. W. B. Clarke, (Deputy Chairman), W. Golding, J. D. E. Shotter, and departmental representatives.

Billeting:—

Messrs. H. M. Spence (Chairman), J. D. Watt (Deputy Chairman), A. W. Buck, N. E. Kent, F. R. Smith, W. Mellor, and departmental representatives.

Water Transport:—

Mr. W. B. Rigden (Chairman), Capt. F. Miners, Com. Deyo, U.S.N., Lt. Com. Woodhall, British Navy, and departmental representatives.

Medical Supplies:—

Dr. A. C. Bryson, Dr. Bernard Read, Mr. T. Hoggarth and departmental representatives.

Evacuation:—

Messrs. F. N. Matthews (Chairman), and departmental representatives.

Gasoline Sub-Committee:—

Messrs. C. H. Sprague, J. C. Williams, J. N. Bates (Secretary).

Chemicals Sub-Committee:—

Messrs. V. St. J. Killery (Chairman), L. Schneider, F. W. Cody, H. V. Hawley, P. Huet, and D. J. C. Stewart, Secretary.

Co-ordination Committee for Removal of Refugees.

Representatives of various voluntary Societies and Provincial Guilds, representatives of shipping interests, representatives of the three municipalities, and Mr. N. H.

Lacey, of Messrs. Lacey & Cannan, 12 The Bund, (Secretary).

This Committee holds its meetings at the offices of Messrs. Lacey & Cannan.

Man-Power Committee.

The work of the Man Power Committee was directed by Mr. L. C. Healey, Superintendent of Education, and carried out from the Education Department Offices in the Administration Building, Mr. Healey being assisted by a number of teachers from the Municipal Schools.

The Postal Services Committee was not called upon to function between August 15—August 28.

French Concession

The bulk of the benevolent and other work necessitated by the present emergency has been carried on by the ordinary personnel of the Council's Departments, and the Caisse des Oeuvres.


In addition two other Committees have been formed. The personnel of these is as follows:

Evacuation Committee:—

Le Comité est composé comme suit: Messrs. J. Cochet ou son délégué, L. Chevreton ou son délégué, E. Fauraz, and P. Jordan.

Victualling Committee:—

Le Comité est composé comme suit: Messrs. E. Saussine, L. Chevreton, J. Donne, P. Dupuy, Ch. Baboud, Tsi Tche ou son délégué, Lo Pa Hong, J. Fredet, J. Brediam, Dr. J. Rabaute, and M. A. Jaspard.



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FOREIGN TROOPS IN NORTH CHINA

Boxer Protocol & Other Agreements

RECENT events in North China have not unnaturally given rise to considerable discussion as to the reasons for the presence of foreign garrisons in that area, their rights and their duties. It may not be out of place, therefore, to give a brief summary of their legalistic position, as defined by the Boxer Protocol and other international agreements, and, so far as the terms have been revealed, by the more recent Sino-Japanese local agreements, which have been concluded by military representatives of the two countries.

In consequence of the Boxer Outbreak of 1900 foreign expeditionary forces landed in North China, took the walled City of Tientsin by assault, and marched across country to Peking, then the Capital of China, which was entered on August 14, relieving the Foreign Legations, which had been besieged since June 20.

At Tientsin the Foreign Military Commanders installed a Provisional Government. The Court had fled from the Capital as the relieving forces entered, and after long and trying wanderings, arrived at Sian, the Capital of Shensi.

Li Hung-chang and Prince Ching were named as Plenipotentiaries for the negotiation of a settlement, and on December 24, 1900, a Joint Note, signed by the Ministers of the outraged Powers, was handed to them embodying the conditions for the reestablishment of normal relations with China.

On January 16, 1901, Li and Prince Ching transmitted to the Foreign Envoys an Imperial Edict accepting their conditions. Negotiations ensued which resulted in the signature on September 7, 1901, of a Protocol, with 19 Annexes embodying the terms of settlement. Many of the conditions—such as those relating to the punishment of specified officials, and the despatch of special Missions to apologize for the murder of German and Japanese diplomats—had already been complied with by this date.

Among the military provisions of the Protocol were the following:

(a) Prohibition of the import of arms and ammunition and materials for their manufacture for a period of two years, to be extended for further terms if considered necessary by the Powers.

(b) Establishment of a Legation Quarter specially reserved for the use of the Foreign Legations and under their exclusive control, which might be made defensible, and in which each Power might maintain a permanent Guard.

(c) Razing of the Taku forts and any other forts which might impede free communication between Peking and the sea.

(d) Occupation by the Powers of certain points, to be determined by agreement between them "for the maintenance of open communication between the Capital and the sea." (The points then occupied were enumerated and were: Huangtsun, Langfang, Tientsin, Chunliang-

cheng, Tangku, Lutai, Tongshan, Lanchow, Changli, Chinwangtao and Shanhaikuan. At that time the river on which Tientsin stands was closed to navigation for two or three months every winter by ice. Chinwangtao, however, was an ice-free port, connected by rail with Tientsin.)

An Annex No. 14 defined the boundaries of the Legation Quarter, around three sides of which all buildings were removed to furnish a broad glacis, the South boundary being the main City wall from the Chienmen to the Hatamen gates.

In June 1901 the Foreign Envoys signed a Protocol regarding the Legation Quarter, which provided, *inter alia*, that the glacis should be recognized as common property, and that plans should be drawn up for the municipal administration and policing of the area.

The City of Tientsin continued to be administered by an international Provisional Government, until July 1902, when control was conditionally returned to the Chinese authorities. The instrument by which this was effected was known as the agreement for the Dissolution of the Tientsin Provisional Government. This was in the main, a military agreement. It provided for the completion of the demolition of the Taku forts, which was to be undertaken by the foreign Commandants. It reaffirmed the right to maintain foreign military posts between Peking and the sea, naming Tientsin as one of them, and prohibiting the stationing or marching of Chinese troops within 20 li (6 2/3 English miles) of the City or of the troops stationed at Tientsin. It gave the Commanders of the posts on the railway military jurisdiction to a distance of 2 miles on each side of the line. The Viceroy was to be permitted to maintain in Tientsin a personal bodyguard not exceeding in number 300 men. And it was stipulated that neither the Taku forts nor the Tientsin City wall should be reconstructed.

The arrangements for the occupation of the posts on the railway worked smoothly and without incident until the outbreak of the Revolution in 1911. At that time France, America, Germany, Britain, Italy, Japan, Austria-Hungary and Russia all maintained garrisons at Peking and Tientsin. Most of the intermediate points had been abandoned. With the danger of fighting on or near the railway, however, they (and most of the other stations) were reoccupied the sectors being allotted as follows: British, Fengtai to Yangtsun; French, Chunghangcheng to Peitang; Germans, Lutai to Tongshan; Japanese, Lanchow to Shanhaikuan.

It was recognized that it might be unfair both to the Imperial and the Revolutionary forces to debar them from the use of the railway, and the Diplomatic Body therefore adopted a series of resolutions permitting both sides to use the railway and adjoining piers and wharfe for transportation, but prohibiting them from doing any damage to track or equipment, any attempts at which

would "be resisted by the combined forces of the six Powers cooperating in the defence of the railway."

The Russian garrisons in North China were withdrawn in 1914; the Germans left for Tsingtao on the outbreak of the Great War; and the Austro-Hungarians were interned when China became a belligerent. The result was that notwithstanding the reinforcement of the American garrison by an infantry Regiment at Tientsin, the Foreign Garrisons were seriously depleted, and during the periodic civil wars that occurred between 1919 and 1928 were not in a position to occupy all the former military posts and prevent interference with the railway. On several occasions international military trains were run between Tientsin and Peking under Foreign Military protection when railway communication was interrupted, but the large Armies of Wu Pei-fu, Chang Tso-lin, Feng Yu-hsiang, and others did very much as they liked, and on several occasions disorganized railway traffic for days at a time. Though the Powers did not feel in a position fully to exercise their rights, they did not abandon them. In March, 1926, for instance, when the Manchurian and the Kuominchun Armies were engaged in operations near Tientsin, and foreign shipping was subjected to interference by the Manchurian warships, and the Kuominchun forces at Taku, both sides were given an ultimatum from the Protocol Powers, to cease hostilities between Taku Bar and Tientsin, to remove all mines and other obstructions, and to leave all searching of foreign vessels to the Customs authorities. Failing compliance with these demands, it was stated, the naval forces of the Powers concerned would take such measures as they might find necessary to enforce them.

The removal of the Capital from Peking to Nanking after the Nationalist Revolution, was not regarded as a sufficient reason for the withdrawal of the Foreign Garrisons. Nanking was not a safe place for foreigners to reside in for several years, and most of the Foreign Envoys and their Staffs continued to occupy the Peking Legations, only paying occasional visits to the new Capital when their duties required their presence there.

More recently, it may be supposed, the increase in numbers and activities of the Japanese Forces was regarded as an additional reason for maintaining Foreign Garrisons in Peking and Tientsin.

The Japanese Government was a signatory of the 1901 Protocol and the Agreement for the dissolution of the Tientsin Provisional Government, and therefore enjoyed equal rights with the other signatories.

The position today, then, is that all of the Protocol Powers except Russia, Germany and Austria-Hungary are entitled to maintain garrisons in Peking and Tientsin, and to establish military posts at any points on the railway between Shanhaikuan and Peking, both inclusive. The stipulations that the Commanders of these posts may exercise military jurisdiction to a distance of two miles each side of the line, and that Chinese troops may not be stationed or marched within 20 li (6 2/3 miles) of Tientsin City or the Foreign Garrisons therein is still supposed to be in force, though some years have elapsed

since the foreign Commandants have demanded the withdrawal of Chinese troops to this distance.

The military rights that Japan enjoys as a Protocol Power have been considerably augmented by a series of Agreements with the local Chinese military authorities. Though these Agreements are often cited in justification of Japanese military actions the full text of some of them has never been published. So far as is known—if the alleged Truce Agreement of July 1937 is excluded, these agreements are three in number, and placed in chronological order are as follows:

1. The Tangku Truce of May 25, 1933, signed by Major General Okamura and Lieutenant General Hsiung Pin (duly authorized by General Ho Ying-chin, Minister of War). This Truce which brought the invasion of Hopeh following the Japanese occupation of Jehol to an end, according to the published text, contained provisions for the withdrawal of Chinese military forces from a line running slightly to the North of Peking and Tientsin, verification of that withdrawal by the Japanese Army, which might use aeroplanes for the purpose, and the maintenance of peace and order in the evacuated zone by a Chinese Police Force. Negotiations for the implementing of this Truce, which took place at Dairen early in July, 1933, are reported to have resulted in the acceptance by the Chinese of further Japanese demands, including the employment of Chinese irregulars in the police force, establishment of agencies to handle matters relating to communications and economics along the Great Wall, leasing of land and residences for the use of Japanese troops in the evacuated area, and restoration of trade, communications, and the postal service on both sides of the Great Wall. It was in accordance with this understanding that Customs posts were established on the Chinese side of the Great Wall, postal communication between China and Manchoukuo was restored, and through railway traffic was resumed. On the Japanese side it was claimed that the proviso for the restoration of communications included air services, and this was their justification for establishing the Hui Tung Aviation concern, as a joint Sino-Japanese enterprise.

2. In May, 1935 the flight into the demilitarized zone of a number of irregulars who had been operating against the Japanese in Jehol resulted in another Japanese military incursion, which was ended by what is known as the Ho-Umetzu Agreement concluded between General Ho Ying-ching, and Lieutenant-General Umetzu. This Agreement provided for the dismissal of General Yu Hsueh-chung, Governor of Hopeh Province and a number of his subordinates, withdrawal of his troops from the Province, and the suppression of all anti-Japanese organizations in Hopeh, including Party Headquarters (Tangpu).

3. In June, 1935, following a dispute over the rights of Japanese to travel in Chahar there was a meeting between General Chin Te-chun, a Bureau Chief of the Chahar Provincial Government, and Major General Doihara, at Peking. This is reported to have resulted in an agreement under which the Chinese once more

undertook to dissolve anti-Japanese organizations, to withdraw the 29th Army (which has figured so conspicuously in the latest trouble from the Hopei-Chahar border) and to stop colonization by Shantung immigrants. The authentic text of this agreement has never been published.

The above three agreements are constantly being cited by the Japanese military authorities in Tientsin and in Tokyo in proof of China's "insincerity" and in justification of Japan's military actions. For example, on August 7, in the course of a Press interview, General Sugiyama, Minister of War alleged that in moving troops to North China the Chinese Government was violating the Doihara-Chin Te-chun agreement. The recent flights of military aeroplanes along the Peking-Hankow and Tientsin-Pukow Railways have been justified by citing the Tangku Truce. The Ho-Umetzu Agreement is constantly referred to in connection with the alleged existence of anti-Japanese organizations in North China.

The Japanese appear to see no reason for publication of the full and authentic texts of these Agreements. And the natural assumption is that the Chinese Government dare not publish them for fear of the reaction upon public opinion. Yet they figure seriously in every move in the North China crisis, and must also be regarded as having an important bearing upon China's international relations. For it would seem obvious that an appeal to the signatories (other than Japan) of the Nine Power Treaty of February, 1922, "Relating to Principles and Policies to be Followed in Matters Concerning China" would be countered by the contention that those principles had been unilaterally varied by China herself by the mere fact of concluding secret agreements with Japan.

It cannot, however, be considered fair to the Chinese public that it should be deprived of vital information relating to Chinese commitments in the North. It may be that in certain instances Japan has stretched the meaning and significance of these commitments. There is little doubt, however, that she holds up her sleeve, formal undertakings from China's military leaders which are inconsistent with some, at least of their recent ac-

tions. And that it is the embarrassing nature of these commitments that constrains the Nanking Government to conceal them. Legalistically the Japanese appear to be able on the basis of the 1901-2 international agreements, and the 1933-5 Sino-Japanese military agreements to put China technically in the wrong in many of her actions. The recent disastrous outbreak of hostilities at Tientsin, for instance, could never have occurred if China had refrained from stationing or marching troops within 20 li of that city. Nor could the presence of Japanese detachments at Langfang or Fengtai be lawfully disputed.

On the other hand, if the provisions of the 1901 Protocol etc. are still valid the Protocol Powers have shown remarkable laxity in upholding them. They have been appealed to in recent years only in cases of serious emergency, such as the overt interference with foreign shipping at Taku. And it would certainly appear desirable in the interests of peace that the attitude of the Powers concerned towards them should be clearly defined, and that a definite pronouncement should be made as to which of the military restrictions upon China are considered valid, and which may now be regarded as obsolete. It is unfair to China that what are obviously technical violations of certain of these servitudes should be condoned for years on end, and then denounced as illegal.

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"The Canton Register"

SOMEONE once said that wherever you put three Britons together in a foreign country one of them would inevitably put up a cup and the other two would compete for it. It would be equally true to say that wherever a small British community establishes itself little time elapses before it has its own newspaper. The first English newspaper to be established in China was the *Canton Register*, which began publication as a fortnightly journal in 1827, and later made its appearance weekly. We are told that at the outset it was edited by W. W. Wood of Philadelphia "a talented and versatile man, something of a gentleman adventurer. He himself wrote most of the news, set the type, and printed the paper on a hand press lent by the British merchant, Alexander Matheson," who secured the services of John Slade as editor when Wood withdrew. Robert Morrison regularly contributed the items translated from the Peking and Canton *Gazettes*.

Among the treasures in the Library of the North China Branch of the Royal Asiatic Society is a bound volume of this interesting publication. It is not complete, for the series begins in January, 1835, but it is a mine of information about contemporary events in the pre-Treaty days in Canton. It was a champion of free trade, at the head of each issue being the quotation:

"The free-traders appear to cherish high ambitions of their claims and privileges. Under their auspices a free Press is already maintained at Canton; and should their commerce continue to increase, their importance will rise also. They will regard themselves as the depositaries of the free principles of British Commerce.

CHARLES GRANT."

The present article is the result of an hour or two spent in perusing the issues of the first ten months of 1835. The *Register* was sold at \$10 a year, and included a supplementary market sheet known as "The Canton General Price Current." Its first page was usually given up to advertisements, for which there was a regular tariff, and which related chiefly to the arrival and despatch of vessels, and other shipping matters. In the issue of January 20, 1835, however, we notice an announcement that "The Union Insurance Society of Canton established on the 1st January, 1835 for marine insurance is now in action.

THOS DENT & Co.,
Secretaries.

Canton, 19th January, 1835."

Another advertisement reveals that a British Chamber of Commerce was already in existence, while readers were also notified that a consignment of Beer had arrived, and that "Choice Old Madeira Wine" could be purchased at \$10 a dozen.

convinced that Anglo-Chinese relations would never be Throughout 1835 it was evident that the Editor was placed upon a satisfactory footing without recourse to

force. In the issue of January 27, for example appears a contributed article headed "Commercial Treaty with China," from which the following passage is extracted:

"We hold it to be undeniable that the time has arrived when some deliberate and decisive act of interference is necessary on the part of the British Government to rescue our relations with the Chinese from the state of degradation into which they have fallen." The writer asserts, however, that in the event of a Treaty being concluded on equal terms

"it would be the duty of the British Consul to caution his countrymen against carrying on the opium trade; against exporting sycee silver, gold, or other metal; against the contraband trade on the coast; against hiring natives to teach the Chinese language; with a host of other prohibitions too numerous to be mentioned. Even the *Society for the Diffusion of Useful Knowledge in China* must be denounced as a treasonable association, and every avenue of the improvement of our intercourse closed up."

The issue of February 3 contains the following curious advertisement:

"Considerable inconvenience and public expense having been incurred by reason of the improper conduct of certain masters of British merchant vessels in wilfully leaving behind in this place men belonging to the said vessels; Notice is hereby given that this practice is contrary to law, and that the offence may be prosecuted by indictment or information at the suit of His Majesty's Attorney General in the Court of King's Bench at Westminster, as if it had been committed at Westminster in the County of Middlesex, and it is now declared that the Superintendents will take measures to institute proceedings against any master or masters of British vessels found offending herein in future.

By Order of the Superintendents
A. R. JOHNSTON,
Secretary."

Outrages upon foreign shipping were of frequent occurrence during 1835. One such was the seizure of a boat's crew belonging to the ship *Argyle*, which had been sent ashore to secure a pilot. The second Officer and crew were seized and maltreated by the local Chinese, their clothing was torn off their backs, and they were later compelled to walk most of the way to Canton without shoes or stockings. Seized on January 20, it was February 18 before they were released.

Captain Elliott landed in naval uniform in an attempt to secure the release of his countrymen, but was attacked and twice struck on the head, the Chinese refusing to hold any parley with him. The *Register* mildly criticizes the countrymen an opportunity of supporting him at the gate. Assistant British Superintendent for not affording his

"Had this been done even after the first repulse, we have no doubt that the same success would have attended the mission as we had lately the pleasure of recording in the case of a British merchant, who, with the support of his friends, maintained his post at the gate for a whole day, and at last by evening by determination to pass the whole night there alone, if not attended to, he succeeded in having his address received by the Kwang Heep at 8 p.m. We have no hesitation," adds the *Register*, "in saying, however, that we consider it derogatory to any British functionary to go through the humiliating form of presenting an address at the gate. And we earnestly join in the prayer contained in the late petition to His Majesty that he will not permit any future emissary to set his foot on the shores in China until ample assurance is afforded of a reception and treatment suitable to the dignity of the Commission."

The issue of February 10 records the arrival of an American vessel, the *Duncan*, with English papers "up to the 2nd September," and the following week notices were given of a meeting of British subjects for the purpose of establishing a British Hospital at Whampoa. It appeared that under an Act of Parliament then in force

"Where voluntary contributions (are made) towards erecting churches, hospitals or private burial grounds in any place where Consuls are resident, such Consuls are authorized to advance a sum equal to the amount of such contributions."

While the fate of the Argyle boat's crew was still in doubt the *Register* commented:

"If the greatest diplomatist armed with iron patience, came to Canton to settle affairs, what would be his success? He would be told to correspond through the Hong Merchants, to conform to ancient laws, to be quiet; depart, however, if you wish to introduce innovations, or we will stop your trade. What could he do against such repulsive treatment?"

The East India Company's Monopoly came to an end on April 22, 1834. The *Register* of April 7, 1835 records that during the first season of British free trade in China 158 ships of 82,472 register tons traded with Canton, and that 43,641,200 lbs. of tea were exported.

"The events of this celebrated year" comments the journal, "have fully proved the ability of British merchants to manage their own business in China without the intervention of establishments in Leadenhall Street, or an *orderly Factory* in Canton. The conduct and appearance of the crews of the free-traders have put to shame those of the Company's ships with their three days of unbridled license; and let but the British Government protect its subjects residing in China with its strong arms of power and justice; the British character will then speedily rise to its proper elevation in the opinion of this government and people, which it has never yet attained because it has never yet been known." It added that

"We can never reiterate too often that the preservation of trade—that is, its continuance during all public discussions—should be the first object of the British Plenipotentiary, and this can only be accomplished by the presence of a commanding naval force in Chinese waters."

The antagonism of the *Register* to the East India Company, which it never attempted to conceal, appears to have resulted in September, 1835, in the establishment under the Company's auspices, of a rival publication, the *Canton Press*.

In 1834 the "Society for the Diffusion of Useful Knowledge in China" of which Dr. Gutzlaff and James Matheson were the moving spirits, issued a publication in Chinese of which copies were sent into the interior. It was known as the *Chinese Magazine*. R. S. Britton, in his useful book on "The Chinese Periodical Press" states that some copies were sent to Peking, Nanking and other cities, "but there seems to be no report of the reception they received." The *Canton Register* enlightens us on this point, for the issue of October 6 contains a translation of an Imperial Edict fulminating against the *Magazine*. The Emperor Taoukwang on the 1st day of the 6th moon of the 15th year thus dealt with the offending publication.

"Lashen (fooyuen of Fuhkien) and others have forwarded a foreign book to the office of the Military Council from English foreigners, which has been presented to me for my inspection. I, the Emperor, have carefully turned it over and looked at it. The title page bears the date Taoukwang Keawoo (name of the 31st year, 1834, of the Chinese Cycle) it is dated in the summer months, and sealed with a private seal. The book contains quotations from the Five Classics. It is most certain that an outside foreigner did not print the book. The said nation frequents Canton for the purposes of trade; assuredly in the interior there must be traitors among the people who unite together to print and circulate (the book). This is most detestable. If this book was printed in the last year, how is it that this Spring it can be circulated from the said nation as far as Fuhkien province? This affair must most decidedly be investigated to the bottom, and it will not be difficult to ascertain the real facts. I order the said Governor and fooyuen (of Fuhkien) and the others to institute immediate secret inquiries. The shopmen who printed the foreign book must be seized and sent before the magistrat: and strictly examined as to what person prepared this foreign book and who gave it to the said shopmen to print, and the facts and persons concerned must be clearly proved and pointed out and elicited by examination; there must not be the least tergiversation or glossing over."

It is amusing to find what a stir the first foreign magazine in Chinese caused at the Manchu Court.

With this quotation we must end our first incursion into the pages of the *Canton Register*.

THE TIBETAN PONTIFFS

Dalai and Panshen Lamas

A RECENT Nanking message confirms the report that the long search for the new Dalai Lama has ended. It is stated that the deputation of Yellow Lama Priests that has been searching for the new Pontiff since early last year, on the basis of directions left by the last Dalai Lama, on his death-bed, has found his successor in the region of Taerssu among the pasture lands of Chinghai (Kokonor). The late Dalai Lama is supposed to have predicted that he would be reincarnated, not in Tibet itself, but in the adjoining Kokonor region. The Delegation is reported to have travelled thousands of miles before its search proved successful. The infant destined to become Priest-King of Tibet will now be escorted to Lhasa, where, if he satisfies the tests to prove his claim to the succession, he will be parted from his parents, and immured in the Potala to receive the religious training necessary to qualify him for his high office.

The selection of a new Dalai Lama has for some centuries been accompanied by various forms of hocus pocus. At one time it was customary for the succession to be fraudulently passed on to a relative of the deceased Pontiff. But in the opinion of his Suzerain, the Emperor of China, this was calculated to give too much power to the Dalai's family, and it was therefore ordained that future Dalai Lamas must be selected by lot. The incongruity of an alien Ruler deciding how the reincarnation of the Bodhissattwa Avalokiteswara (for that is what the Dalai is) is to be effected, does not seem to have occurred to the Tibetans. The practice, therefore, was for a number of likely infants, whose births were supposed to have been attended by miraculous signs, to be assembled at Lhasa. There their names were inscribed on slips of wood, which were sealed up and placed in a golden urn. From this receptacle one of the slips was withdrawn, in the presence of the Chinese Amban (or Resident), and the lucky candidate, who was usually aged three or four, was installed in the Potala, and, after a brief probationary period, ceremoniously enthroned. The late Pontiff—the thirteenth holder of the title does not appear to have been chosen by lot, the miraculous signs attending his birth being so positive that this formality was dispensed with. Apart from these signs a genuine Dalai Lama ought to have one or more of the following characteristics:

1. Marks as of a tiger skin on his legs.
2. Ears and eyebrows that curve upwards on the outside and are rather long.
3. Large ears.
4. Two pieces of flesh near the shoulder blades indicating the two other hands of Chenrezi.

5. An imprint like a conch-shell on one of the palms of his hands.

The deceased Pontiff is supposed to have had two of these characteristics—which two are not specified.

The chosen infant remains in the custody of his priestly regents and tutors until he attains his majority at the age of eighteen (seventeen according to European reckoning). Inasmuch as during his long minority temporal power is exercised by his guardians, they have, in the past, shown considerable reluctance to give it up. Consequently most Dalai Lamas have had their "beds changed" (i.e. been "bumped off") about the time of attaining their majority. The late Pontiff, who bore the formidable names "Ahwang-lo-pu-tsang-to-pu-tan-chia-chai-wang-chü-chueh-le-lang-chieh" was an exception to this rule. He was born about 1876, and survived until December 1933. He was an exception, also, in turning out to be a self-willed, and on the whole, an enlightened, ruler. The Dalai Lama unlike the Panshen Lama, exercises autocratic temporal power over Tibet, and though in his earlier days he was bigoted and reactionary, he learnt from experience, and in his later years sponsored many reforms and became extremely friendly with the British-Indian authorities. Yet it was the British (Young-husband) Expedition of 1904 that first drove him into exile, China having proved unable, and the Tibetan authorities unwilling, to implement the Sino-British Conventions relating to Tibet. The Dalai Lama first took refuge at Urga in Outer Mongolia, where he was the guest of the Djebsung Damba Hutukhtu, next to himself and the Panshen Lama, the most venerated of the Buddhist Hierarchy. He visited Peking in 1908 and was given additional (rather patronizing) titles, after which he returned to Lhasa. In the face of British and Tibetan opposition the Chinese authorities determined to subject Tibet by military force, and an Army under Chao Erh-feng invaded the country, infuriated the inhabitants by the sacking of several large monasteries, and eventually occupied Lhasa. On its approach the Dalai Lama fled to India, where he was hospitably treated, and inaugurated a life-long friendship with the British authorities. He was formally deposed by an Imperial Decree issued in 1910, but no steps were taken to find a successor, and when in 1912, on learning of the Chinese Revolution, the Tibetans rose, besieged, and finally expelled the Chinese garrison at Lhasa, he returned, and resumed his residence in the Potala. From that time his power steadily increased. He utilized his friendship with the British to introduce a number of reforms in the army, communications, etc., but never again submitted to Chinese suzerainty. Indeed for several years there was intermittent fighting between Tibetan and Chinese troops in the disputed border region.

The Dalai Lama apparently distrusted and disliked the Panshen (Tashi) Lama, whose official residence is at Tashilumpo, about eight days' journey westward from Lhasa, and brought such pressure to bear upon him that in 1923 he fled from Tibet, and has spent the intervening years wandering about in China, Mongolia and Chinghai. The Panshen Lama had acted in the Dalai Lama's stead during the latter's first period of exile, and in December 1905 he paid a visit to India where he was received by the late King George V (then Prince of Wales). Thereafter he always accorded a friendly welcome to any British officials who visited his official residence.

The present Panshen Lama, who was born in 1883, is held in even higher veneration by religious Tibetans than the Dalai Lama, because as a purely spiritual dignitary he is less contaminated by worldly cares. During his long exile in China and the outlying territories he has been assiduously wooed by the Chinese authorities, who apparently see in his return to Tibet an opportunity of re-establishing China's authority over that country. Negotiations for his return have been in progress for many months while the Pontiff has been waiting in Chinghai for news that he will be welcomed back by his people. A strong faction appears to have been opposed to his return, except under conditions that would preclude any interference on his part in political affairs. The most recent reports indicate that the ruling faction opposed his being accompanied by a military escort, or making a ceremonial re-entry into the country, and further, that it did not want him to visit Lhasa. It is now stated, however, that a movement in favour of his return has been growing among the devout Tibetans, and that yielding to pressure, the Lhasa authorities have agreed to allow him to make a ceremonial re-entry and even to make a stay of two months in Lhasa. His return journey was supposed to begin on August 12.

It will be interesting to see whether he can—even if he so desires—remain completely aloof from politics. During his stay in China he has been appointed an Administrative Member of the Chinghai provincial Government, and a State Councillor of the National Govern-

ment, and accorded unusual attentions by the Nanking authorities. In sponsoring his return, Nanking unquestionably has political motives. And it is possible that the powers-that-be in Lhasa may find their policy of restricting him to spiritual functions overridden by the large monasteries, whose turbulence has for long been one of the main obstacles to good government. The Panshen Lama should, of course, have had his views broadened by his extensive travels, which have included visits to Peking, Nanking and Shanghai. But if he is willingly or unwillingly induced to assume a political role he is likely to experience the same difficulties as the Dalai Lama in overcoming the prejudices and reactionary policies of the Lama monkhood. The latter have no sympathy with innovations, and even the Dalai Lama had to go warily to avoid driving them into open revolt. The position of the Panshen Lama, whose political activities will certainly be opposed by the *de facto* rulers who expect to continue to enjoy their privileges throughout the minority of the new Dalai Lama, and the conservative priesthood, who are most likely to rally to his support if he becomes a reactionary, will not be an easy one. If he entertains any idea of restoring Chinese authority over Tibet he may be expected to find both factions united to oppose him.

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"THE FAN KWAE AT CANTON"

By A. C. Hunter

(The book under the above title was first published in 1882, though it deals with life in Canton in the pre-Treaty days (1825-1844). Originally the Author described himself as "An Old Resident," Mr. A. C. Hunter who first landed in China in February, 1825, after a voyage of 125 days from New York, began his long career in this country by studying Chinese in the Anglo-Chinese College at Malacca. He later joined the firm of Russell and Co., of which he was a partner from 1837 to 1842. He lived to a ripe old age, dying at Nice in June, 1891, a few days after the failure of Russell and Co. Both the original and a subsequent edition of "The Fankwae at Canton" have long been out of print. They are so frequently quoted by historians of the early days of Foreign Trade in China, that it is proposed to republish the book in serial form in *Oriental Affairs*. Below is the ninth instalment.—Ed.)

THE years 1835 and 1836 were unmarked by any event out of the regular course. The business of the house was taking a great extension (purely as agency); but in 1837 occurred the failures in London of three important banking houses having a large American connection. We had negotiated their 'credits' for some of our constituents to a considerable amount for the payment of teas and silks. Those houses were Thomas Wilson & Co., George Wildes & Co., and Timothy Wiggin, commonly known as the three W's. These failures were within a short time of each other. On reference to our register of bills drawn, we found the total amount of which we had not yet received advice of payment or acceptance to be close upon 200,000l. They were all drawn on 'clean credits,' without 'collaterals' (which were not yet in vogue), and at six months' sight. We had confidence in our American constituents, but as the shipments occupied, say, four months in getting to market, and could only be sold at the usual credit of six months, very little margin of time existed. Our own credit, however, was the first consideration. One of our partners, then in Boston, had in his charge a very large amount belonging to Houqua, who gave us an order on the former to hold at our disposal any sum required. Enclosing this, we directed remittances to be made to Messrs. Barings of a sufficiency to cover all such bills on the W's as could not be relied upon for payment by those for whose accounts they had been drawn, and simultaneously we informed Messrs. Barings that remittances would be made to them to provide for such bills, so that our signature could be promptly honoured.

Communication with the Western world was long in those days; there were even no 'clipper' ships yet. Accustomed, however, to such delays, we waited patiently the result. Our first advices were from London. They informed us that the writers, Messrs. B. B. & Co., would honour all bills bearing our name on the three bankrupt houses in question. This was a gratifying thing, as they had not yet received our communication above referred to. Everything worked with regularity. Some of the firms for whose accounts the bills had been drawn were ready to meet them, others furnished securities, and the ultimate loss was inconsiderable on the whole account. So rapid had been remittances from our Boston partner that, when

the final account current was received at Macao from London, 1840-41, the balance of interest was in our favour, while Houqua was recouped in full as payments were made to our home partner by American constituents.

If I am not very much mistaken, 1837 was the first of those years ending with '7' which have become proverbial as attended with great commercial troubles in the Western world.

In the year 1838 (November) Mr. William Jardine took his departure from Canton. He founded in 1832 the house of Jardine, Matheson & Co., on the closing up of that of Magniac & Co., which until then had been under the management of Mr. Hollingworth Magniac. Mr. Jardine had been a surgeon in the marine service of the Honourable East India Company, and had made several voyages to Bombay and China. He had made the acquaintance of the celebrated 'Jamsetjee Jeejeebhoy,' that prince of Eastern merchants, that philanthropist—the building of the hospital which now bears his name, and the construction of the Bund from the island of Bombay to Basseen, being amongst the numerous works which were carried out at his own expense for the comfort and welfare of his countrymen. He was, moreover, the first native inhabitant of the Presidency, and I think of India, on whom was conferred the dignity of Baronet by the British Government. The business transactions of Jamsetjee Jeejeebhoy with Jardine, Matheson & Co. became of a colossal scale.

The vast commercial operation of Mr. Jardine seemed to be conducted with sagacity and judgment. He was a gentleman of great strength of character and of unbounded generosity. To him belongs the shipping of the first cargo of 'free teas' to London, at the end of the two hundred years of close monopoly of the East India Company. As a peculiarity of his character, it may be mentioned that, in his own private office in the Creek Factory, a *chair* was never seen—a hint to any who may be bothered with gossips or idlers during business hours!

A few days before Mr. Jardine's departure from Canton, the entire foreign community entertained him at a dinner in the dining-room of the East India Company's Factory. About eighty persons of all nationalities, including India, were present, and they did not separate until several hours after midnight. It was an event frequently referred to afterwards amongst the residents, and to this day there are a few of us who still speak of it.

Mr. Jardine was succeeded in the management of the house by Mr. (the late Sir James) Matheson, who finally left China on March 10, 1842, after a residence of about fifteen years. He was a gentleman of great suavity of

manner and the impersonation of benevolence. As the 'Chinese Repository,' in noting his departure from Macao, said: 'On his leaving, the foreign community lost one of its most enterprising, able, and liberal members.'

On February 26, 1839, the execution of a Chinese, said to be an opium-dealer, took place in front of the American Factory. The officers had chosen the hours of the afternoon when nearly all the foreigners were away in their daily walks or on the river. The man was tied up and strangled in a twinkling, and all had rapidly returned up Old China Street with the body. On landing from our boats we found the few who had not been away collected in the Square, and heard from them what had happened. The only public notice that could be taken of this affair was to discontinue the daily hoisting of the national flags before our doors; nor were they re-hoisted until March 22, 1842.

The appointment of a 'Kin-Chae,' or Imperial Envoy, to Canton, for the express purpose of putting a stop to the opium trade, had now become known. This appointment—only made on an occasion calling for extreme measures—was conferred upon Lin-Tsih-Soo, and involved control not only over all the Canton authorities, but those of the southern and south-eastern provinces. His Excellency 'Lin' was the son of an independent gentleman of Tseuen-Chow in the province of Fuh-Keen who lived on the revenues of a porcelain manufactory, in which he himself had worked as a day labourer it was said.

The 'Kin-Chae' at length arrived at Canton on Sunday morning, at half-past eight o'clock of March 10. Two gentlemen and myself went on board of a small schooner lying off the Factories to witness his arrival. He was seated on board of a large official boat, with a few red- and blue-button Mandarins standing a little to the rear, so that we had an excellent view of him personally. He had a dignified air, rather a harsh or firm expression, was a large, corpulent man, with heavy black moustache and long beard, and appeared to be about sixty years of age. His own boat was followed by a great many others, on the sides of which, on a black ground, were painted in gold letters the rank of the principal occupants, while flags of various colours were displayed abaft. The crews were neatly dressed in new uniforms of red trimmed with white, and conical rattan hats of the same colours. These boats contained the principal officers of the city, civil and military, from the Viceroy to the Superintendent of the Salt Department. The walls of the 'Red Fort,' nearly opposite the Factories on the Honam shore, were lined with soldiers, as were those of the 'Dutch Folly,'* arrayed in bright new uniforms. Both shores of the river, every door and window, and every spot of standing ground, were thick with people. Everyone was observing the novel scene quietly and as curiously as ourselves. No other boat of any description was moving about; all were lying close to the shores, and a universal silence prevailed. Besides my

*An old Chinese fort so called, east of the Factories.

companions and myself, not a 'foreign barbarian' was to be seen in the vast gathering.

On the 17th the Hong merchants, the Linguists, and the Compradores (except our own) were summoned to an audience of the 'Kin-Chae.' They obeyed it with fear and trembling. The object was to ascertain who, amongst the foreigners duly registered as occupying the Factories, and whose names had been forwarded to Peking eighteen months before, were still present and in the opium 'business.' Russell & Co. not having been included, our Compradore was not 'invited,' at which he appeared particularly delighted.

On the 18th the 'Kin-Chae' sent for the Hong merchants. They were charged with having connived at the opium trade, and his Excellency threatened to strangle some of them if it was not *instantly* put a stop to! They were also accused of allowing foreign dealers in 'smoke' to reside in their Factories, and were very much frightened, as one of them said, 'No hav see so fashion before.' Forthwith they met in 'Consoo' to deliberate, and remained until late in the night.

On the same day the first edict from the 'Kin-Chae' to foreigners was issued. It ordered all opium held by them to be surrendered, and that they should sign bonds to discontinue the trade, 'under penalty of death.' It became very clear that his Excellency was not to be trifled with.

On the 19th, Messrs. Matheson, Dent, Green, Wetmore, Dadabhoy Rustomjee, and Daniell met the Hong merchants at the Consoo House, and were informed by them verbally of the commands of the 'Kin-Chae,' which were a repetition of the foregoing, with the addition that the opium was to be destroyed. Moreover, if his Excellency's orders were not complied with, the consequences would be serious. There were at this time 15,000 chests on board of the 'receiving ships' at Lintin, and 5,000 chests at the coast stations, and the cost of all over \$12,000,000.

The foreign community thought to propitiate the 'Kin-Chae,' after the receipt by them of his 'unalterable' commands, by offering to give up a *certain* quantity. This had been suggested by the Hong merchants, who, no more than ourselves, supposed the 'Kin-Chae' to be serious in insisting upon *all* that was held. A meeting was therefore convened in the Danish Hong, on the night of March 21, at which nearly everyone was present, as were also the Hong merchants, who assembled in an adjoining room. They were as anxious as we were to avert the threatened trouble, should the 'Kin-Chae' not listen to 'reason,' as they expressed it. In fact, throughout, while we were prisoners in the Factories, as will be seen, for six weeks, under threat of death and constant, unheard-of pressure, they did what they could to alleviate our condition through appeals to the 'authorities of the City.' All this was done with very great risk to themselves. Their presence at the meeting was from a desire to know the decision to which it might come, that they could report it to the 'Kin-Chae,' as quickly as possible, and, in fact, we saw by his reply that it had been made known to him between five and seven on the morning of the 22nd.

An hour or two before the meeting, Houqua made his appearance at our office, and requested Mr. Green, the then chief, to add 150 chests of opium to the quantity he intended to offer on behalf of Russell & Co. to the general subscription, for which he himself would pay. The cost of these chests would have been \$105,000! The gentlemen present at the meeting, on behalf of their firms subscribed 1,034 chests in all, of the value of \$725,000. These were offered to the 'Kin-Chae,' but disdainfully refused. All communication with the shipping at Whampoa was then cut off; quantities of soldiers collected near the Factories, as well as on the river, while several days before, all the gates opening to the rear of the Factories had been bricked up.

Before the promulgation of the 'Kin-Chae's' proclamation to foreigners, I was invited by the senior Hong merchant to translate from English into Chinese a communication that had been prepared by his Excellency, conjointly with the Viceroy and Lieutenant-Governor of Canton, addressed to Her Majesty the Queen of England. This arose from the original having been translated into English, and the Imperial Envoy was desirous to judge for himself if the latter version conveyed the sense of the Chinese. Having consented, I passed four hours of a very cold day at the Consoo House in accomplishing the task. There were present a delegate from the Commissioner, a Mandarin of the fourth rank (light blue button), an inferior officer, Houqua's grandson, Mouqua and Kingqua, and two Linguists. The document was a most extraordinary one. Prominent is the bombastic style, the outcome of ages of dominion, ignorance of Western official forms through an absence of diplomatic intercourse. It said: 'In dealing in opium, regardless of the injury it inflicts upon the Chinese people, an inordinate thirst for gain controls the actions of these foreign merchants.' With an idea that the use of it was prohibited in England: 'We have heard that England forbids the smoking of opium (within its dominions) with the utmost rigour; hence it is clear that it is deleterious. Since, then, the injury it causes has been averted from England, is it not wrong to send it to another nation, and especially to China?' Then there is an appeal to personal feeling: 'How can these opium-sellers bear to bring to our people an article which does them so much harm, for an ever-grasping gain? Suppose those of another nation should go to England and induce its people to buy and smoke the drug—it would be right that You, Honoured Sovereign, should hate and abhor them. Hitherto we have heard that You, Honoured Sovereign, whose heart is full of benevolence, would not do to others that which you would not others should do to yourself.' The grandiloquent then appears: 'Our great Emperor maintains Celestial lands and foreign nations in equal favour; he rewards merit and punishes vice; and, as is the heart of heaven and earth pure and incorruptible, so is his own. The Celestial Dynasty rules over ten thousand nations, and in the highest degree sheds forth its benign influence with equal majesty.' This

is in the sense of grandeur or stateliness. It ended thus: 'By manifesting sincere and reverential obedience§ mutual-ly will be enjoyed the blessings of great peace! Heaven will protect your Majesty; the Gods bless you, lengthen your years, and grant you a happy and an honourable posterity.' I never heard if this document reached its destination.

On March 23, every Chinaman in the Factories, from the Compradore to the cook, left by order of the 'Kin-Chae,' and were threatened with decapitation if they dared to return. The day before, Mr. Lancelot Dent, chief of Messrs. Dent & Co., had been *invited* to enter the city and meet his Excellency, which he declined to do. Other but ineffectual attempts by the authorities to induce him to go were also made, when, on the 24th, Captain Charles Elliot, Her Majesty's Superintendent of Trade, arrived from Macao, and immediately assumed charge, on behalf of the English residents, of the perplexing question of the 'total surrender of the opium.' The street in rear of the Factories was now filled with soldiers, a strong guard also placed in the 'Square,' and a triple cordon of boats drawn up from the Creek to the Danish Factory. The whole community were thus prisoners in the hands of the Chinese. Provisions were not allowed to be brought in, no one was permitted to go beyond the 'Square,' and matters assumed a decidedly serious aspect. We overcame the difficulty of provisions in this way. The Chinese soldiers being entirely unaccustomed to foreigners, there was a danger that 'trouble would arise,' the Hong merchants therefore represented this to the City authorities, and offered to send their *own coolies* to keep watch at the different gates of the Factories.¶ This was agreed to, and the double object was gained in supplies of firewood and provisions, which were at night stealthily brought to us by them.

On March 27, on the 'Kin-Chae's' demand to Her Majesty's Superintendent 'that all the opium under the control of the English merchants should be given up,' 20,283 chests were tendered and accepted, and 'Chunpee' fixed upon as the place of delivery. To control the delivery, Mr. Alexander Johnston, Deputy Superintendent, was furnished with a conveyance, and left Canton on April 3. The 'receiving ships' moved up to the Bogue, where the entire quantity was handed over to officers (appointed by the 'Kin-Chae'), who caused it to be destroyed in deep trenches on Chunpee heights. Thus 'reverent obedience' was shown. Captain Elliot remarked, in his despatch to her Majesty's Government, dated March 30, 1839: 'This is the *first time, in our intercourse with this Empire*, that its Government has taken the *unprovoked* (?) initiative in aggressive measures against British *life, liberty, and property*, and against the dignity of the British Crown.' No words could more strongly confirm everything herein said in relation to the safety of property and life which we had enjoyed at Canton. But the despatch contained not a word of the provocation given by foreigners in con-

†The capital of Canton province is Show-King-Foo, and was the residence of the Governor-General of Canton and Kwang-Se. Consequently upon the former becoming the seat of foreign trade, the Governor-General removed there, and second to him is the Lieutenant-Governor. He is now styled Viceroy.

‡Figurative for 'a great many.'

§These and similar expressions in Chinese official documents, over which Western people make such an absurd fuss, are no more to be taken literally than the vulgarised form of 'your obedient servant.' In the present case 'reverential obedience' is to be taken as 'serious cooperation,' so the Blue Button pointed out to me.

¶That no one might escape.

tinuing the condemned traffic under constantly repeated injunctions against doing so, and persistent warnings to discontinue it. I, of course, do not blame my brother merchants at Canton, no matter to what nation they belonged, as we were all equally implicated. We disregarded local orders, as well as those from Peking, and really became confident that we should enjoy perpetual impunity so far as the 'opium trade' was concerned.

The night of March 24 was one of unusual brilliance in its cloudless sky and full moon. The Factories, forcibly abandoned by several hundred Chinese (estimated at eight hundred) at a moment's notice, resembled somewhat places of the dead! Their foreign occupants were thus left literally in a complete state of destitution as regards service of any kind, not even a scullion being allowed to remain. The consequence was that they were compelled, in order to live, to try their own skill in cooking, to make up their own rooms, sweep the floors, lay the table, wash plates and dishes! It may be supposed that it produced discontent, complaints, and impatience. Not at all; we in the Suy-Hong—and it was the same with our fellow-prisoners in the other Factories, with few exceptions—made light of it, and laughed rather than groaned over the efforts to roast a capon, to boil an egg or a potato. We could all clean knives, sweep the floors, and even manage to fill the lamps. But there were mysteries which we could not divine; our chief, Mr. Green, after a vain attempt to boil rice—which, when prepared, resembled a tough mass of glue—proved a most wretched cook, and took to polishing the silver, but abandoned that and finally swept the floor! Mr. Low conscientiously did all he could, but after toasting the bread to death, and boiling the eggs till they acquired the consistency of grape-shot, he abandoned that department, and took to one not exacting so much exercise of mind, and 'laid the cloth' dexterously and well. The rest of us, from modesty or a feeling of sheer incapacity, did no more than was absolutely necessary. It would have been unfair to rob the others of their laurels! Some one had to fill the pitchers; any one could draw a cork, or even boil water. Thus, by hook or by crook, we managed to sustain life—of which the 'bread' was nightly supplied to us by Houqua's coolies. They also brought (made up in bags, as if 'personal effects' or 'blankets to keep off the dew,' thus passing the guards) edibles of all sorts.

During the day we met in the Square, which became 'High 'Change' of experiences in desperate efforts to roast, boil, or stew. Some went the length of considering it great fun; others heaped unheard-of blessings upon the heads of His Celestial Majesty, Taou-Kwang, and his envoy 'Lin.'

No two men were so unctuously abused, as if the vilifiers themselves had always followed strictly the 'Eight Regulations' under which they lived! What amusement all this created.

*The Canton agents talked over the question of half-commissions on consignments thus withdrawn. It was argued that their Indian principals would recover from the British Government, a charge sanctioned by commercial usage. The half-commissions were assumed to be about 300,000 dollars. No unanimous decision was arrived at, but on the quantity delivered up by Russell & Co.—nearly 15,000 dollars—the charge was foregone.

By May 2, 15,501 chests had been given up, when the servants were allowed gradually to return, and the whole quantity, 20,283 chests,* completed on the 21st. On the 27th Captain Elliot returned to Macao, and on the 30th the opium clipper 'Ariel' left for Suez direct with despatches for the British Government. She returned on April 2, 1840.

Between May 6 and 21 many foreigners were permitted to leave the city, and went to Macao or Whampoa. Captain Elliot, before going himself, on the 22nd issued a notice to British subjects that they also were to leave, and by the end of the month they had left; and there remained no foreigners but Americans, about twenty-five in number. On the 29th I left with all books, papers, etc., not actually required at Canton, in company with six other boats for Macao, containing Parsees and several English, including Doctors Cox and Dixon. On the way down we were joined by four large chop-boats with Messrs. Lindsay & Co.'s establishment, and John Shillaber and others from Messrs. Jardine, Matheson & Co.'s. The trip was most enjoyable; we dined or passed the day with one another and arrived nearly at the same time at Macao on the night of June 1. The Mandarins who came on board at Che-Nae and at Heang-Shan were civil as usual, and seemed perfectly indifferent to what had passed at Canton.

(To be concluded)

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A MONTHLY REVIEW OF ECONOMIC CONDITIONS IN CHINA

Chinese Banks Doing Restricted Business During War Time—Dr. H. H. Kung Concludes Loan Agreements in London, Paris, Prague and Czechoslovakia—China's Foreign Trade in June Much Improved.

By Y. S. SHEN

WITH the outbreak of hostilities in Shanghai on August 13, all business in this metropolitan city came to a standstill. Although China is well prepared to meet the crisis financially, all banks were closed on August 13 in accordance with a special order of the Ministry of Finance and were opened only on August 16 under special conditions.

To finance the war, the Chinese Government has decided to issue National Salvation Bonds to the amount of \$500,000,000 in addition to the large sums of money contributed by the Chinese people both at home and abroad. According to the regulations governing the issuance these bonds will be issued in three periods. During the first period from September 1 to September 31 \$100,000,000 worth of bonds will be issued. During the second period from October 1 to December 31 \$200,000,000 worth of bonds will be issued. During the third period beginning from January 1, 1938 another \$200,000,000 will be issued. These bonds will be subscribed by the people either by cash or other valuables including gold, silver or articles made by gold and silver, land, government bonds and ordinary commodities. Three years after the conclusion of the war, the Government will begin to redeem the bonds and it is planned that the entire amount will be redeemed in 20 years. Great enthusiasm has already been displayed by the people to subscribe these bonds and it is generally believed that they will be over-subscribed in no time.

In Europe, Dr. H. H. Kung, Minister of Finance, concluded a number of loans with foreign Powers in the past month. Negotiations for obtaining a loan of £7,000,000 for China's railway network were concluded, according to an announcement in London on July 27. These loans, it is reported, would provide £3,000,000 for the construction of the Canton-Meih sien line and £4,000,000 for the Pukow-Sinyang line. "China does not need money," Dr. Kung declared in connection with this loan, "but foreign capital offers an advantage in that it is not necessary to send funds out of China in order to buy the needed materials. Moreover foreign interest rates are considerably lower than those in China." It is further revealed that the interest rate of the loan will be 5 per cent.

On August 4 it was revealed that Dr. Kung succeeded in reaching an agreement, in principle, with British interests for another loan of £20,000,000. It is understood that the proceeds of this loan would remain in London

and be drawn upon by the Chinese Government as required—most probably for the conversion of China's internal loans. The loan will be secured on the revenue of the Chinese Maritime Customs. Details of the issue, however, have not been fixed.

In addition to the £20,000,000 loan, Dr. Kung has succeeded in concluding another loan from France amounting to Frs. 70,000,000 for the specific purpose of increasing and strengthening the foreign exchange reserve of the Chinese national currency. Together with the \$34,500,000 loan extended last year to finance the construction of the Chengtu-Chungking Railway, the present loan will materially augment French financial interests in this country.

It may be mentioned here that Dr. Kung signed on August 13 an agreement with a group of Swiss and Netherlands bankers for a substantial credit to China. Another loan of £10,000,000 is reported to have been concluded in Prague between Dr. Kung and the Czechoslovakian authorities for the purchase of war materials.

China's adverse balance of trade was reduced approximately by three million dollars during the month of June, as compared with the May figures, according to the Monthly Returns of the Foreign Trade of China for June, released by the Statistical Department of the Chinese Maritime Customs. At the same time both imports and exports for the whole of China rose spectacularly. A similar trend is seen in comparisons of figures for the first six months of this year with those of a similar period last year.

Imports from abroad for the whole of China during June were placed at \$114,675,736, as compared to \$110,990,636 for May of this year and to \$88,747,993 for June of 1936. Exports from the whole of China to countries abroad in June totalled \$84,829,909, as against \$78,336,837 for the previous month and \$58,406,787 for June of last year.

Net imports from abroad to the whole country during the January-June period amounted to \$606,014,965, according to the returns, while the total for the same period last year was but \$459,000,244. Exports from the whole of China during the first six months of this year totalled \$482,859,251, as compared with \$332,711,469, the total for a similar period last year.

A LETTER FROM JAPAN

False Assumptions—The Tungchow Massacre—National Unity—A Submissive Diet—Russo-Japanese Relations—Japan's Aims—A Variety of Reasons—That "Change of Attitude"—The Shanghai Hostilities—Prince Konoe's Policy—Wartime Finance—Yen Exchange.

Tokyo

By H. VERE REDMAN

IN recent years a number of Chinese writers have confidently declared that Japan would not risk a major conflict with China because, if she did, internal convulsions would assail her and the Soviets would attack her. The most outstanding demonstration of the past month is to the effect that she has, they have not, and it has not. There is some point in amplifying that demonstration, not only for what it means now, but also for what it may mean for the future of East Asia.

It is an astonishing feature of political psychology that nobody ever understands about other people what he understands about himself. I should imagine from reports and visits that every educated Chinese knows perfectly well that what has been represented as "the threat of Japan" has been the major factor in the achievement of such unity as China enjoys today. Very few Japanese know it; it somehow does not seem real to them. It must be the ability of Chiang Kai-shek, subtle propaganda, Western influence, or anything you like except the obvious fact. Tungchow has been something of a lesson. For popular consumption of course, that massacre has been incorporated in the general tale of Chinese barbarism, treachery, irresponsibility, and what not. But the thoughtful find difficulty in escaping from its grim logic, from the plain fact that a Chinese territory detached from Nanking influence, given autonomy, reasonable prosperity, under the Japanese aegis, still contains Chinese who are Chinese and will take the first available opportunity to turn on their foreign benefactors. The plain lesson of the whole business is the curious paradox that every time Japan detaches a Province from the Chinese Central Government she attaches it in sentiment to the idea that such a national government represents.

Every Chinese must know this, but how many of them are capable of applying its logic *mutatis mutandis*. Of course, for a dozen obvious reasons, Japan is more closely integrated than China. But she has, or had, her factions which had troubled her much and encouraged the Chinese writers of earlier mention. But where are those factions and convulsions to-day when resolute dealing with China is in the wind? There is hardly a sign of them, that any average observer can distinguish.

The Extraordinary Session of the Diet opened on July 25, the first meeting of the new House, elected on April 30, with the new Government. The previous Government, under General Hayashi, had been at odds with the Diet. He had dissolved the House of Representatives, and the results of the subsequent elections had been in substance a vote of

censure on such high-handed methods on the part of the Executive. The party leaders were fully—perhaps over—conscious of their success, and in the ordinary way would have shown the Konoe Government that they were by no means its obedient servants. Yet in the event they did nothing but murmur a series of varyingly enthusiastic "yesses" to everything the Government proposed until one Japanese newspaper was moved to suggest that "galaxy of automata" could not behave better. They passed the two special North China budgets of Yen 96,800,000 and Yen 419,600,000 respectively, without a murmur, as well as the Military Secrets Preservation Revision Law, the Tax Increase Law, and the Law Providing for Additional Bond Issues. When they were not passing Government legislation unanimously, they were equally unanimously passing resolutions of gratitude to the combatant forces for their services, and urging the Government to the more resolute in its persecution of the campaign. There never was such a display of unanimity, and this in a Chamber with every apparent previous reason to be otherwise.

And the same unanimity prevails throughout the country. Of course, the great Japanese public is always unanimous in following anything that seems roughly to have established its right to be followed. Political convulsions do not, as a matter of fact, touch that great public at all. They are carried out by small groups of variably resolute people and the apparent winner has public support as inevitably and spontaneously as night follows day. On this matter of China, the resolute men are as one, and behind them, as ever, is the great public. So much for Chinese prophecy about internal dissension.

As to Soviet action, in the month of May there were several Soviet-Manchukuo border incidents. In the month of June, there were again several such incidents, culminating with the really very serious one of June 30 on the Amur. Since then, there have been no such incidents. There are, of course, many conclusions to be drawn from this, but one at least about which there will be no controversy is that the Soviets do not intend, either through fear or any other motivation one likes to conjure up, to take advantage of Sino-Japanese hostilities to attack Japan or Japanese interests in Manchoukuo. Of course, the end is not yet. Marshal Bluecher's presence in Outer Mongolia, virtually admitted by the new Soviet Ambassador, Mr. Michall Slavutsky, on his arrival here, may have important results.

In can be asserted with full confidence, however, that the Japanese are prepared to go to any lengths in this

business, and that the attendant risks from outside sources do not seem to them very great. But having said this, we are still a long way from what can be called Japan's war aims. Even in a real war, as we all remember, aims change all the time, according to the developments. People usually know why they go to war, but what they want from a war once it has started is naturally in a state of flux. If this is true of a real war, how much more true must it be of these Sino-Japanese hostilities! The expedition to North China was a punitive one. How much punishment is considered necessary? Frankly, we don't know, and the reason why we don't know is that, as the punishment goes on, the crime goes on too, and necessitates more punishment. We understand here that the 29th Army has been pretty well driven out of North China, and certainly the Peking-Tientsin area has been completely cleared. If the situation could be left at that, the punishment might be considered complete. But the advance of the Central Army, the general mobilization, the Shanghai concentration, the killing of Sub-Lieutenant Ohyama, etc. etc. are at once resistances of punishment and new crimes, necessitating preventive attacks and new punishment. And so, in all honesty, we are puzzled to know what exactly we are aiming at.

Take this unanimous national mood for a radical settlement with China. Clearly, it is an instinctive thing. The dialectics are definitely *post hoc*. We say to ourselves: "We must get this China business settled once and for all. The Chinese must be taught a lesson." And we go forward to do it. And then, afterwards, we say: "We must have access to China because of our scant resources," or if you don't like that, "the Chinese have attacked our Army and we must avenge them." Or if you don't like that, "our interests by treaty established are threatened, and we must protect them." Or if you don't like that, "anti-Japanese education is rampant in China and is the spear-head of anti-foreign education, and in everybody's interests we must put an end to it." And if you don't like that, "well in any case, damn you, we are going to do it, because instinctively we know that we must."

And it is just ingenuous to imagine that all this somewhat contradictory justification has not a certain validity of its own. There is a clear case for Japanese action as stated in last month's letter. There is a genuine Japanese desire for moderation. That must be obvious to every fair-minded person who has followed the course of the campaign and compared it with the similar campaign in Manchuria. But the Japanese authorities cannot be satisfied with any settlement made while Chinese forces remain in positions threatening those of Japan, for they feel, naturally enough, that such settlement will be in no sense permanent. There has to be a spectacular climb-down, and the Japanese are prepared for a campaign of several months to ensure that they get it. Mr. Hidaka, on his return here, said two or three years would be well spent on the task.

The nature of that climb down can hardly be expressed in term of troops withdrawal from this or that point, or equivocal pledges given by the Nanking Government. Its terms lie in precisely what the Japanese say they lie, a "change of attitude" on the part of the Nanking leaders, and the Japanese have every means of knowing, quite

apart from the surface manifestations like attacks upon Japanese civilians in various parts of China, whether that change of attitude has or has not taken place. It has not taken place yet, and consequently the campaign goes on. This may seem an imprecise objective, but it is clear enough to the Japanese and clear enough to the Nanking leaders, if not to other Chinese, and the practical demonstration that it has been attained will be determined as time goes on.

Meanwhile, the Japanese see in the whole of the Shanghai business China's usual attempt to involve the Powers. They see up to a point that the dispatch of troops to the Shanghai area was designed to attack Japanese interests where they could be attacked without stepping straight on to Japanese guns. More harm can be done to Japan by Chinese forces at less immediate risk in Shanghai than anywhere else because of the large civilian population and commercial interests there. But the Japanese firmly believe that this was not the main reason for the original concentration of Chinese troops there. That main reason, they declare, was to involve the Powers, for however they were involved, it would obviously suit the book of the Nanking leaders. If the Powers attempt to restrain Japan there is that much gained, and if, on the other hand, they take a hostile attitude to the Chinese forces, this means that the Nanking climb-down when it comes has not been brought about by Japan alone, but by all the Powers combined, which makes it a little more palatable for the Chinese public, and a little less dangerous for General Chiang Kai-shek and his friend. And it must be said that this looks more or less like sense.

The obvious Japanese strategy in response to it is to invite the condemnation of the foreign Powers for the illegal behaviour of the Chinese in attacking the Settlement, but at the same time to ensure that the Powers shall have no real part in dealing with the illegality. Thus for political reasons they do not want the war now taken away from the Settlement area, while for strategic reasons they can hardly consent to the creation of an ex-settlement neutral zone. They will deal with the Shanghai situation in their own way, and they claim that within a short time the menace to the Settlement will be removed.

This undoubtedly is the sense of Prince Konoe's statement to the press of August 20. He pointed out that until the Shanghai affair occurred Japan's policy had been one of non-aggravation of hostilities, but that developments in the Shanghai area had forced them to abandon this policy, and thus to prosecute the campaign against the Chinese with the utmost rigour. He pointed out at the same time that the basic aim of Japan was to ensure reasonable cooperation in the economic and political spheres, and that the Japanese would welcome any sort of regime anywhere in China that would extend that cooperation. He admitted the possibility that the present hostilities might cause a considerable amount disruption of China, but of course denied that the bringing about of this disruption was any part of Japan's aim. Questioned as to the Government's attitude with regard to intervention, by third parties, he said that such intervention could not now be tolerated, that the present struggle must be fought to a finish, and

that when a decision had been reached, the good offices of the Powers would be welcome in arranging details of a settlement in so far as they were concerned.

This last pronouncement may seem somewhat equivocal. Its purport can only be judged in the light of some appraisal of what is considered by the Japanese as a decisive issue of the present hostilities. As far as one can gather, from sources which for obvious reasons cannot be revealed, the idea is, by sustained aerial attacks on Nanking, Hankow and other Yangtze cities, etc. to destroy the power of the Chekiang financiers who are the backbone of the present Soong-Chiang Kai-shek regime. Having done this, it is conceivable that there will be no Chinese Government, even a formal one, to make peace with, and in such an event, the cooperation of the foreign Powers will be invited in regulating their own future positions in China. The implications of this need hardly be stressed.

Meanwhile, plans proceed for placing Japanese economy on a semi-wartime basis. The Finance Ministry is preparing a bill for submission to the next session of the Diet which opens about September 10, providing for the control of imports, monetary funds, enterprises, and consumption, all such controlling measures to be taken by the competent Ministers at their own discretion. The object of the present bill is partly to adjust international accounts and partly to assist the absorption of national bonds which, both the Finance Minister and the governor of the Bank of Japan are not bound to increase.

Every effort is to be made to keep the yen exchange at one shilling and twopence. Already, the Bank of Japan and the leading banks dealing in foreign exchange, including the foreign banks operating here, have agreed to co-operate in keeping the yen at that figure in all exchange transactions as from August 24. The Government will also attempt to maintain the existing rate of interest on national bonds, namely $8\frac{1}{2}$ per cent. With regard to the absorption of such bonds, Mr. Yuki, Governor of the Bank of Japan, does not anticipate much difficulty. He states:

"I am convinced that there is no cause for anxiety as to the digestion of national bonds provided there is support on the part of financial circles generally, I see little risk of inflation of a vicious nature."

That support is certainly forthcoming. Representatives of the syndicate banks and trust companies decided last Thursday that in view of the emergency situation they would forego all handling commissions in connection with North China Affair Bonds. Following this decision, an issue of a hundred million Yen was made, to be marketed at Y98.50 on a face value of Y100, bearing interest at the rate of 3.5 per cent redeemable on December 1, 1948. Subsequent issues will be first underwritten and taken over by the Bank of Japan, but the Bank will receive advance subscriptions from savings banks, life insurance companies, trust companies, and also rural banks.

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No. 907

Riga, October 15, 1937.

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The Honorable
The Secretary of State,
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Sir:

1/

I have the honor to enclose herewith a
strictly confidential memorandum embodying the
substance of a conversation which I had on Octo-
ber 14, 1937, with the Latvian Minister for
Foreign Affairs, Mr. Vilhelms Munters, relating,
for the most part, to the situation 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

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East and in Spain.

As stated therein I handed Mr. Munters copies of President Roosevelt's address on October 5, 1937, as transmitted in Radio Bulletin No. 232 of October 5, 1937, and the text of a statement issued by the Department of State on October 6, 1937, as transmitted in Radio Bulletin No. 233 of October 6, 1937.

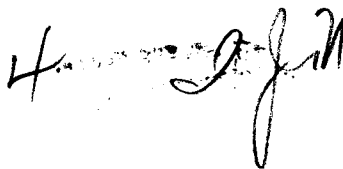
Respectfully yours,


E. L. Packer,
Chargé d'Affaires a.i.

✓
Enclosure:

1. Memorandum of Conversation,
October 14, 1937.

(In quintuplicate)
Copy to American Embassy, Paris.
Copy to American Embassy, Rome.
Copy to American Legation, Bern.



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ELP:jp:10

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

Enclosure No. 1 to despatch No. 907 of October 15, 1937,
from the American Legation, Riga, Latvia, on the subject
of "Conversation with Latvian Minister for Foreign
Affairs on Conditions in the Far East and Spain."

STRICTLY CONFIDENTIAL

Riga, October 14, 1937.

MEMORANDUM OF CONVERSATION

Mr. Vilhelms Munters, Latvian Minister for
Foreign Affairs.

Mr. Packer.

I called by appointment upon Mr. Munters on the
morning of October 14.

I informed Mr. Munters that I had originally re-
quested an appointment in order to enable me to leave
with him copies of two documents in which I thought
he would be interested, namely, the text of the
President's address in Chicago on October 5, 1937,
and the text of the statement issued by the Department
of State on October 6, 1937, which was so closely
related to the recent Geneva resolution on the Japanese-
Chinese situation. I said that since then I had re-
ceived instructions from the Department on another
matter* which I would mention to him presently and
which had occasioned my telephoning a second time
to his secretary regarding an appointment.

Mr. Munters said that before he left Geneva
on

*The International Telecommunications Conferences
at Cairo. A forthcoming separate despatch on the
subject is being submitted.

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on October 7 he had seen the text of the President's address in Chicago, but that he was very glad to have it, and that he had seen only an excerpt in the press from the Department's statement of October 6, the full text of which he was glad to have. I asked if he cared to comment on these statements. He said that the statements were not, of course, entirely unexpected in Geneva. He said that he had been in touch with Minister Harrison at Geneva and that the Department's statement of October 6 would obviously not have been issued so promptly had not the Department been so fully informed by Mr. Harrison of developments at Geneva.

I remarked that the situation in the Far East is quite bad at the moment. He said that perhaps it was a little less critical now; that possibly the Japanese have achieved, or are about to achieve, what is apparently their objective in the four northern provinces and that perhaps negotiations with China can be begun before long; that what will be the nature of the demands Japan may make upon China remains to be seen; that whether they will be accepted by China is, of course, uncertain; that if the Chinese refuse, there may be a long continuation of the present warfare. He said that of course the situation in Europe is closely tied up with that in the Far East.

I asked if he had any information as to what might be the real purpose of Ambassador Bogomolov's return to Moscow. He said that he had not read any

more

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more than was in the press; ^a that it was impossible to get any accurate information on Russian affairs in Geneva; that it was much better to be back on the spot here where better information is available.

I asked if he felt that the Mussolini-Hitler meeting in Berlin had any particular significance so far as Latvia and the Baltic States are concerned. He said that he had no such impression from what he could learn in Berlin. He then said that no one could trust Germany today; that Germany is in the same position that Russia was in fifteen years ago when everyone was apprehensive as to what its next move might be and uncertain as to what its actual, in contrast with its potential, strength was.

I said I wondered if he felt there was anything approaching a consensus of opinion in Geneva as to the identity of the submarines which have been active in the Mediterranean. He said that the Valencia Government had asserted there that the submarines were Italian, but that as far as actual evidence establishing that fact was concerned, he had seen none. He said that as far as his personal opinion was concerned they were Italian.

I said that the press indicated that there was
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^a - The Riga press reports that he has returned to Moscow to induce the Soviet Government to intervene on the side of China. Riga RITS, No. 281, October 13, 1937.

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to be a meeting of the Non-Intervention Committee in London in a day or two. He said he thought the British are interested in prolonging the life of the Non-Intervention Committee as a sort of safety valve to let off steam; that apparently the British wish to interpose no new factors in the present situation and are endeavoring to prevail upon the French not to insist upon opening the French-Spanish frontier, in the hope that something may blow up in Spain between Franco and the Italians, who are a source of embarrassment to Franco. He added that the more Italians there are helping Franco, the greater is his embarrassment.

He said also that in so far as third parties are concerned, he believes that no munitions are reaching either side in Spain except in Spanish vessels, a fact which apparently explains why, so far as he knows, no vessel carrying arms belonging to third parties was ever stopped by the international control forces.

Mr. Munters also remarked during the conversation that one got the definite impression in Geneva that no one trusted either Germany or Italy at the present time, and that even if they asserted that they were in favor of peace one could not believe it.

ELP
E.L.P.

ELP:jp:10

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 4, 1937.

London's despatch No. 3496 of October 26, encloses three memoranda by a newspaper writer dealing with his interviews with the Japanese Ambassador.

The Japanese Ambassador spoke with bitterness of the conflict with China which he said the militarists had forced upon the country and was extremely fearful lest the ruthless air attacks would bring church influences in the United States and Britain to compel their Governments to impose an economic boycott upon Japan. The Ambassador's purpose in seeking the interview was to inquire what were the prospects of Britain's accepting the role of mediator. His tentative suggestions for terms of peace included the recognition of "Manchukuo", the non-recognition of which he said had provided the militarists with a pretext for further aggression, that order be restored and maintained in the north and that China undertake to put an end to anti-Japanese propaganda and boycotts. He thought that an opportunity might arise for an offer of mediation after Japan had won a spectacular but local victory at Shanghai thus permitting the militarists to save face but not to obtain too complete a triumph. The Ambassador also endeavored to elicit an opinion on the possibility of restraining British press opinion, for if the militarists gathered from the tone of the British press

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DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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that Great Britain was irrevocably prejudiced against Japan they would rule out mediation. The Ambassador said that in putting out feelers he had been acting on his own initiative and that there were influential circles, some of the most powerful and highest in the land, which would support such initiative. Not being in a position to make an official démarche he hoped that an inkling of his ideas could reach the Cabinet through a private channel. He felt there was no objection to joint Anglo-American mediation, or even to American mediation backed by Britain.

COMMENT: The influential circles of which the Ambassador speaks are probably the group close to the Throne headed by Count Makino, the Ambassador's father-in-law. While there is no reason for doubting that the Ambassador is sincere and would receive the support of the circles he mentions, it is believed that it would be difficult for Japanese public opinion after the anti-British press campaign that has been going on in Japan to be prepared to accept Great Britain in the role of mediator. The views expressed by the Ambassador in regard to peace terms and the necessity of a face saving victory at Shanghai do not seem to be out of line with the Japanese moderate opinion in general.

JWB
JWB/REK

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 3496 London, October 26, 1937.

SUBJECT: Secret Memoranda of Conversations
between the Japanese Ambassador and
the Counselor of the Japanese Embassy
in London and a Newspaper Writer.

STRICTLY CONFIDENTIAL

RECEIVED
DEPARTMENT OF STATE

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COMMUNICATIONS
AND RECORDS

Copy
Commercial Cases (A-M/U)
To

Tokyo
Perkins

The Honorable

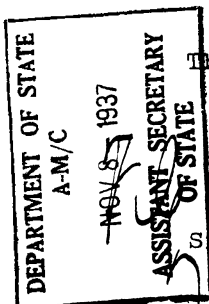
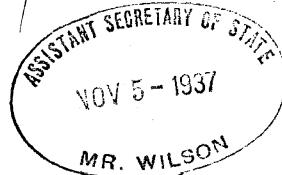
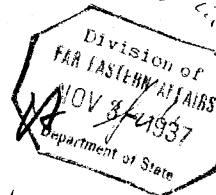
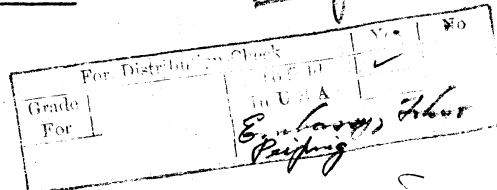
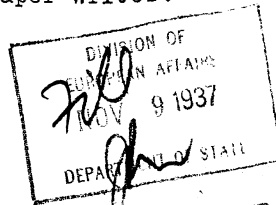
The Secretary of State,

Washington, D.C.

Sir:

I have the honor to forward, as of possible

- 1-2/ interest to the Department, copies of secret memoranda
of conversations with the Japanese Ambassador and the
Counselor of the Japanese Embassy in London, and a
3/ copy of a third memorandum giving the conclusions of
the writer of the other two memoranda. These memoranda
were furnished the Embassy in the strictest confidence
by a very experienced and generally well-informed British
free-lance /



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free-lance newspaper writer known as Professor Gerothwohl. While the Embassy feels certain that Professor Gerothwohl had these conversations, it naturally is in no position to gage the accuracy with which he has reported them. In giving them to the Embassy, Professor Gerothwohl emphasized several times the necessity for keeping them absolutely secret. He has sent copies in confidence to Mr. Norman Davis, with whom he says he is well acquainted.

Respectfully yours,

For the Ambassador:

Herschel V. Johnson
Herschel V. Johnson
Counselor of Embassy

Enclosures:

1. Conversation with Japanese Ambassador, September 27, 1937;
2. A Further Talk (September 25);
3. Conclusions.

HVJ/MW

4 *John*

Enclosure 1 in despatch No. 3496 of October , 1937,
from the Embassy in London.

(COPY)

SECRET.

27th September 1937.

I

Conversation with Japanese Ambassador.

Both the Japanese Ambassador (Mr. Yoshida), and his Counsellor (Baron Tomii) are friends of old standing. I knew them both when they were Junior Secretaries.

Last Thursday, 23rd September, I lunched with Tomii. We had a very frank talk on the Far Eastern situation, during which he mentioned that the Ambassador was extremely anxious to see me at an early date. He did not know precisely on what ground, but thought he might wish to review with me the European situation, as he frequently does, and in particular the changes which Anglo-Italian relations might have undergone as a result of the recent tri-partite technical agreement on the Mediterranean patrols. I concluded that the Ambassador desired to "pump" me about the possibility of our being able, on the strength of this agreement, to detach a number of warships for the Pacific. In this assumption I was wrong, as indeed was Tomii himself.

On Saturday morning, therefore, September 25th, I saw the Ambassador alone. His first words were: "I asked you to come because I want your help as an old friend in this terrible business. I have just sent my Government a long telegram, perhaps the most strongly worded I have ever sent them in the whole of my career. I have told them that this dreadful bombing of civilians must stop, if they wish to avoid a calamity." I said here that I thought he had done

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a wise and courageous thing. For there was no doubt that these outrages had stirred up both in this country and in America a wave of popular indignation, which, in the case of two countries so utterly governed by humane sentiment and ethical standards, might compel their Governments to do what until now they had obviously been unprepared to do, namely, to take concerted action of some kind. If America moved, so should we, and in that case it would be surprising if the other major European powers did not join in. I was not saying that this would happen tomorrow or the day after, but it might not require many months or even weeks, if the Japanese Militarists persisted in their present tactics of frightfulness. I fully realised that their object was to end the war quickly, for fear that, were it protracted, the danger of collective foreign intervention might materialise. But if their object was to avoid foreign intervention, nothing was more likely to bring it about than their present tactics. It was perhaps a speculative thing to contemplate, but in the long run it might even be that Europe's reconciliation would be effected on the back and at the expense of Japan. Assuredly nobody in Japan would care for this!

The Ambassador replied that knowing us and the Americans he fully realised what humane sentiment, backed by the power of the churches and the chapels in the Anglo-Saxon countries might eventually produce. He then went on to say, to my astonishment that nobody in Japan, except the Militarists, had wanted this war, or wished it to continue. It was the Militarists' last spurt. His own "class" (meaning the aristocrats as well as the diplomats), were against the war.

So

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So were the business interests. So were the workers, and (what was perhaps more remarkable) the peasants, - generally so patriotic. He did not wish me to publish anything about this circumstance, but it was a fact that for the first time in Japanese history, the Reservists were not responding willingly to the call to the colours. There had been harrowing and disturbing scenes caused by their women folk. The truth was that nobody could understand why they were fighting China on this occasion. No doubt Japan had certain strategical interests to safeguard in the North, where the Russian peril was ever present. But otherwise her chief interest in China was trade and therefore mutual prosperity, not war. The latter was not going to get them trade. There were also other dangers. Japan admittedly could not stand the strain of a long war. She had not the money; and, if trade was stopped or curtailed, and more especially if something came of the movement towards an economic boycott now shaping, the results might easily be disastrous for Japan. The Japanese people were already groaning and becoming restive under the crushing taxation imposed to satisfy the exactions of the Militarists. To the distant threat of foreign intervention I had already alluded. But his Government for the moment was more concerned with the possibility of a Soviet attack. I interrupted here to express surprise at their concern in that quarter. For he must know that most governments did not believe Russia to be capable of any but defensive operations at this juncture. She seemed to the French, as to the German Staff, so I had ascertained, paralysed by internal dissensions

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and the disorganisation of the High Commands. The Ambassador retorted that nevertheless the Japanese General Staff regarded the possibility of a Soviet attack with the greatest seriousness, and felt constrained to take precautionary measures against it. If Russia could not move now, she might be able to do so a few months hence. That at any rate was the information at his disposal. But, of course, you never knew exactly whether the General Staff were saying what they really thought, or whether they were playing a game of their own. They had wrecked (although they were not alone in this) the Disarmament Conference of 1932-1934, by harping on the Russian Peril and certainly magnifying it; just as they had compelled Japan to embark on an insufferable burden of naval expansion, on the false but carefully cultivated assumption that America was expanding her Navy in order to attack Japan. Whatever might be the truth about Russia's intentions at the present moment, there were other and sufficient factors, already mentioned, to give every sane Japanese patriot cause for reflection and alarm.

Then, abruptly reverting to the earlier part of our talk, the Ambassador explained once more that "this bombing has got to stop, and the war itself must be stopped as soon as possible. But how?" He could only see one way, which was that of friendly mediation. What was needed was an honest broker, a powerful but also a tactful one. He could see no such broker except Great Britain, whose interests in the Pacific were so great, and peace interests, because they were mainly commercial interests. The pity of it all was that the Militarists had trapped Japan into war at the very moment when he had started conversations with the British Government

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in an effort, eagerly desired by his country, to resume the old cordial relations, and to bring political appeasement to both Japan and China through that collaboration, an economic one. For not only was there room in China for both British and Japanese trade and enterprise, and for German and Dutch and other trade as well, but in a sense the British and the Japanese geniuses were complementary. To cite but one instance, although Japanese engineering had reached in many branches a standard comparable to the best in Europe, only British engineering could remedy China's centuries old economic curse, the floodings of her great rivers. What a task for British engineering lay here! It could accomplish in China what it had already accomplished in India and in Egypt. But we were wandering away from the more immediate issue.... He wanted me either to tell him frankly, or if I did not feel able to answer that question straightaway, to ascertain what might be the prospects of British mediation? Admittedly there would be great difficulties in the way. I concurred, remarking that the prospects of such mediation seemed to be slight indeed. In fact, I would describe them as nil, so long as the Japanese Militarists continued daily to flout all ideas of humanity and decency. There was in the first place the temper of our people to be reckoned with. That temper might not easily consent to any move the purpose of which might seem to it to be the extrication of Japan from the morass which she herself had created. I was alluding not only to the violent feelings displayed by our Left parties, by Liberals and Socialists in particular, but

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but by certain Conservatives too, as also by the non-political man in the street. The resentment at Japan's conduct was intense, and would not be easily appeased. There was in the second place the question of eventual peace terms. Now, speaking frankly as before, I could not conceive of terms equally acceptable to China, Japan, Great Britain and the conscience of the world. Would the Japanese Militarists ever accommodate themselves to terms which did not entail the complete subjugation of China, in fact her enslavement, and direct control over something like half her territory? How could we ever foster, or even consider, a peace of that kind? He answered that, possibly, to begin with, it might be advisable to envisage no more than the terms of an armistice, as in 1932 our then Ambassador to China, Lampson, and our Naval Commander in Chief, Admiral Kelly, had succeeded in framing to the satisfaction of both parties. I remarked that what they were then dealing with was relatively speaking a local affair at Shanghai. The scope of the present operations, however, was so far reaching in both its space and objectives that I could not see how an armistice could be negotiated without some outline of the broad peace terms envisaged. He asked me what sort of peace I thought that the British Government might consider? I retorted that so vast a question was rather puzzling, and I did not feel competent even to attempt an outline. He said: "Do you think that in talks with your political friends you could not arrive at some broad conception?" I confessed that even so it would not be easy. He agreed that it might be
neither

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neither practicable nor expedient to go so fast. He himself, however, had a few tentative, very tentative, suggestions. Japan must be expected to insist on recognition for Manchukuo. In a way its non-recognition had been at the root of all the trouble. It had provided the Militarists with a pretext for "rounding off" Manchukuo by occupying a few more provinces. And, when this occupation had been disputed by the Chinese, that again had served as an excuse for going further south. Manchukuo must be recognised. Then, order must be restored and maintained in the rest of the North. I suggested that this would have to be an international, and not a Sino-Japanese solution. Thirdly, he stated that China would have to undertake to stop anti-Japanese propaganda and the anti-Japanese trade boycott. Of this I said that it would be for Japan to modify her attitude in such a manner as to remove all justification for China's anti-Japanese sentiments. Finally, in my turn I enquired of the Ambassador in what set of circumstances he would deem an offer of our good services to be expedient? He replied that it might be a little difficult to specify in advance a suitable moment, but he thought it might arise when Japan had won a spectacular but purely local victory, for instance, in front of Shanghai, under conditions which might permit of the neutralisation of Shanghai. It would be necessary to save the "face" of the Militarists by first allowing them to gain a spectacular local victory. On the other hand, they must not be permitted to crush and humiliate China by too complete a triumph. It was a delicate point. Mediation must

-8-

must come neither too soon nor too late. But the opportunity for its exercise should be carefully watched and preparations made in the meantime. Could I get into touch with my political friends and see how they reacted to the idea of eventual British mediation? I assured him that I would most certainly do so, but repeated my warning about our national temper, and the nature of the only peace terms which we could conscientiously countenance.

I ended by putting to him what I described as a delicate question. When in 1905 Japan went to war with Russia, she earned the admiration of the world, not only by the bravery of her soldiers and the skill of her generals, but by their chivalrous conduct towards their opponents in defeat or distress. Could he tell me why the conduct of Japan's army at this date was so different and, instead of arousing the admiration of the world, had aroused its indignation? He replied quietly: "In 1905 nine out of ten of our naval and military officers were Samurai. Today nineteen out of twenty are sons of peasants and shopkeepers. Our 'class' is no longer what it was, and where it was. Our feudal education is no more. It has given place to a purely materialistic one, - what you call a bread and butter education. That is the explanation."

Enclosure 2 in despatch No. ³⁴⁹⁶ of October , 1937,
from the Embassy in London.

(COPY)

SECRET.

II

A FURTHER TALK (25 September).

I had a further talk to-day, a brief but not unimportant one, with the Ambassador. I expressed regret that his telegram of last week, pressing for the stoppage of the air attacks on great urban centres, had not met with a more favourable response. He told me that he had just sent another, urging more energetically than before that the Japanese air raids be restricted to military objectives in general, and in particular to areas where there was no risk of heavy civilian casualties. He fully realised the tremendous wave of indignation which the persistence of the bombing of centres like Canton and Nanking had aroused all the world over, mentioning incidentally that it looked as if the Churches and Chapels of this country would co-ordinate their efforts with those of the United States in compelling the two Governments to impose an economic boycott against Japan. He admitted that there was no move which he apprehended so much as this. With regard to the reported sinking of unarmed Chinese junks by Japanese submarines, he assured me that the only information at his disposal from Tokyo was to the effect that the Japanese navy had no knowledge of any attacks of this kind. He could do no more than express the hope that the British Government, which, as he knew, was at that very moment engaged in the task

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task of investigating the true facts in connection with this alleged incident, would form no hasty judgment on the strength of one-sided charges, until its own enquiries had been completed. He also confessed to me that he was exceedingly worried about the attitude of the British Press in the matter. For it had rushed to conclusions unfavourable to Japan on the sole basis of reports from the Chinese and their friends. He feared that this attitude might have disastrous consequences on whatever opportunities might yet offer of British mediation. For, if the Japanese people once got it into their heads that Great Britain was irrevocably prejudiced against Japan, the Militarists would seize on this popular impression in order to rule out any question of such mediation. Would not it be possible, he enquired, for our Foreign Office to hint to the pro-government organs that they would be well advised to suspend judgment on this issue until the enquiry by British officials had borne fruit, and in the meantime to refrain from denouncing Japan on this particular indictment? He knew that over the Opposition organs the British Government, in the present circumstances, could exert no effective control. But if only the serious organs like "The Times" and the "Daily Telegraph" could be prevailed on to wait for an impartial verdict, an invaluable service would be rendered to the cause of prospective mediation. He added that it would be better still if some member of the Cabinet, either the Prime Minister or the Foreign Secretary, could be induced to ask the British Public not to be stampeded into a premature judgment resting on obviously prejudiced reports.

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I retorted that the British Press was not easily controlled by official action of the kind he suggested, when, on the broad facts of the issue, its mind was already made up, and when the pressure of public sentiment was so strong. However, I did not mean to say that the Government, at any rate, had not preserved a cool head or that they might not be willing to advise greater caution on the part of the Press. But even such advice was likely to be disregarded if the Japanese army and navy chiefs did not abandon their methods of frightfulness.

I further informed the Ambassador that in accordance with his wishes I had sounded one or two of my friends on the Government side on the possibilities of British mediation, should an early opening be seen for such an initiative, but that the conditions seemed to them, as indeed to myself, far from favourable. It would be extremely difficult for the British Government to adopt any course, which, given the present temper of the British people and the not unnatural assumption that whatever terms the Japanese militarists would ultimately be got to endorse would constitute of necessity terms wholly unfair to China, would not appear in public opinion in this country to have been devised solely for the purpose of helping Japan out of the predicament of her own creation. I then remarked that it was equally difficult for me to put forward in any responsible British quarter the suggestions for eventual mediation which he had formulated in the course of our previous conversation, without knowing exactly what weight was behind those suggestions. In other words, had he the authority of his own government for putting
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forward any feelers of this kind? His answer was commendably frank. He stated that he had received no instructions from his government on the subject. But, in grave emergencies such as the present one, an Ambassador who represented his country at a great distance, and who happened to be in touch with the major currents of opinion at home, must sometimes not shrink from a personal initiative, and a sense of deep personal responsibility, in trying to shape the views and action of his government, and in being perhaps a little ahead of them. Such an attitude on his part was the more justifiable and even the more imperative, when he happened to be aware of the influential circles which would be certain to support such an initiative. He could assure me that there were exceedingly powerful influences behind him, some of the highest in the land. But, of course, he was not at the moment in a position to undertake any official demarche in the sense indicated. But he would welcome an informal opportunity of mentioning the subject he had at heart in a purely informal and private conversation with a British Minister, preferably, of course, the Foreign Secretary, and, was it necessary to say, more particularly the Prime Minister. However, in the first instance, he would be satisfied if an inkling of his ideas could reach them through a purely private and friendly channel. On the previous occasion he had spoken to me exclusively of British mediation. This did not imply his ignorance of the fact that whatever steps he might take in regard to a settlement of the Far Eastern crisis would first be

communicated

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communicated by us to Washington, and the latter's opinion in the matter given the greatest weight by the British Government. Needless to say, there would be no objection in his mind to joint Anglo-American mediation, or even to American mediation, backed by Great Britain. But he felt that Great Britain would be readier to take any initiative than would America in her present mood, and that, considering Great Britain's much bigger interests in the Far East, Great Britain would be the more eager and the best qualified mediator. It was useless to talk of mediation by France, Germany or Italy. They were not leading Pacific powers. I concurred.

Enclosure 3 in despatch No. 3496 of October , 1937,
from the Embassy in London.

(COPY)

SECRET.

III.

Conclusions.

1. I am convinced, from my personal knowledge of the Ambassador, whom I have known for over fifteen years in a variety of posts and circumstances, that he is absolutely sincere. He has been prompted to make the suggestions summarised above primarily by his conception of a sane patriotism. He feels that Japan, under the spur of the Militarists, has committed a tragic and vital blunder which may easily bring ruin to her Empire and the nation. He is not without personal experience of the Militarists. For some eighteen months ago, when, after acting as Japanese Ambassador-at-Large in America and Europe, he was appointed Foreign Minister, the Japanese War Office intervened to secure the cancellation of his appointment in that capacity, as the Japanese General Staff were unwilling to co-operate with him in the Cabinet. The Premier had to cancel the appointment, and to offer him the London Embassy instead, with the special mission of bringing about Anglo-Japanese reconciliation.

In the second place, the Ambassador, I am sure, is animated by the old Samurai spirit in deploring and condemning the present excesses of the Japanese Militarists.

2. I must confess that I was at first a shade more skeptical not of the veracity, but of the accuracy of his statement portraying the Japanese people, from the aristocracy

-2-

tooracy to the peasant population, as opposed to the present war. I thought that this analysis of Japanese sentiment - outside purely Militarist circles - was at least exaggerated, if honestly so. But, curiously enough, it was fully confirmed to me from another and independent source, namely, Professor Cheng, of Tien Tsin University, who is now in London, and tells me that he visited Japan last spring, where he discerned the greatest friendliness towards China on the part of every class, excepting always the Militarists. By a curious coincidence, Professor Cheng, in his talk with me, used precisely the same expression as the Japanese Ambassador had used, in describing the present war as "the last spurt of the Militarists"! Nevertheless the question remains whether, unless their supreme adventure had already failed, the Japanese Militarists would not be strong enough to prevent the acceptance by their government of any reasonable settlement with China? I do not feel competent to express myself definitely in one sense or the other on this crucial point.

3. Such doubts, however, which I cannot conceal, as to the possibility at any early date of British mediation on terms acceptable to ourselves and to the world at large, as well as to the belligerents, should not, I think, prevent us from giving the most earnest consideration to the Ambassador's suggestions. If peace could be achieved by the means favoured by him, even though its terms might not be in absolutely strict accordance with our ideas of moral equity (they should not, however, diverge widely from that ethical

-3-

ethical standard), the experiment should be given a trial. For we should at one and the same time deserve well of humanity in bringing to the speediest possible conclusion this atrocious slaughter; and in the second place, Great Britain, by acting as the chief mediator (if always in the closest consultation with the United States) would stand a good chance of safeguarding both our prestige and our strategical and economic interests in the Far East, which might otherwise suffer irreparable loss, if not extinction in some directions, through an unchecked Japanese military victory. For on one point I am troubled by no doubts whatever: should the Japanese Militarists remain in possession not only of Northern China, but of Shanghai, with an indirect but effective control over some puppet Chinese government or governments in the centre and south, they will squeeze us out of China, commercially speaking, if indeed their next step be not an attempt to drive us out of Hong Kong. All foreign interests and dependencies in the Far East (including the Dutch and the French) would be similarly threatened, but we should be threatened first. I incline to agree with a Dutch diplomat who remarked to me a month ago that the present attack of the Japanese Militarists on China is quite as much an attack on the British and the Dutch Empires. Therefore, if we could serve the purpose of the Japanese Moderates, who still desire Anglo-Japanese collaboration in the Pacific, by offering our good services at the right moment, with some confidence of their support, we should be doing

a

-4-

a great service to our own Empire as well as to China and humanity.

4. One of the most delicate questions is the choice of the right moment for offering our good offices with some chance of success. The Ambassador suggests that the right moment would be after the gain of a spectacular local victory by Japan, whose "face" would thereby be saved. But would the Japanese Militarists acquiesce in these circumstances, unless either their armies or the Japanese people were already nearing exhaustion, or felt threatened by some new and major peril, like a Soviet attack (which God forbid, since Soviet intervention in China is the one thing which might precipitate a world war by encouraging Germany, who at the moment is at heart fairly pro-Chinese, to turn against China). The imponderabilia in this crisis are unfortunately many and bewildering. The more reason, perhaps, why we should miss no opportunity, however speculative and remote, of being ready to intervene to stop the present conflict by pacific methods, and why we should be prepared in advance for any conceivable opportunity of so doing.

5. It is hardly for me to suggest how we could best explore the ground on which the Ambassador is willing to tread with us. I should like him to have a conversation in the first instance with some well qualified unofficial government supporter, who would enjoy its confidence and the Ambassador's. The next step might be a purely informal talk between the Ambassador and one of our Ministers at

some

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

-5-

some discreetly arranged private function. In view of the magnitude of the issues involved, should not it be possible to arrange for the presence of the Prime Minister himself, who has done so much for European peace?

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

DOCUMENT FILE

NOTE

SEE 894.20211/195 FOR Memorandum

FROM State Department (Ballantine) DATED Oct. 28, 1937
TO Far Eastern Division NAME 1-1127 o r o

REGARDING: Japanese military activities and espionage in the United States.

Colonel Strong of War Department informed Ballantine that he had reliable information to effect Japanese Government had during past six weeks allocated \$175,000 to its representatives in United States for propaganda purposes, of which amount \$100,000 had been allocated to Ambassador Saito.

mr

793.94/10943

F/MR

10943

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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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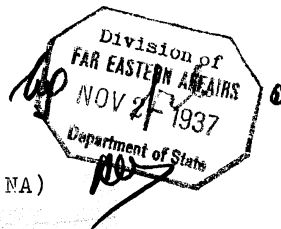
FROM COMYANGPAT

November 2, 1937

20002 Rec'd 12:54 p. m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS WAREHEAD
AMERICAN EMBASSY NANKING (CHINA)
ALUSNA PEIPING



0002. Yangtze River ports quiet. 2010.

793.94/10944

F/FG
FILED

NOV 3 1937

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

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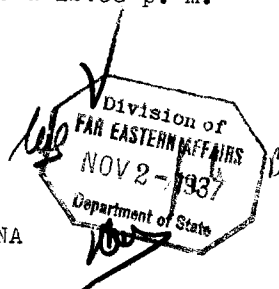
FROM: CONSOPAD

November 2, 1937

Rec'd 12:55 p. m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
CGINDESRON FIVE
CITICAF
CGI YANGPAT
USS HARELEHEAD
AMERICAN EMBASSY NANKING CHINA
ALUSNA PEIPING CHINA



0102. South China ports quiet. 2135

793.94/10945

F/FG

FILED

NOV 4 1937

0531

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,
1937 NOV 2 PM 3 54

DIVISION OF
COMMUNICATIONS
This cable was sent in confidential code.
It should be carefully paraphrased before
being communicated to anyone.
November 2, 1937.
5 PM

AMEMBASSY

TOKYO (JAPAN)

281

Your 510, November 2, 3 p. m. in B-1

Cipher

Is quoted text verbatim text of Military
Attache's report or paraphrase?

793.94/10946

Keller
Acting
(NARS)

DCR:DAS:MJP

FE
Jm

Enciphered by

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

D. C. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/10946

F/FG

0531

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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

Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Charge to
This cable was sent in confidential Code.
It should be carefully scrutinized before
being communicated to anyone. B-1

1937 NOV 2 PM 4 29

Washington,

November 2, 1937.

AMDELGAT,

DIVISION OF
COMMUNICATIONS
AND RECORDS

BRUSSELS (Belgium).

✓ 32

Under date November 2, 3 p.m., Tokyo telegraphs
as follows:

QUOTE (Telegraph Section: Please insert here the
text of Tokyo's 510, November 2, 3 p.m.) UNQUOTE

Welles acting
H.R.W.

793.94/10946

793.94/10946

F/MR

NOV 2 1937 PM

FE:MMH:ZMK

Jan
FE
m.m./s.

A-W

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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

119-1

TELEGRAM RECEIVED

JR

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

Tokyo

FROM 112 Dated November 2, 1937

Rec'd 9:15 a.m.

Secretary of State,
Washington.

510, November 2, 3 p.m.

The following report to me from the Acting Military
Attache Major Creswell is in my opinion most timely and
would be of interest to our Delegation at the Brussels
Conference.

"One. Information has been obtained in the course of
the past few days which tends to corroborate reports which
have been current for some two weeks to the effect that
the strength of the Kwantung army has undergone a consider-
able increase. The size of the army including the troops
under its control now operating in Suiyuan Province is
estimated by this office as in the vicinity of 230,000 men.

Two. This force has been built up gradually and has
reached its present size as a result of precautionary
rather than preparatory considerations the elements entering
into such precautionary measures being the fact that there
is suspicion regarding Sino-Soviet understandings, that
trouble is feared from the Outer Mongolian tribes as a result
of Chinese and Russian instigation, that the disaffections

in



*Reported to
Creswell
Nov. 2. V.*

793.94/10946

F/HG

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note
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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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JR -2- #510, November 2, 3 p.m., from Tokyo.

in the Manchukuo army are greater than appear on the surface and finally the perennial apprehension that Russia may enter the struggle while the Japanese are embroiled with China.

Three. It is felt that the Kwantung army has been built up by troops formed in Japan in the course of the mobilization activities which have been taking place for the past few weeks as well as by a certain number of additions from the North China forces, although the extent to which the forces in North China have been increased in order to add to the Kwantung army is difficult to say. Such a decision to weaken the North China force in favor of the Kwantung army could mean only that the sum of the conditions mentioned in paragraph two are of sufficient import to warrant the diminishing of the momentum acquired by the operations in North China in proportion as the strength of that garrison is reduced.

Four. At present, however, the North China and Shanghai operations cannot be viewed as unrelated activities. The YOMIURI SHIMBUN of this morning carries an article covering a statement by General Matsui commanding at Shanghai to the effect that the objective of his force is Nanking. This opinion as to the direction of future operation in that sector was also voiced in other quarters and within the last week this office has secured identifications which indicate that some troops which have heretofore been engaged in North China operations are now operating at Shanghai. Identifications have also been made

119-3

-3- #510, November 2, 3 p.m., from Tokyo.

which indicate the presence of a certain amount of cavalry at Shanghai which points to expectation of a more open form of action than has characterized the operations in that sector prior to the recent advances.

Five. Viewed in their relation to the operations in North China the sum of the statements evidenced by indications mentioned in the preceding paragraph may well mean that with what the Japanese consider as a threat from the northwest and the fact that the operations in North China have thus far failed to pin down and definitely destroy the Chinese forces in that area a decision may have been made to temporarily suspend or limit the southward movement in North China and instead to deliver the decisive blow via Nanking. However, the Japanese army has a reserve of some 3,000,000 men and with the present army being variously estimated as between 900,000 and 1,250,000 men it is evident that if the decision be to draw further upon the man power of the nation there are ample resources in that respect for continuing operations on a large scale on all fronts.

Six. All classes of the people feel that the security and future existence of the nation are involved in the present situation and that there can be no turning back no matter what pressure be brought by other powers. Japanese
opinion

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

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-4- #510, November 2, 3 p.m., from Tokyo.

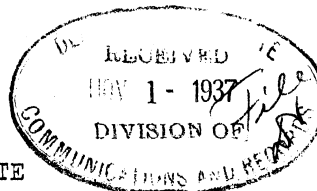
opinion is firmly behind the armed services in this respect and they are spiritually prepared for any eventuality even though the entrance of Russia into the present struggle precipitates a world war through the spread of hostilities to the west. Reports have it that a survey of capital and bank deposits is being carried out with a view to the mobilization of capital in connection with preparations for such an eventuality as a war of three years duration.

Seven. Regarding the political situation it is felt that while the people in general are warmly inclined toward the Kono Cabinet there is a growing feeling that there is a lack of decision in that body which results in a loss of time and the introduction of an uncertain element into the conduct of national affairs in this crisis. This feeling in addition to the possibility that the health of the Premier may not be equal to the occasion has given rise to the thought that should the present cabinet be replaced the next Government should be headed by such a man as General Araki or Admiral Suetsugu who would be depended upon to form governments of the type which would result in all the elements of the government, army, navy and civil components functioning harmoniously toward a common goal".

GREW

KLP:CSB

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



DEPARTMENT OF STATE

FOR THE PRESS

OCTOBER 27, 1937

The American Consul General at Shanghai, Mr. Clarence E. Gauss, reported to the Department of State that on the afternoon of October 24 a party of about ten persons, including three American men and two American women were horse-back riding on Keswick Road, at the corner of that road and Great Western Road, close to the western boundary of the foreign protected area and in the British guarded sector, were machined gunned by an airplane stated to be a Japanese plane. One British soldier was killed. None of the party of riders was injured. Two of their horses were killed and two wounded.

Consul General Gauss immediately made oral representations to the Japanese Consul General who expressed his sincere regret and stated that the authorities were investigating.

At Tokyo on October 25 Ambassador Joseph C. Grew orally communicated the facts set forth above to the Japanese Foreign Office and urged that measures be taken at once to safeguard against such attacks. The Foreign Office expressed regret and stated that it was awaiting results of an investigation being made by the Japanese Consul General with the collaboration of the Japanese military and naval authorities.

On October 26 Ambassador Grew received a note from the Japanese Minister for Foreign Affairs of which the following is a translation:

"Excellency: In the name of the Imperial Government I express regret that, on October 24, an airplane of the Imperial forces fired in error upon American nationals near the corner of Keswick Road and Great Western Road in Shanghai. The Imperial Government hereby makes known to Your Excellency that necessary measures are being devised to prevent the recurrence of incidents of this character, and that, after investigation, it will appropriately deal with those responsible for the incident under reference. It desires to add that it is prepared to make necessary compensation in respect of any injury which may have been incurred by your nationals.

"I avail myself et cetera, Koki Hirota, Minister for Foreign Affairs".

Ambassador Grew has been instructed to express to the Japanese Minister for Foreign Affairs the appreciation of this Government for the prompt expression of regret offered by the Imperial Japanese Government.

793.94/10947

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10947

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

TELEGRAM RECEIVED

JR

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL TIENTSIN

FROM

PLAIN and GRAY

Hankow via N. R.

Dated November 3, 1937

Rec'd 7 a.m.

Secretary of State,
Washington.

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

November 3, noon.

My October 29, noon.

According to Chinese press despatches little change

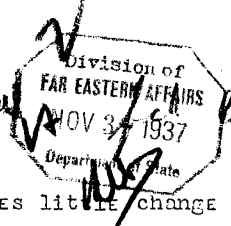
has occurred in North China situation during past four or five days. Main engagements reported continuing at Hsinkou, North Shansi, Yangchuan, East Shansi and vicinity Chang River in North Honan. (GRAY)

It seems apparent that Japanese are now concentrating efforts toward capture of Taiyuan and that Chinese are equally determined to hold that city at all costs since the fate of Shansi is expected to have vital bearing on future developments in North China situation.

Sent to Nanking. Repeated to Peiping, Tientsin, Department.

JOSELYN

DIM



795.94/10948

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NOV 4 1937

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

TELEGRAM RECEIVED

EG

PLAIN

FROM

Nanking via N. R.

Dated November 3, 1937

Rec'd 7 a. m.

AMEMBASSY PEIPING
AMCONSUL SHANGHAI
AMCONSUL HANKOW
AMCONSUL CANTON

Secretary of State,
Washington.

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



882, November 3, 8 a. m.

One. Although there was some diminution of Japanese aerial activity in Hinterland during recent Shanghai offensive Japanese planes continue to make daily raids over wide area. According to Chinese sources Canton was raided November one and section of railway was destroyed and yesterday bombs were dropped at: Chihsien, Honan and other places on Pinghan Line with loss of three Japanese planes; Sinanchen and Haichow on the Lunghai Line; Somchow on Shanghai-Nanking Railway; and places on Canton-Kowloon Railway, section of roadbed and track being destroyed near Tangtaohah and between Chengping and Hengli. Hangchow Railway workshop suspended work yesterday because most of machinery destroyed by recent raids.

Two. Air alarm Nanking yesterday reportedly caused by Japanese planes raiding nearby Chuyung military airfield

793.94/10949

F/FG

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

-2- #882, November 3, 8 a. m. from Nanking via N. R.

airfield in spite of rain and 200 foot ceiling.

Threc. Sent Department. Repeated Peiping,
Shanghai, Hankow, for Comyangpat Canton. Peiping
airmail Tokyo. Canton mail Hong Kong.

JOHNSON

DDM

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/107 FOR Despatch #986

FROM Shanghai (Gauss) DATED Sept. 17, 1937
TO NAME 1-1127 o p o

REGARDING: Sino-Japanese relations: Report on-, for month of
August, 1937.

aa

795.94/10950

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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

Sino-Japanese Relations. The outbreak of hostilities in North China produced a tense, charged atmosphere in Shanghai which it was generally feared might be ignited into a conflagration of serious proportions by the occurrence of a local incident. Such an incident occurred at about 3 p.m. on August 9th when a Japanese officer from the Japanese Naval Landing Party and his chauffeur, a Japanese sailor, were shot to death by Chinese Peace Preservation Corps men on Monument Road, an overgrown and abandoned extrajurisdictional road.(19) Chinese and Japanese versions of the affair were naturally conflicting and contradictory; but from the best information available, based on independent investigations conducted by the Shanghai Municipal Police, it appears extremely doubtful whether any attempt was actually made by the Japanese occupants of the car to force their way into the Lungjiao aerodrome as alleged by the Chinese.(20) In the contrary, the car appears to have turned off Lungjiao Road, which terminates at the gates of the aerodrome, and to have proceeded along Monument Road, which skirts the airfield. The accounts of a foreign eyewitness indicates that the Chinese opened a heavy fire on the car after it had proceeded down Monument Road a distance of approximately fifty yards.(21) The bodies of the Japanese, particularly that of the officer, when subsequently

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subsequently examined by a joint Sino-Japanese party, are said to have shown signs of savage treatment. It is claimed by the Chinese, and probably with some justification, that these Japanese were spying in the vicinity of a prohibited military zone; that this had occurred frequently; and that the occupants of the car had shot dead a Peace Preservation Corps man in their attempt to force their way into the aerodrome. The Japanese contended on the other hand that these men had a perfect right to motor along these extra-settlement roads, that the officer and his chauffeur were unarmed, and that their investigations showed that these men were deliberately murdered. Whatever the merits of these conflicting contentions, it is undeniable that the action of these members of the Japanese Naval Landing Party was foolhardy in view of the prevailing tension. On the other hand, from the evidence available it would seem that the Chinese attack on these men was probably unwarranted. It was agreed that a joint investigation of the affair should be made the following morning. However, the investigation was totally ineffectual since the members of the Peace Preservation Corps involved had been sent to Hankow during the night. The Japanese not unnaturally charged the Chinese with "ineincerity". However, both sides professed a desire to settle the incident by diplomatic and pacific means, and this was reiterated by the Japanese Consul General during the course of the Consular Body meeting convened on August 10th. At the same time, the Japanese Consul General expressed much concern over the despatch

of

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

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of Chinese troops into the so-called demilitarized zone following the incident and intimated that it was incumbent upon the Chinese to avert an open clash by withdrawal of these troops. (22) From Tokyo it was also announced the following day, August 11th, by the Ministry of Navy that "should the Chinese maintain their present attitude and attempt to pigeon-hole this case as they have done with similar incidents in the past we shall have to take steps to bring them to their senses". Coincident with this statement was the arrival in Shanghai of four Japanese cruisers and seven destroyers of the Japanese Third Fleet and the landing of one thousand marines as reinforcements, together with considerable quantities of supplies and munitions.

The Chinese for their part, in violation of the terms of the 1932 Truce Agreement, were actively engaged in massing the 27th and 85th Divisions in the immediate vicinity of Shanghai and were reliably reported to have had from twenty to thirty thousand in the Shanghai area by the night of August 11th. It may be of interest to note here that these two divisions of Central Government troops were understood to have had orders to launch a determined attack on the night of August 12th upon the Japanese, who at that time numbered not more than five thousand men, with a view to wiping them out. However, it is said that these orders were the subject of controversy among the various Chinese military commanders, resulting in no attack being launched.

On August 12th the Japanese Consul General requested a meeting of the "Joint Commission", set up by the terms

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

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of the 1932 Bruce Agreement. (23) The Japanese Consul General charged specifically at this meeting that the Chinese had violated the 1932 agreement by bringing Chinese troops, namely the 97th and 15th Divisions, into the so-called demilitarized zone. Mayor Yui, the Chinese representative, countered by asserting that the Japanese had broken the agreement by sending Japanese marines to Tatsienow and bringing in naval reinforcements. Charges and countercharges were made in a distinctly strained atmosphere; but it was finally agreed that neither side would attack the other, though the reservations made in this connection by either side made the undertaking of doubtful value. (24-25)

The virtual breakdown of the efforts of the Joint Commission to prevent a clash, the concentration of large forces of Chinese troops in areas immediately adjacent to the Settlement, and the large concentration of Japanese naval vessels in Shanghai harbor and other measures taken by the Japanese decided the Shanghai Municipal Council to mobilize the Shanghai Volunteer Corps that same night. At the same time British, American, and French forces quietly took up their positions. However, the Council avoided the dangerous precedent of proclaiming a "state of emergency" in view of the use made of such a declaration in 1932 by the Japanese.

Other developments of the night of August 12th included the issuance of a statement by the Nanking Government (26) regarding developments at Shanghai which charged the Japanese with rushing large naval reinforcements to Shanghai and making other military preparations

in

-17-

in spite of Japan's avowed intention to settle the Hung-jao Road incident by pacific means and placed the responsibility for future developments upon Japan. The Japanese Government instructed its representative at Hanking to demand formally the withdrawal of the Peace Preservation Corps from the vicinity of Shanghai and the removal of all defense works. There also occurred the sinking of a number of steamers and junks to form a boom across the Whangpoo River from Kientsze across to Footung (27); the removal of the offices and personnel of the Municipality of Greater Shanghai from the Civic Center to provisional offices in the French Concession and Lungwa (28); and the issuance of advices by the American and British Consuls General to their nationals in the northern area to withdraw to the Settlement and those living in the western area to move within the American, British, and French defense lines. (29)

Hostilities were precipitated the morning of August 13th by an exchange of shots near the Japanese Naval Barracks. (30) The Chinese asserted that the Japanese had attempted to rush their lines thus "violating the pledge given by the Japanese Consul General to the Consular Body not to strike first". (31) The Japanese, on the other hand, alleged that the Chinese first opened fire with machine guns. (32) There is no independent and impartial evidence to show who fired the first shot; but fire once having been exchanged, intermittent sniping in that area continued throughout the day, while in the late afternoon a clash occurred in the vicinity of the

American

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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 owned Shanghai University and the Japanese golf course adjacent thereto which the Japanese were engaged in leveling off for use as a landing field. Artillery was subsequently brought into play by both sides in the latter named area and continued firing intermittently throughout the night. Shanghai woke on the morning of August 14th to the realization that hostilities had commenced in earnest.

1) Military Phase of the Situation

The ensuing hostilities may be conveniently divided into two periods, namely from August 14th to August 23rd, which may be characterized as a purely naval and defensive action, and from August 23rd, when Japanese military forces actually landed, to the end of the month.

Hostilities during the first period mentioned were purely of a defensive nature so far as the Shanghai area was concerned and were confined to operations of Japanese naval vessels and the Naval Landing Party. As already mentioned, the strength of the Japanese Naval Landing Party at the actual commencement of hostilities was approximately five thousand men supported by a considerable concentration of cruisers, destroyers, and one aircraft carrier. The strength of the Chinese forces on August 13th was estimated at between twenty and thirty thousand men, including at least two Central Government divisions, the 87th and 88th. These Chinese units were steadily strengthened during the period August 14th to August 23rd and totalled approximately seventy to eighty thousand men by August 23rd.

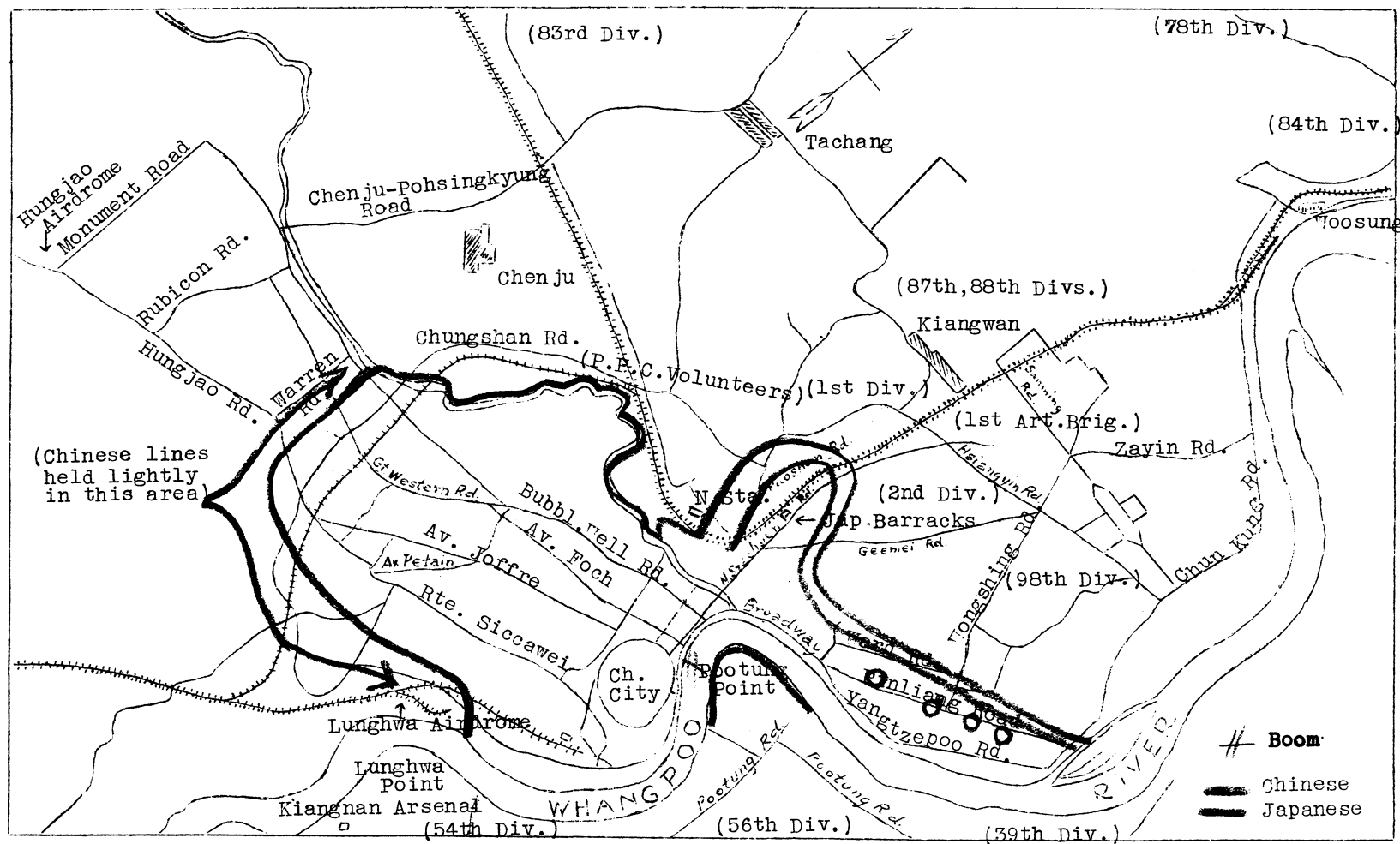
The

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 Department of State letter, August 10, 1972
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The Japanese naval landing party was obviously in no position to undertake any but purely defensive operations; and the military initiative remained wholly with the Chinese, who while claiming to be acting on the defensive brought a continuous and strong pressure to bear on the positions taken up by the units of the Japanese naval landing party and from time to time launched strong offensive attacks. The Japanese positions did not form a solid line from the North Station to the Yangtzepoo inasmuch as Japanese strength was insufficient to hold a continuous line. The Japanese established five exceedingly strong defensive positions, the apex of which was the Japanese Naval Barracks, a veritable fortress. Chinese attacks on Japanese positions while extending over a wide area were more particularly aimed at cutting through the Japanese salient formed by the Naval Barracks and isolating and surrounding that point. (See map page 20.) These efforts were not successful and were apparently not executed with sufficient strength and determination. However, at night on numerous occasions the Chinese filtered through the Japanese lines, thinly held between the strong points mentioned, and penetrated well into the Mongchow section of the settlement; and in two or three instances succeeded in reaching the Whangpoo River and firing at the Japanese flagship. However, these infiltrations were not in sufficient strength to seriously endanger the Japanese positions; and in each instance the Japanese, using tanks and armored cars, were able to wipe out or scatter such groups. Powerful assistance was given the Naval landing units by Japanese naval vessels, whose continual

shelling



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stalling of Chinese lines and concentrations enabled the Japanese naval units ashore to repel all Chinese attacks and inflict heavy casualties; the 87th and 88th Chinese divisions suffered very heavily during this period. Total Chinese casualties from August 14th to 23rd are estimated to have been approximately fifteen thousand killed and wounded. Japanese casualties while given out as less than a thousand must have totalled at least two thousand killed and wounded.

a) Aerial Activity During the Period
 August 14th to 23rd

During, the first week of the period under review, the Chinese air force was virtually in control of the air in the Shanghai area. Spectacular daylight raids were carried out on Japanese naval vessels, the Japanese Consulate and Naval Barracks, and other Japanese positions on the 14th, 16th, 17th, and 21st. During the first few days Chinese planes made their attacks in squadron formations, and their diving and handling of planes generally indicated reasonably good training, but their marksmanship in actual bombing was atrocious. It was also noticeable that such Japanese sea planes as took to the air during these raids were very much slower and were easily outmaneuvered by Chinese planes.

However, Chinese command of the air over Shanghai was short-lived for squadrons of Japanese planes operating at first from Formosa, from seaplane carriers, and later from Tsungming Island, commenced systematic raids on all Chinese regular and emergency fields as far back

in

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in the interior as Wanchang. Japanese claims of the damage inflicted on aerodromes and planes is believed to be very considerably exaggerated, but these activities nevertheless probably accounted for fifty or sixty planes and forced the remainder to scatter to unknown and more inaccessible points and doubtless made the servicing of planes and the procuring of spare parts and other necessary supplies extremely difficult. In these Japanese raids the Chinese pursuit force gave a good account of itself and is believed to have brought down at least thirty Japanese bombers and pursuit planes. Japanese losses due to forced landings, crashes caused by engine trouble, and so forth are believed to have been even heavier.

By August 23rd when Japanese troops commenced to land, the Japanese were in virtual control of the air so far as the Shanghai area was concerned; and, while Chinese aerial attacks continued, they were largely confined to night raids which, while spectacular, did very little damage.

It may be noted here that Chinese planes during the first week consistently flew over the French Concession and International Settlement south of Boochow Creek and invariably launched their attacks on Japanese naval vessels in the Whangpoo River from over the Settlement. Efforts to induce the Chinese to refrain from flying over this neutral area were unsuccessful.(32) Assurances were given by the Japanese, however, that their bombers when carrying bombs would not fly over this area. This undertaking

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undertaking has in general been observed though their pursuit planes have flown over this area on many occasions.

b) Military Operations from August 23rd
to End of Month

On August 23rd hostilities in and around Shanghai entered a new phase with the landing of the first contingent of Japanese army units. Japanese troops had been expected for a week or ten days, it being generally believed that, with the great concentration of Chinese troops in the Shanghai area and the heavy attacks being launched on the Japanese naval men ashore, Japanese troops would be rushed to Shanghai within four or five days. A possible explanation of the delay, given credence in informed quarters in Shanghai, was that some friction had developed between the Japanese Army and Navy high commands and that the Japanese Army was annoyed at the turn of events in Shanghai brought about by the Navy, since it wished to be free to concentrate on a smashing campaign in North China. In any event, not a single Japanese soldier was landed until ten days after the outbreak of hostilities.

Under cover of a heavy naval barrage and supported by naval aeroplanes, Japanese troops commenced to land at Woomung and at Liubo, which is some twenty miles up the Yangtze River from Woomung. Chinese opposition at Woomung was stiff, and the explosion of a number of land mines resulted in many Japanese casualties; but in the Liubo area, it was subsequently learned, the initial landing met with little or no opposition due to the folly

of

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of the Chinese high command in the Shanghai area in permitting that extremely important landing point, which the Japanese had also used in 1938, to be held by Peace Preservation Corps units, merchant volunteers, and special police. In the succeeding days Japanese landings were effected at other points between Liuhio and Woosung in spite of stiff Chinese opposition. In the Liuhio area the Chinese quickly rushed up two divisions of regular troops and launched an offensive which held the Japanese in check. Japanese landing operations were slow but methodical, with the initial Japanese force of from ten to fifteen thousand men clearing an area around landing points to permit the disembarkation of additional troops, artillery, tanks, and military supplies. Heavy fighting occurred in connection with the majority of these operations, but under cover of their naval vessels the Japanese were able to hold and consolidate their positions. They were not, however, able to conduct any immediate offensive, although the Japanese military spokesman had intimated an offensive would be launched shortly after the landing of Japanese troops on August 23rd. (33) On the contrary, the Japanese found Chinese opposition vastly more determined than anticipated and admit that the courage and fighting qualities of the Chinese troops were of a high order. By the end of the month the Japanese had succeeded in establishing a fairly continuous line running from slightly beyond Liuhio through Lotien, then curving in to just beyond the walled city of Paoshan (the little city itself was not actually captured until September 8th) and down to Woosung.

While

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While the seven thousand Japanese troops landed in the Yangtseepoo district toward the close of the month had advanced toward Wosung, no substantial junction had been effected with Japanese units operating in the Wosung area. The relative positions of the contending forces will perhaps be more clearly visualized by reference to the sketch map appearing on page 26.

It was reported on several occasions that the Chinese were withdrawing to certain known prepared positions, but these reports proved to be unfounded. The Chinese continued to pour reinforcements into the area between Liuho and Wosung and were believed to have approximately one hundred and twenty thousand men along this line, with strong reserves in supporting positions. (34) The Japanese are believed to have landed approximately forty thousand men by August 31st with large quantities of supporting artillery and other equipment and supplies. (45) As the month closed it was evident that the Chinese were prepared to contest every foot of the ground, and apparently only a smashing Japanese break through would cause any immediate retreat.

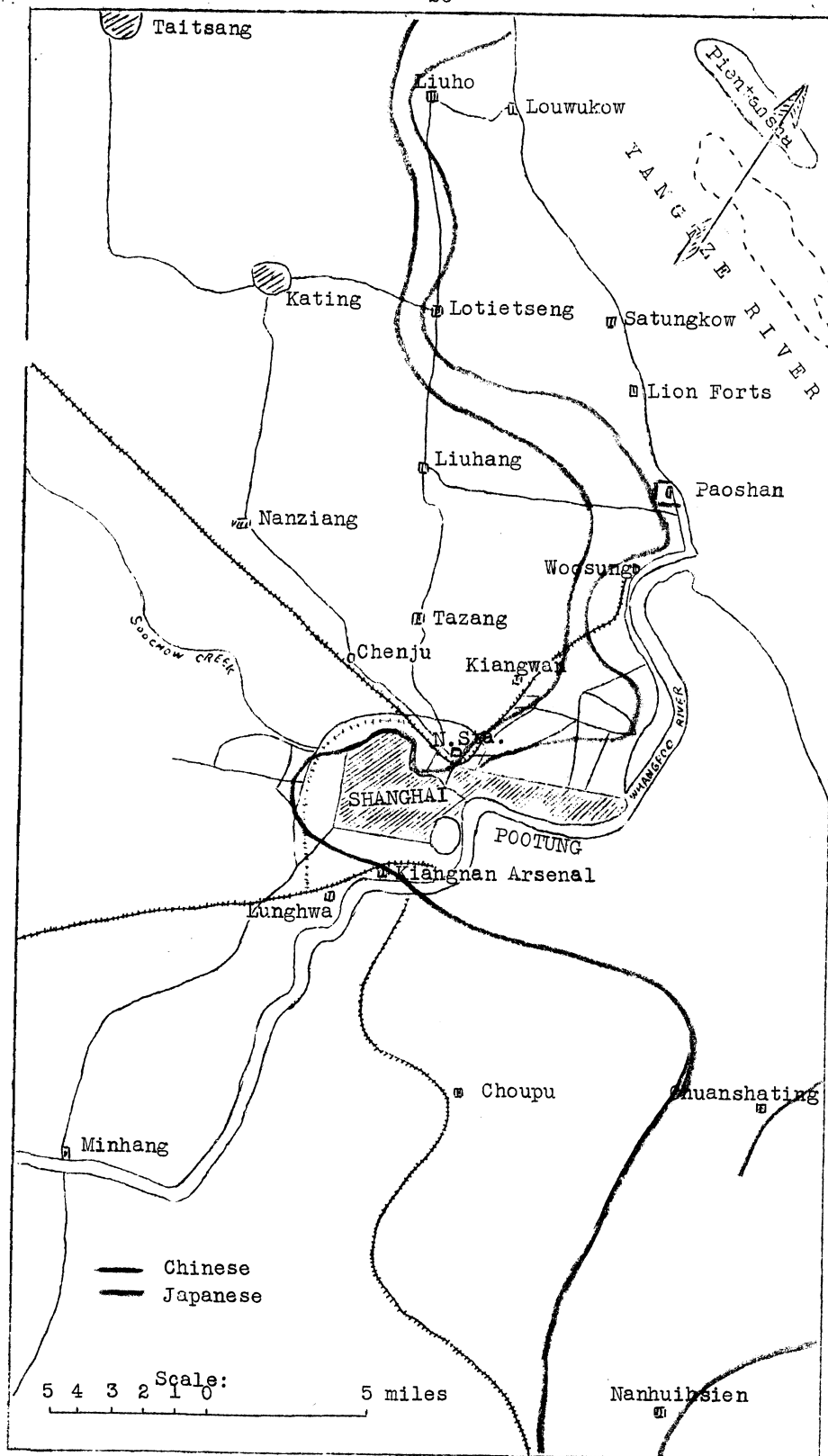
2) Effect of Hostilities on the International Settlement and French Concession

The effect of hostilities in and around Shanghai conducted with modern weapons of warfare and without regard to the rights and interests of noncombatants has been profound and calamitous. Hundreds of thousands of Chinese civilians fled from the horrors of a war which has reduced large sections of Chapei, Hongkew, and Yangtseepoo to a mass of ruins; several thousand foreign residents of Shanghai were evacuated; thousands of Chinese

have

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have been killed in the immediate areas of hostilities; and several thousand Chinese and a few foreigners have been killed and wounded in the International Settlement and French Concession by bombs dropped from Chinese planes, falling shells, and bullets from both sides; property and business losses of both Chinese and foreigners alike have been extremely heavy in the Hongkew, Yan/tsepo, and Chapel areas; while the almost complete stoppage of business in Shanghai appeared to be leading to economic paralysis.

a) Chinese Exodus from the Scene of Hostilities

While there had been a steady stream of Chinese refugees from the Chapel and Hongkew areas even before the actual outbreak of hostilities, the attempted bombing of the Japanese flagship by Chinese planes on August 14th and the spread of hostilities caused an unprecedented evacuation of Chinese from the affected areas. Chinese streamed south of Soochow Creek into the International Settlement and French Concession in a pathetic, dense mass, which packed the Bund and all streets in the down town areas. A solid mass of humanity continued to pour into the foreign areas for several days and presented an acute problem for the police of the Settlement and French Concession, who during the first week of hostilities were required to man the defenses of the Settlement and Concession and had neither the time nor the men to cope with the problems which speedily arose in connection with the control, housing, and feeding of

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a million refugees. However, the municipal authorities of both areas took steps to solve this problem just as soon as they were in a position to do so. Many thousands were moved out into Mantao and adjacent Chinese territory; others were shipped out of Shanghai by boat; while large refugee camps were established in both the Settlement and French Concession, which are caring for approximately five hundred thousand refugees.

b) Heavy Loss of Civilian Life Caused by Hostilities

The number of Chinese noncombatants killed and wounded in the Hongkew, Shanghai, and Yangtzepoo districts is unknown; but beyond doubt many thousands lost their lives or were injured as the result of the horrors of modern warfare which devastated those areas and at times turned large sections into blazing infernos.

In the Settlement and French Concession the death toll was extremely heavy, considering that these are neutral areas and thus theoretically immune. On August 14th one Chinese bombing plane dropped a bomb on Hanking Road which landed between the Cathay and Palace Hotels, killing approximately one hundred and forty-five and wounding another hundred. At almost the same time another Chinese bomber dropped two bombs at the intersection of Avenue Edward VII and Yu Ya Ching Road, causing an absolutely appalling loss of life, at least a thousand people being killed and over three hundred injured. The loss of life was so heavy because a Chinese amusement resort at this intersection had been turned into a refugee camp

by the

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by the French authorities and was packed with refugees at the time of the bombing. The majority of the victims in both instances were Chinese, but the casualties also included eight foreigners killed and one seriously injured. Of the eight foreigners killed, three were American citizens. The appalling carnage and destruction caused in a neutral area by bombs dropped by China's air force on its initial appearance against an enemy is beyond description; Shanghai was horror-stricken by the slaughter and indignant at the perpetrators. The Consular body immediately lodged a vigorous protest with the Chinese authorities and representations were made by the American and British Embassies in Hankow. Representations were also made by the British Admiral to the Japanese Admiral requesting the removal of his flagship to a point less likely to endanger the Settlement and foreign naval vessels (the U. S. S. ALBANY and the U. S. S. BACHMANN were almost hit by Chinese bombs this same day) from Chinese bombing operations against Japanese naval vessels. The Japanese Admiral replied that the disposition of his warships could not be changed unless guarantees were forthcoming of the safety of Japanese lives and properties equal to those provided by his Fleet.

The protest lodged with the local Chinese authorities over the tragic bombing of innocent civilians in the Settlement and French Concession elicited no assurance from Mayor Yui that Chinese planes would not in future fly over these areas. On the contrary, he charged that the

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the Japanese had mounted antiaircraft guns on Japanese owned buildings along the Bund and stated that if such were the case the Chinese Air Force would be compelled to bomb these buildings, which are located in the heart of the down town area.(38)

Casualties amongst the civilian population occasioned by bursting antiaircraft shells fired from both Chinese and Japanese batteries continued to occur, but on August 23rd the death toll mounted sharply. Shortly after 1:00 p.m. on that date two aerial torpedoes fell in the central area of the International Settlement. One passed through the roof and several concrete floors of the U. S. Navy warehouse, less than 100 yards from the Consulate General, without exploding; the other struck the Sincere Department Store on Hanking Road, killing over 175 and wounding 550. The explosion, which was terrific in force, shattered the front of the Sincere Store and did heavy damage to the Wing On Department Store nearby. Two foreigners were killed and two Americans were injured in this bombing. There is dispute as to the origin of these bombs, both sides denying responsibility. The bomb which landed in the U. S. Navy warehouse did not explode but was shattered. An attempt was made to reconstruct the bomb. There are differences of opinion as to its probable weight, and there was some doubt as to origin of its manufacture; but the opinion is now generally held that it was a bomb of Italian manufacture which had been delivered to the Chinese Government as part of aerial supplies from Italy. The reports of naval and marine observers of the bombing attack serve to weight the evidence heavily against the Chinese forces, it having been observed that

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that a large twin-motored silver-colored monoplane of a type known to be in the possession of the Chinese Government appeared out of the clouds at a great height, released two bombs, and immediately made off. One observer reported the markings on the plane as being the star insignia of the Chinese Air Force.

The number of noncombatant Chinese killed and wounded in the foreign protected areas of the International Settlement and the French Concession by the end of the month--a short period of two weeks--had reached a total of approximately 8,900. Three Americans had been killed and two wounded. Fifteen other foreigners were either killed or wounded.

c) Property Losses Occasioned by Hostilities

No figures were available as the month closed concerning property losses suffered by Chinese and foreign residents of Shanghai, and none will be available until the theater of hostilities has moved beyond the immediate vicinity of Shanghai. However, the losses are undoubtedly extremely heavy inasmuch as large sections of Chapei, Hongkew, Yangtszepoo, and Pootung districts have been razed by fires, many of them undoubtedly of incendiary origin. In general the destruction in these areas has been much greater than in 1932. Wharfs, jetties, godowns, mills, factories representing an investment of many millions of dollars were also destroyed along the Pootung peninsula and in the Nantao area.

3) Measures

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3) Measures Taken to Protect Foreign Life and Property in the International Settlement and French Concession

a) Efforts to Exclude Shanghai from Hostilities

(1) Efforts of the Shanghai Consular Body

In connection with efforts made by the Consular Body to bring about the exclusion of the International Settlement and French Concession from hostilities it may be well to recall that on June 23, 1937 the Japanese Consul General requested the convening of the Joint Commission set up by the 1932 Peace Agreement. On that occasion the Japanese charged that, in contravention to the 1932 Agreement, the Chinese had rearmd the Woosung Forts and had expanded the Peace Preservation Corps and increased its armament. It was further charged that trenches and other military works were being prepared by the Chinese units in the Shanghai area. The Chinese representative, Mayor C. K. Yui, maintained that he was under no obligation to give any information concerning alleged fortifications at Woosung or on the other issues raised by the Japanese but insisted that even if such charges were true, they did not imply any violation of the 1932 Agreement and were matters that did not come within the province of the Joint Commission. However, the Chinese representative made the very significant admission that the Chinese regarded the Agreement of 1932 as still in force. This admission has strengthened Japanese arguments regarding Chinese breaches of the Agreement.

On August 10th, at a meeting of the Consular Body convened following the Hungjao Road incident, and because

of the

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of the tenseness and uneasiness prevailing, the Japanese Consul General again made reference to Chinese violations of the 1932 agreement and referred specifically to the movement of Chinese forces into the so-called demilitarized area immediately after the incident. He expressed much concern over this development and, while reiterating the desire of the Japanese authorities to avoid trouble in the Shanghai area, pointed out that a conflict could best be averted by the withdrawal of Chinese forces. The question of establishing a neutral zone around Shanghai was brought up for discussion, but the Japanese Consul General intimated that such a proposal would have to be referred by him to the Japanese Government. Efforts were then made to induce the Japanese Consul General to agree to the exclusion of the International Settlement and French Concession from any possible hostilities; but on this point also Mr. Yamoto would not commit himself but reiterated that the Japanese did not want trouble in Shanghai and that any measures they might take would be in self defense.(36) It was ultimately agreed by the consular representatives present that a memorandum should be addressed to the Japanese Consul General and the Mayor of Greater Shanghai calling attention to the large foreign population in Shanghai and the extensive and important commercial, industrial, and other interests in the port which would be seriously endangered by any conflict here and expressing the hope that it would be possible definitely to exclude Shanghai from the sphere of hostilities and that all armed forces of whatever character would be restrained from any acts which might disturb the peace.

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On

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On August 12th, the day following the arrival of the Japanese fleet units in Shanghai harbor, the Japanese Consul General formally requested an immediate meeting of the Joint Commission, at which he charged-- and the Mayor of Greater Shanghai, the Chinese civil delegate, admitted--that units of the Chinese regular army had arrived in the Shanghai area and were occupying positions near the North Station. The Chinese delegate, however, asserted that the Chinese forces had entered the area because of the heavy Japanese naval concentration at Shanghai; and he alleged that the 1922 Trade Agreement had been violated by the Japanese a year before, when a small Japanese detachment had been sent to certain Japanese property outside the Settlement and extra-settlement roads area.

The Japanese Consul General pointed out that up to the hour of the Joint Commission meeting the Japanese forces had remained in their barracks and taken up no defensive positions. He announced that unless some arrangement could be made, the Japanese would be compelled to take up their defense positions without further delay. An effort was made by the neutral members of the Commission to induce both sides to effect a withdrawal in order to avoid a possible clash. The effort failed; but both the Chinese and Japanese delegates undertook to approach their respective commanders to ask them not to attack unless attacked. The Italian delegate suggested that neutral forces should be moved into the sector between the Chinese and Japanese, but he had only a small handful of sailors to offer for this service. The Chinese delegate

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delegate admitted that he and the local garrison commander had no control over the regular army Chinese troops which had arrived at Shanghai.

In the morning of August 15th the Japanese Consul General sent the Secretary of the Consular Body to see the American Consul General to ask whether he, in collaboration with some of his colleagues, would make some further effort to explore the situation with a view to finding some solution which might avoid a conflict at Shanghai. (35) The American Consul General consulted his French and British colleagues and, approaching the Japanese Consul General and the Mayor of Shanghai separately, proposed as a possible solution a return to the status quo ante; that is, the withdrawal of all Chinese military forces back to the 1932 truce line and the withdrawal of all Japanese reinforcements, with an added proviso to establish a two mile corridor around the settlement areas in which the Peace Preservation Corps should not function, the duties in that area to be performed by ordinary Chinese police. (39) The Japanese Consul General was eager to recommend this solution to his Government; the Mayor of Greater Shanghai was interested, promised to refer it to the Nanking Government, but made no commitment. At the moment when this promise was being given, however, word was received that a clash had actually occurred at the "Eight Character Bridge" between the Chinese and Japanese forces; and the opinion was expressed that the effort at mediation would fail. It may be of interest to record here that several days later the Japanese Consul General informed the American Consul General orally that he had received a reply from Tokyo which

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which indicated that the proposal had arrived too late. No reply was received from the Mayor of Greater Shanghai.

(2) Later Efforts to Exclude Shanghai from the Area of Hostilities

It appears that subsequent to the Shanghai effort to avert hostilities, certain of the diplomatic representatives at Peking took up the subject, and representations were made to both the Chinese and Japanese Governments, without result. The course of these proposals is not fully known to the Shanghai Consulate General and therefore is not here recorded; but it was evident to observers at Shanghai that after the actual outbreak of hostilities, no efforts at mediation could succeed. It is understood that after some delay the Chinese Government intimated that it might be willing to consider the proposals made. The Japanese Government is reported to have replied after a longer delay that matters had gone too far, and China's "aggressive and illegal actions" made consideration of the proposals impossible.

(3) Protests to Both Sides

On August 15th the Senior Consul, acting on behalf of his interested colleagues of the neutral powers, protested orally to both sides on the flying of airplanes over the Settlement and French Concession and announced that both sides would be held responsible for any loss of life or injury to persons and any damage to property. He also protested to the Japanese side on the use of a portion of the Settlement as a military base. (40)

b) Military

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a) Military and Naval Measures to Protect
 Settlement and French Concession

(1) Measures Taken by Settlement and
 French Concession Authorities

On the evening of August 12th, following the unsatisfactory outcome of the meeting of the Joint Commission held the same day, the Shanghai Municipal Council decided to mobilize the Shanghai Volunteer Corps, which immediately took up positions in defense sectors. On August 13th the Council issued a statement explaining that the Shanghai Volunteer Corps had been mobilized for the purpose of "preserving the International Settlement as a peaceful area in which all persons irrespective of nationality can dwell and carry on their lawful occupations." (41)

The French municipal authorities also mobilized their police and special units on August 12th and issued a proclamation on August 15th regarding the maintenance of peace and order in the area under their jurisdiction. (42)

All other emergency machinery of both areas such as transport, food supplies, public works, medical, and sanitation were mobilized at the same time with a view to coping with the extraordinarily difficult and dangerous situation which had arisen.

(2) Measures

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(2) Measures Taken by Foreign Military and Naval Units to Protect Settlement and French Concession

The American, British, and French forces in Shanghai took up the defense positions in the various sectors assigned to them in the general defense scheme of the Settlement and French Concession on August 12th, acting in conjunction with the police forces of the Municipality of Shanghai and the French Municipality. The original strength of the United States Fourth Marines stationed in Shanghai was 1100 officers and men, this number being increased to 1400 by the arrival of reinforcements during the month, with an additional 1200 men ordered to proceed to Shanghai. The strength of the British forces was increased from 500 officers and men to 2500 by the arrival of two battalions of the West Rifles, while the strength of the French forces was increased from 600 officers and men to 2000 by August 31st. These foreign military units were actively engaged in erecting elaborate barbed wire barricades and sand bag emplacements along their sectors. The presence of these units and the defensive measures taken by them did much to allay apprehensions based on many rumors circulating in Shanghai that the Chinese troops surrounding the Settlement and French Concession might rush these areas at any time.

In connection with the American defense area it should be noted that as early as August 14th all Japanese forces were withdrawn from this sector by arrangement between the Commanding Officer of the United States Fourth Marines and the Japanese Naval Landing Party, thus reducing the risk of trouble in that area. On

August

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August 16th the Intelligence Officer of the Fourth Marines called on the Secretary of General Hsing Chen-nan (邢振南), local representative of General Chang So-chung (張治中), Chinese Commander in Chief of the Chinese forces operating in the Shanghai area, to inform him of the removal of Japanese forces from the American sector and to establish liason with the Chinese military authorities. An assurance was given at the time that the Chinese had neither the desire nor the intention of attacking the American sector.

Within a week after the commencement of hostilities there was a considerable concentration of foreign naval vessels in the Changpoo River, rushed here to protect the lives and property of their respective nationals.

Admiral H. W. Barnell, Commander in Chief of the United States Asiatic Fleet, arrived on August 14th on the U. S. S. AUGUSTA. Subsequent arrivals of other units of the United States Asiatic Fleet brought the total number of American naval vessels in port by the end of August to one cruiser, three destroyers, one gunboat, and one mine sweeper. The British flagship H. M. S. CUMBERLAND also arrived on August 14th but remained off Woosung while a British cruiser which accompanied her proceeded up river and strengthened the British naval vessels already in port, namely, one cruiser, two destroyers, and one sloop. French naval vessels in port were one cruiser, two sloops, and one gunboat; while the Italians were represented by one gunboat during the greater part of the month.

The presence

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The presence of these naval vessels did much to strengthen the morale of the residents of Shanghai and afforded a very great measure of protection. Furthermore, on several occasions the Commanders in Chief of the American and British naval units, supported by the commanders of the French and Italian naval vessels in port, made representations to the Japanese and Chinese authorities concerning the protection of their nationals. As already mentioned elsewhere in this report, the British naval commander made representations on August 14th to the Japanese Admiral urging the withdrawal of his flagship further down stream with a view to lessening the danger to the settlement from attacking Chinese aircraft. Again, in response to a notification issued by the Chinese Government on August 19th warning all foreign men-of-war and merchantmen to withdraw within a period of twelve hours at least five nautical miles from any Japanese warship, the American and British naval commanders replied that inasmuch as the vessels under their command were in the Yangtze River for the purpose of protecting the lives of their nationals it was impossible to remove such vessels.(43) On August 21st the foreign naval commanders addressed a joint letter to Admiral Masagawa, Commander of the Japanese Third Fleet, protesting against the proximity of a Japanese destroyer and requesting that all Japanese naval vessels be kept below Hongkew Creek.(44)

4) Evacuation

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DOCUMENT FILE

NOTE

SEE 841.00 P. R./513 FOR Despatch #3478

FROM Great Britain (Johnson) DATED Oct. 18, 1937
TO NAME I-1127 GPO

REGARDING: Far Eastern situation. Discussion of British attitude
toward Sino-Japanese conflict.

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Sino-Japanese Situation

Expressions of feeling here against Japan became less vehement last week than they had previously been, partly because attention had been turned to the Spanish situation. As the outbursts in the Liberal and Labor press fell off, efforts were made by the Conservative press and through speeches by representative business men to bring about a calmer attitude. Nevertheless the Liberal and Labor press has continued to urge a boycott against Japan and the exertion by the Government of economic pressure against that country. The Daily Herald has said that while air raids have become less frequent, there is still a war. The attitude of the Government is unfavorable to a boycott or economic sanctions.

On Sunday, October 17, a mass meeting was held in Trafalgar Square to protest against Japanese aggression and the air bombing of civilians in China. It was organized by the London Labor Party and the London Trades Council.

According to the News-Chronicle about 10,000 people
attended

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attended it. Among the principal speakers were Mr. Attlee, leader of the Opposition in the House of Commons, and Mr. Herbert Morrison.

Much publicity, deprecatory to Japan, has been given in London newspapers to reports submitted to the League of Nations concerning the drug traffic in Manchuria.

The attack made by Japanese airplanes on three British Embassy automobiles near Shanghai on October 12 produced little comment in the press here, although it did not strengthen belief in Japan's intentions to avoid attacks on civilians. In a brief article in The Times, on October 16, it was stated that:

"The British Ambassador [In Tokyo] was instructed to point out how distressed the British Government are to note that this occurrence--in which no lives were lost and in which there were no casualties--should have taken place so soon after the Japanese Government's assurances to the British Government following the wounding in similar circumstances of Sir Hugh Knatchbull-Hugessen, British Ambassador to China."

The attitude of the United States toward the Sino-Japanese situation has continued to be discussed in the press here.

President Roosevelt's radio address of October 12 was commented upon by the Daily Telegraph and Morning Post on October 14 as follows, in part:

"President Roosevelt's broadcast to the American people dealt with world affairs in the same spirit as his memorable speech last week."

"The action which he specified is, however, confined to endeavours at the Nine-Power Conference for a solution of the crisis in the Far East by agreement and co-operation with China and Japan. There was added the warning that the development of peace depends on the acceptance by nations of fundamental decencies in their relations with each other. Such words from the President of the United States are important, but the policy which they imply is still left undefined. We may perhaps conclude that it has not yet taken form. Mr. Roosevelt considers that enough has been done for the

the present by warning the world of the trend of American opinion and impressing upon his own people that their security requires internationally concerted efforts for peace."

On the same subject, the News-Chronicle on October 14 published an article by its New York correspondent, from which the following is an excerpt:

"If, after the conference, Japan refuses to withdraw from China or demands impossible concessions, American public opinion will then be much readier to support any wide economic sanctions.

The American Government is at present thinking in terms of mediation rather than boycotts and embargoes.

These more drastic measures will come only after the complete exhaustion of all other alternatives."

With respect to the British attitude, the diplomatic correspondent of the Daily Telegraph and Morning Post wrote on October 14:

"Britain will not make any striking proposals to the forthcoming conference in Brussels on the Far East situation without first ascertaining that they would command the full support of the United States.

This support would be required not only in the first instance, but at all later stages of developments which might ensue from any steps."

On October 16 London newspapers carried the announcement of the Belgian Government concerning the meeting of the Nine-Power Conference at Brussels to begin on October 30. An excerpt from an article in The Times on October 16 concerning the announcement follows:

"It was announced in Brussels last night that the Belgian Government have decided to propose to the States parties to the Nine-Power Treaty a meeting in Brussels at the end of the month with a view to examining the situation in the Far East.

According to a Reuter message from Washington, the American Government have agreed to the proposal."

A few newspapers said that the announcement was made "at the request of the British Government and with the approval of the United States." In this regard, the Sunday Times on October 17 said:

"The fact that the invitation was accepted at once

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once and the strength of the delegation lead observers in Washington to believe that the United States will take a strong stand at the conference. It was not stipulated whether the talks would be confined to the signatories of the Nine-Power treaty or whether other Powers such as Soviet Russia and Germany might be included."

and the Washington correspondent of the London Times on October 18 wrote.

"Note was at once taken here of the fact that the invitation was issued 'at the request of the British Government and with the approval of the Government of the United States' - a phrase scrupulously repeated in the letter of acceptance sent to the Belgian ambassador, Count van der Straten Ponthoz - and that the purpose of the meeting was 'to examine the situation in the Far East and to study peaceable means of hastening the end of the regrettable conflict which prevails there.'

The use of the words 'peaceable means' is accepted here as of equal significance with Mr. Roosevelt's statement at Hyde Park on Friday that 'mediation' was the one method contemplated by the United States. The President would go no farther."

While no statement has been published in regard to the composition of the British delegation to the Nine-Power Conference, it is understood that it will be headed by Mr. Eden and that the principal expert delegate will be Sir Alexander Cadogan, who was formerly British Ambassador in Peking, and who is now Deputy Under-Secretary of State at the Foreign Office.

There has been speculation in the press here with respect to whether or not Japan will attend the conference. The reasons for which it is thought Japan may likely decline an invitation are the resolution against Japan passed at Geneva, objection to any sort of Western intervention in questions involving Japan and China, the possibility that Russia will attend the conference, and the belief that the principal Powers will confront Japan with decisions previously reached among them.

It

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

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It may be mentioned that a news reel shown at one of the large motion picture theaters in London last week included scenes of a raid by Japanese aircraft in China and that the horrors of the bombing formed the gist of the accompanying dialogue. The same news reel included the final part of President Roosevelt's recent speech at Chicago, showing the President speaking. The sound part was the President's voice.

Please see political report No. 6 of October 14, 1937, from the Consul at Manchester entitled "Increasing Indignation of Japanese War Methods at Manchester, England," and also that officer's despatch No. 40 of October 18, 1937, on the same subject.

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

No. 333.

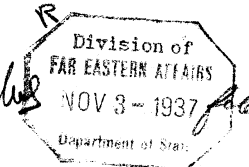
AMERICAN CONSULATE GENERAL

Hankow, China, September 22, 1937

COPIES SENT TO
U.S. 298

Subject: Vernacular Comment on American Attitude
towards Present Far Eastern Crisis.

10 27
The Honorable
The Secretary of State,
Washington.



Sir:

In continuation of my despatch No. 328 dated
September 8, 1937, concerning vernacular comment
on American attitude towards present Far Eastern
crisis, I have the honor to transmit herewith, as
of possible interest, a copy, in quintuplicate, of
my despatch No. 498 addressed to the Embassy, Peiping,
on the same subject.

Respectfully yours,

P. R. Josselyn
American Consul General

Enclosure:

1. Despatch No. 498 to Embassy, Peiping,
September 22, 1937.

In quintuplicate

800

EFD/MYH

793.94/10952

F/FG/10952

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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. Shusterman NARS, Date 12-18-75

No. 498.

AMERICAN CONSULATE GENERAL

Hankow, China, September 22, 1937

Subject: Vernacular Comment on American Attitude
towards Present Far Eastern Crisis.

The Honorable Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my despatch No. 493 dated September 8, 1937, and to enclose herewith, as of possible interest to the Embassy, copies in translation of editorial comments regarding American Far Eastern Policy which appeared in the September 13, 1937, edition of the WUHAN DAILY NEWS (said to be subsidized by the Kuomintang), the September 16, 1937, edition of the SAO TANG PAO (said to be subsidized by the Generalissimo's Wuhan Provisional Headquarters), and the September 20, 1937, edition of the TA KUNG PAO (independent). It may be well to state that the latter newspaper, which formerly enjoyed a position of prestige in North China, has removed its Tientsin organization to Hankow.

It seems evident that the policy pursued by the United States in advising the general evacuation of its nationals and in prohibiting the transportation of war materials on government vessels has met with an unfavorable response in Chinese official and private circles. Close attention is being paid to American policy but it now seems apparent that the Chinese have
given

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

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given up hope of expecting any positive support from
the United States in the present conflict with Japan.

Respectfully yours,

P. R. Josselyn
American Consul General

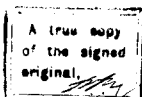
Enclosures:

1. Translation of an editorial appearing
in the WUHAN DAILY NEWS, Hankow,
September 13, 1937;
2. Translation of an editorial appearing
in the HAO TANG PAO, Hankow, China,
September 16, 1937;
3. Translation of an editorial appearing
in the TA KUNG PAO, Hankow, China,
September 20, 1937.

Original to Peiping;
Copy to Nanking;
5 copies to Department
(despatch No. 333, September 22, 1937).

800

EFD/MYH



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

Enclosure No. 1 to despatch No. 498, September 22, 1937, from Consul General J. Josselyn, Hankow, China, to the Embassy, Peiping, China, in regard to the vernacular comment on American attitude towards present Far Eastern Crisis.

Translation of an editorial appearing in the HUANAN DAILY NEWS, Hankow, September 13, 1937

United States should strongly assist the League of Nations to stop aggression.

Relations among the nations are very complex and complicated. They are closely related and share in joys and sorrows mutually. Any event occurring in one of them will effect the others. The object of treaties among nations is to prevent disputes and to stop aggression. Since Japan invaded the four eastern provinces she has disregarded international law and international treaties. The degree of her violence and unreasonable force is without comparison in the history of the world. She is deceiving the world, and nobody has been able to stop her. But universal opinion has long reprimanded her, stating that the world is returning to barbarous reign of the dark age in the middle ages. Of late she started the incident at Lu Kou Chiao, occupied our Peiping and Tientsin, and attacked our Woosung and Shanghai. Her planes in large numbers fly everywhere to inflict oppression. Cultural institutions have been destroyed. Innocent people have been murdered as cruelly as possible. Japan has unlawfully blockaded our ports along the coast, planning to seize the Far Eastern markets of the various countries. Moreover, she has attempted to cover her crime of aggression by using the term "self-protection against communism" among the family of nations. Who in the world who pays any regard to justice will take her word? Conditions in China are critical. For the sake of existence, China is obliged to rise up and answer the invasion on all fronts. The war cloud in the Far East in fact may possibly involve the world. Henceforth can any country in the world closely related with the Far East possibly stand in isolation?

During the past six years the League of Nations has spoken justly in connection with the disposition of the Sino-Japanese question. In fact it has exerted its best. But its passive and empty resolutions, without positive and effective action, have enabled the aggressor to become prouder and more haughty; consequently the irretrievable situation of today. This we regret very much. Now the annual meeting of the League has announced its opening. In order to express our constant support for the League of Nations and our maintenance of peace, we have again made an earnest appeal. According to a telegram from Geneva, the Advisory Committee created by the Council of the League of Nations in 1933, will examine into the hostilities between China and Japan. This step is very appropriate, because the temporary Conference of the League of Nations of 1933 by a unanimous vote regarded Japan as an aggressor nation; therefore it will no longer be necessary to discuss the question which is the aggressor country, and which may, of course be solved promptly. Since the aggressor country

-2-

is obvious, naturally steps to impose effective prohibitions will follow. Thus the sanctity of the treaties may be upheld. Therefore we take the Far Eastern problem of today as the final test of the Covenant of the League of Nations and of all peace treaties of the world. We feel sure that the members of the League of Nations will do their best to attain it.

To stop aggression is the sacred duty of the League of Nations and is of concern to the interests of the "have" bloc, but how can the mandates of the League of Nations be made really effective? Then assistance and efforts of the United States whose interests in the Far East are predominantly great and whose strength is most plentiful are indispensably depended upon. Investments made by the United States in the Far East are great; her interests are singularly substantial. The spread of hostilities in the Far East will cause the greatest losses to her rights and privileges. Moreover, Japan is constantly planning to extend her strength to the west coast of the Pacific Ocean. If China is unfortunately defeated, the United States can hardly protect her islands in the Pacific Ocean. In view of these circumstances it is necessary for the United States to assist the League of Nations in its efforts towards peace in the Far East. It is recalled that the United States sent a warning to Japan in connection with the Sino-Japan problem, suggesting that Japan stop aggression in China and preserve the spirit of the Nine Power Pact. But on the contrary such reiterations have been disregarded by Japan. Appeals to reason and justice cannot stop the ambition of the aggressor. All Americans without exception take this as an insult on the United States. Now the League of Nations has delivered the Sino-Japanese war to the Advisory Committee for adjustment, because the United States is a member on the Advisory Committee. This shows that the League of Nations lays great emphasis on the United States. Is the United States desirous of disappointing the League of Nations? Does the United States pay no regard to the sanctity of the Nine Power Pact? On the basis of this point alone, the United States should not stand by any longer and permit the treaties of the League of Nations to be torn to pieces by any aggressor. During the past several years the League of Nations has been without strength to stop aggression, and public opinion alleges the cause to be the absence of the United States and Soviet Russia from the League of Nations. Now Soviet Russia has joined the League of Nations, and has been assigned the important post of membership in the Standing Council. The United States should, complying with the request of the League of Nations, participate in the work of the League of Nations. Therefore the strength of the League of Nations is different from that in the past. If respect and emphasis is paid to public opinion among the nations, it is generally believed that effective strength will surely be exerted to stop the aggressor. Let bygones be bygones. We look forward to the future. Lovers of peace should ponder over this problem.

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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. 498, September 22, 1937,
 from Consul General J. R. Josselyn, Hankow, China, to
 the Embassy, Peking, China, in regard to vernacular
 comment on American attitude towards present Far Eastern
 Crisis.

Translation of an editorial appearing in the HAO TANG
 PAO, Hankow, September 16, 1937

Attitude of the United States toward the Far East.

The United States has always led in the maintenance
 of peace and upholding of justice. For example Wilson
 promoted the League of Nations, and Kellogg initiated
 the anti-war act. These are prominent instances. So
 far as is shown by facts, the maintenance of peace and
 the upholding of justice by the United States has not
 been crowned with evident success. The cause is that
 the United States can only make declarations but cannot
 act upon them. In other words, the United States has
 only been able to make empty declarations against the
 breach of peace and violations of justice among the
 nations, but has not been able to interfere with the
 latter effectively. For example, the United States
 since the incident of September 18 has on several
 occasions denied the status quo unlawfully created
 by Japan in Manchuria, and declared for the maintenance
 of integrity of Chinese territory and sovereignty. But
 beyond this the United States has not taken any effective
 steps to enforce its proposal; consequently Japan has
 been enabled to transgress step after step, creating the
 extraordinary state of affairs in the Far East today.

As another example, after hostilities between Italy
 and Abyssinia had broken out, Abyssinia made repeated
 appeals for help to the United States, considering it
 as the promoter of the anti-war act, but the United
 States Government answered it with cunning statements
 to the effect that this matter was receiving the close
 attention of the League of Nations. Later it saw fit
 to announce the invocation of the Neutrality Law,
 denying Abyssinia which was short of money and weapons,
 any assistance from the United States. Of course the
 United States cannot be blamed for the fall of Abyssinia,
 but it is not right to state that the cool attitude of
 the United States toward the invasion of Abyssinia by
 Italy has nothing at all to do with the fall of Abyssinia.

Now Imperialist Japan has invaded China with the
 force of her planes and cannon and has slaughtered our
 people. Moreover the invasion and slaughter has continued
 for two months. Let it be asked has the United States
 taken any effective steps to carry out its policy of
 maintaining peace and upholding justice other than a
 declaration of the continued maintenance of the Nine
 Power act and such ineffective diplomatic phrases?
 Moreover, not only it has not taken any steps, but
 recently the short-sighted politicians and the general
 selfish people who during their life time have not had
 any contact with the people on the other continents are
 requesting their Government to invoke the Neutrality Law
 in connection with the Sino-Japanese War, in the hope
 that the United States may not be involved in the whirl-
 pool of war and that her so-called glorious isolation

may

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

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may be maintained. Although President Roosevelt has not granted this request, yet according to today's news messages, President Roosevelt has issued an order prohibiting government merchantmen from transporting arms and ammunition to China and Japan, and merchant vessels flying the American flag evidently have also received the warning. This step, as described by President Roosevelt, does not mean the invocation of the Neutrality Law, but in fact it amounts to enforcing the Neutrality Law. According to our opinion, in taking this step, the United States has done what is necessary for itself, but it cannot be denied that the future of China, the situation in the Orient, and peace of the world will be affected thereby, inasmuch as Japan is a militarist country, whose armament has continued for a period of 50 or 60 years. The enforcement of the Neutrality Law by the United States will not affect Japan any, but on the other hand, although the sentiments of the Chinese people in offering resistance are tense, yet China is very short of military supplies. Now the United States has seen fit to declare prohibition on shipments of arms and ammunition to both China and Japan. This declaration metes an imperceptible blow to China's resistance to invasion and opposition to the force of the oppressor. As a blow is meted to resistance to invasion and opposition to oppression, China's revival, the interests of the Orient, and the peace of the world must after all be adversely affected. Let it be asked, can the United States, which maintains peace and upholds justice, tolerantly take such a step? In our opinion, if the United States does not promote peace and justice, that is all right. But since it is promoting peace and justice, it should take effective steps to stop the breaker of peace and justice; only in this way can peace and justice be maintained.

Again the attitude now adopted by the United States is one of glorious isolation. Materially speaking, the United States is desirous of seeking its own interests in a chaotic situation, but on account of complicated political, economic, and territorial relations among the various countries at the present time, any happening in any country in the world will affect all the countries. For example, the seizure of the four eastern provinces of China by Japan brings pressure to bear on Russia. Her attempt to take our Tung Sha Islands brings pressure to bear on the Philippine Islands. If by chance Japan won, she would rule the Orient and threaten the Strait Settlements. To allege that the United States can look on at a conflagration on the opposite shore in order to enjoy its glorious isolation is not believable by a child. Therefore if the United States is really desirous of seeking its own interests, first of all it must seek the interests of the whole world.

On the basis of these two points, we hope that the United States will modify its attitude toward the Far East, not entirely for the interests of China, but also for the interests of the United States also. Let us hope that the authorities of the United States will do well in this matter.

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

Enclosure No. 3 to despatch No. 498, September 22, 1937, from Consul General P. R. Josselyn, Hankow, China, to the Embassy, Peiping, China, in regard to vernacular comment on American attitude towards present Far Eastern Crisis.

Translation of an editorial appearing in the TA KUNG PAO, Hankow, September 20, 1937.

Policy of the United States.

The United States prohibits its government ships from transporting munitions of war to the Far East. As this order evidently will be advantageous to Japan and disadvantageous to China, our Government has consequently instructed Ambassador C. T. Wang to have earnest conversations with the American authorities. We, availing ourselves of this opportunity, wish to discuss thoroughly the propriety of the American policy, with the hope that all Americans will extend consideration to the matter.

To speak plainly, the Chinese nation is quite appreciative and thankful for sympathy extended to China by the consensus of opinion in the United States, but is really dissatisfied with the present policy of the American Government. This does not refer to the problem of the shipment of munitions of war alone, but to the whole question. We know that many persons in the United States advocate peace through isolation. For example, the six large peace organizations often noted in the newspapers are of this faction. They are sympathetic with China, but they fear very much that the United States will be involved in any maelstrom; hence they strongly advocate neutrality. In fact such peace and neutrality talks are of great vogue in the United States in recent years. Their psychology is opposition to the United States being involved in the European whirlpool. We do not wonder at these conditions, but we wish to ask the people of the United States one question: Of late your government declared support for the treaties and maintenance of peace. Is this an empty phraseology or one which you will carry out? In the past years the United States has always occupied the position of a leader in world peace. The Nine Power Treaty and the Anti-War Pact were promoted by the United States. These are to the credit of the people of the United States; of course they are morally obliged to support them. What is the situation now? Japan has torn the Nine Power Treaty to pieces, and the Anti-War Pact has been trampled under the ground. Japan has sent all her navy, army and air forces for a great invasion of China, and China is obliged to offer resistance in self-protection. According to the Anti-War Pact Japan is carrying out a great war for the invasion of China. On the basis of the Nine Power Treaty, Japan is radically infringing the independence and integrity of China. Yet the leader of these two pacts is the United States, which is now devoting all its attention to the study of neutrality and avoidance of being involved. Although the Secretary of State has on two occasions made dignified statements, yet they end there, without having taken any diplomatic steps. What the Secretary has done is only to ask American citizens to evacuate and to issue this order

prohibiting

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

-2-

prohibiting the shipment of munitions of war. How and where is the support of the treaties and the protection of world peace by the United States expressed? No matter how eloquent the American isolationists are, there is no doubt that the moral authority of the United States in the world falls, and moreover, the United States is in fact extending assistance to Japan in the barbarous act of violating the treaty and pact.

In the past half century the people of China have believed that the United States is friendly; they are still believing that now. I venture to represent the people of China, in the capacity of friends, to make the following earnest statements to the people of the United States: We are not in a position to interfere in your national policy. We have no objection to your demanding neutrality or even assisting Japan. But we wish to ask you to have a thorough knowledge of the situation in the Far East, and to adopt a policy concerning the Far East. In short, we wish to ask the United States to decide on a fundamental question: After all will the United States withdraw from Asia or not? If your fear of Japan is so great that you have decided to withdraw from Asia, from now on we will keep our silence. Why? Because that is your national policy and your freedom. Of late Mr. Arita, the former Japanese Minister of Foreign Affairs, made statements at Peiping to American newspaper reporters, eulogizing the United States. He said that the attitude of the United States was quite just and upright and that Japan was quite satisfied with it. Just imagine, why Japan should not be satisfied? The United States being such a large country is thus standing aloof. Of course Japan will be benefited in the foreign affairs arena. She may now ally with Italy to oppress Russia and to check Great Britain and France, and thus destroy China as speedily as possible. After she has completely destroyed China, the Continent of Asia will belong to her. Why should she not be satisfied?

From the first the Japanese militarists have been thoroughly mad. They are bent on the sole occupation of Asia. Today American merchants still remember the Japanese trade. They should know that after Japan has taken China, what do they care for American cotton etc.? Moreover, in addition to the question of trade, there is the military problem. Why should Japan keep such a strong navy? If not against the United States, against whom is it maintained? After the occupation of China, Japan's armaments will be expanded without limit. She has been announcing her wish to expel all white races and their influence from Asia. At that time, of course, she will carry out this policy, and of course the United States cannot resist her. If the people of the United States do not wish to carry out their responsibility of protecting the treaties and if they persistently fear Japan, then the only course will be to decide to withdraw from Asia, and from now

on

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

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on it will not be necessary for them to question the Pacific Ocean and to keep to the coast of the United States to the last in order to prevent an invasion from Japan. This may be a comparatively safer course. If this is not the case, having not decided to withdraw from Asia, the United States wishes to maintain her prestige, to talk about treaties and to talk about peace. Being unwilling to abandon its traditional policy on the Pacific Ocean and in the Far East, it wishes to get rich from Japan and to keep its interests and privileges in China. At the same time being afraid of being involved, it desires to declare neutrality, thus standing by to see China's occupation by Japan. Until the United States' patience is taxed, and it obtains a better knowledge of Japan and then desires to interfere in the matter, it will be no rival of Japan. At that time the United States will be compelled to withdraw from Asia. If not, it will fight its own battle at a great sacrifice. If so, it will be better for the United States to decide to withdraw now, so that Japan may be completely satisfied to the last.

But we really believe that the United States definitely will not withdraw from Asia, and moreover it is in sympathy with China. If so, the present policy needs to be reconsidered. We agree very much with the war-tiring psychology of the American peace organizations. We do not desire the United States to participate in a war against Japan, but we hoped and propose that the United States will not abandon the glorious history of its leadership in the world and should use all its efforts in fulfilling its responsibility in protecting the two great treaties. Definitely speaking, China hopes that the United States will unite diplomatically with Great Britain, France and Russia, whose national policy is peace, and will act harmoniously with its sister country, Great Britain. The United States is not required to fight, but is only required to act drastically for peace. If so, the situation will differ greatly. China hopes that the United States will extend other assistance than participation in war. This is a fact, and is secondary. If it does not help, there are others who will help. In short, it should not, on the contrary, help Japan and assist her in military prowess. For example, the order prohibiting the shipment of military supplies, is nominally an act of neutrality, but in fact it helps Japan; consequently the Japanese spokesman says that Japan is extraordinarily satisfied. In short, this is a question of the policy of the United States. China on the one hand has obtained the sympathy of the people of the United States, but on the other hand she has received a blow from American policy. Of course this does not give satisfaction to China, and we wish to appeal to the people of the United States for a reconsideration of their national policy. During the past two days the NEW YORK TIMES has expressed a fair opinion. We believe that American public opinion will gradually be convinced of right and wrong. Hence we are not pessimistic over the attitude of the United States, but we have one earnest statement to make:

Sympathy

7585

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

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Sympathy should be supported with facts. Do not express your sympathy only with words or thought, while on the contrary you assist and facilitate our rival who is invading us.

According to our view of the world situation, we believe that decisively there can be no isolated peace; there must be an en bloc struggle. Fear of being involved in a maelstrom after all will not avoid it. All must cooperate to safeguard peace and to prevent war as early as possible. The Sino-Japanese question is daily becoming a universal one. If this conflagration of invasion is not eradicated at an early date, it will surely spread over the whole world. China is an anti-war and a treaty observing country. China, without failure, has been supporting all peace movements advocated by the United States; moreover, she has faithfully and bravely protected them, even with bloodshed. The relations between the United States and China have been traditionally most friendly. China is respecting these relations which are not without value to the United States. The questions of today should not be disregarded by the United States nor should the opportunity be missed. Of course, we have made these statements not on account of the 19 planes on the S. S. WICHITA. China, though poor and weak, will not worry over the question of arrival of this small quantity of military supplies. I presume that the Americans may not misunderstand us on this point.

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

No. 336.

AMERICAN CONSULATE GENERAL

Hankow, China, September 28, 1937

Subject: Posters Dropped during Air Raid on
Wuhan

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

The Honorable

The Secretary of State,
Washington.

Division of
FAR EASTERN AFFAIRS
NOV 3 - 1937
Department of State

Sir:

I have the honor to refer to my telegrams of
September 24, 10 224 / 7 p.m. and September 25, 10 253 / 5 p.m., report-
ing on the Japanese air raid at Hankow and Hanyang on
September 24, 1937, and to enclose herewith copies in
translation of two posters dropped by the invading
airmen during the course of the attack. The posters
are done in colors and are profusely illustrated in a
manner calculated to render them understandable to the
simplest peasant.

Both circulars are couched in the simple "pai hua"
language. As will be seen, one of the posters is
devoted entirely to an endeavor to discountenance the
ability and valor of the Chinese air fleet, while the
other denounces the Chinese military as the enemy of
the Chinese people and urges the latter to cooperate
with Japan "for the peace of the Orient." No originals
of the posters are available for transmission to the
Department.

Respectfully yours,

P. R. Josselyn
American Consul General

Enclosures:

ASSISTANT SECRETARY
OF STATE

753.94/10953

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

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Enclosures:

Copies in translation of two posters as stated.

Original and 4 copies to Department;
1 copy to Embassy, Nanking;
1 copy to Embassy, Peiping.

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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

Translation of an illustrated poster distributed over
Wuhan by Japanese planes during the raid of September
24, 1937.

The Pitiable Chinese Air Fleet!!

From the outbreak of the incident to September
15, a total of 217 Chinese planes have been destroyed
or shot down; 97 have been shot down in air battles,
and 120 have been destroyed on the ground or by
bombing. Therefore, the greater part of the Chinese
air fleet has been destroyed and the pilots are dis-
heartened. Many who refused to take orders have
been shot.

Now, the Chinese air force is almost all destroyed,
and its last day has come.

Translation of an illustrated red pamphlet distributed over Wuhan by Japanese planes during their raid on September 24, 1937

An Appeal to our Friends:

1. For the peace of the Orient Japan and China must be friendly, cooperate harmoniously, and progress energetically.
2. However, the wicked military clique, which is misleading the good people of China, has disturbed the peace and enraged the Japanese people.
3. In order to save the good Chinese people from the oppression and ill-treatment of the Chinese troops and to maintain peace, the Japanese Empire has taken steps and is continuously exerting itself.
4. The facts are: China has acted first, and has seen fit to commit all kinds of misdeeds causing misery to Japan on many occasions.
5. At last the Japanese people being unable to remain tolerant any longer have unsheathed their swords and stood up.
6. Once fighting begins, the Chinese army is without prowess. Our troops are winning great victories everywhere. In the battles at Shanghai, not a few Chinese Divisions have been annihilated. Chinese planes pursued and attacked by our air fleet have been disabled and they have lost their fighting spirit.
7. Our aviators have bombed and attacked the wicked Chinese army. The good people of China are very happy.
8. However, the Chinese Government deceitfully propagates that China has won victories to deceive you. But now even foreigners do not believe Chinese propaganda.
9. The Japanese army is not only brave but compassionate to the weak, the feeble, and the upright without paying distinction to nationality.
10. Therefore, good people of China, awake from your dream quickly and stop this useless fighting, in order to permit us to advance hand in hand in cooperation for peace in the Orient.

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

TELEGRAM RECEIVED

EG

FROM CINCACAF

November 3, 1937

Rec'd 9:24 a. m.

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEI PING



0003. Japanese continue move troops South Soochow Creek. Consolidated positions have occurred south bank for distance two miles vicinity Rubicon Village overcoming strong Chinese resistance. No change other sectors which quiet. Chinese reported evacuating Nantao Lunghwa areas. Settlement quiet. 1945.

CSB

793.94/10954

F/FG

NOV 6 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

GRAY

FROM

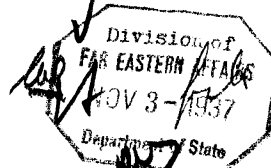
Tientsin via N. R.

Dated November 3, 1937

Rec'd 8:10 a.m.

Secretary of State,
Washington.

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



67, November 3, 4 p.m.

It is reported that during daylight hours from October 27th to November 2nd Japanese brought in from Manchuria 2000 troops with small number of field pieces and motor trucks; sent out by sea 1500 casualties; sent out to Manchuria 9000 troops, 61 cars of artillery and fifty-one cars of motor trucks and sent out by sea from Tangku to an unknown destination considerable numbers of troops.

CALDWELL

1 DM:WNC

793.94/10955

F/FG
FILED
NOV 4 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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department
 OR

Charge to
 \$

TELEGRAM SENT

Department of State

DEPARTMENT OF STATE

Washington,

November 1, 1937.

1937 NOV 1 PM 3 54

AMDELGAT

DIVISION OF
 BRUSSELS (Belgium)
 AND RECORDS

25
 The American Commander-in-Chief, Shanghai, reports wounding of three more British soldiers on October 31. Press this morning reports death of one of the three British soldiers wounded October 30, when three British soldiers were killed, and states that British blame all recent losses on the Japanese.

Our Consul General, Shanghai, telegraphed October 31 that General Matsui, Japanese Military Commander-in-Chief, replying to a request of the foreign naval commanders for a meeting to discuss the serious situation in the Settlement resulting from indiscriminate firing, stated that because of military exigencies he could not repeat not have the pleasure of meeting the Admirals before November 10.

Our Assistant Military Attaché, Shanghai, telegraphed October 30, that the morale of the Nanking forces was high, with material support expected soon in which event a long siege was probable. Commander-in-Chief reports November 1

Enciphered by

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

Gran
 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

793.94/10955A

F/MR

10955A

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

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
 Charge Department
 OR
 Charge to
 \$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN

Washington,

-2-

that the Japanese, who have crossed Soochow Creek at a
 point west of Settlement boundary, are consolidating posi-
 tions and are preparing to drive south.

Welles
acting
HRW

NOV 1 1937. PM

~~795.94/10893~~

FE JCV: VCI

FE
m.m.d

A-W

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

SA
This message was received
in navy code and must be
closely paraphrased before
being communicated to anyone.

FROM RADIO SHANGHAI

November 3, 1937

Rec'd 10:20 a. m.



TO: NAVY DEPARTMENT

793.94

0003. Observation of Chinese position in rear area south of Soochow Creek and of retrograde movement during night toward Singkiang by ALUSNA Shanghai indicates to him probability early withdrawal to Kunshan Tsingpu Sungkiang line. Believe important agreement has been reached by Sino-Japanese under French auspices. Concerning Shanghai situation details unknown but probably provide for peaceful Chinese evacuation of Nantao. 1003.

RR:WVC

793.94/10956

F/FG

FILED

NOV 5 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

EG

This message must be
closely paraphrased
before being com-
municated to anyone.

FROM

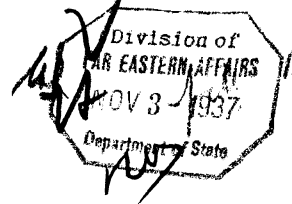
ALUSNA PEI PING

November 3, 1937

Rec'd 10:20 a. m.

TO: NAVY DEPARTMENT

INFO: SECOND BRIGADE USMC
COMBESRON FIVE
COMBESRON FIVE
CINCAF
COMYANGPAT
COMSOPAT
AMERICAN EMBASSY NANKING



793.94/10957

0003. Tsinpu front on first November reference
postal all Peiping Yunning Tsingwu Kiaoling Hsienchang
Chuchow Siatsing south of Lingtsing to Weihsien latter
in Kopsi. Little activity this line but Nippon rein-
forcements reported arriving. No change political
situation Tsinan Pinghan operations vicinity Anyang
north Shansi right wing still Tsinkow mountains. Japs
slowly advancing along Chengtai Railway now forty miles
east Taiyuan. No evidence Japanese using or plan employ
gas north China. 1525.

RR:WWC

11
F/FG
FILED
NOV 5 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

120-1

TELEGRAM RECEIVED

EG

GRAY

FROM Nanking via N. R.

Dated November 3, 1937

Rec'd 9:22 a.m.

AMEMBASSY PEIPING
AMCONSUL HANKOW
AMCONSUL SHANGHAI

Secretary of State,
Washington.

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



886, November 3, 4 p. m.

One. Representatives here of the former communist troops (Eighth Route New Army) are reported as stating a second army of former communist troops from Fukien, Kiangsi and other places is being organized at Hankow to be known as the Fourth Route New Army.

Two. Li Tsung Jen is at present in Nanking. Kwangsi troops on the Tsinpu front are understood to be second and third line troops and not the best of the Kwangsi forces.

Three. From information reported by hospitals caring for wounded soldiers, it is stated that Chinese wounded at present total 150,000 of which 50,000 are in the north. The number killed is variously estimated at 1 to every 3, 2 or 1 wounded.

Four. Repeated to Peiping, Hankow, Shanghai, Tokyo.

JOHNSON

RR:WFC

Read to
Mr. Smith
by Mr. C. W. S.
11/3/37

793.94/10958

F/FG

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

DOCUMENT FILE

NOTE

SEE 741.00/128 FOR Despatch #3493

FROM Great Britain (Johnson) DATED Oct. 26, 1937
TO NAME 1-1127 870

REGARDING: Far Eastern situation. Statement of Mr. Eden in Parliament during an explanation of the British Government's foreign policy, that he welcomed the Nine Power Conference at Brussels as the best hope of finding a means of putting an end to the conflict in China.

fp

793.94/10959

F/MR

10959

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

NO. ----

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

1937 NOV 3 AM 10 45

AMERICAN CONSULATE GENERAL

DIVISION OF
COMMUNICATIONS Mukden, Manchuria,
AND RECORDS September 25, 1937.

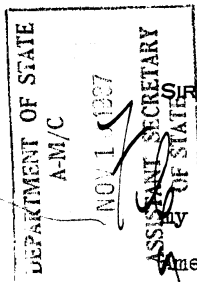
SUBJECT: Imperial Rescript Concerning
Sino-Japanese Situation.

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

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



I have the honor to enclose herewith a copy of
Despatch No. 150, dated September 25, 1937, to the
American Embassy, Peiping, China, entitled "Imperial
Rescript Concerning Sino-Japanese Situation".

Very respectfully yours,

Wm. R. Langdon

Wm. R. Langdon,
American Consul

✓ Enclosure:

Copy of Despatch No. 150
to the Embassy, Peiping.

In quintuplicate to the Department.

800
wyp

793.94/10960

F/FG

10/20

No. 150.

AMERICAN CONSULATE GENERAL,

Mukden, Manchuria, September 25, 1937.

SUBJECT - Imperial Rescript Concerning
Sino-Japanese Situation.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

1/- As a pronouncement of "Manchukuo's" attitude toward
the current Sino-Japanese conflict from the highest of-
ficial source, I have the honor to enclose a translation
of an Imperial Rescript issued on September 18, the sixth
anniversary of the Mukden Incident.

Setting forth the realm's position with classic
unction, the rescript attempts to mobilize Manchurian
public opinion in support of Japanese action in China.
China is charged with having abandoned Oriental culture,
with being bigoted, unrepentent and receptive to com-
munism. These unattractive qualities were manifested
despite Japan's fair dealing and generosity. Finally,
China has so provoked Japan that the latter has had no
alternative but to dispatch an army of chastisement.
The rescript hastens to point out that Japanese armed
force is "not directed against the people of China, but
rather is designed to exterminate those who wrong their

nation

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

- 2 -

nation, bring calamity upon their people and disturb the peace of East Asia."

The people of Manchuria are adjured to "sympathize with the righteousness of the punishment meted out by our allied power" and to concentrate on the building of a system of joint Japan-"Manchukuo" defence.

Only the well-educated native can understand the ornate language of the Imperial Rescript. Japanese inspiration of any imperial command is so generally recognized that public response is one of apathy and, amongst the well-educated, cautiously expressed repugnance.

Very respectfully yours,

Wm. R. Langdon
American Consul

Enclosure:

1/- Translation, as stated.

Five copies to Department of Despatch No. ----
dated September 25, 1937.
Copy to Embassy, Tokyo.
Copy to Embassy, Nanking.
Copy to Consulate General, Harbin.
Copy to Consulate General, Tientsin.
Copy to Consulate, Dairen.

800
JD:wyp

A true copy of
the signed original.
wyp

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

Enclosure to despatch No. 150 of Wm. R. Langdon,
American Consul, Mukden, Manchuria, dated September
25, 1937, to the American Embassy, Peiping, China,
entitled "Imperial Rescript Concerning Sino-Japanese
Situation."

SOURCE: "MANCHUKUO" GOVERNMENT
GAZETTE, EXTRA ISSUE
September 18, 1937.

TRANSLATION

IMPERIAL RESCRIPT

His Majesty the Emperor of the Great Manchou
Empire, entrusted by Heaven to rule the Empire, hereby
issues the following Imperial Rescript:

In order that there may be displayed the true
significance of the one virtue and one mind existing
between our Empire and our allied power, the Great
Japanese Empire, and that the spirit of joint defence
may be fully realized thereby arousing hope for the
stabilization of the situation in Eastern Asia, you,
my 30,000,000 subjects, are apprised that our Empire's
foundation is laid on the political principles of
benevolence and love and on the educational principles
of loyalty and filial piety. By relying upon the right-
eous assistance of our allied power, our nation has
been stabilized; all meritorious deeds have been fully
performed; the proper social virtues have in relation
to one another been regularized; and the people's
customs have daily increased in probity.

I dare not allow myself leisure for repose, day and
night exerting myself with deep concern, anxious that our
undertaking in virtue may increase and that our efforts
for peace in East Asia may be directed with the same mind
as that of our allied power.

Since

- 2 -

Since the removal of the capital of the Republic of China to Nanking, it has shown contempt for and abandoned the traditional culture of the Orient and has used resistance and expulsion as its propaganda slogans. China has herself razed the Great Wall and opened her gates to communism. She has repeatedly created incidents and has proven to be bigoted and unrepentent; she has challenged our allied power who grieved for her circumstances, dealt faithfully with her for ten years, and treated her generously.

With matters having come to that pass, our allied power had no alternative but to dispatch an army of chastisement for the purpose of smiting China's violence. This action is, of course, not directed against the people of China, but rather is designed to exterminate those who wrong their nation, bring calamity upon their people and disturb the peace of East Asia. The expedition is in a righteous cause and is proceeding smoothly with the blessings of God and man; mountains and rivers have been shaken; all the strong enemies have been crushed; and the official reports are accurate in details and supported by proof.

You, my subjects should sympathize with the righteousness of the punishment meted out by our allied power and ponder upon the heavy responsibility of our country in the present situation. All persons, both high and low, shall encourage one another and exert themselves in performing their respective duties, and they shall be harmonious and friendly to one another. Thus may the

ambitions

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

- 3 -

ambitions of all complete cities and the social bonds *
of the nation be stimulated and extended. So may there
be displayed the true significance of one virtue and one
mind and so may the nation's energy be put forth in
realizing the spirit of joint defence. Whatever the
difficulties and obstacles, we shall share them with
our allied power, so that East Asia may be stabilized
and the prosperity of all its peoples be attained. You,
my subjects, are hereby commanded never to waver (from
this principle). Respect this.

Imperial Name and Seal.

Kang Te Fourth Year (1937), September 18.

Chang Ching-hui,
Premier.

- - - - -

* ceremony, justice, honesty and shame - Giles.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Canton/116 FOR #88

FROM Canton (Linnell) DATED Sept. 20, 1937
TO NAME 1-1127 GPO

REGARDING: Relations between China and Japan:

Sino-Japanese conflict: Reports concerning -, and its
extension to South China.

mr

795.94/10961

10961

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

1. Relations with Japan:

- (a) relations involving Japan and China only.
(1) Early hopes for Avoidance or Extension of
War to South China

In spite of the tense situation then existing at Pootow,
most observers felt at the beginning of the month that Japan

was

*Embassy's telegram to this office of August 12, 1 p.m.
#Telegrams of August 7, noon, 12, noon and 14, 6 p.m.

- 3 -

was genuinely anxious to avoid extension of hostilities to South China and that war in this area could still be prevented if both Japanese and Chinese authorities continued their successful efforts to prevent serious incidents.

(2) Chinese Policeman attacked by drunken Japanese Consular Official.

In early August an affair occurred at Canton involving an attack upon a Chinese policeman by a member of the staff of the Japanese Consulate General in very drunken condition. While neither ^{side} made an incident of the event, the Japanese Consul General privately admitted its occurrence, adding that he had "reprimanded severely" his guilty subordinate."

(3) Japanese Trade and Smuggling completely Stopped by Boycott

The action of the Canton river coolies in refusing to service Japanese ships was extended to apply to all handling of Japanese goods at Canton, including Shanshen; and the movement became so effective that the evacuating Japanese were forced to handle their own personal effects. Meanwhile the boycott by merchants in general developed to such a point that local Japanese, in addition to finding their business at a standstill, began to experience difficulty in buying food and fuel locally. A movement by Chinese servants and business employees of Japanese to leave their employers also developed to considerable proportions.

According to an official Chinese source, the boycott of Japanese goods put smugglers so completely out of work that the latter in resentment organized plots to create incidents both here and at Swatow, which were frustrated, thanks to the

cooperation

*Despatch No. 85 of August 5, 1937.
*Telegrams of August 4, 5 p.m., August 10, 5 p.m., August 12 Noon, August 14, 6 p.m., 24 - 2 p.m. and 28, Noon; Despatch No. 84 of August 5, 1937.

- 4 -

cooperation of the Japanese consular authorities.

(4) Japanese Protests Met by Chinese Denials of Official Complicity.*

The Japanese Consulate General filed repeated protests against the coolie boycott at Canton and Swatow and other forms of the anti-Japanese movement, generally accusing the Chinese authorities of themselves instigating such activities. Its representations were entirely ineffectual despite the fact that they were accompanied, on at least one occasion, by a veiled warning. To all protests, the Chinese were understood to have replied consistently to the effect that, while cooperating to the fullest extent to prevent incidents, they had no intention of interfering with anti-Japanese manifestations such as the coolie movement which - they alleged - were not encouraged by the government but constituted spontaneous patriotic action entirely justified by Japanese aggression.

(5) Pretence of Non-association with Boycott dropped by Authorities.

Despite the Chinese assertions, there appeared no doubt that the Kuomintang, if not the authorities, were secretly encouraging most of the organized forms of the anti-Japanese movement in Kwangtung complained of by the Japanese Consulate General. With the departure of the Japanese Consular authorities, the party stopped attempting to conceal its connection with the boycott and has since been openly supervising action to complete and ensure maintenance of the movement. Two days after the Japanese had left, the semi-official newspaper of the Kwangtung Provincial Government carried an editorial demanding governmental

institution

*Telegram of August 28, 12 Noon.

- 3 -

institution of a nation-wide boycott of Japanese goods; and government officials were shortly reported to be issuing radio broadcasts in support of the movement.

The boycott also continued to be enforced rigorously in Kwangsi, where the authorities had for many months been openly supporting the movement.

Meanwhile the authorities in Kwangtung and Kwangsi were placing drastic restrictions on the export of copper, wolfram, antimony, hemp, and other important commodities, which, while not openly stated to be directed against Japan, were obviously for the purposes of embarrassing that country and conserving China's supplies needed for war.*

(6) Evacuation of Japanese - First Plans providing for a small colony to remain on Shanshen**.

In early August the Japanese Consular authorities stated that Japanese nationals outside of Shanshen were being advised to move to the island, but that no evacuation of the local Japanese colony was either ordered or then contemplated.

On August 11, Japanese Consular representatives confirmed that an evacuation was in process which would shortly reduce the local Japanese colony by eighty percent to about one hundred persons, mostly the more important businessmen, who would all be concentrated on Shanshen and would remain here indefinitely. The reasons for this partial evacuation, they stated, were the Japanese Government's desire to avoid incidents, cessation of business caused by the boycott, and the difficulty of buying food and fuel locally due to the boycott.

(7) Complete Evacuation carried out following Outbreak of Shanghai Hostilities.

Following the outbreak on August 14th of serious hostilities at Shanghai, there were definite signs that the Japanese evacuation

*Telegram of August 24, 8 p.m.
**Despatch No. 04 of August 3, 1937; telegram of August 7, noon and 12, noon.

- 6 -

evacuation plan had been suddenly altered to one of a complete evacuation. Interviewed on the 14th, however, a Japanese Consular official, while admitting that local Japanese were to be more strictly confined to Kowloon in consequence of the Shanghai news and abusive treatment of a Japanese in the Chinese city (Canton), stated that major hostilities in the north would not necessarily result in complete local Japanese evacuation or in Japanese armed action in the south except in the form of such bombing of Chinese air bases as the Japanese Military might consider in order for retaliation in case the Chinese should attempt use of their air force."

On August 17, what was stated to be the remaining Japanese colony, inc using the Japanese Consul General and his staff, left Canton, as did also the Japanese destroyer (Number 13), only Japanese warship then in port⁴.

(6) Farewell Call by Japanese Consul General and
Delivery of Senior Consul Archives to American
Consul General.

A few hours before his departure, the Japanese Consul General called on the undersigned to inform him of the evacuation and to turn over to him the archives of Senior Consul. He stated that he and his staff would carry on at Hong Kong for the present, reiterated that the evacuation was primarily motivated by a desire to avoid incidents, and intimated that he felt some ground to hope that

hostilities

⁴Telegram of August 14, 6 p.m., 18, 9 a.m.

⁵Telegram of August 17, 11 a.m.

- 7 -

hostilities would not spread to South China."

(9) Japanese Property left to Protection of Local authorities.

In taking leave of the Chinese authorities, the Consul General requested and was promised their protection of Japanese properties and interests. According to the office of the Special Delegate of Foreign Affairs for Kiangtung and Kwangsi, he stated positively, in reply to the office's careful inquiry, that no Japanese nationals (including Formosans) were being left behind.

Arrangements were also made with the British and French Concession authorities for their custody of Japanese property on Shumeeh.

(10) Japanese Employees of Chinese Government transferred to North China.

Japanese employed in the local Maritime Customs and Post Office were enabled to evacuate by receiving transfers to posts in North China.

(11) Anomalous Status of Japanese Consul General following Evacuation.

The Japanese Consul General apparently considered his status at Canton unaffected by the fact of his formal evacuation to Hong Kong and continued to address communications to the local authorities. According to the Special Delegate of Foreign Affairs, he even continued to request the latter's assistance in unimportant cases after Japanese planes had bombed Canton, and also went so far as to demand release from jail at Canton of a Japanese, despite his prior assurances that no Japanese had been left in the city.

(12) Evacuation

*Telegram of August 17, 11 a.m.
**Telegram of August 16, 9 a.m.
#Telegram of August 7, Noon.

- 3 -

(12) Evacuation of Japanese Foreign Office Agent from Hainan.

Simultaneously with the evacuation of the Canton Japanese colony, the handful of Japanese residing at other points in Kwangtung were reported to have departed. (No Japanese were known to be in Kwangsi.) In this connection, the following item which appeared in the August 27th edition of the CHUNGKING YAT PO (semi-official organ of the Kwangtung Provincial Government) was of interest as it appeared to confirm that Japan had been maintaining in Hainan what amounted to an unstyled agency of the Japanese Foreign Office:

Mr. 勝間田二久 (Katsumoto ?), the Japanese in charge of the Japanese 'Special Duty' Organization at Hainan, had recently gone elsewhere but shortly afterwards returned to the island. On the 22nd of this month he informed the local authorities that he intended to close his organization and return home. Accordingly, he turned over to the local police, for safe-keeping, the files of his office, et cetera. Report to that effect has been duly submitted by General HUANG Chiang, Chief of the Hainan Special Administrative Area, to the Kwangtung Provincial Government and to the Pacification Commissioner for Kwangtung. (Central News Agency).

This article was particularly interesting in the light of information supplied privately a few months earlier by a Chinese official source to the effect that there was but one Japanese in Hainan, who had long resided at Hailow and whose presence there was not pleasing to the Chinese in view of the fact that, while ostensibly engaged in business, he was mainly occupied in reporting confidentially to the Japanese Consulate General here.

(13) Panic Created by Reports of Japanese Planes and Aircraft Carrier.

The fear of air raids, which, following development of the very tense situation at Swatow in late July, had already

resulted

*Despatch No. 84 of August 3, 1937; telegrams of Aug. 12, 5 p.m., 19, 5 p.m., 21, 3 p.m.; and Hong Kong's 19, 11 a.m.

- 2 -

resulted in considerable panic and exodus from the city on the part of the Canton populace, became greatly intensified as a result of the complete evacuation of local Japanese on August 17th and simultaneous predictions that the Japanese air bombardments of cities in Central China would shortly be duplicated in the south.

Japanese planes were reported to have appeared over the Kwangtung coastal area southeast of Canton in early August, and on August 18th, 20th and 26th; and from the 17th a rumor persisted for several days that a Japanese aircraft carrier was lurking in the neighborhood of Hsin Bay. Each of these reports was subsequently denied by official sources - after serving to heighten popular alarm, with the exception of the story of planes claimed to have been seen on the 18th.

The latter affair was much shrouded in mystery. On the 17th high officers at the local military headquarters let it be known that they had private knowledge that the Japanese would attempt a raid on Canton the following morning. The next morning, according to military headquarters, Japanese planes were sighted near Hsueh Tigris. The alarm at Canton was instantly given; and the local air force staged an impressive defense of the city, which, while convincing the excited populace that a raid was in process, failed to find the reported invading planes. Military Headquarters, though a few days later denying persistent reports of the nearby presence of a Japanese aircraft carrier from which the planes were supposed to have come, still admitted no doubt of their original appearance. Under the circumstances, there seemed ground for suspicion that it was a

gase

- 10 -

case of false alarm given either deliberately or through a mistake in identifying the planes.

(14) August 31st Air Raids of Canton and Chiuchow*

On August 31st Canton experienced its first actual air raid. Six Japanese bombers believed to have come from Formosa, dropped a total of about fifteen bombs which were evidently aimed at the new spur track connecting the Canton-Hankow and Canton-Hankow Railways and the Tien Ho and White Cloud Mountain military aerodromes. Despite ineffective defence by the unpractised anti-aircraft batteries, only minor damage was done to the aerodromes and none to the railway; but five persons were reported killed and a number injured. On their departure the raiders were pursued by Chinese planes, and the latter succeeded in shooting down three of the enemy machines according to an official announcement, the correctness of which appears to be well substantiated in at least two of the three cases. Japanese claims that Chinese planes were destroyed were officially denied.

A raid on Chiuchow (northern Kwangtung) was simultaneously made by another group of bombers, which apparently failed in an attempt to damage the railway bridge and aviation establishments located there, though causing considerable casualties and damage in the city.

(15) Evacuation of Chinese from Canton - Women and Children advised to Evacuate

Expectation of air raids following departure of the Japanese community led the authorities at Canton, in the interests of governmental efficiency, to order evacuation from the city of the families of all military and civil officials. In accordance with their plan to conserve food

supplies

*Telegram of August 31, 10 a.m. and September 1, 5 p.m.
/Telegrams of Aug. 18, 5pm; 19, 5 p.m.; and 21, 5 p.m.

- 11 -

supplies and minimize the demoralizing effects of both threatened and actual air bombardment, they also instructed the general populace to send the children and older women of their families to relatives in the interior. Thus encouraged, the exodus from Canton of panic-stricken Chinese continued until the total evacuated was conservatively estimated as one third of the total population. While the majority went to the interior, great numbers, including families of officials, sought refuge in Hong Kong and Macao despite strong police injunctions that such action should be avoided as unpatriotic.

(16) Removal of Military Headquarters and other Government Offices

Foreseeing early extension of the war to South China, the Fourth Route (Kwangtung) Army moved its headquarters to the strongly fortified White Cloud Mountain during the second week of August. Other government organs followed suit and by the end of the month practically all had completed partial removals to points beyond the city limits, retaining only skeleton staffs in the city for conduct of nothing but urgent business. The opportunity was taken to carry out a long considered plan to move the seat of the Nanhai District Government from Canton to Fatchan.

(17) Emergency Police Control Instituted by Kwangtung Military

As of August 19 a system of emergency military control of policing, with some of the outward features of martial law, was instituted in Kwangtung. General Hsu Pei-nan (許培南), newly appointed Chief of Staff of the Fourth Route Army, was appointed to supervise it, with authority over all military gendarmes, Peace Preservation Corps and civil police, and took over direct charge of the policing of Canton. The

Canton

Telegrams of Aug. 14, 8 p.m. and 24, 3 p.m.
Telegram of August 21, 3 p.m.

- 12 -

Canton military garrison was simultaneously reinforced and troops joined the police in vigilant street patrolling, guarding of military zones and other emergency measures. It was understood that - aside from combatting traitors and spies - these measures were resorted to in order to impress potential looters and the nervous public in general that the authorities were prepared to handle any situation.

(18) Reinforcement of Canton Air Force and other preparations against air raids and blockade

Spurred by the increasing threat of air bombardment and blockade, the Kwangtung authorities made strenuous efforts to improve their preparations against such eventualities. The local air force was reinforced by a squadron of twelve Bmgai planes and, according to reports, a number of new planes from abroad. Anti-aircraft guns arrived to strengthen Canton's very meager supply of the weapons and some were set up at other vital points in Kwangtung such as Shichow and the large Canton-Howloon Railway bridge at Shekling. Bomb proof shelters were hurriedly constructed for official, public and private use; government quarters camouflaged and reinforced with sandbags, et cetera. Orders for the laying in by the public of fire extinguishing materials, first aid equipment and from one to three months supplies of food and fuel were issued and to a considerable extent enforced by the police. Such measures, together with frequent practice in air raid signals and "blackouts" and energetic efforts to enforce the dimming of lights, et cetera, brought Canton and other cities to a degree of actual preparedness; but the steps taken were considered far from adequate

against

Telegrams of August 18, Noon; 24, 3 p.m.; and 30, 4 p.m.

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

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against any large scale attack, and nothing was done to prepare against use of gas bombs aside from pressing the people to purchase "anti-gas" chemicals of dubious efficiency, the sale of which was suspected by some of being a profiteering racket".

(19) Effects of Japan's Blockade of Shipping from Local Point of View.

Local official Chinese circles professed to see no great cause for anxiety over Japan's action in instituting a blockade of Chinese shipping on the coast to a point below Swatow, claiming that, unless applied to suppress the South China fishing industry, the blockade, in its present form, would only result in: 1) increasing the recent practice of keeping the relatively unimportant Chinese owned coastal merchant fleet tied up in South China ports; 2) transferring to foreign bottoms or over-land routes trade, such as that of salt from Swatow, hitherto carried in Chinese ships; 3) increasing the likelihood of Japan becoming embroiled in complications with other nations."

(20) Demoralizing Activities of Secret Agents of Japan Vigorously Combated by Authorities

It was evident that the activities of allegedly numerous secret agents of Japan were a major source of trouble and anxiety for the authorities. Cases were reported daily of actual or attempted sabotage of electric communications, water works, et cetera, by such agents, whose activities were also stated to include various forms of espionage, efforts to demoralize the financial market, and the creation of rumors designed to shake popular morale.

The

*Telegram of August 20, Noon.
 **Despatch No. 84 of August 3; Telegrams of Aug. 10, 5 p.m., August 12, 6 p.m., August 11, 3 p.m.

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The local military and police authorities took very energetic and apparently effectual measures to combat these menaces. The vigilance of an army of detectives distributed throughout Canton made rumor-mongering such a hazardous occupation that the average citizen quickly lost his enthusiasm for tea house gossip and became most cautious in discussing military and political matters at all. Great numbers of arrests, alleged discoveries of guilt, and summary punishments were known to be taking place. Specific cases reported included discovery of a nest of spies at Hsoca Tigris and several attempts and plots to damage the Canton-Hankow Railway. Many of the arrested were executed, including, it is understood, a high Chamber of Commerce official accused of passing on important information to Japanese quarters.

(21) Disputes with Japanese authorities caused by arrests of Dual Nationals.

In addition to native Chinese traitors and Chinese imported from other provinces, the agents of Japan were alleged to include large numbers of persons of dual (Sino-Japanese) nationality. The authorities arrested many such persons, mostly recently arrived Formosans; and, though not made public, it was known that the arrests were causing disputes with the Japanese consular authorities. One case involved the claimed arrest and torture of a person who, though a Japanese by race, had - the Japanese authorities admitted - resided in the interior of Kwangtung since an infant, married a Chinese, adopted Chinese clothing and in every way held himself out as a Chinese citizen. A few days before the Japanese authorities decided on a complete evacuation of Canton, a Japanese consular official informed

A

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a member of this office staff that his office regarded this case as serious."

(22) Wholesale Arrests and Deportations of White Russian Suspects.

On the alleged ground that its members were suspected of being spies for Japan, the Canton White Russian colony was also subjected to an intensive police investigation which in some cases was reported to be of inquisitorial severity. A large number of those examined, including all without viable means of employment, were deported to Hong Kong, while the fate of others reported to have been proved guilty of espionage is not known.

(23) Growth of War Spirit in Kwangtung - Openly Encouraged by Authorities.

Despite the fear of air raids manifested by both the general public and the authorities, patriotic morale and war spirit in Kwangtung appeared to gather strength, and there was no sign that any quarter was plotting an opposition movement or that such a movement would have any prospects of success. The only indications of possible weakening in support of the Central Government appeared in the early part of the month in consequence of the Generalissimo's delay in taking positive military action against Japan and apprehensions on the part of the more patriotic local Chinese circles that he might be "selling out" to the invader. Such misgivings continued when Marshal Yu Han-mou, returning from the conference of national leaders at Nanking, referred to the policy there adopted as one of "prolonged resistance", without mention of any immediate military action. They were soon dispelled, however, by news

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*Telegram of August 14, 6 p.m.
*Telegrams of August 18, noon, 28, noon, and 30, 4 p.m.

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of the stout fighting by the Chinese forces at Shanghai and indications that Dai Chung-hai and other pro-war leaders were having their way.

Government officials and the press continued vigorously to proclaim the necessity of supporting the Central Government in opposing Japan and began to warn the public of the inevitability of hostilities soon spreading to South China. The general tenor of most of the editorials and official utterances was that the people in the rear must back the nation's armies with full moral and financial support, cheerful obedience to instructions and readiness for heavy sacrifices; that death was to be preferred to Japanese domination; and that dogged resistance and time were certain to bring China the ultimate victory in view of Japan's precarious finances and the unpopularity of the war with her civilian population. The probability that international complications would sooner or later result in sympathetic foreign Powers assisting China was also asserted to some extent.

The caution with respect to encouragement of anti-Japanese demonstrations by the populace which the authorities - for the apparent purpose of avoiding incidents and retaliatory Japanese armed action in this area - had hitherto displayed was abandoned following the evacuation of the local Japanese colony. The government and Kuomintang assumed an increasingly direct and energetic role in pushing popular war assisting activities. The Kuomintang commenced formal supervision of organized anti-Japanese movements that

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that it had been previously directing behind the screen of commercial bodies and the National Salvation Association, and cooperated openly with the latter organization in intensive propaganda work, which included use of radio, cinemas, violently phrased posters and handbills, and the leading of a series of patriotic mass demonstrations against Japan. The mass demonstrations were climaxed on August 29th by a very large meeting and parade in which various government organs as well as guilds and other commercial bodies participated. The affair was accompanied by an impressive display by thirty-five military planes and brought forth manifestations of a degree of popular enthusiasm exceeding anything observed since the outbreak of the present conflict. Foreigners who had been at Canton from 1925 to 1927 stated, however, that the propaganda and mass excitement did not approach that which they had witnessed during that period.

(24) Drastic Measures to Collect War Funds adopted in Canton.

There was much publicity regarding the activity of the authorities and public bodies in organizing the people for various forms of assisting the government in its war program, such as citizens' military training, motor truck corps, and the creation of auxiliary units for reserve policing, ambulance and air raid emergency work. While something was accomplished, it was obvious that development of such schemes was being delayed by the general confusion, lack of equipment and inexperience. In utilizing the public, moreover, the authorities devoted their main efforts to obtaining its financial assistance rather than its services. War propaganda was effectively combined with appeals for contributions to the war chest and subscriptions obtained in ingenious ways from organizations

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nations and individuals of every category. The campaign for sale of National Salvation Bonds was gotten under way and it was announced that Kwangtung would take at least \$30,000,000 of the bonds. Aside from soliciting voluntary contributions, the Kwangtung authorities promulgated drastic regulations specifying the amount and method of compulsory national defence contributions to be made by all government employees, commercial organizations and the civil population according to occupation and income.* On top of this large numbers of government employees were discharged for retrenchment requirements and on September 1st further discharges and the reduction of salaries of employees retained to reportedly less than half their previous pay were to be made.

Though productive of substantial savings for war use, such measures were certain to impose a severe strain on government personnel and greatly augment the large numbers of unemployed citizens for utilization of whose proffered patriotic services no means or organizations are yet provided. Considering these unfortunate consequences, together with other depressing factors such as the general collapse of trade, blockade, menace of rising food prices, and extra burdens caused to a large part of the population in connection with maintenance of their evacuated families, one could well conjecture the tremendous test of popular morale and loyalty which economic hardships occasioned by continuation of the war would entail.

(25) Enthusiasm over Departure of General Pai for Hanking and other Evidence of Kwangtung-Hanking Solidarity**

On or about August 3rd General Pai Chung-hai proceeded by plane to Lushan to participate in war conferences of the nation's leaders. News of his action - following long years

of

*Telegram of August 23, Noon.
**Despatch No. 84 of Aug. 3. Telegrams of Aug. 4, 5 p.m. and Aug. 12, 3 p.m.

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of estrangement from Marshal Chiang Kai-shek - , together with subsequent information indicating that he had been given a high national military post and would remain in the north, was greeted locally with general relief and enthusiasm as constituting final confirmation of earlier evidence that Kwangsi and Nanking were united in common cause against Japan. The event was followed by a marked strengthening of Kwangsi currency.

Other signs of Nanking-Kwangsi solidarity included: concrete evidence of full Kwangsi collaboration in carrying out the national plan for defence of South China; assurances given by Kai and other Kwangsi leaders in public utterances; the visit of a number of Kwangsi Army divisional commanders to Lushan; their declaration that Kwangsi was immediately prepared to contribute 200,000 soldiers to the cause; and the despatch to Shanghai of some 30,000 Kwangsi troops. (See following section).

Kwangsi press editorials were very similar to those of the Canton papers, though even more violently anti-Japanese in tone. The KWANGSI YAT PO, semi-official news organ of the Kwangsi Government, under date of August 17th, carried an editorial calling for complete severance of diplomatic and economic relations with Japan on the ground that continued relations aided Japanese aggression by permitting her keep on marketing goods in China.

The announcement on August 17th of the 'pegging' of the Kwangsi dollar to National Currency was regarded by local observers as of primary significance. As constituting the initial step in nationalization of Kwangsi currency, it was

interpreted

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interpreted as definite proof that Kwangsi had accepted Central Government financial control in return for Hankow's acceptance of Kwangsi's war policy and substantial concessions in the way of financial assistance.

(36) Defence of Western Kwangtung taken over by Kwangsi Forces - Other Troop Movements

On August 3rd it was learned that about fifty vessels were being commandeered at Canton and sent to Luichow for use by Kwangsi troops. Further commandeering for the same purpose continued to be reported during the month. According to good authority, the boats were employed, during the first half of August, for the transportation of Kwangsi forces to western Kwangtung. Such movements were understood to be in conformity with national military plans under which defence of eastern Kwangtung is assigned to the Fourth Route (Kwangtung) Army, that of the Canton-Hankow Railway to Central Government divisions, and that of western Kwangtung, including the strategically important Luichow Peninsula, to the Kwangsi forces.

The despatch of further reinforcements to Swatow and to Hainan during the first week of August was also reported though not authoritatively confirmed.

(37) Despatch of Kwangsi and Kwangtung Divisions to Shanghai

From information received during the last week of August, it was learned that substantial Kwangsi forces were then entraining for the north. Authoritative information received in September confirmed that these forces consisted of the crack Kwangsi Seventh Army, understood to be composed of three

regular

*Telegrams of August 4, 5 p.m. and August 6, Noon.
*Telegrams of August 26, 5 p.m., 23, noon; and September 2, 5 p.m., 10, 2 p.m. and 15, 2 p.m.

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regular divisions with a total strength of about 30,000 men; and that two divisions (159th and 160th) of the Fourth Route (Kwangtung) Army and some smaller Kwangtung units were also despatched to the north in late August or early September. The despatch of the Kwangtung divisions was made the occasion for great patriotic celebrations at Kweilin.

(28) Southwestern Political "Outs" Welcomed back to Hanking.

There were frequent reports of the departure or impending departure for Hanking of Southwestern leaders previously estranged from the Central Government whose proffered services the latter is understood to be now welcoming. Among those who left were Chou Lu, and Ts'ai T'ing-hai as well as other Nineteenth Route Army leaders. It was reported that Generals Ch'en Hing-shu and Li Chi-sen would also leave shortly for Hanking; that Marshal Ch'en Chi-t'ang was returning to China and had contributed - presumably as the price of his return - \$3,000,000 for the purchase of military planes.

(29) Tremendous Shipments of War Supplies from Hong Kong to Hankow - Facilitated by Emergency Linking of Railways

With the blocking of the Yangtze, development of hostilities at Shanghai and subsequent blockade of Chinese coastal shipping to just south of Swatow, the Canton-Hankow Railway became of greatly increased importance as the principal route remaining open for importation of military supplies and other vital trade. The usefulness of the route was further enhanced by the rushed completion of an emergency spur connection between the Canton-Hankow and Canton-Kowloon Railways, permitting, by about August 25th, inauguration of through freight traffic from Hong Kong to Hankow. It was learned on unquestionable authority that the importation from Hong Kong and shipment on to Hankow of high explosives and other war munitions was attaining tremendous and constantly increasing proportions.

(30) Latest

*Telegram of Aug. 19, 5 p.m.; 24, 3 p.m.; and 26, noon.

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(36) Large quantities of Silver shipped to Hong Kong*

The Kuangtung Government on August 8th had completed arrangements to ship by Customs cruisers its entire silver reserve to Hong Kong for storage, when orders were received on the 9th to cancel the shipment. On or about August 30th a steamer was specially chartered for the same purpose, but again for some reason the shipment was not made.

According to private information from Canton and Hong Kong bankers, however, shipment to Hong Kong by rail of silver specie and coins in important volume was made through the month, particularly in the last week when a special train was understood to be running nightly for the purpose.

II. A1(b) Relations with Japan Involving Foreign Powers:
1. Evacuation of Americans from exposed and remote areas
with the departure from Canton of the Japanese Consular

authorities and news of Japanese air bombardment of cities in Central China, air raids in this area appeared no longer a remote contingency, and it seemed advisable to give local Americans a preliminary warning of possible danger. Under date of August 17, the undersigned accordingly sent out a circular to Americans in the consular district, discussing the situation with respect to possible evacuation, pointing out the risk of remaining in the vicinity of places of military importance in the event of air raids, and advising all Americans to hasten to Shanghai at first sign of danger.

Following Japan's blockade of Chinese shipping as far south as Swatow, there appeared definite reason to expect that the Japanese would soon find it necessary to bomb the Kowloon-Canton-Hankow railway route in order to interrupt this important remaining way of importation of war materials. In the light of the

Embassy's

*Telegrams of Aug. 9, 11 a.m., Aug. 10, noon, Aug. 21, 3 p.m. and Hong Kong's telegrams of Aug. 6, 1 p.m., Aug. 23, noon, Aug. 27, 11 a.m. and Aug. 28, 3 p.m.
*Telegrams of Aug. 17, 11 a.m.; 19, 5 p.m.; 30, 4 p.m.; and Sept. 1, 5 p.m., and despatches Nos. 94 and 95 of Aug. 19 and Sept. 2, 1937, (to Department).

Editorial comment with regard to Verio was chiefly characterized by disappointment over what was construed as Verio's hesitant policy, tending toward abandonment of her interests and former championship of treaty obligations in the Far East, and the expectation that the nation would soon adopt a stronger attitude and join with other Powers in involving treaties and law to restrain Japan from her military aggressions, imposition of blockade, et cetera.

3. Japanese Attack on British Ambassador Publicized -
Disappointment over British Reaction.

The attack by a Japanese plane on the British Ambassador's motor car and resultant wounding of the ambassador were featured by the local press as a supreme instance of Japanese deviltry and disregard of international law which warranted strong action

bx

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Embassy's circular instructions of August 20, 1 p.m. and 3 p.m., a circular was accordingly sent out urging Americans in remote or exposed places to leave China or come to places from which they might be evacuated quickly if necessity arises.

Following the actual air bombardment of Canton on August 31st, a special circular was immediately issued to American residents of the Tungshan district of Canton urging them to leave that area on account of its dangerous proximity to the aerodromes and railway which were the objectives of that morning's raid.

As a result of these circulars, the evacuation of Americans, with the exception of a few men, from Tungshan and Shichow (which was also bombed) was practically completed; and some evacuation from other points in the interior was under way.

2. Disarmament over American policy given by Press-

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by Britain - one paper cynically suggesting that if Japan considered an attack on two of her marines engaged in espionage as justifying her assault on Shanghai, according to the same ethics, her own attack on the British ambassador could scarcely rate less than a British blockade of Japan. Local government circles made no secret of their surprise and disappointment over what they considered the weakness of the British protest over the incident.

4. French Navy Patrolling Western Hainan - Credits to China for Planes.

French anxiety over possible Japanese action in Hainan appeared confirmed by information obtained through a reliable channel that, from the date of the Lukowchiao Incident, French warships had been daily seen patrolling along the western coast of the island.*

According to a local French source who is exceptionally well informed and careful in his statements, French credits recently granted to China are being devoted to the purchase of French military planes.

5. Enthusiasm over Sino-Soviet Non-Aggression Pact

Announcement of the Sino-Soviet Non-Aggression Pact was greeted with great enthusiasm at Canton. While some newspapers, particularly the government organs, stressed the value of the pact as action toward peace, in which other Pacific Powers should participate, other papers and the public in general frankly derived their main satisfaction in the hope that the pact presaged Russia's assistance in the way of provisionment of military equipment.

6. Alleged

*Telegram of August 14, 6 p.m.
*Telegram of September 2, 5 p.m.

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6. Alleged Espionage by Italian Consul.

Military and civil official sources claimed, in confidence, that the Italian Consul had been discovered in the act of sketching fortifications near White Cloud Mountain. He was not arrested but politely provided with a car and "invited" to return home.

7. Discontent over Japanese Military Use of Shanghai Settlements and Demand for Invocation of Nine Power Pact against Japanese Aggression.

The vernacular press showed considerable bitterness over the Powers' alleged non-neutral action in allowing Japan to gain military advantage by use of the Shanghai foreign settlements. Japan's evacuation of the Yangtze, assault on Shanghai and institution of the blockade were pointed to as proofs that, while deceiving foreign nations into belief that she was still striving for peace and anxious to minimize trouble to third Powers, she was steadily enlarging her program for military and economic domination of China. Under these circumstances, it was declared, creation of a neutral zone at Shanghai was useless and foreign interests could only be saved by invocation of the Nine Power Pact.

8. Cooperation of Consular Body and Shanghai Authorities

Immediately following his assumption as Senior Consul, the undersigned called a meeting of the local Consular Corps, for the purpose of discussing ways and means of protecting and, if necessary, evacuating nationals represented by the Corps in the event of air raids or other hostilities in the vicinity of Canton.* Arrangements made with the local authorities to facilitate cooperative and synchronous action by the Concession police in giving the air raid signals, and controlling lights during "blackouts" were explained. Also

discussed

*Telegram of August 16, 5 p.m.
Telegrams of August 17, 11 a.m.; 19, 5 p.m.

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discussed were the Concession authorities' special preparations and plan for application in event of air raids, including closure of the island during raids to prevent Chinese mob entry, air shelter assignments, and mobilization of the recently organized volunteer units to assist in policing, fire-fighting and first aid work.

Subsequent air raid alarms provided occasion for carrying out the preliminary phases of this plan. Thanks to the non-activity of Japanese bombing planes in the immediate vicinity of Shanghai, however, its effectiveness against air bombing and mob invasion was not put to the test. The British authorities intimated that, while barring their Concession gates, they would not use force against Chinese seeking to enter from boats along the river front. The French, on the other hand, made preparations to repel entry of their Concession from any direction.

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

TELEGRAM RECEIVED

JR

GPO

FROM

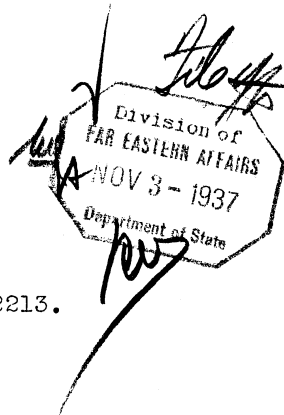
COMYANGPAT

November 3, 1937

Rec'd 2:04 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMYANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0003. Yangtze River ports quiet. 2213.

WVC:HTM

795.94/10962

F/FG
FILED
NOV 5 1937

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

TELEGRAM RECEIVED

JR

COMSOPAT

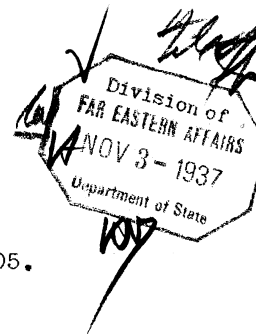
FROM

November 3, 1937

Rec'd 2:34 p.m.

ACTION: OPNAV

INFO: SUBRON FIVE
SUBDESRON FIVE
CINCPAC
COMYANGPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING CHINA



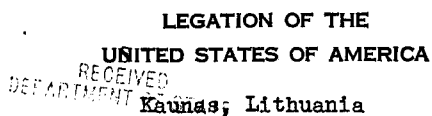
0103. South China ports quiet. 2005.

KLP

793.94/10963

F/FO
NOV 5 1937

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



UNITED STATES OF AMERICA

Kaunas, Lithuania

October 18, 1937

1937
ADVISED ON POLITICAL RELATIONS
MR. DURN
NOV 10 1937
DEPARTMENT OF STATE

7
DIVISION OF
EUROPEAN AFFAIRS
NOV 4 1937
DEPARTMENT OF STATE
B9

STRICTLY CONFIDENTIAL

Dating Grade for	Distribution Instructions
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I have the honor to report that Mr. Stasys Lozoraitis, Lithuanian Minister for Foreign Affairs, following the signing of the treaty of naturalization and military service between the United States of America and Lithuania, which took place at the Ministry for Foreign Affairs at 12:30 p.m. today, requested that

April 15

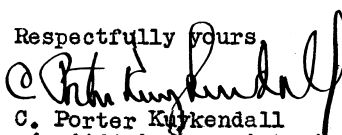
THE

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10964

- 2 -

that I remain with him for a few minutes in private
conversation. A memorandum of the conversation which
1/ took place is enclosed.

Respectfully yours

C. Porter Kirkendall
Chargé d'Affaires ad interim

✓
Enclosure:

Memorandum of conversation.

800
CPK/hew

To the Department in quintuplicate
Copy to Embassy at Brussels
Copy to Legation at Riga
Copy to Legation at Tallinn

✓ *CPK*

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

Enclosure to despatch no. 276 dated October 18, 1937, from the American Legation at Kaunas, Lithuania, on the subject of Conversation with the Lithuanian Minister for Foreign Affairs.

STRICTLY CONFIDENTIAL

MEMORANDUM OF CONVERSATION:

Mr. Stasys Lozoraitis, Lithuanian Minister for Foreign Affairs.

On October 18, 1937, I was requested by Mr. Lozoraitis to have a short conversation with him following the signing of the treaty of naturalization and military service. Mr. Lozoraitis inquired as to what action the Government of the United States intended to take in the Sino-Japanese conflict. I advised Mr. Lozoraitis that I was unable to furnish him with any information other than that which had appeared in the press and which he himself had probably seen. I went on to say that Radio Bulletin no. 241 issued by the Embassy at Berlin on October 16, 1937, indicated that an invitation to be represented at the conference of the signatories to the Nine Power Pact was expected by the United States Government at any moment. I advised him that I had heard from other, but quite unofficial, sources that the invitation had actually been received, had been accepted, and that Mr. Norman Davis is to head the American delegation.

With regard to the speech which President Roosevelt made at Chicago on October 5, 1937, Mr. Lozoraitis said that the statements of President Roosevelt had been received with much satisfaction by the Lithuanian Government. He added that he himself greatly admired the

stand

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

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stand taken by President Roosevelt who had given expression to his ideas in clear and forceful language. Mr. Lozoraitis went on to say that it was all too clear, as President Roosevelt asserted, that concerted action by the peace loving nations is the one hope for the maintenance of peace. Otherwise, an incident in the Mediterranean or in the Far East might precipitate the conflict which peace loving nations desired, above all, to avoid.

I advised Mr. Lozoraitis that I should be pleased to transmit his comments regarding President Roosevelt's speech, and he then asked that I be good enough to do so.

CPK

American Legation,
Kaunas, Lithuania,
October 18, 1937.

CPK/hew

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

NO. 125

AMERICAN CONSULATE
Fort William-Port Arthur

Fort William, Ontario, Canada, October 30, 1937

SUBJECT: Bishop Sasaki and the Situation in China.

793.94
1-1065
THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

As of possible interest to the Division of Far Eastern Affairs, I have the honor to enclose a clipping from the Port Arthur "News-Chronicle" of October 28, 1937, giving a summary of an interview with the Right Reverend Paul Shingi Sasaki, Anglican Bishop of the Diocese of Mid-Japan, regarding the present situation in China.

Bishop Sasaki visited Fort William and Port Arthur on October 28 and 29, enroute to his home in Nagoya, after attending the General Synod of his church in Halifax this summer. He spoke in both cities at the Lakehead about church work in Japan.

The interview, which was bracketed prominently on page one of the newspaper with an Associated Press despatch from Shanghai under a sub-head five columns wide reading "British-U.S. Troops Offer Chinese Aid" (in connection with the possible evacuation of a battalion of Chinese troops from the Chapei area), seemed rather out of line with the spirit of an earlier news item in the "News-Chronicle" of October 16, 1937, which, in announcing that the Bishop would visit the Lakehead, had represented him as feeling that the people of Japan

DIVISION OF
EUROPEAN AFFAIRS

NOV 1 1937

DEPARTMENT OF STATE

DIVISION OF
FAR EASTERN AFFAIRS

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Department of State

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Department of State letter, August 10, 1972
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Japan "have been duped into a war by the warlike officials of the Japanese Government."

In that same news item the Bishop was also represented as being on the friendliest terms with the Bishop of Honan and that both had agreed that "the present Sino-Japanese war will prove of no advantage to either side, no matter what the outcome."

Respectfully yours,

H. T. Goodier
H. T. Goodier
American Consul

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

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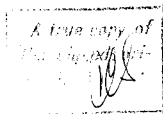
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"Communists," he said, "are always urging the assassination of the Emperor, because if there was no Royal family, they would find it easier to reconstruct society."

Bishop Sasaki referred to his attendance at the General Synod of the Anglican Church in Canada at Halifax, where Bishop Sen of China was also present.

He had discussed the troubled relations of the two countries with Bishop Sen, he said. Each side, as in every case of war, had felt that it had justification but, he added, "only the Christian gospel can provide us with a means of real friendship and peace."

ASSISTED BY CANADA

Bishop Sasaki is one of the three Japanese bishops of his church. His diocese, which is assisted by the Church of England in Canada, includes four civil provinces and the city of Nagoye, with one million population. Five Canadian missionaries are at work in the diocese, with seventeen Japanese priests and four Japanese deacons.

While Buddhism is the leading religion of the Japanese people, with 55,000 priests, 71,000 temples and seven universities, the Christian faith is growing stronger each year, Bishop Sasaki said. There are in Japan 100,000 of Roman Catholic faith, and 200,000 of various Protestant faiths. In the Anglican church, 2,000 converts are being added each year.

This afternoon Bishop Sasaki addressed students of the Port Arthur Technical School. At 8 o'clock this evening he will address a meeting in the parish hall of St. John's Anglican Church, where he celebrated holy communion at 9:15 o'clock this morning. He will spend tomorrow in Fort William, leaving tomorrow night for the West.

765

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

NO. 64 Political.

AMERICAN CONSULATE

Geneva, Switzerland, October 25, 1937.

For Distribution Check

For	For	For	For

In U.S.A.

NOV 5 1937
DEPARTMENT OF STATE

note
793.94176

SUBJECT: Sixth Committee Action for the Protection
of Artistic Monuments and Cultural Institutions in Conflicts.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

SIR:

793.94/10742

I have the honor to refer to the Minister's despatch, from Geneva, dated October 7, 1937, transmitting memoranda regarding Japanese destruction and troop movements in China.

The aerial bombardment of open towns in China by Japanese planes was condemned by a resolution of the Far East Advisory Committee on September 27, 1937, as reported in the Minister's telegram from Geneva, No. 11, 8 a.m. September 28, 1937, and adopted by the Assembly as its own on September 28.

On September 24, 1937, the Chinese representative on the Sixth Committee of the Assembly, Dr. Li Yu Ying, spoke in the Committee regarding the report by rapporteur Edouard Herriot on the Work of the Intellectual Cooperation Organization (Document A.51.1937.XII, sent as enclosure No. 14 in List No. 189, September 29, 1937). The Chinese delegate urged consideration of the protection of monuments in time

of

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NOV 5 1937

Division of
Far Eastern Affairs
NOV 4 - 1937
Department of State

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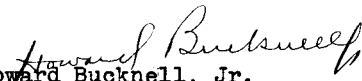
1/ of war. He referred particularly to Japanese destruction in China of many monuments and institutions and urged energetic action. He obviously wished some definite action by the Committee condemning this practice. The rapporteur agreed to amplify his draft report to cover the Chinese appeal. The pertinent portions of the minutes of that meeting of the Sixth Committee are enclosed.

The Assembly on September 30 adopted the report on the work of the Organization, including on page 3 the following paragraph:

"Having heard a statement from M. Li Yu-Ying on the subject, the Sixth Committee unanimously urges that, in armed conflicts, artistic monuments and cultural institutions representing the high watermark of civilizations should be spared."

Reference is made to this paragraph in footnote 2, page 3, of the First Report of the Subcommittee of the Far East Advisory Committee, Document A.78.1937.VII., sent as enclosure No. 8 to List No. 196 of October 6, 1937.

Respectfully yours,


Howard Bucknell, Jr.
American Consul.

✓
Enclosure:

No.1: Extract from Minutes of
7th Meeting of the Assembly
Sixth Committee, pp.21-23, 26,
31-32.

LVB/EW

Original and five copies to Department of State.
One copy to American Legation, Bern, Switzerland.

Extracts from Provisional Minutes of Seventh Meeting
of Assembly Sixth Committee, Sep. 24, 1937.

Enclosure No 1
with No 64

Oct. 25 1937

- 21 -

M. COSTA DU RELS (Bolivia) intimated his Government's acceptance of the draft resolution. Having been for many years State delegate to the Intellectual Co-operation Institute, he had had occasion to observe the wide extent of its influence under M. Bonnet's skilled administration. It was Paris, a thousand-year-old centre of moral and spiritual forces, which gave the Institute its great importance. The generous hospitality bestowed on it there for seventeen years past was only one aspect of a distinctively French tradition and enabled the Institute to do its work efficiently. Only in Paris could the Institute live and prosper. As a result, however, of the support given by all Governments, it would become, as it were, the parent of the numerous national committees on intellectual co-operation which were going to be set up in most countries.

As Count Carton de Wiart had said, the Latin-American countries would make it their concern to harmonise the efforts of the Berne with those of the Havana Conference, where he himself (M. Costa du Rels), as its Rapporteur, had seen the anxiety of many Governments to find a practical solution for the problem of authors' rights.

If it were granted that curiosity was the source of human knowledge, one could conceive the importance to oversea nations of the influx of new ideas and trends of thought. M. Costa du Rels emphasized the prominent part now being and still to be played by culture. For its sake every effort and every sacrifice should be made. That was why the representative of Bolivia endorsed the proposals laid before the Committee.

M. LI YU YIN (China), on his country's behalf, supported all the proposals made on general questions, but wished to stress one special point; the protection of monuments in time of war. In that connection, he read the

- 22 -

following telegram of September 22nd which he had just received from the Chinese Committee on Intellectual Co-operation through its Chairman, M. Wu Shi Fee:

"Japanese aggression is causing a fearful catastrophe, with the destruction of open cities and the deliberate massacre of thousands of civilians, such action which is unprecedented in the history of the world. Educational institutions are subject to special attack; the university secondary school, Nankai Tientsin girls' school, Nantung Baldwin school, Kiangsi agricultural institute, Nantchang central university, Nanking Chinese, martyrs' infants school, Nanking university Tungchi Wousong have been destroyed during the last two months. The threat of hostilities or of the control of the Japanese army is forcing many intellectual educational institutions to close their doors. Teachers and thousands of pupils are left without schools. Air attacks on the principal intellectual centres are now further intensified and Japan is officially advising the Powers that Nanking will be subjected to a very violent bombardment, thus defying the civilised community. On behalf of Chinese intellectuals I request that these facts be communicated to the League of Nations, first for the information of intellectuals in all countries who will intervene with Governments with a view to support for China, and secondly to ask the League to take all effective steps in its power to safeguard civilisation and humanity."

The Chinese delegation had received other documents regarding the destruction of educational institutions, monuments, museums, libraries, etc. The list was a very long one and would be communicated later. (1)

When the question of the protection of monuments came up before the Intellectual Co-operation Committee the latter seemed to find it rather difficult to adopt resolutions

(1) See Annex to the present Minutes.

- 23 -

for the solution of the problem. At that time, M. Li Yu Yin had confined himself to reporting what was happening in China. The Sixth Committee, however, had a wider and less technical task than the Intellectual Co-operation Committee. It was true that politics should not be mixed up with intellectual questions but it was equally true that there could be no absolute distinction made between intellectual co-operation and the legal or political questions coming within its sphere of work.

It was, of course, very difficult to protect monuments in wartime, and it would be still better, obviously, to prevent war altogether. But was it not the duty of the League of Nations to work for peace? During the "Intellectual Co-operation Month" the Chinese delegate had pointed out that there were two aspects of the problem of peace: first, the dissemination of pacific ideas, which was the task of intellectual co-operation, and, second, the defence of peace. To disseminate ideas of peace without providing for their defence was tantamount to an abdication of pacifism.

In conclusion, M. Li Yu Yin asked his colleagues to study the telegram and the documents which he was handing to the Chairman and to see whether it was not possible to take energetic action.

M. ZARANSKI (Poland) opened with the remark that in the crisis which was affecting international relations it was indisputably intellectual co-operation activities which had suffered least. The splendid meetings recently held in Paris constituted an important landmark in this field and M. Zaranski joined in the warm tributes which had been paid to the French Government for organising the "Intellectual Co-operation Month", and in that paid to M. Herriot, without whose assistance international intellectual co-operation activities would never have attained their present development.

- 24 -

On closer study of the reports of the Paris meetings the Polish representative had noted several points of special importance to his own country. He was glad to observe that the principles which had always animated the Polish National Committee, assisted by the Government, for giving concrete expression to intellectual co-operation had just been confirmed in the International Act. Poland was all the more willing to accede to that instrument in that she was already giving it practical effect.

The Polish Government had been much gratified to see that the International Committee's report rated at its true value the rôle of National Committees. He had always felt that those Committees should constitute the very basis and starting-point of the International Committee's activities, though at the same time he did not underrate the part played by the latter since its foundation in the cause of intellectual rapprochement. It was the International Committee which had encouraged the creation of National Committees. But, for some time past the centre of gravity seemed to be shifting towards National Committees, which should in turn requite the services rendered to them by the International Centre since their foundation.

M. Zararski did not propose to reiterate the observations made by the Chairman of the Polish Committee at the Paris meeting on the duties of National Committees; he would merely point to one aspect of their activity which had already been emphasised by the Polish representatives on the Sixth Committee in 1935 and 1936, viz. the contribution of such National Committees to bilateral and regional intellectual co-operation. As M. Komarnicki had pointed out in 1935 "That method had been found to be extremely effective; it deserved

- 25 -

closer study and might be recommended to the special attention of Governments". The Polish Government was continuing to follow that policy and was both gratified with the results obtained and convinced that intellectual co-operation of this kind could not but promote the work done by the Paris Institute.

Among the various forms of contact between intellectuals which were developing so auspiciously under the Institute's auspices, M. Zaráński drew the Committee's attention to the Conversations organised by the Committee on Arts and Letters. The Polish National Committee was anxious to show its appreciation of this form of intellectual co-operation and proposed that the next Conversation dealing with the exact sciences should be held in Warsaw in 1938. The Polish Government was glad to inform the Paris Institute that it was prepared to defray part of the expenditure involved.

In conclusion, M. Zaráński associated himself with the moving tribute paid to the memory of Madame Cécile de Tormay. Poland felt very deeply the loss caused by the death of this distinguished woman writer.

Mlle. VACARESCO (Roumania), on her Government's behalf, invited the Committee on Arts and Letters to hold one of its next sessions at Bucharest. The Bureau and M. Paul Valéry would, doubtless, be asked to select the subject to be discussed, and the Roumanian nation would be glad to welcome in its capital the Committee on Arts and Letters, on which she herself had been State delegate for many years. Mlle. Vacaresco further announced that her Government would make the Intellectual Co-operation Committee the grant proposed.

- 26 -

M. HERRIOT (France) Rapporteur, thanked the eighteen Governments which had accepted the proposal and also the representatives of Poland, Mexico, Roumania and the Netherlands. He trusted that their example would be followed by other Governments.

In response to the appeal made by M. Li Yu Ying he felt that he was expressing the unanimous sentiments of the Committee in voicing on its behalf the wish that during armed conflicts artistic and cultural monuments should be respected as representing treasures of civilisation which it was the world's duty to preserve. If there was no objection, the report would be amplified in that manner.

The report and the draft resolutions were adopted.

THE LEAGUE OF NATIONS AND MODERN METHODS OF SPREADING
INFORMATION UTILISED IN THE CAUSE OF PEACE. Examination and
Adoption of the Reports of the Sub-Committee * and the draft
Resolutions.**

M. FRISCH (Denmark) Rapporteur, in submitting the above reports wished in the first place to emphasise that the Sub-Committee's decisions had all been taken unanimously, though only, he admitted, after lengthy discussions and abundant criticism of some of the items in the Secretariat's plan. While it admired the excellent work done and the eagerness shown by the Information Section, the Sub-Committee had had to consider the financial aspect of its proposals also.

* Documents A/VI./ 7 & 8. 1937.

** Documents A.VI/9 & 10. 1937.

- 31 -

ANNEX

At the request of the Chinese Delegation, the following document is appended to the present Provisional Minutes.

All the following news items date from the end of August.

Universities and schools destroyed by the Japanese.

The Nankai University and secondary school at Tientsin were bombarded by Japanese aircraft and artillery. The Japanese completed their destruction by spraying the University Buildings with petrol and setting fire to them. The University, which was founded in 1918, housed 421 students at an annual cost to China of 382,490 Chinese dollars, and had given 436 diplomas. The Mo Tsai Library, one of the most important in Northern China and famous for its collections of ancient manuscripts (230,000 volumes) suffered the same fate. Founded by the generosity of private persons, it had for some time formed part of the University.

The Women's Training College, founded by the Province of Hopei at Tientsin in 1906, which cost 301,800 Chinese dollars per year and had conferred 1,040 diplomas, was entirely destroyed.

The Tungshi University at Shanghai was famous for the excellence of its medical faculty. Founded in 1908 as a medical school by German scientists, it was taken over by the Chinese administration in 1917 and subsequently became State property, German co-operation being, however, maintained unbroken. The University also included three other sections - an engineering school, a technical school and a secondary school. Cost: 645,880 Chinese dollars per year. Had issued 528 diplomas.

- 32 -

Nantung Hospital, founded jointly by missionaries and Chinese.

Shanghai University, founded in 1906; annual cost 390,433 Chinese dollars; had issued 698 diplomas. It contained a very important library, founded in 1908.

Establishments partially destroyed (i.e. to a great extent)

Central National University of Nankin, founded in 1928, annual cost 1,720,000 Chinese dollars; 1,244 students; issued 2,605 diplomas from 1927-1934.

Pharmaceutical Laboratory of the Central Hospital at Nankin.

Nanchang Agricultural College.

Establishments managed or closed by the Japanese.

National Chiao Tung University at Tangshan, which was also the most important mining college in China.

National Library of Peiping, the most important in China (annual grant for purchases, 135,000 Chinese dollars) now managed by Chinese under the orders of Japanese, who are the real masters.

Palace Museum at Peiping, known all over the world as one of its richest museums and the largest China possessed. Indirectly managed by the Japanese.

Universities and schools at Peiping under the control of the Administrative Committee and indirectly managed by the Japanese.

National University of Peiping.

National University of Pekin.

National Tsinghua University at Peiping.

School of Fine Arts, Peiping.

Railway Engineering College, Peiping.

Higher Training College, Peiping.

4 Veterinary Colleges, Peiping.

7 secondary schools, Peiping.

7 elementary schools, Peiping.

etc. etc.

121-1

TELEGRAM RECEIVED

JR

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

FROM

Nanking via N. R.

Dated November 3, 1937

Rec'd 1:40 p.m.

Secretary of State,

Washington.

885, November 3, 3 p.m.

Admiral Yarnell in a personal letter has formulated

following terms of a settlement of Sino-Japanese hostilities which express my own idea of outcome that possibly might be achieved and would be acceptable to the United States:

A stable government in China is essential to the peace of the Far East.

The only government which has given China a condition of peace and stability in recent years is the present one.

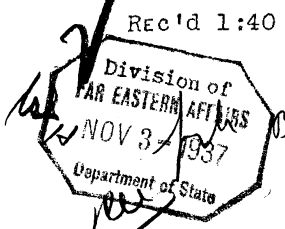
Therefore it is essential that the present Government be retained in power and that the terms of settlement should not (repeat not) be such as to cause its overthrow.

In the settlement the territorial integrity of China should be respected.

Manchuria to be excluded from this territorial integrity and to be recognized by foreign nations (recognition by China should precede that of foreign nations and would in my opinion be necessary).

Japanese troops to withdraw from North China to Great Wall.

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

121-2

JR -2- #885, November 3, 3 p.m., from Nanking via N. R.

The terms of the Nine Power Treaty regarding freedom of opportunity for trade of all nations to be guaranteed.

Within one year from signing of agreement, if a stable government exists in China, (a) extraterritoriality to be renounced by all nations, (b) foreign troops to be withdrawn from Peiping, Tientsin and Shanghai, (c) International Settlement at Shanghai to be governed along lines similar to those now in existence in Hankow in British ex-concession.

I feel, however, that in the present temper of the Japanese and Chinese governments no terms of peace are possible which would be acceptable to both. Repeated to Tokyo, Peiping.

JOHNSON

CSB

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

122-1

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

TELEGRAM RECEIVED

LMS

GRAY and SPECIAL GRAY
FROM
Peiping via N. R.

Dated November 3, 1937

Rec'd 4:47 p. m.

NOV 4 1937

Secretary of State,
Washington.

Lab. to Amelgat
Brussels

DIVISION OF
FAR EASTERN AFFAIRS
NOV 4 1937
Department of State

723, November 3, 5 p. m.

193.94

Local peace maintenance societies have now been organized in eight districts in Hopei Province including Tientsin, Peiping, and Paotingfu, and Lei Shou Yung with headquarters at Peiping, has been appointed chief secretary of the group of societies. A chairman has not yet been selected and it is understood that none will be appointed for the time being as Lei will, at least temporarily, be chiefly responsible for administering the work. Lei was one of the go-betweens in the Ho-~~Ume~~^{Umei}-~~Tsu~~ negotiations. He was previously closely identified with Chang Tso Pin, former Chinese Ambassador to Japan. He is said not (repeat not) to be a member of the ~~Kuo Min Tang~~^{Kuomintang} and is in many ways an anti-party man. Reports are in circulation that efforts will be made by the Chinese, supported by Japanese advice, to have the contemplated new government in the north owe its allegiance nominally if not actually to the Central Government at Nanking. There is apparently still

795.94/10968

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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

122-2

LMS 2-No. 823, November 3, 5 p. m., from Peiping.

still considerable public opinion in North China favoring peace negotiations but no conditions are being advanced. It is worthy of note that there has been no material advance of Japanese troops toward the south on the Tsinpu and Pinghan railways for a week or ten days so far as is known. In Shansi, however, the capture of all Chinese positions in the Hsinkouchen sector, with an advance continuing towards Taiyuan, has been announced by the Japanese military: Japanese forces along the Chengtai railway are pressing on Shouyang, half way between Niangtsekuan and Taiyuan.

Sent to the Department. Repeated to Nanking. By courier to Tokyo.

LOCKHART

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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

123-1

TELEGRAM RECEIVED

LMS

GRAY

*summary to
Ambassador, Brussels
v.*

FROM

Shanghai via N. R.

Dated November 3, 1937

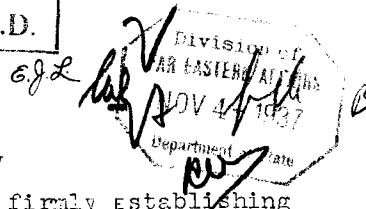
Rec'd 4:33 p. m.

Secretary of State,
Washington.

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

932, November 3, 6 p. m.

My No. 920, November 1, 2 p. m.



The Japanese have succeeded in firmly establishing themselves at several points south of Soochow Creek and in spite of the rainy weather are slowly advancing in a southwesterly direction. They are apparently attempting an outflanking movement designed to force the Chinese to withdraw from the western residential area immediately beyond the British defense lines.

It was reported yesterday that the Chinese Peace Preservation Corps units in Nantao, Lunghwa and Siccawei were preparing to withdraw to Sungkiang approximately eighteen miles southwest of Shanghai. Today foreign military observers state that some of these units are in fact withdrawing. It is not certain whether this withdrawal is being executed because of military developments south of Soochow Creek or whether it is connected with the efforts understood to have been made both by the French authorities and representatives of the International Relief Committee

to

793.94/10969

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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

123-2

LMS 2-No. 932, November 3, 6 p. m., from Shanghai.

to cover a safety zone in the Nantao and the Siccawei areas. Pootung was heavily shelled and bombed yesterday; Chinese batteries returned the fire.

At the request of the Commander-in-Chief I arranged for a conference yesterday between General Harada, Japanese Military Attache, and the foreign naval commanders, and for a similar conference today with General Chu Hsiao Liang, high ranking Chinese military officer. These conferences were screens in an effort to avert further indiscriminate firing into the foreign-protected areas and related questions.

Sent to the Department. Repeated to Nanking and Peiping.

GAUSS

SMS:EMB

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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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Washington,

November 4, 1937.

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AMDELGAT, DIVISION OF
COMMUNICATIONS
BRUSSELS (BELGIUM).

793.94/10969

35

For your information. 793.94/10968

Excerpts from Peiping's 823, November 3, 5 p. m.: QUOTE

Spinal Gray
[Reports are in circulation that efforts will be made by the Chinese, supported by Japanese advice, to have the contemplated new government in the north owe its allegiance nominally if not actually to the Central Government at Nanking. * * * It is worthy of note that there has been no material advance of Japanese troops toward the south on the Tsingpu and Pinghan railways for a week or ten days so far as is known. UNQUOTE.]

793.94/10969

Tientsin's 67, November 3, 4 p. m. reports continued withdrawal of Japanese troops from North China.

Gray
Excerpt from Hankow's November 3, noon: QUOTE It seems apparent that Japanese are now concentrating efforts toward capture of Taiyuan and that Chinese are equally determined to hold that city at all costs since the fate of Shansi is expected to have vital bearing on future developments in North China situation. UNQUOTE.

and summary
Excerpt from Shanghai's 932, November 3, 6 p. m.: QUOTE

[The Japanese have succeeded in firmly establishing themselves

F/MR

Enciphered by

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

0668

DECLASSIFIED: E.O. 11652, 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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Washington,

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at several points south of Soochow Creek and in spite of the rainy weather are slowly advancing in a southwesterly direction. UNQUOTE. With regard to withdrawal of Chinese units from Nantao, Lunghwa and Siocawei, it is not certain whether this withdrawal is being executed because of military developments south of Soochow Creek or whether it is connected with efforts to establish a safety zone in the Nantao and Siocawei areas.

Weller
 Acting
Weller

CR
 NOV 4 1937

FE: CV: SMJ

FE
W.M.N.

A-W

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R.Foochow/115 FOR Desp.#4

FROM Foochow (Ward) DATED Sept.20,1937
//~~11~~// NAME 1-1127 ***

REGARDING: Relations between China and Japan:Repercussions
of North China hostilities:Reports regarding --.

fpg

793.94/10970

10970

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

1. Japan.

a. Crystallization of public sentiment.

Early in the month it became evident that the city of Foochow and at least the northern part of Fukien were to afford only another illustration of the same wide-spread and rapidly-awakening patriotic feeling among

the

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64.3-10)

-4-

the Chinese masses, the growth of which in North China had brought the Japanese military there to face the alternative of losing the hold they then had on that area or finding an incident to justify an actual invasion of it. Fukien has for years been an area of Japanese penetration, and its affairs were until quite recently controlled by men nearly all of whom were educated in Japan, several of whom were married to Japanese women, and all of whom speak Japanese as their second language. The trade of the port has for some years past been practically controlled by Japanese and Formosans. If the actual presence of strong Japanese influence could anywhere have vitiated the opposition of Chinese to Japanese aggression, it would have been in Fukien. But by the first week of the month under review, nearly every public organization in the city of Foochow was engaged in the formation of one or another of the half a dozen societies which had sprung into existence here to support the National Government's resistance to Japan. These organizations merged to form three or four large associations, the most influential of which would appear to be the "Cultured Classes Enemy Resistance Association" (文化抗敵會) and the "Society to Lend Support to Resistance to the Enemy".

b. Ch'en against the tide. In an effort to check the rapid crystallization of feeling in Foochow and Fukien against reported Japanese aggression in North China, General CH'EN I (陳儀), the

Chairman

-5-

Chairman of the Provincial Government, directed Mr. Ch'en Chao-ying (陳肇英), the Special Commissioner for Kuomintang Affairs in Fukien, to instruct members of the Party to work for the suspension of all patriotic activities which might be considered as provocative to the Japanese. Mr. Ch'en is reported to have replied that as long as such activities were not carried to such an extreme as to endanger the lives and property of Japanese nationals, the Japanese Government would appear to have no reason to take exception to them; and that if the Party itself failed to take the leadership in patriotic activities, that leadership would pass to radical groups, from whom even more was to be feared. The various enemy resistance societies which had been formed did not, according to Mr. Ch'en, contemplate any offensive action against the Japanese, but sought only to insure the defense of China.

As late as the 16th of the month, however, the Chairman still seemed to hope to be able to maintain a kind of neutrality in Fukien, since on that day at a memorial service in the offices of the Provincial Government he enjoined the members of his administration and the Party to quiet the people, to suppress bad characters, and to maintain peace and order. Meanwhile it was widely rumored that General Ch'en had on August 5 packed his Japanese wife off to Formosa.

c. Collapse of Nonresistance. Although the statement made to this Consulate in the early part of August by a responsible official of the Provincial

Government

-6-

Government that if the war spread, the Foochow Government would change hands without fighting since the city was without defenses and the Chinese could not defend the coast unquestionably amounted at the time it was made to an accurate expression of the determination of the group who then controlled the Government of Fukien not to attempt to defend the Province, it soon became evident that if the Government itself was to continue in control, it would be forced at least to affect a determination to support resistance to Japanese aggression. According to information given this Consulate, the policy was definitely and officially reversed about August 20 upon the receipt of orders from the Central Government in Nanking that the coast of Fukien was under no circumstances to be abandoned.

d. Power passes to the Ch'en triumvirate.

This reversal of policy and the feeling of suspicion of General CH'EN I which appears to have been engendered in the minds of many Fukienese by his alleged intimacy with various Japanese appeared toward the end of the month to be leading to an almost complete eclipse of the Chairman's influence in the affairs of the Provincial Government. His power in military affairs appeared to be passing to another Ch'en - CH'EN Ch'i (陳琪), the Commander of the 80th Division - and that in civil affairs to two more Ch'ens - Ch'en Chao-ying, Special Commissioner for Kuomintang Affairs, and T. C. Ch'en (陳體誠), the Commissioner of Reconstruction for Fukien, whose Harvard education left him with an honor key and a definite anti-foreign bias.

e.

-7-

e. Evacuation of Japanese nationals.

On August 19 and 20, some five hundred and fifty Japanese nationals, making up the greater part of the Japanese and Formosan community in Foochow after the earlier evacuation of a number of women and children, left the city by launches and sampans for Pagoda Anchorage, where they took ship for Formosa and Japan.

With the last group went the Japanese Consul General himself, who had closed his office and turned it over to the custody of the Chinese authorities. In a farewell address in the last edition of the MINPAO, a Japanese newspaper here, Mr. Uchida, after referring to the friendly relations which had always obtained between Formosa and Fukien, wished the people of the Province good luck and assured his many friends that he would be happy to see them when he returned to his post here. In dismissing his Chinese employees and servants, he told them that he expected to be back in Foochow in three months' time.

The evacuation itself was without incident, although Chinese sampan men and launch runners refused to transport the evacuees and their baggages from Nantai Island to Pagoda, and transport for them was only arranged through the intercession of the Chairman. Some two hundred Formosans, said to have criminal records which prevented their repatriation, remained in Foochow. They were subsequently reported to have been rounded up by Chinese police authorities to avoid possible incidents.

f.

-8-

f. Kienow attacked. When in the early stages of the hostilities it had been the intention of the Government here in case of attack to withdraw from the coast rather than attempt its defence, the removal of the offices of the Government and the headquarters of local military units to Nanping (南平) and Kienow (建瓯), respectively, had been planned. When it was decided to defend the coast, the projected transfer of Government offices to Nanping was abandoned, but the storage of comparatively large quantities of gasoline and other war supplies in Kienow continued and an airfield was constructed here.

These facts are generally believed here to explain why the first Japanese aerial attack on northern Fukien, which occurred on August 31, was directed at Kienow. Four bombs were said to have been dropped, all landing in the aviation field. According to one subsequent report fourteen people were killed. An American returned from Kienow states that this loss of lives was due to the unfortunate failure of a group of Chinese workmen to recognize the nationality of the plane which they were watching from the aviation field in the belief that it was Chinese.

g. The coast blockaded. On August 25, three Japanese warships appeared off Matsui Roads (馬祖澳) at the mouth of the Min River, after having moved about for several days along the northern coast of the Province, where they had featured in earlier reports of the kidnapping of a group of Chinese fishermen, whom they were said to have questioned about

various

-9-

various inlets along the coast. By the end of the month it became clear that those ships had come to Matsu Roads to put into effect along this part of the coast the blockade on Chinese shipping established by the Japanese naval authorities.

h. And the river to be blocked. With the laying of the blockade and the appearance of Japanese men of war off the mouth of the Min River to enforce it, the Provincial authorities made known their intention to block the mouth of the river to prevent the passage into it of enemy naval vessels. Although this decision was probably based upon orders from Nanking, Chinese officials here who were considering the step argued that even though only shallow-draft launches could reach Kintai (the largest of the river islands south of Foochow proper onto which the city overflows), they might be able to enter the harbor in sufficient force to make it possible for them to move in shallow-draft vessels up to the island, whereafter the capture of Foochow itself would be easy.

i. Flight of the populace. Guided by an intuitive but sure perception of the seriousness of the situation which was developing around them, civilian Chinese who could afford to do so began early in August to move out of Foochow, many of them leaving for Hong Kong or even more distant parts. After the evacuation of the Japanese community and the appearance over Foochow on several occasions of from one to three Japanese aeroplanes, this movement took on the full proportion of a flight of the populace of Foochow which

reduced

DECLASSIFIED: E.O. 11652, 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-

reduced certain sections of the city to less than half of their normal number of inhabitants, and as a result of which the city's Chinese restaurants and theaters, and many of its stores, closed for lack of patronage.

C. Relations of a General International Character.

DECLASSIFIED: E.O. 11652, 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 97

DOCUMENT FILE

NOTE

SEE 852.00/6837 FOR #21

FROM Irish Free State (Cudahy) DATED Oct. 20, 1937
TO NAME 1-1157 GPO

REGARDING: President Valera of Irish Free State stated he did not think
any effective measures would be adopted by the Nine-
Power Conference.

ge

793.94 / 10971

10971

DECLASSIFIED: E.O. 11652, 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

It should be carefully determined before
being communicated to the
A-1

Department of State

DEPARTMENT OF STATE

Washington,

1937 OCT 31 PM 12 39

October 30, 1937.

2 Pm

TO BE TRANSMITTED

CONFIDENTIAL CODE

NONCONFIDENTIAL CODE

PARTIAL

PLAIN

AMDELGAT,

BRUSSELS, (BELGIUM)

DIVISION OF
COMMUNICATIONS
AND RECORDS

With reference to ~~the~~ Associated Press report from
Shanghai of October 29, which may have reached you, in
regard to the German Ambassador to China acting as a
mediator and messenger carrying proposed Japanese peace
terms, ^{from Shanghai to Nanking,} telegrams from Tokyo and Nanking indicate that there
is no repeat no foundation for the report.

Grew states inter alia that QUOTE it is also revealed
(German and Japanese)
that the relations between the two Ambassadors had not been
SUBQUOTE very satisfactory END SUBQUOTE owing to the
employment by China of German military instructors and also
to Japanese suspicion that Trautman is SUBQUOTE pro-Chinese/
END SUBQUOTE (and that Trautman took advantage of a recent
visit to Shanghai to improve his relations with Kawagoe. UNQUOTE.

Johnson states inter alia that QUOTE I have just re-
turned from a conversation with Kung who in reply to a
question about rumors regarding peace overtures stated that
Chinese would not discuss peace terms with Japanese prior to
Brussels Conference to which Japanese case has been referred.
UNQUOTE.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

FE:JOV:SMJ

[Handwritten signature]

Welles, Acting
(m.m.H.)

AW
[Handwritten initials]

10771a

793.94/10371A/

November 2 1937

No. 522

CONFIDENTIAL - STAFF USE ONLY.

The Honorable

William C. Bullitt,

American Ambassador,

Paris.

Sir:

Referring to the Department's instruction No. 503 of October 18, 1937, there are enclosed for your confidential information copies of various documents, as listed below, in regard to the Chinese-Japanese situation.

Very truly yours,

For the Secretary of State:

Hugh B. Wilson

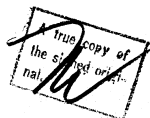
Enclosures:

1. Memorandum of conversation, October 22, 1937, between Mr. Sakamoto of the Japanese Embassy and Mr. Ballantine.
2. Aide-memoire of October 26, 1937, from the British Embassy.
3. Aide-memoire of October 27, 1937, in reply to above.

NOV 1 1937. PW

FE WTT:NN
10/29/37

FE
WTT



793.94/10971A

F/A

10971A

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

124-1

TELEGRAM RECEIVED

EG
This message must be
closely paraphrased
before communicated
to anyone.

FROM CINCAFICA

November 3, 1937

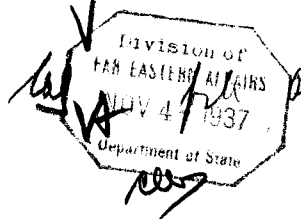
Rec'd 10:24 p.m.

TO: NAVY DEPARTMENT

INFO: AMERICAN AMBASSADOR TO CHINA
ALUSNA TOKYO

Secretary of State,

Washington.



0003 Conference held this morning with General Chu Hsiao Liang and Mayor Yui of Shanghai. They were informed of serious situation that has existed in neutral area due indiscriminate bombing shelling and impressed with necessity steps being taken to avoid such incidents in future. Chinese planes flying over Settlement which draw large volume Japanese anti-aircraft fire cause of many casualties. Also discussed possibility of neutralizing Pootung and Nantao sections in order decrease loss civilian lives and property through military action. Their answer was that instructions would be given and greater care exercised prevent Chinese planes flying over International Settlement. With reference to neutralization of Nantao and Pootung they replied that while they would be willing to enter upon such an agreement they would be unable rely on any guarantee on part of Japanese.

that

793.94/10972

F/F/G

FILED

NOV 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

124-2

-2- November 4, from Cincaf

that no military action would take place in that area.
However, they would report matter to Nanking and let
us know results. I am dubious whether any agreement
can be reached in view previous failures all such
attempts. 1920

SMS:RGC

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

DAS

TELEGRAM RECEIVED

JR

FROM

Tokyo

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

Dated November 3, 1937

Rec'd 1:28 a.m.

Secretary of State,
Washington.

*file
all*

516, November 3, 10 a.m.

Department's 281, November 2, 5 p.m.

The text is substantially a paraphrase. The report
submitted by Major Creswell was not suitable for telegraphing.
At my request he personally prepared a telegraphic version
by retaining portions of original text, summarizing others,
and eliminating entire sentences and paragraphs. There is
only one copy of this version and that is in our files.

CREW

CSB

793.94/10973

NOV 4 1937

FILED

F/FG

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

TELEGRAM RECEIVED

JR

PLAIN and SPECIAL GRAY

AMEMBASSY NANKING
AMEMBASSY PEIPING

Canton via N. R.

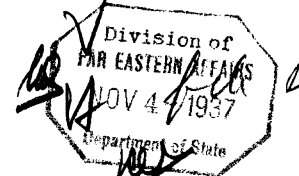
FROM: Canton
Date: November 4, 1937

Rec'd 7:47 a.m.

Secretary of State

Washington.

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



November 4, 5 p.m.

Three Japanese seaplanes continuing to raid Canton-Kowloon Railway twice daily. Yesterday's raids effected minor damage to track near Tongtougha. Today's morning raid damaged track at Lumtsun which is expected to be repaired by this evening.

Mailed Hong Kong, Shanghai.

LINNELL

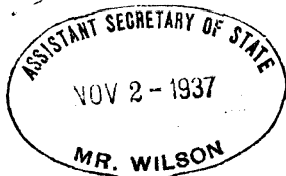
RR:KLP

793.94/10974

F/FG

NOV 8 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



CONFIDENTIAL

DEPARTMENT OF STATE

Memorandum of Conversation

Division of Far Eastern Affairs

DATE: October 28, 1937.

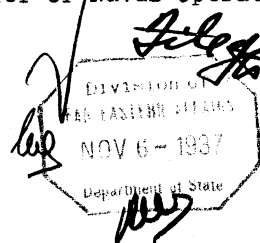
SUBJECT: Publicity Given by Admiral Yarnell to Instructions Issued to American Marines at Shanghai Authorizing the Marines to Open Fire in Self-Defense in Case of Attack by Airplanes.

PARTICIPANTS:

Admiral J. O. Richardson, Assistant Chief of Naval Operations, Navy Department.

Mr. Hamilton.

COPIES TO:



793.94

793.94/10975

I called on Admiral Richardson at the Navy Department in reference to Admiral Yarnell's telegrams to the Navy Department 0026-1620 and 0026-2105 of October 26 on the subject indicated above. I told Admiral Richardson that Mr. Hull had asked me to call. I said that for the purpose of what I had to say it was not necessary to raise the question as to the merits of the order issued by Admiral Yarnell but that the Secretary of State felt that the giving of publicity to such an order operated to create serious embarrassment to the Secretary of State in the moderate course which he was endeavoring to follow in foreign relations. I said that Admiral Richardson was aware of public sentiment in the United States and of the effect of sensational newspaper reports in regard to

such

F/MR

FILED

10975

NOV 9 - 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

125-2

- 2 -

such orders on such sentiment, particularly on the sentiment which favored adoption by the American Government of a "storm-cellar" isolationist attitude. I said that such publicity played into the hands of critics of the course which the Administration was pursuing. I referred to the fact that when Admiral Yarnell had issued certain previous orders and sensational publicity in the American press had resulted, the President in one instance had spoken to the Secretary of State in regard to the matter. I told Admiral Richardson that in view of all these various factors Mr. Hull felt that, if Admiral Yarnell could not be directed to refrain from giving publicity to such matters, Mr. Hull would have to lay the whole matter before the President for decision.

Admiral Richardson said that he appreciated Mr. Hull's position in the matter, and that he thought that Admiral Yarnell did not take into account public sentiment in this country and the effect upon the public here of publicity of this type. Admiral Richardson said that Admiral Leahy was returning to Washington tonight and that he would speak to Admiral Leahy about this matter the first thing tomorrow morning with a view to the Navy Department sending a telegram to Admiral Yarnell directing him not to give publicity in regard to such matters.

On

168

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

125-3

- 3 -

October 29

On October 29, Admiral Leahy telephoned me and said that he had discussed the matter with the Secretary of the Navy; that the Navy Department felt that Admiral Yarnell had a great many trouble of his own; that the Navy Department did not wish to send him an instruction along the lines which we wished to have sent; but that the Navy Department would send a message if the State Department insisted. Admiral Leahy offered to come to the Department to discuss the matter with me. I suggested that I first refer the matter to Mr. Welles.

I then told Mr. Welles of my conversation with Admiral Leahy and stated that the Navy Department did not view the matter as did this Department.

The next morning, October 30, Mr. Welles spoke to the President over the telephone in regard to the matter and the President stated that in his opinion the Navy Department should send a telegram to Admiral Yarnell asking Admiral Yarnell to endeavor to avoid publicity in regard to such matters. Mr. Welles thereupon telephoned to Admiral Leahy and Admiral Leahy said that the Navy Department would send such a message.

M.W.

FE:MMH:ZMK

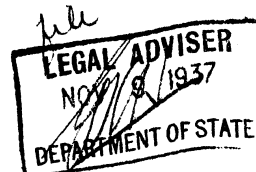
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

126-1

TELEGRAM RECEIVED

EG

GRAY



Tokyo

FROM

Dated November 4, 1937

Rec'd 1:31 a. m.

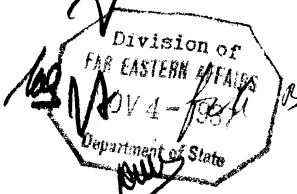
793.94
793.4123

Secretary of State,

Washington.

517, November 4, 10 a. m.

CONFIDENTIAL



The British Ambassador has given me in confidence
a translation of the note of apology from the Japanese
Government for the killing of four British soldiers at
Shanghai on October 29th as follows:

"No. 2005, CONFIDENTIAL. 1st November, 1937. Your
Excellency, the Imperial Japanese Government profoundly
regrets the occurrence of the incident in the western
sector of Shanghai in which British soldiers were killed and wounded
as the result of accidental firing by the Japanese forces
on the 29th October and I hereby offer an apology in
their name.

Two. I have further the honor to inform Your
Excellency that the Imperial Japanese Government have
taken the necessary precautions to prevent the recurrence
in the future of incidents of this nature and that on the
completion of their investigations, they will deal in an
appropriate manner with those concerned in this affair.

They

793.94/10976

F/EG

FILED

NOV 10 1937

1008
1-8-38

126-2

-2- #517, November 4, 10 a.m. from Tokyo

They are moreover prepared to pay the necessary compensation to the British soldiers who were killed or wounded. I avail myself, et cetera (signed)

Koki Hirota".

Repeated to Shanghai.

GREW

WWC:CSB

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

TELEGRAM RECEIVED

JR

GRAY

AMEMBASSY HANKING
AMEMBASSY PEIPING
AMEMBASSY SHANGHAI

FROM

Hankow via N. R.

Dated November 4, 1937

Rec'd 7:45 a.m.

Secretary of State,
Washington.

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

November 4, 4 p.m.

Hankow's November 3, 4 p.m. Unable to obtain

information that ex-Communist troops from Kiangsi and
Fukien are being reorganized at Hankow. Press reports
from Nanchang in late September stated General Hsiang Ying
an ex-Communist military leader in Kiangsi had agreed to
reorganize his forces under control of government as anti-
Japanese volunteer army. Sent to Hankow, repeated to the
Department, Peiping, Shanghai.

JOSSELYN

CSB

793.94/10977

F/FG
FILED

NOV 8 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

OPC

FROM

COMYANGPAT

November 4, 1937

Rec'd 12:12 p.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94

0004. Yangtze river ports quiet. 1843

CSB

793.94/10978

F/FG

FILED

NOV 8 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

FROM

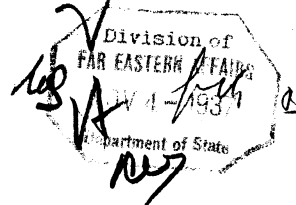
CINCAF

November 4, 1937

Rec'd 12:03 p.m.

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
USS HARBLEHEAD
AMEMBASSY NANKING
ALUSIA PEIPING



0004. Military situation unchanged. Japanese advance line one-half miles south Soochow Creek continued strengthening positions usual preparatory heavy bombing shelling entire area south to Hungjao village. Other sectors quiet and unchanged. Japanese cleaning up Chapei, Hongkow, Yangtzepoo districts. Eight hundred fifteen foreigners including three nine nine British American return Shanghai yesterday. Settlement quiet. 1930.

CSB

793.94/10979

F/FG
FILED

NOV 8 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

EG

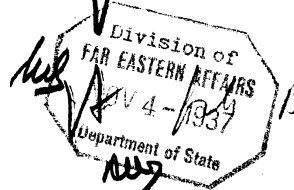
FROM COMSOPAT

November 4, 1937

Rec'd 1:15 p. m.

ACTION: CPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



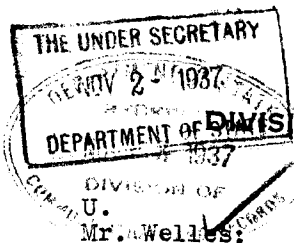
0004. Three Japanese seaplanes continuing to
raid Canton Hong Kong Railroad twice daily, first
interruption of service today but operations being
resumed tomorrow. Foochow, Amoy, Swatow quiet. 2000.

RR

793.94/10980

11
JL 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



DEPARTMENT OF STATE
Division of Far Eastern Affairs

NOV 2 - 1937

November 2, 1937.

793.94

Mr. Ballantine advances the conjecture that the
démarches made by the Japanese Ambassadors in Paris
and in London may be the result of some general authori-
zation given the Ambassadors by the Japanese Foreign
Office at Tokyo; that such authorization, if it were
given, may flow from internal political considerations
in Japan and a division of view in Japan; that it is
possible that certain of the more moderate elements
in Japan may wish that a proposal might be developed
which these more moderate elements could endeavor to
"sell" to other groups in Japan, including the military.
Mr. Ballantine is of the view also that the démarches
of the Japanese Ambassadors in Paris and in London may
possibly flow from the desire of some of the moderate
groups in Japan to forestall any further crystallization
of the alignment between Japan, Germany and Italy. There
are influential groups in Japan which desire that Japan's
ties with the United States and Great Britain not be
lessened.

In other words, the démarches in Paris and in London
may represent "feelers" put out as a result of divided
councils

793.94/10981

F/MIR

10981

DECLASSIFIED: E.O. 11652, 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 -

councils in Tokyo and in the hope by the more moderate Japanese elements that something might result in the way of a proposal which these more moderate groups might then endeavor to have adopted by other groups in Japan. There is no question, however, but that the military in Japan continue to dominate formulation of policy.

M. M. P.

FE:MMH: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



American Policy and the Far Eastern Crisis*

Walter H. C. Laves, Director, Midwest Office, League of Nations Association

13.94

The Far Eastern crisis which has developed since July 7 has once more thrown into the headlines the whole question of participation by the United States in world affairs. Because the United States has an economic stake in the Far East, because there are American citizens living in the area of conflict, because the United States has international treaty obligations affecting the Far East, because the United States traditionally is concerned with the balance of power in the Pacific area and, finally, because there is on the statute books a neutrality law directly affecting the conduct of American foreign relations, the people of the United States cannot ignore the present conflict between China and Japan. What should our government's policy be?

It should be pointed out from the start that America's economic stake in the Far East is not large. Our investments and trade in the Orient do not constitute a large proportion of our total economic stake abroad. As has been brought out in a number of recent studies, the economic interests of this country in the Far East are hardly large enough to be worth fighting for. It would probably be cheaper to reimburse traders and investors for their losses out of government funds.

Similarly it should be pointed out that the question of protecting American citizens in the Far East is one which could be most simply handled by evacuating them if the protection of their lives were the primary issue. The experiment of removing citizens from the scene of trouble has been successfully tried in a number of situations, notably under Secretary of State Stimson when Americans in Nicaragua were warned to leave the interior of the country and come out within the range of American military forces. Moreover, a great many Americans have already been

removed from the danger zone in the Far East.

The writer is far from certain that forsaking American property and evacuating American citizens would be the most desirable policy. While the economic stake and the lives of citizens are not in themselves worth our getting involved in a war and while the plan of those who want us to withdraw entirely until the war is over seems a simple solution and not an undue hardship for all concerned, the implications of such withdrawal are very serious. We live in a world community. This world community requires world standards affecting general international treaty obligations, and affecting rights of citizens of all countries peacefully to engage in business and other pursuits in countries where they are welcome. To withdraw both citizens and property in a moment of crisis such as this is therefore to give way to the forces which oppose the orderly processes of international organization. Moreover, as I shall point out below, at least at the time of writing, the alternative to withdrawal of citizens and property is not war. There is still room at this moment for consultation. A condition may arise in the near future, however, when the withdrawal of protection for both lives and property will be in order.

Any discussion of the Far Eastern crisis as it affects the United States must take into consideration the Nine Power Treaty and the Kellogg-Briand Treaty. Under the former there is at least an obligation to consult under circumstances such as those now prevailing. While the likelihood of such consultation in a conference including Japan is remote, the possibility should be kept open and nothing be done to weaken our position for such a conference. The Kellogg-Briand Treaty, though tattered and torn by repeated

undeclared wars, remains the primary link between the United States and those powers anxious to prevent war. In two important recent wars we have adhered to the principles of this treaty. It is essential that these principles be maintained in the current conflict.

Furthermore, the United States has during the past century shown a direct concern over the distribution of power in the Pacific area. It is true that at times our policy has included gratuitous meddling, and in many ways it would be desirable to restrict ourselves to well defined objectives. Pending the definition of these objectives in our Pacific policy, we may assume that the American people will continue to watch carefully all that goes on across the Pacific. Our policy toward the present crisis, therefore, cannot contemplate a complete isolation of the United States from Far Eastern affairs.

The neutrality law passed by Congress at its last session provides that when the President shall find that a state of war exists he shall issue a proclamation, and thereupon it shall immediately be illegal to export from the United States to either of the belligerents arms, ammunition or implements of war, or to extend credit to them. (There are certain other consequences of the issuance of such a proclamation which need not be mentioned here.) At this moment no legal war exists in the Far East, but certainly everyone will recognize that there is war in a physical sense. Fortunately the Neutrality Act allows the President discretion to determine when it shall be invoked. Shall he exercise that discretion now by invoking the law?

I believe that to date the President and Secretary of State have been wise in desisting from applying the law.

*Reprinted from The Illinois Voter, October, 1937.

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Whether they should continue so to desist must depend upon future developments which cannot now be forecast.

Before discussing the reasons for this conclusion we should have in mind what would happen if the law were invoked. First of all, to invoke the law would mean to recognize that a legal state of war exists. This in turn would probably result in Japan's applying such restrictions on neutral shipping to the Far East as only a belligerent can normally employ. Most likely all neutral trade with China would be legally cut off and China would be able to receive supplies only through her land boundaries. The immediate effect of the act would therefore be materially to increase Japanese control over China's destiny. This condition may actually come about as a result of Japanese aggression, but it would be different from a legal recognition of such control.

The neutrality legislation passed by Congress was unfortunately of the variety which does not permit a distinction by the President between the country which is the aggressor and the one which is the innocent victim of aggression. Therefore the embargo on arms, ammunition and implements of war which goes into effect automatically when the President issues his proclamation would apply equally to shipments destined for China and Japan. Insofar as Japan has large military supplies on hand, the application of the law would thus directly benefit her.

Quite aside from the relative effect of the law on the two nations, it would have been unwise to invoke the law to date because the influence of the United States in effecting a solution of the crisis would have been mate-

rially reduced. As has already been noted above, the open withdrawal of American interests (beyond what is necessary to assure their immediate safety) tends to strengthen the position of Japan. Similarly to announce by invoking the neutrality law that we have no concern over the outcome of the conflict is openly to play into the hands of Japan. It would mean also the further weakening of the international consultative machinery which must be the basis of any lasting settlement.

Many of those who have pressed for the application of the Neutrality Act during recent months have done so with an almost child-like faith in this simple formula. They have entirely overlooked the relation between this crisis and our long-run objectives in international relations. They have apparently assumed that the only alternative to invoking the Act is war, thus ignoring the far more likely alternative of consultation toward effecting a solution. Finally, they have failed to recognize that war is but a phase (ghastly though it may be) in the total history of the relations between nations, and that when this crisis is over, international relations must and will continue. They have thus failed to see that our policy during the crisis must be in harmony with our objectives before and after the crisis.

A complicating factor in the picture is the order recently issued by the government to merchant vessels owned by the government, forbidding them to carry arms, ammunition and implements of war to either belligerent (the Wichita was compelled to unload her shipment of Bellanca planes consigned to China) and the simultaneous warning to all other merchant vessels that if they carry arms, ammunition,

or implements of war to either belligerent they do so at their own risk. Hereby China has been placed at a great disadvantage in view of Japan's control of access to China's ports. China has informally protested against this order, and reports from Japan tell of obvious satisfaction with it. To invoke the Act now in order to equalize the positions of China and Japan overlooks the fact that China would then also be cut off from credits which she needs in order to get materials other than arms, ammunition and implements of war.

The policy which the United States should pursue in the face of the conflict raging between China and Japan may now be briefly summarized. Our government should avoid any unilateral action which will tend to make the United States the ally or the open enemy of either country. We should make every effort to consult with the other leading nations toward effecting a lasting solution of this conflict and of the problems underlying the series of crises which have shaken the Far East during the last fifty years. Our obligations under the Nine Power Treaty, our rights under the Kellogg Pact and our membership in the League of Nations Committee of Twenty-Three (which was created in 1933 and which has already voted condemnation for Japan, in view of recent bombardments of civilians) afford ample opportunity for achieving the desired end. The State Department should be encouraged to pursue these opportunities. The Secretary of State has shown his awareness of both our rights and obligations in his statements of July 16, August 23 and September 19, 1937, and his handling of the Far Eastern situation thus far has been consistent with these statements.

For additional copies write to the Midwest Office, League of Nations Association, 75 East Wacker Drive, Chicago, Illinois.

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

(CONFIDENTIAL)

127-3

PARAPHRASE

A strictly confidential telegram (no. 696) of November 4, 1937, from the American Ambassador at London reads substantially as follows:

On November 4 an official connected with the Far Eastern Department of the British Foreign Office said that the Foreign Office is examining courses of action and policies which it might be possible for the British Government to take if the Japanese Government should formally declare war against China. As events may develop in such a way that it would be to Japan's advantage formally to declare war, especially in the matter of controlling shipments of arms to China, since a declaration of war would of course give full belligerent rights to Japan, the Foreign Office feels that it should give at least theoretical consideration and study to such a possibility. According to the Foreign Office, Hong Kong is now the only important port from which shipment of arms to China may be made. The French have closed the railways of Indo-China to arms traffic and ^{informant} informed the British accordingly. The British Foreign Office/ states that this action of the French has disturbed and angered the Chinese greatly. The Portuguese, following the suit of the French, have now closed Macao. Although Tsingtao is still open, it is at the mercy of the Japanese for all practical purposes. The Foreign Office official did not know what would be the course of action taken by the British Government in the event that Japan should declare war on China but he felt that at this time the best thing to do would be to tell Japan "all right go ahead

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

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STRICTLY CONFIDENTIAL

ahead" and then put a complete embargo on the shipment of arms both to China and Japan. In fact, according to the Foreign Office, almost no arms and ammunition are being shipped to China by British interests whereas, quite contrary to British sympathies, arms and ammunition in considerably larger quantities are being shipped to Japan.

The Ambassador sends the above information to the Department merely to show that the British Government is studying the possible eventualities with which it may be confronted in the formulation of policy and not as evidence that that Government is contemplating any immediate action.

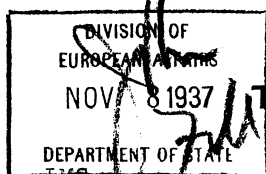
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



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

Paraphrases sent to Peiping + Tokyo
FROM London

Dated November 4, 1937 *Nov. 15*

Rec'd 5:12 p. m.

Secretary of State,
Washington.

696, November 4, 8 p. m.

793.94
STRICTLY CONFIDENTIAL.

An official of the Far Eastern Department of the Foreign
Office stated this afternoon that they are examining possi-
ble policies and lines of action to be taken by the British
Government in the event that Japan should make a formal
declaration of war against China. The Foreign Office feels
that such a possibility must at least be given theoretical
study and consideration as events may take such a turn that
a formal declaration of war by Japan would be to the latter's
advantage particularly in controlling shipments of arms to
China since the declaration of war would naturally clothe
her with full belligerent rights. The British have a very
particular concern in this situation because according
to the Foreign Office Hong Kong is the only port of impor-
tance from which arms may now be shipped to China. Tsing-
tao is still open but it is for all practical purposes at
the mercy of the Japanese. The French have closed the
railways

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

127-2

LMS 2-No. 696, November 4, 8 p. m., from London.

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railways of Indo-China to arms traffic and have so informed the British. The Portuguese have followed suit and have now closed Macao. The action of the French according to Foreign Office reports has greatly disturbed and angered the Chinese. The official said that although he did not of course know what action the British Government might take if Japan declared war on China, at the present moment it would seem to him that their best course of action would be simply to tell Japan "all right go ahead" and put a complete embargo on the shipment of all arms both to Japan and China. According to the Foreign Office British interests are in fact shipping practically no arms and ammunition to China whereas considerably larger quantities are being shipped to Japan, quite contrary to British sympathies.

The foregoing is repeated to the Department not as an indication of any immediate action being contemplated by the British but merely to show that study is being given to possible eventualities which may confront them in the formulation of policy.

Repeated to American Delegation, Brussels.

BINGHAM

SMS:NPL

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

Copy for the Division of Western European Affairs.

800. JKD/ms

Consulate General
Vancouver, B.C., Canada
October 27, 1937

DIVISION OF
EUROPEAN AFFAIRS
NOV 2 - 1937
DEPARTMENT OF STATE

The Honorable,

The American Minister,

Ottawa, Canada.

Sir:

I have the honor to refer to my despatch of October 18, 1937, transmitting a copy of a statement issued by the Vancouver Chinese Consul refuting certain allegations made by the Japanese Consul, and to report that a well organized effort is now being made by the Japanese authorities to counteract in British Columbia the steadily growing wave of hostility caused by Japan's invasion of China. This campaign is being conducted in the name of the Canadian Japanese Association but, it is alleged, is actually being paid for through the local Japanese Consulate.

The first evidence of this activity noted was a series of Japanese propaganda broadcasts over a local radio station, the speaker being a young woman with a Canadian voice. Her statements, however, were too disjointed and exaggerated to be of any real value as propaganda.

On October 26, 1937, a booklet entitled "Sino-Japanese Conflict Elucidated" was distributed to a number of residences and offices in Vancouver. A copy of this is enclosed. From the comments thus far heard by Canadians who have read all or some of it, it

would

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

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would appear that instead of winning friends for Japan this booklet has annoyed and angered the readers, who regard it as an impudent endeavor to deceive them.

It is understood that the Japanese Consulate has made arrangements whereby the local advertising firm of Stewart-McIntosh, Limited, of 198 West Hastings Street, Vancouver, will handle Japanese "public relations" work in British Columbia, but it is not known along what lines this propaganda will be carried on. This firm is one which has in the past handled the "public relations" work of the local Liberal Party, and its members are well known socially and are considered able business men.

Respectfully yours,

True copy of original
signed by:

John K. Davis
American Consul General

Enclosure:
As indicated.

Copies (5) to the Department.

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

SINO-JAPANESE CONFLICT ELUCIDATED

1. What Japan Wants to Say.
2. Significance of North China Problem.
3. Statement of Japanese Government.
4. Address of Japanese Foreign Minister.

Canadian Japanese Association
Vancouver, B.C.

October 1, 1937.

The Members of the Canadian-Japanese Association, loyal residents of Canada, many of them British subjects, are desirous that the traditional goodwill between the country of their origin and the country of their adoption shall be preserved and maintained. Resident as they are in British Columbia, they feel that as the business outlook of this Province must in the future lie to a great extent toward the Orient, there is a special duty upon them in this regard.

They publish this pamphlet, therefore, in the interests of truth, to meet unfair and untrue propaganda, and in an effort to clear away misunderstandings which may have arisen, so that the people of Canada may feel that there is no reason why the mutual trust and friendship between Great Britain and Japan which has continued for over half a century should not flourish and grow throughout the years to come.

THE CANADIAN JAPANESE ASSOCIATION.

WHAT JAPAN WANTS TO SAY

Introduction

The very regrettable and unhappy situation in the Far East is one which must sometime face the light of open discussion and the Japanese people feel secure in the knowledge that what must be said will be received by the readers in this country with that spirit of fair play, that dispassionate consideration, which is inherent in the people of Canada as it is in all who follow the British tradition no matter where they may be found scattered throughout all quarters of the globe. It is considered advisable therefore that certain hitherto unknown facts regarding China should be made public.

The friendship between Japan and Great Britain, and of course between Japan and Canada, has been of such long standing duration that it would be only for the gravest reasons and upon the most convincing evidence that British subjects would by thought or deed do anything which would be likely to endanger the cordial relationship which has existed for so long. When Japan decided that the enjoyment of the isolated but peaceful culture of many centuries was not sufficient in a world of progress and that some contribution to world affairs was expected of her both culturally and industrially, Great Britain was the foremost nation to which she turned for her education in many of the things which have gone to make her a progressive nation. Since that time the paths of the two nations have been directed side by side. They stood together during the Great War and there must be many living on the Pacific Coast today who will remember those dark ages in August, 1914, at a time when invasion was expected from the raiding enemy battle-dark days in August, 1914, at a time when in gratitude which was felt and expressed at that time for the fact that the chief bulwark on which British Columbia then relied was the presence of our Japanese cruisers and the goodwill which their presence implied. It is the duty, therefore, of all those who regard themselves as friends of these two amicable nations to endeavour, so far as lies within their power, to disabuse the minds of the people of any misunderstandings which may have arisen in connection with the situation in the Far East, — misunderstandings which are bound to arise when the scene of activity is so far distant, propaganda is rife, and an attempt is made to muddy the clear waters of logic and truth by the injection of the foul waters of partisanship.

The Japanese are poor propagandists—possibly the poorest in the world. Those who remember the days of the Great War, will remember also the power of propaganda. When the fact that the Chinese are expert propagandists is recognized, it will be realized that there is more of the story to be told than one is able to glean from the news columns of the daily papers. This is not the fault of the newspapers—rather the fault lies in the fact that the Japanese people have been backward—possibly negligent—in seeing that the world at large was given the facts upon which it might base its judgments. The following should assist those who will spare the time to read it, to an appreciation of the true state of affairs.

To deal with the matter frankly and as concisely as possible the various charges which must be answered, in the main, are as follows:

1. That the Japanese are conducting a war of aggression, and an unprovoked war of aggression at that.
2. That they have not declared war and have entered into battle without the usual formal declaration.
3. That they have shelled and bombed defenceless cities which have no strategic or military importance.
4. That they have interfered with Chinese shipping and have sunk defenceless ships without provocation.

Japan's Denial

The answers to these various points are shortly as follows:

1. That there has been provocation of the most insidious and dangerous kind and that it is because of such provocation that the Japanese forces have entered China,—that the action of Japan was necessary to save the whole of the East, including Great Britain's own India — that ready subject for revolution—from the advancing epidemic of communism which, creeping from the North, has threatened the peace and welfare of the Far East.
2. With regard to the allegation that there has been no declaration of war, it may be pointed out that there was no responsible Chinese Government upon which such declaration might be rightly served, and that the war is being fought against the anti-Japanese element, not against the whole Chinese people.

3. That our military activities against the cities which we have shelled and bombed have not been different from the military activities of both sides in the Great War and that all the cities were enemy strong points where troops were massed, where military supplies were stored or which were used in some other way for military advantage. That civilians were killed and wounded is most unhappy and unfortunate, but while wars are permitted, such things are bound to happen. They happened during the course of the Great War on all fronts and in the cities of Belgium and Germany and even in peaceful London and the resorts of the East Coast of England. The charge should be against War as an institution and not against the participants. As Great Britain's Admiral Fisher has said: "It is impossible to carry on a humane war." The whole of the Japanese nation deeply regrets the fact that innocent people suffered as they always must suffer in the case of war, through the activities of belligerents. Although it is really beside the issue, it might be pointed out that the greatest individual loss of life to civilians was that caused in Shanghai by the bombing of parts of the city by Chinese aviators.

4. With regard to shipping, everyone knows that the Chinese seas are infested with Chinese pirates just as the Chinese land is infested with Chinese bandits. The armed junks of the pirate chiefs were those which have been dealt with by the Japanese forces.

In short, Japan has for years been under the necessity of having to deal with a country, by land and sea, in a state of lawlessness and anarchy.

Abnormal Conditions in China

The fundamental cause of the present conflict between Japan and China lies in the abnormal status of China's internal politics. By her very nature China is the seat of continuous internal disturbances. These continual disruptions in the life of the country, however, bear no direct relation to the people themselves, but are purely private battles among the warlords. The great masses of the population at large are not a party to this warfare; as a people they gain nothing one way or the other, but are always worse off under each new regime, as they are only used as tools to fill the pockets of these warlords who need more and more money to finance their battles and, therefore, tax the people more and more heavily.

Looking back over the past twenty years it is difficult to mention any one year in which there has not been a disturbance of some kind or another in China. For example, to mention only some of the important events in recent years, there has been the continued antagonism, and resultant military operations, between the Peiping and Nanking Governments, also between the Canton and Nanking Governments, to say nothing of the incessant battles going on between the Communist Army and the Nanking Army. It is very painful for Japan to see such a state of affairs in a country which in the ordinary course of events should be considered her sister nation. Because Japan is situated very close to China it can be readily seen, even looking at it purely from the standpoint of their economic relations, that it is most discouraging for Japan to view China undergoing such strife and tribulation. Is there any other country which could have more reason to wish for the true unification of China and the re-establishment of peace and security throughout her vast territories?

It has been said that in China there have been soldiers killed numbering more than a million and a half, since the foundation of the Republic of China, purely through the antagonism of one lord toward another, and the intermittent fighting which goes on as a result of this dissention and it is undoubtedly true that the number killed in this fashion during the past ten years,—since China was, generally speaking, brought under the regime of the present Nanking Government,—is not less than half a million.

There may be some who will remember that at the Washington Conference in 1921, a very famous delegate of a European Power raised the very significant question, "What is China?" Even today, fifteen years later, this same question can be pertinently asked. For thousands of years China has continued her existence under the yoke of many dynasties, sometimes even being governed by rulers of other tribes, such as Mongols and Manchus; sometimes harassed and tortured by warlords and rulers who have risen from her own people. Through the centuries the Chinese people have grown used to living under these abnormal conditions and, in adjusting themselves to the strange circumstances of this kind of life, they have developed an extraordinary social attitude, peculiar to China alone, and have perfected to a high degree the ability to live their own social lives entirely apart from the disturbing elements of government and legislation to which they have been subjected under the everchanging and perilous rule of the war lords.

There is an age-old proverb in China that "good iron should not be made into nails and good men should not become soldiers." This proverb gives one some idea of the moral standing of the Chinese soldier from the viewpoint of the Chinese people themselves. It is now said that recently among the troops which have been trained by the Nanking Government there are some who have attained a comparatively high standard of morality, but it is generally conceded that the great

majority of the Chinese troops have an extremely low moral standard. That this is clearly realized by the people is evidenced in the tendency shown by the cities of China to avoid at any cost having new troops stationed within the limits of the towns. It is a common thing for cities,—so unwilling are they to have the soldiers within their environs,—to give large amounts of money to the leader of the army to avoid having the troops enter the city limits.

An example of this was seen just before the Shanghai Incident of 1932; the merchants in Shanghai were so afraid that the 19th Route Army was going to be stationed around Shanghai that the Chamber of Commerce of Greater Shanghai collected a large sum of money and tendered it to the Chief of the Army with an appeal to keep the soldiers at a considerable distance from Shanghai. There is also a remarkable, and more terrible story that will tell the nature of the Chinese troops,—one which is already common knowledge. At Tungchow, 12 miles east of Peiping, four thousand Chinese soldiers, on the night of July 27th, suddenly attacked the Japanese residents, numbering three hundred and eighty, killing practically all of them regardless of age or sex. Men and women, old and young, were slaughtered alike. This was a massacre, perpetrated in the absence of the Japanese troops at the instigation of the Nanking Government agent.

Chinese Propaganda

During the present conflict between Japan and China many persons who are in a position to make only superficial observations, believe that the anti-Japanese feeling is so deeply rooted in the Chinese masses that it cannot possibly be eradicated; but this viewpoint is fundamentally wrong. Some foreigners who are only temporary visitors to China, and who can see China only in part, are at first glance apt to judge conditions there from what they appear to be on the surface. It is regrettable that this sort of thing cannot be avoided, especially as the Nanking Government is very successful in deceiving the whole world with false propaganda.

Japanese are very diligent students of affairs in China, but even among them there are many who give up after several years of study, admitting that China is very difficult to understand. Any person who has had an ordinary education in a western country and who has the average knowledge of political and social organizations of such countries, cannot help but completely misunderstand the real China, as they naturally look at things and judge conditions from their accustomed angle. This method is useless; they must first discard their preconceived notions and then study China from the primer, as it were, if they wish to arrive at any true conclusions regarding the fundamental character of the life there. Naturally the foreigner's misunderstanding of China may lead also to a misunderstanding of Japan's attitude in relation to China. Such is often the case, and the very nature of things prevents us from informing those people regarding their misunderstanding of Japan and the unselfish aim which is really motivating her activities in the Far East.

As was mentioned before, the fundamental cause of the present conflict lies in the abnormal state of China's international politics, and in the fact that China is the seat of continuous internal disturbances. In amplification of this statement it may be said that it is quite usual for the Chinese warlords and the leaders of different political factions to resort to any conceivable measure just to make their own positions stronger, regardless of the harmful effect on others. If this is not so, how can one explain the fact that in the present conflict Chinese troops used Japanese flags, British flags, American flags and flags of other nations; that they used the mark of Japanese aeroplanes on their own planes; that several times they bombed hospital ships of Japan,—which can be clearly identified by their appearance; that they bombed the *President Hoover*, which could never be mistaken for a Japanese boat; that the Chinese aeroplanes many times dropped bombs in the International Settlement and French Concession; and especially that they dropped many incendiary bombs on the International Settlement and on many British factories. Can such actions be explained by saying that they were done in a moment of desperation?

Whole World Deceived By Chinese Propaganda

The spokesmen for the Nanking Government have spread so much false propaganda throughout the entire world, and have denounced Japan in such sweeping and irresponsible manner that the Japanese, who are not clever in the art of spreading propaganda, are quite at a loss as to how to retort such attacks. Many items which are daily reported in the newspapers here are of such origin. For instance, the other day some very sensational news was sent out from Hong-kong by the Reuter news agency,—that Japanese submarines torpedoed many Chinese junks full of refugees, killing several hundreds of women and children. This is a complete fabrication. What a combination it makes!—Women and children!—Attacked by submarines!—Ruthlessly torpedoed to death! This is a translation of the *Lusitania* incident in the Chinese way,—to invite the hatred of other countries against Japan.

Even correspondents who themselves have keen powers of observation cannot escape the influence of the Chinese propagandist. Onlookers who do not know the actual circumstances applaud the reported valiant resistance of the Chinese troops, but how many know that just behind the front line of troops is a second line of so-called "supervising troops" which are ordered by the high command to shoot from behind any soldiers of the front line who show signs of relaxing or retreating? This state of affairs really exists for it has been reported from the front lines of the Japanese troops that very often they have seen the retreating front line troops of the Chinese being fired upon by their second or "supervising" line and returning that fire so that they may be free to continue their retreat.

Persons who have been near the scenes of battle know that the Chinese troops often open and continue fire on spots where there are no Japanese troops, causing great danger to civilian Chinese and foreigners alike. Such has been the case in Shanghai. This inexplicable behaviour was made clear by the confession of Chinese prisoners of war who said their excuse for this unwarranted firing was that the only way the Chinese troops were permitted to retreat safely was by consuming all their ammunition. They admitted to their captors that they were firing at random just to finish off their ammunition so they could retreat without being shot.

Japanese March Not Invasion

As for the statement that the Chinese troops are the machines of the ruling classes of China, and that the rise and fall of such ruling classes is of little interest to the Chinese people in general the fact that wherever Japanese troops march on in North China there is no overt or covert resistance by the citizens or villagers proves it to be true. Instead they welcome the Japanese troops, hoisting Japanese flags of their own making. These people say Japanese troops give and Chinese troops loot.

This is not conquest by force; if it can be called conquest at all, it is rather conquest through the confidence and reliance of the people themselves. The Japanese troops in North China are outnumbered many times by the Chinese troops, and behind the Japanese troops are tens of millions of Chinese people. Even though Chinese civilians may be powerless in some respects, with the small number of Japanese soldiers,—80 thousand scattered along a front of more than a 100 miles,—it can be readily seen that if the Chinese masses at the back of the Japanese troops really thought of them as their vital enemies, the march forward of 100 miles already accomplished by the Japanese could not possibly have taken place. These facts prove that Japan's march is not an invasion. It is believed by many that if there were no further propaganda from the Nanking Government, and that if no further force from that source oppressed the Chinese masses, the people themselves freely recognizing the real intent of Japan there would be no more conflict.

The following is an episode which supports this contention. Only recently there were more than 1,000 wounded Chinese soldiers who were being looked after by Japanese nurses, side by side with the wounded Japanese soldiers in a hospital in Tientsin. About 300 of these Chinese soldiers were only slightly wounded and after recovering they spontaneously offered their assistance for the cause. The Japanese Army officials decided to make a test and employed these 300 soldiers as paid laborers. The result of their work was very fine and the Japanese authorities in North China were so pleased with the success of their experiment,—which proved them to be right in the belief that they could find even among the Chinese troops who were supposed to be anti-Japanese, many who would gladly work with them—that they forgot the high price they had already paid for their small success and were looking forward to the time when there would be no more conflict and they would all be working together towards a bright future in a happy and prosperous North China.

As has already been said, the propaganda of the Nanking Government are not to be credited. There appears to be no limit to the extent to which that Government will deceive the Chinese people to achieve their own selfish aims. The Nanking Government is very much afraid at this stage that the real state of affairs may become known to the people and they are trying their utmost to suppress any news of it. If the Chinese propaganda were true, more than ten Japanese battleships have been sunk; nearly all the Japanese soldiers have been annihilated; and there are now very few planes remaining on the Japanese side. The reported attacks of Japanese troops on Chinese civilians are also fabrications of the Nanking Government propagandists whose intention is to arouse feeling among the Chinese people; and to invite the sympathy of other countries as well.

Who Rules China?

One must go deeper to find the real reasons behind the present developments in Chinese policy. Not by studying merely the present but by reviewing the last twenty-five years, since the birth of

the present Nanking regime, can a clear picture of the situation be obtained. The revolutionary dreamer, Sun Yat-sen, pushed over the tottering structure of the Chinese Empire. He proclaimed the People's Three Principles, and in their name he demanded the abolition of unequal treaties and of foreign rights acquired allegedly by conquest. An age of chaotic civil wars followed. The Chinese National Party had to cope with powerful war lords and barely extended its rule over a part of Canton. But a new power arose. The Bolshevik party ruled the millions of the old Russian Empire. From the Kremlin spread a campaign to bolshevize the world. And Moscow's help was extended to the Nationalist Party of Cantonese origin.

With the aid of Russian man and money, the Canton Revolutionary Government waged an economic war on what it chose to call British Imperialism which, it contended, was holding Hong-kong by the throat. Then, under the leadership of the cadets from Colonel Chiang Kai-shek's Whampao Military Academy, the revolutionary armies swept to the north to stop at Hankow. There a split occurred: Chiang Kai-shek broke away from the left wing of the party and his Communist advisers and the Nationalist party set out to conquer China.

Ten years have elapsed since those hectic days. Under the slogans of "Down with Imperialism!" and "Scrap the unequal treaties!" China's Nationalist Party fought its way to power, uniting the people in a common hatred of "foreign imperialists." This first hatred for foreign powers was the common link between the peoples of different languages and customs of the South, the Central Provinces and the North. British and American Imperialism so-called was attacked, and boycotts declared. Students were killed on Nanking Road, in the Shanghai Settlement. American women were attacked in Nanking. Great Britain abandoned her concessions in Hankow and Kiukiang.

Then the Nationalist Party turned on Japan. Up to 1931, several boycotts were declared. The Nationalist flag was hoisted in Manchuria, where Japan had vital interests for which she had already staked her existence in two wars, in 1894 and 1905. Nationalist Party agitation began there too, menacing Japan's legitimate interests. The Japanese diplomats, pursuing the policy which had prompted the Washington agreements, made an effort to help China to stand on her own feet, exerting utmost forbearance and showing amity; but the Nationalist Party pursued its "revolutionary policy"—the unilateral abrogation of irksome agreements and the capture by force of legitimate interests. Japan could bear no more, and in September, 1931, the Manchurian affair broke out.

The Blue Shirts

It was after this affair that the most formidable political power in China came into being.

In reaction against the corruption which was spreading in the ranks of the victorious Nationalist Party, a group of young officers, graduates of the Whampao Military Academy in Canton, organized a secret society in order to carry out the ideals of the Revolution which they claimed was war against imperialism, abrogation of unequal treaties, and destruction of the military caste. They offered the leadership to their former director at the Academy, Chiang Kai-shek. This movement responded to the latter's ideals as well as to his ambition. In the party he held but a low rank compared with the veteran politicians of the Revolution. His dream of reaching the pinnacle seemed hardly realizable. As head of the new organization he could wield a power which was beyond his grasp as a member of the Nationalist Party. So General Chiang gladly accepted the offer of his old pupils and subordinates and started to build a fascist party—the mightiest weapon of power that China, the land of secret societies, has known since the days of Taiping.

The Blue Shirts, as the Society is known (although it has no official name), today really rule China. Their nucleus is formed of some thirty-four men, all but one, graduates of Whampao Military Academy. These men, active, devoted to their ideals and their chief, hold key positions in the party, the Administration and the Army. The commanders of Chiang's crack "Personal" division are Blue Shirts; the spiritual guidance of the armed forces is in the hands of Chiang's personal representatives, among them Ho Chunghan. Money they have too, either derived from their positions or supplied by the opium transit dues, which are levied by Chiang's men and go directly into his war chest.

The membership of the society now totals about 10,000, although it aims at 2 million. But these ten thousand are the pick of the nation, for Chiang will admit only those who are willing to become soldiers, to work and suffer, obey and sacrifice, never seeking official position or personal privileges, and are able to labor at least 12 hours a day. And also an oath is taken always to fight Japan bitterly by all and any means. In fact anti-foreignism—what the National Party called the revolutionary policy—has always been a weapon of internal politics in faction-ridden China. It is not to be wondered that the Blue Shirts seized on this,—certain to win popular support—but this time with Japan as its object.

This is one of the hidden powers that Japan has to face in China. This society has been working up the tide of antagonism all over the country, through the official sections of the Nationalist Party and the countless secret societies which are in existence. This activity was the reason that Japan

demanding the withdrawal from North China in 1935 of all Blue Shirt organizations. With their retreat, productive co-operation was again made possible.

Blue Shirts Allied With Communists

The Blue Shirts in their campaign against Japan were to have been helped by an ally which until recently, they openly fought—the Communist Party.

In 1935, at the Seventh World Congress of the Comintern held at Moscow, a new line of action was set. Attempts at direct revolution in the European countries were to be abandoned for the moment, as they had provoked strong reaction. The masses were to be won with the help of the Second International, and the Communists were to rally the socialists and radicals to their side and form a People's Front, and then take the leadership of the Government. In another resolution passed by the Congress, Poland and Japan were singled out as countries against which efforts were to be especially directed.

The success reaped by the People's Front policy has been seen in France and Spain.

In China, following Moscow's orders, the Communists made a skilful move. Cleverly taking advantage of the prevailing anti-Japanese sentiment, which the Blue Shirts had already done so much to intensify, they attempted to take the leadership of the campaign, and under the slogan of "fight Japan" to build the People's Front, and renew the alliance of 1927 between the Communist Party and the Nationalist Party.

The feud between the Blue Shirts and Communists subsided—temporarily at least. Sun Yat-sen's widow, who lives in Shanghai, told friends she now dared to go out of the French concession, as she no longer feared assassination by the Blue Shirts.

These were the allies that the Blue Shirts found particularly active in North China when they secretly filtered in again some months ago. Since that time order was again disturbed; and the fruitful and harmonious co-operation between Chinese and Japanese destroyed. Resentment and hate were being fanned into flame. And one day shooting broke out at Lukouchiao.

Anti-Japanism Wrongfully Encouraged as Matter of Expediency

Such is the situation Japan has had to cope with in China, where anti-Japanese sentiment has been kindled and cultivated as a matter of policy. Whether this sentiment itself is justified or not is beside the question. Wilful incitation to hatred against any country is not in the interests of humanity. It certainly has made relations between the two peoples born to be friendly neighbors bitter in an unbelievable degree, bringing with it a train of sorrow and hardships. And herein lies the fundamental problem in the relationship between China and Japan. Will the leaders of China keep pursuing, for reasons of internal expedience or of national intent, a consistent policy of hatred against Japan? Reaction follows action. One clash leads to a counter-clash. It is the privilege and duty of statesmen to stop, even at a sacrifice of so-called "national pride" or personal disadvantage, the lumbering march of nations to disaster.

Japan Wants Co-operation, Not Territory

Premier Konoye declared, on July 27th, in the 71st special Diet session that what Japan wanted of China was not her territory, but her co-operation. Even the most nationalistic elements in Japan reject as utterly foolish the idea of conquering China with her 400,000,000 people. Not even a single voice urging anything resembling the conquest of North China has ever been heard in Japan. Such a demand would run against the policy of the Japanese Government and would not merit even casual attention.

Japan at heart sympathizes with China's cardinal national policy of internal unification and reconstruction of the country on a unified basis. However, Japan is opposed to a policy of co-operation with the Comintern or a People's Front; as its only and natural result is to disturb the peace of the Far East and the international relations of that part of the world.

May the Chinese people take a true and realistic view of their country's position in the world and seriously set themselves to the task of China's unification and reconstruction primarily by their own initiative and effort. World sympathy—and particularly Japan's—is theirs. But let them not be made to believe that a wilful policy of hatred and contempt towards any Power will heighten the esteem in which their constructive efforts are held.

If China is really awake to this, the present crisis can pave the way towards Sino-Japanese reconciliation and co-operation, and so prove to be a worthy contribution to peace in the Far East and in the World. Then the heavy price being paid by the two countries and the sacrifices they are making will not have been in vain.

SIGNIFICANCE OF NORTH CHINA PROBLEM

The immediate cause of the North China incident was the sudden firing on the night of July 7th by Chinese soldiers stationed at Wanping-hsien on a small unit of Japanese troops belonging to the North China Garrison, which was engaging in night manoeuvres near Marco Polo Bridge. The fundamental causes which led to the outbreak are to be found far back in the history of Japan's relations with the Nationalist Government and deep in the state of mind long prevailing in China. Thus, in order to grasp intelligently the significance of the North China problem, it is of paramount importance to return, at least, to the conclusion of the Tangku Truce of 1933, and from that point to trace the subsequent developments in relations between the two countries.

From Tangku Truce to Exchange of Ambassadors

These relations were gradually improving during the period of two years from the establishment of the Tangku Truce on May 31, 1933, to the exchange of Ambassadors between Japan and China on May 17, 1935. In China, during that period, General Chiang Kai-shek, who, as Chairman of the National Military Council, was in supreme command of all Chinese forces—land, sea and air—and Mr. Wang Ching-wei, who was directing affairs of state as Chief of the Executive Yuan, collaborated in a double-edged policy of resistance and peace. While acting toward Japan with as little harm and offence as possible, they strove not merely for readjustment of North China affairs, which were in turmoil after the Manchurian incident, but also for the promotion of internal unity within the republic.

The Chinese leader who was directly responsible for solving problems pending between the two countries was General Ho Ying-chin, then Chairman of the Peiping Branch of the Military Council, and whose responsibility was subsequently taken by Mr. Huang Fu, as Chairman of the Peiping Political Readjustment Committee of the Executive Yuan. Due in part to the efforts of these leaders, what was known as the Peiping Agreement had been reached in November, 1933. This was the first and basic step achieved in improving affairs in North China in respect of their relations to Japan and Manchoukuo. The agreement, in reality, proved to be the foundation for realizing various plans of co-operation between Manchoukuo and North China in terms of transportation and communications, as well as for solving the outstanding problems between Japan and China. Other major events along the same line are enumerated here.

1. Taking Over of the Great Wall Gates

Beginning in February, 1934, Japanese forces gradually withdrew from the districts coming under the Tangku Truce (see map), to the line of the Great Wall. The administration of this area, covering approximately the territory now under the rule of the East Hopei Autonomous Government, was taken over by Chinese authorities.

2. Railway Connections

The problem of through train service between Peiping and Mukden, which had been suspended since the Manchurian outbreak, was settled through Sino-Japanese talks; the service has been resumed since July 1, 1934.

3. Postal, Telegraph and Telephonic Communications

The Manchurian incident gave rise to a number of difficult problems relating to the postal service between China and Europe via Manchoukuo, to the considerable disadvantage of the general public. These difficulties, however, were practically eradicated on January 10, 1935, as a result of a joint agreement. Like measures affording practical solutions were followed in respect to the other two services. The only question still pending is that of connections by air.

In view of these circumstances, it was but natural that Japanese relations with China should begin to improve. The most noteworthy event, in this connection, was the speech of Mr. Koki Hirota, then Foreign Minister, before the Imperial Diet in January, 1935, in which the speaker acknowledged in a most frank manner that opportunities existed for making moves to break the Sino-Japanese deadlock. This speech of the Foreign Minister apparently had favourable repercussions in the neighbouring republic. On February 1st, General Chiang Kai-shek made public through the Central News Agency an unofficial statement which was in the nature of a response to the aforesaid speech. All Chinese papers of February 2nd published this statement which may be summarized as follows:

Since it can be discerned that the Japanese Foreign Minister spoke from the depth of his heart, the whole Chinese nation, both government leaders and people alike, must try to appreciate all that he meant. Our Government has taken continual and consistent steps to curb anti-Japanese movements which have arisen in certain quarters of our nation because of stimuli repeatedly received. That both sides should mutually speak and act in good faith in accordance with the principle of equality is, to my mind, the only means of going forward on the road toward a bright future, clearing away clouds of doubt and suspicion. It is highly essential, therefore, for the improvement of relations between the two countries that the anti-Japanese sentiment which, on our part, has been entertained in the past, and the sense of superiority on the part of Japan should be rectified at the same time.

This remarkable expression of friendly attitude by the Generalissimo was followed by the promulgation of a decree for control of anti-Japanese movements by the Nanking Government, a move which may be accepted as a change in its official attitude towards Japan. The Japanese Government consequently took the lead in assisting China to realize its long-cherished desire for the exchange of ambassadors. Thus the two countries promoted their respective legations to the status of embassies on May 17th, and Mr. Akira Ariyoshi, then Japanese Minister to China, was appointed the first Ambassador. Great Britain, the United States, Germany, and France (the Soviet Union and Italy already had ambassadors in China) followed Japan's lead, and for this the Nationalist Government greatly appreciated Japan's good offices.

The Darkest Period: After the First North China Incident

Extremely regrettable, however, were the successive recurrences of anti-Japanese activities towards the end of that two-year period in which an improvement in the situation had discernibly taken place, as has been described. This turn of the tide can never be too strongly lamented as jeopardizing the peace of East Asia and, in consequence, that of the whole world.

The anti-Japanese sentiment in China has been deep-rooted in the minds of her people as the result of the years of education to that end from their childhood; as such, it is not of so simple a nature as to be eradicated by a single decree. This well-nigh inborn sentiment has been utilized by the Nanking Government, which has encouraged it, while paying lip service to the contrary, for the consolidation and extension of its power and influence, especially since the outbreak of the Manchurian incident. It accounts precisely for the successful movement of the Nationalist Government in the direction of internal unity. The eradication, therefore, of anti-Japanese sentiment cannot be expected until the time when the Nanking Government has been so strengthened that it can stand on its own feet without depending on such artificial forces as the sentiment against Japan. In other words, it appears as though the Nanking Government were essentially inseparable from the disastrous sentiment.

The Blue Shirts, to whom reference has already been made, gradually acquired a strong anti-Japanese colouring; and since the time when overt acts of an anti-Japanese nature became difficult under the Chiang-Wang regime, they have gone underground, resorting to measures of terrorism to nip in the bud forces working toward an improvement in Sino-Japanese relations.

On May 2nd and 3rd, 1935, two Chinese proprietors of pro-Japanese newspapers in Tientsin were assassinated in quick succession; and it was found, as the result of thoroughgoing investigations conducted by the Japanese Consulate General in Tientsin, that in both cases the Blue Shirts pulled the wires. These murders constituted what was called the first North China incident. The Japanese authorities on the spot lodged an energetic protest with the Chinese authorities, upon which the latter accepted all demands in full. Accordingly the armies under the direct command of the Central Government and under General Yu Hsueh-chung withdrew from Hopei Province, and anti-Japanese organizations and institutions such as the local branches of the Blue Shirts, the 3rd Corps of the Gendarmerie, and the Political Training Section of the Peiping Branch of the Military Council—both of which were under the control of the Blue Shirts—were ordered either to dissolve or to move out of Hopei Province. These demands and their acceptance, then, really form the basis of the Umezu-Ho Agreement.

No sooner had the first North China incident been settled than another incident occurred. This was known as the Chahar incident in which a Manchoukuoan official of Japanese parentage was shot at Tungchatzu, in Jehol Province, by soldiers of the 29th Army under command of General Sung Che-yuan—the army which caused the present affair. An important result of this incident was that an area adjoining to the west, the demilitarized zone under the Tangku Truce, was established, having approximately the same status as that zone. At the same time the so-called Doihara-Chin Te-chun Agreement was concluded, under the terms of which an area called the Six Hsiens of North Chahar eventually came into being.

Then the Second North China incident took place. The incident itself was simply that a commanding officer of a corps of Chinese constabulary was shot to death at Langchow station. Inci-

dentally, a Japanese gendarme standing nearby was seriously wounded. Here again, investigation by Japanese authorities revealed that the Blue Shirts were basically responsible.

The facts particularly to be noted here are that acts of anti-Japanese terrorism were not confined to North China but had spread throughout the country, and that the nature of the outrages became increasingly malicious and underhanded because of the participation of communistic elements. Reference has been made to the seventh Congress of the Comintern. At this congress Japan was designated as an immediate objective of the coming campaign and new strategy was adopted for this purpose. According to the strategy, the uncompromising attitude toward other organizations of different ideologies, which had characterized communistic strategy in the past, was to be completely abandoned; the so-called popular front was to be organized in collaboration with various democratic organizations; and even nationalistic organizations were to be approached and utilized. As had been anticipated, this new strategy bore fruit in China, giving birth to the anti-Japanese popular front movement and stirring up anti-Japanese sentiment in the people all the more, by working upon such a rightist, nationalistic organization as the Blue Shirts.

Another incident, serving as a further illustration of the pertinency of the foregoing analysis of the situation, occurred on November 1, 1935, in Nanking. This was the attempt to assassinate Mr. Wan Ching-Wei, who, as chief of the Executive Yuan, had rendered valuable contributions in bettering the Chinese attitude during the previous two years and a half. The attempt was made while he was entering the site of a plenary meeting of the Central Executive and Supervisory Committees of the Nationalist Party. Wan was seriously wounded and had to resign from his important office. This attempt was followed by the assassination of Tang Yu-jen, his right-hand man, who was actually engaging in negotiations with Japanese diplomatic representatives for better relations. Tang was shot to death at his home in the French Concession in Shanghai. These two incidents practically shattered all hopes for improving Sino-Japanese affairs.

Meanwhile, acts of terrorism directed towards Japanese were spreading over all of China. The following list includes the major cases: the Nakayama incident in Shanghai¹; the Swatow incident²; the Kayabu incident in Shanghai³; the Chengtu incident; the Pakhoi incident; the Hankow incident⁴; the Taminato incident in Shanghai⁵; and the Takase incident in Shanghai⁶.

Of these incidents, the Chengtu and the Pakhoi were most characteristic of Communist-Nationalist instigation. A brief account of the Chengtu incident is that on August 24, 1936, four Japanese who happened to be staying in the city—Kozaburo Watanabe, a staff correspondent of the *Osaka Mainichi*; Keiji Fukagawa, a staff correspondent of the *Shanghai Mainichi*; Takeo Tanaka, of the Shanghai office of the South Manchuria Railway Company; and Hisashi Seto, a merchant residing in Hankow—were attacked by an anti-Japanese mob consisting chiefly of students. The incident resulted in the slaughtering like animals of the two men first mentioned, and in the inflicting of serious injuries upon the latter two.

The Pakhoi incident is noteworthy in that Junzo Nakano, a Japanese merchant who had lived at peace among Chinese for more than twenty years and who was married to a Chinese woman, was murdered most ruthlessly by a mob of the same nature. In all these uprisings the wire-pulling of the Third International was evident; they serve as the most adequate illustration of the nature of activities of the Third International.

The Tungchow incident, which is described in the article, "The Situation in North China," may be regarded as the culmination of this series of terroristic acts. It is, in reality, a disgrace to civilization and to humanity—a disgrace which, in respect to the atrocity and number of victims, has had no precedent in the history of Sino-Japanese relations extending over the past 1,500 years. Thus, this period of the past three years beginning with the first North China incident certainly constitutes the darkest page in Far Eastern history.

North China and Japan

The statement that the principles underlying Japan's policies towards China are none other than the establishment of peace in East Asia based upon the co-existence and common prosperity of the two nations, has been reiterated in the clearest possible terms on every relevant occasion. It

1. On Nov. 9, 1935, Suet Nakayama, first class seaman of the Japanese Marines in Shanghai, was shot to death.
2. On Jan. 21, 1936, a Japanese police officer named Tsunoda was shot to death on the way to the Police Station in the morning.
3. On July 10, 1936, a Japanese merchant residing in Shanghai was shot; he subsequently died from the wound.
4. On Sept. 19, 1936, a Japanese police officer named Yoshioka was shot to death in broad daylight while on duty in the neighbourhood of the boundary line of the Japanese Concession.
5. On the night of Sept. 23, 1936, Tomomitsu Taminato, a first-class seaman; Yoshitane Yawata, a first-class seaman; Yoshimi Izuriha, a second-class seaman—all of the crew of the Japanese warship, *Izumo*, were shot while taking a walk in the International Settlement in Shanghai. Taminato died instantly and his two companions were seriously wounded.
6. On Nov. 11, 1936, Yasuji Takase of the crew of the *Kasagi Maru*, a Japanese merchant vessel, was shot to death.

is idle, therefore, to dwell upon these policies again. Let us however, recall one instance of Japan's consistent endeavours along these lines. When her foreign policies were being directed by Baron Shidehara, Japan appreciated, ahead of other Powers, the necessity for development of China's nationalism and co-operated with her in endeavours to make herself a united and organized nation. The fact that Japan took the lead in recognizing tariff autonomy in China was a manifestation of her idealism in foreign policies. In what way did her neighbour respond to this action or friendship? China's response took the forms of the Nanking and Tsinan incidents and of the demands for the restoration of Port Arthur and Dalny and the dissolution of Japanese rights and interests in Manchuria. This state of affairs gave rise to the Manchurian incident.

It is the irrevocable determination of the Japanese people to promote the healthy growth and safeguard the independence of Manchoukuo, which has been created by the upheaval. Against any activities, therefore, jeopardizing the existence of the new State, the Japanese people are determined to rise in one body, at all costs. If the Nationalist-Communist United Front against Japan constitutes such forces against the new State—as it undoubtedly does—it is a matter of vital necessity for Japan to demand the establishment of a sort of buffer zone in North China, with a view to neutralizing and averting those disastrous forces. Recognition of Manchoukuo by China will satisfy Japan most. But if this step is not immediately possible, China should give tacit consent to the existence of the new State, and enforce in all sincerity strict measures against anti-Japanese and anti-Manchoukuoan activities—a policy which will be eminently satisfactory to Japan. Since, however, the Nanking Government has neither power nor will to carry out any of these policies, Japan can act in no other way than to establish and maintain a buffer zone in North China, resorting to force if necessary.

What Japan demands is none other than this buffer zone. Accordingly, she has no intention whatsoever toward territorial aggression. Nor has she any hope for the emergence of an independent state such as Manchoukuo. What the whole of the Japanese nation desires is the realization, purely and simply, of a state of close co-operation for peace and prosperity in North China among the three countries, Japan, Manchoukuo and China.

THE STATEMENT OF THE JAPANESE GOVERNMENT

DATED AUGUST 15th, 1937

The Imperial Japanese Government, in its desire to secure permanent peace in East Asia, has always striven to promote friendship and co-operation between Japan and China. However, an atmosphere of hostility towards Japan has been created throughout China by anti-Japanese agitations used as an instrument by the Nanking Government to arouse public opinion and to enhance its own political power. The Chinese, over-confident of their national strength, contemptuous of our power, and also in league with the Communists, have assumed toward Japan an increasingly arrogant and insulting attitude. Herein lies the cause of all untoward events which have arisen repeatedly during recent years.

The present Incident is but the inevitable outcome of this situation. Dynamite has been ignited; the inevitable explosion merely happened to occur on the banks of the Yunting. The terrible Tungchow massacre is also traceable to the same cause. In South and Central China, Japanese lives and property have been so jeopardized that our people have been compelled to evacuate, abandoning everything they had acquired after years of incessant toil.

As has been frequently declared since the outbreak of the present incident, the Japanese Government, exercising utmost patience and restraint, has steadfastly pursued a policy of non-aggravation of the situation, and has endeavoured to reach a settlement locally and in a peaceful manner. In the Peiping and Tientsin area, our garrison, in the face of countless Chinese provocations and lawless actions, has done no more than was absolutely necessary to secure lines of communications and to protect Japanese nationals there.

On the other hand, our Government advised the Nanking Government to put an immediate end to all provocative acts, and to refrain from obstructing the negotiations being conducted on the spot. The Nanking Government not only refused to follow our counsel, but proceeded toward the completion of war-like preparations against us. In flagrant violation of solemn military agreements, the Chinese moved vast armies northward menacing our Garrison, and concentrated troops in and around Shanghai. Their provocative attitude became more clearly defined at Hankow. Finally at Shanghai, the Chinese opened fire upon our naval headquarters and bombed our warships from the air.

In this manner have the Chinese insulted our Government, committed acts of unpardonable atrocity against our country, and gravely endangered the lives and property of our nationals throughout China. They have eventually exhausted the patience of the Japanese Government. It has thus become imperative to take drastic measure in order to chastise the lawless Chinese troops and to impress upon the Nanking Government the necessity for reconsideration of its attitude toward Japan.

That matters should have come to this pass is deeply deplored by the Japanese Government which earnestly desires the maintenance of peace in the Orient and sincerely hopes for the attainment of common prosperity and public welfare in Japan and China. The aim of the Japanese Government is none other than the realization of Sino-Japanese co-operation. Its only desire is to eradicate the anti-foreign and anti-Japanese movement rampant in China, and completely to eliminate the fundamental causes of unfortunate incidents such as the present one, with a view to bringing about truly harmonious collaboration among Japan, Manchoukuo and China.

Needless to say, the Japanese Government harbours no territorial designs. Its sole intention is to bring to reason the Nanking Government and the Kuomintang Party, both of which have persistently incited anti-Japanese sentiments among the Chinese people. The Japanese bear no ill-will toward the innocent Chinese masses. In conclusion we hereby state that the Japanese Government will spare no efforts in safeguarding foreign rights and interests in China.

ADDRESS OF FOREIGN MINISTER KOKI HIROTA

AT THE 72nd SESSION OF THE JAPANESE DIET,

September 5th, 1937.

Ever since the beginning of the present China affair, the Japanese Government, in pursuance of the policy of local settlement and non-aggravation exerted every effort to effect a speedy solution; the Nanking Government, whose prompt reconsideration was invited, failed to manifest a grain of sincerity but concentrated armies in North China to challenge Japan, while in the Yangtze Valley and elsewhere in South and Central China they embarked on an anti-Japanese campaign of the most vicious kind which not only prevented our Nationals in that region from engaging in peaceful pursuits but also jeopardized their very existence. In these circumstances the Japanese Government, still desiring to avoid a disturbance of peace as far as possible, ordered the evacuation of all Japanese residents in Hankow and other points along the Yangtze River. Shortly after that, on August 9, at Shanghai, Sub-Lieut. Oyama and Seaman Saito of a Japanese landing party were murdered by the Chinese Peace Preservation Corps. Even then Japan, adhering to a peaceful course, sought to settle the affair through the withdrawal of the Peace Preservation Corps and the removal of all military worker that had been erected in violation of the 1932 Truce Agreement.

China refused to comply with our demands under one pretext or another and proceeded instead to increase her troops and to multiply military works in the prohibited zone and finally launched an unwarranted attack upon the Japanese. Thereupon, as a matter of duty, our Government despatched small naval reinforcements to Shanghai as an emergency measure to ensure protection in that city.

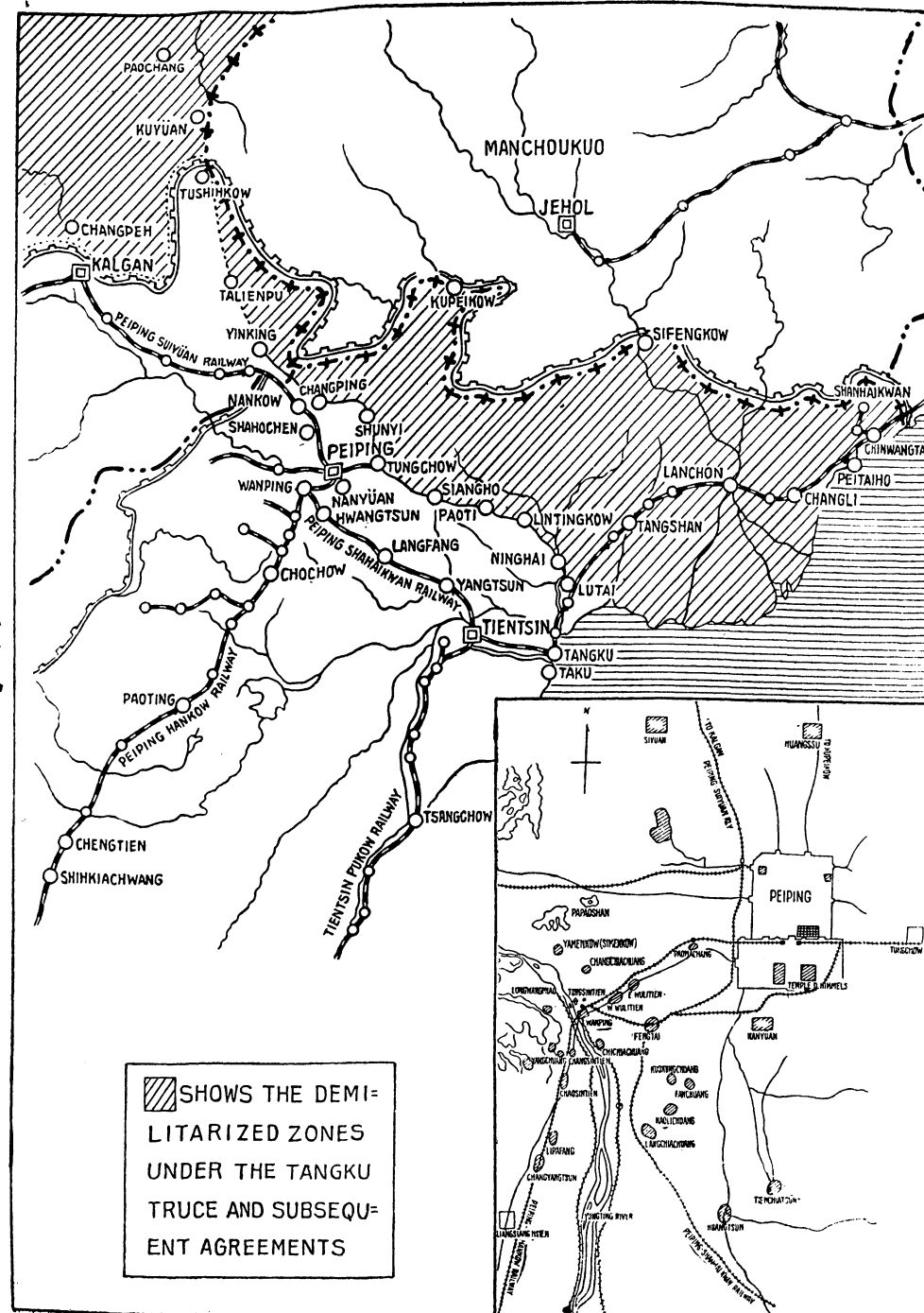
In view of these disquieting developments in Shanghai, Ambassadors of five powers at Nanking, Great Britain, America, France, Germany and Italy sent a joint request on August 11 to both Japan and China that the two countries do all in their power to carry out effectively a plan to exclude Shanghai from the scope of any possible hostilities so as to safeguard lives and property of foreigners there.

Our Government replied through Ambassador Kawagoe to the effect that, while Japan was most solicitously concerned over the safety of lives and property of all foreigners as well as Japanese in Shanghai, China should, as the first prerequisite, withdraw outside striking distance her regular troops and Peace Preservation Corps that were advancing on the Settlement and menacing Japanese and remove military works in the vicinity of the International Settlement, and that Japan would be prepared to restore her forces to their original positions provided China agreed to take the above steps. The Ambassador was also instructed to request the powers concerned to exert their influence toward inducing China to execute those urgent and appropriate measures which, however, were flatly rejected by China. On August 11, the Consuls General at Shanghai of Great Britain, America and France submitted a certain concrete plan proposing that Japan and China enter into direct negotiations for the purpose of averting the impending crisis. The text of the proposal was received in Tokio at midnight on August 13, but in the afternoon of that very day the Chinese armies that have been pouring into the Shanghai area took the offensive and

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

on August 18 their warplanes dropped bombs not only on the headquarters of our landing party, our warships, and our Consulate, but also over the International Settlement. No longer could we do anything but abandon all hopes of peaceful settlement and fight for the protection of our 30,000 Nationals in Shanghai. I regret to say that the earnest efforts of the Powers concerned were thus nullified by Chinese outrages, Shanghai having been converted into a theatre of hostilities. Grave concern was naturally shown by the Powers who have vast amounts of capital invested and large numbers of their Nationals residing in the City. Great Britain notified both Japan and China on August 18 that if the Governments of the two countries agreed to withdraw their forces mutually and entrust to foreign authorities the protection of Japanese subjects residing in the International Settlement and on Extrasettlement roads, the British Government was prepared to undertake the responsibility, provided other powers co-operate. The next day, August 19, we were informed by the French Government of their readiness to support the British proposal. The American Government also previously expressed hope for the suspension of hostilities in the Shanghai Area. Japan, having as great interests in Shanghai as these powers, is equally solicitous for peace in the City. But, as has been stated above, actions taken by the Chinese in and around Shanghai are plainly in violation of the Truce Agreement of 1932 in that they illegally moved their regular troops into the zone prescribed by that agreement and increased both the number of armaments and the Peace Preservation Corps and in that relying on their numerical superiority they challenged the Landing Party and civilian population of our country. Therefore, in its reply to the British proposal our Government explained in detail Japan's successive efforts toward peaceful solution as well as the truth regarding the lawless Chinese attacks and stated that the hostilities in Shanghai could not be brought to an end save through the withdrawal of Chinese regular troops from the prohibited zone and of the Peace Preservation Corps from front lines. At the same time, our sincere hope was expressed that Great Britain, as one of the parties to the Truce Agreement, use her good offices to bring about the withdrawal of the Chinese troops outside of the prescribed zone. Similar replies were sent to France and America. As for North China, in willful disregard of various pledges and agreements, the Chinese Central armies moved northward to indulge in a series of provocative actions and large forces began to pour into the Province of Chahar. Our Government, therefore, has had to take determined steps. The true hostilities now spread from North to Central China, and Japan finds herself engaged in major conflicts with China on extended fields. I am deeply pained to say that 50,000 Japanese residents in various parts of China have been forced to evacuate, leaving behind them their huge investments and their business interests acquired through years of arduous toil and other interests, while not a few of them have been made victims of hostilities. It is also to be regretted that the Nationals of other countries in China are being subjected to similar trials and tribulations. All this is due to no other cause than that the Nanking Government and also local Militarist Regimes in China have for many years in the past deliberately undertaken to incite public opinion against Japan as a means of strengthening their own political power, and, finally, with communist elements, still further impairing Sino-Japanese relations. Now our loyal and valiant soldiers, with the united support of the nation behind them are engaged in strenuous campaigns night and day amid indescribable hardships and privations. We cannot but be moved to hear of their heroic sacrifices as well as their brilliant achievements.

It is hardly necessary to say that the basic policy of the Japanese Government aims for the stabilization of East Asia through conciliation and co-operation among Japan, Manchoukuo and China for the common prosperity and well-being. Since China, ignoring our true motive, mobilized her vast armies against us, we can do no other than counteract it by force of arms. The urgent need at this moment is that we take a resolute attitude and compel China to mend her ways. Japan has no other objective than to see a happy and tranquil North China and all China freed from danger of recurrence of such calamitous hostilities as at present, and Sino-Japanese relations so adjusted as to enable us to put into practice our above-mentioned policy. Let us hope the statesmen of China will be brought to take a broad view of East Asia and that they will speedily realize their mistakes and that turning a new leaf they will act in co-operation with the high aims and aspirations of Japan.



DECLASSIFIED: E.O. 11652, 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 893.24/320 FOR Memorandum

FROM State Department (Hamilton) DATED Oct. 30, 1937
TO Far Eastern Division NAME 1-1127 o p o

REGARDING: Army equipment and supplies - China.

Quotes from War Department's "Intelligence Summary" with regard to China's source of supply for munitions and war materials.

mr

793.94/10985

F/MR/0985

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

FE

TELEGRAM RECEIVED

JR

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

FROM

USS ASHEVILLE

November 5, 1937

Rec'd 7 a.m.

ACTION: COMSOPAT

PASSED BY CINCAF TO NAVY
DEPARTMENT FOR INFORMATION.

793.94

0005. Reported several sources Japanese establishing
landing field Quemoy Island. 1015.

DDM



793.94/10986

FILED
NOV 8 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

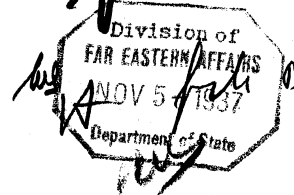
MBo

This message was received
in navy code and must be
closely paraphrased before
being communicated to any-
one.

Alusna Peiping
November 5, 1937

Rec'd 7:00 a.m.

FROM: ALUSNA PEIPING
ACTION: NAVY DEPARTMENT
INFO: 2ND BRIGADE
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
COMSOPAT
AMEMBASSY NANKING



0005 During two weeks ending November first minimum
forty thousand Nippon troops left North China by rail sea
divisions reported my 1315 October 25th are Sixth and Six-
teenth enroute Shanghai. No change Tsinpu front or in
Tsinan. Japanese said to have given up Wupeifu and Tsaokun
as bad jobs now negotiating other quarters 1210.

DDI:

793.94/10987

NOV 9 1937
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 D. Gustafson NARS, Date 12-18-75

128-1

4

R

TELEGRAM RECEIVED

JR

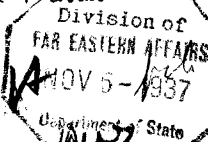
CINCAF

November 5, 1937

FROM: 2

Rec'd

7:58 a.m.



Telegram to Shanghai dated Nov. 10

ACTION: NAVY DEPARTMENT

INFO: AMEMBASSADOR CHINA
ALUSNA TOKYO

793.41

0004. In conference by Admiral Little and myself with Admiral Hasegawa question of use Soochow Creek by Japanese was discussed. Nipponese have stated that they are entitled to use it. Hasegawa was informed, with the exception of one coastal motor boat, Chinese have been denied use of Soochow Creek for military purposes. If Japanese are permitted to use it there will be breach of impartiality which neutral forces have endeavored to observe towards both contending forces; also if Creek is used by Japanese there will very likely be sniping or bombing by Chinese especially in Baker Sector guarded by British troops. also in American and Italian Sectors and that prevention of such will be difficult; that further incidents will develop which neutral forces are earnestly striving to avoid. Hasegawa replied that Soochow Creek was not part of Settlement and that legally the Japanese had the right to use it. The Navy had no intention of using it but he did not know the plans of the Army. He would have a conference with them and let us know the results. We emphasized that we desired to know their intentions in

order

793.94/10988

FILED F/EG

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

128-2

-2- #0004 from CINCAF received November 5, 7 a.m.

order to take the matter up diplomatically. Soochow Creek in B Sector is at present crowded with junks and sampans which have used it as a harbor of refuge. Am inclined to believe that army will insist on using Creek as it will greatly simplify supply of troops as hostilities move away from Shanghai. Will inform Department of further developments. 2210.

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

129-1

TELEGRAM RECEIVED

JR

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

Tokyo

FROM

Dated November 5, 1937

Rec'd 5:45 a.m.

Secretary of State,
Washington.

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

521, November 5, 2 p.m.
793.94 *Confidence* 7/163
Our 509, November 2, 2 p.m.

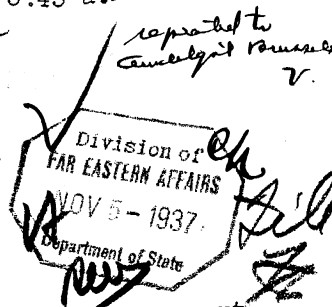
Imperial general headquarters.

One. The following is general tenor of a press report

published this morning: agreement in principle has been
reached between the navy, which has been taking a relatively
conservative position, and the army that the proposed
headquarters should not be clothed with any political power.
The navy still believes that the establishment of hostile
acts necessarily involves a declaration of war. The attitude
of the army is that the prosecution of a war of long
duration requires that headquarters be established but that
a declaration of war will raise difficult problems with
regard to trade along with other international issues. The
answer to this question is to be found at Shanghai and no
decision will be reached until the military situation there
further unfolds. The general tendency is however toward
a declaration of war.

Two.

2



793.94/10989

F/F-G

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

129-2

JR -2- #521, November 5, 2 p.m., from Tokyo.

Two. The headquarters project with its various implications, the heavy concentration of troops in Manchuria and Mongolia, the forthcoming anti-communist pact with Italy, and the continued agitation against Great Britain obviously are parts of a formulated plan. We are giving this matter study and we hope shortly to be in position to telegraph our estimate.

Repeated to Nanking.

GREW

RR

0719

DECLASSIFIED: E.O. 11652, 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~~

STRICTLY CONFIDENTIAL

P A R A P H R A S E

A telegram (no. 521) of November 5, 1937, from the American Ambassador at Tokyo reads substantially as follows:

In connection with a recent telegram (no. 509 of November 2) in regard to imperial general headquarters, the Ambassador states that there appeared in the newspapers published on the morning of November 5 a report to the following effect: The Army and the Navy, which has been taking a comparatively conservative position, have agreed in principle that the proposed headquarters should not be endowed with any political power. The Army takes the position that the carrying on of war over a long period of time makes it necessary that headquarters be set up but that various international issues, including difficult problems in regard to trade, will be raised by a declaration of war. The Navy is of the opinion still that the establishment of war-like acts involves necessarily a declaration of war. The tendency in general is toward a declaration of war but it is at Shanghai that the answer to this question is to be found and until the military situation there unfolds further no decision will be arrived at.

793.94/16989

Obviously, the forthcoming anti-communist agreement with Italy, the heavy concentration in Mongolia and Manchuria of Japanese troops, the continued agitation against Great Britain, and the headquarters project with
its

DECLASSIFIED: E.O. 11652, 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-

CONFIDENTIAL

its diverse implications are parts of a plan which has
been worked out. The Embassy is studying the matter
and hopes to be able to send a telegraphic estimate in
the near future.

793.94/10989

egc.
FE:EGC:HES

FE

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

TELEGRAM SENT

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OR

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Department of State

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NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Charge to
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NOV 5 PM 3 25

Washington, "A."

November 5, 1937.

5pm

AMDELGAT

BRUSSELS (BELGIUM)

138

Department's 28, November 2, 3 p.m.

Following is the text of Tokyo's 521, November 5,
2 p.m.

QUOTE. (Telegraph Section: Please insert here text
of Tokyo's 521.) UNQUOTE.

Weller ady
HRW

793.94/10989

793.94/10989

NOV 5 1937 PM

FE:UCV:NN

FE
m.m/h.

A-W

Enciphered by

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG
10989

3722

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

129-3

TELEGRAM SENT

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\$

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PARTIAL
PLAIN

Department of State

DEPARTMENT OF STATE

This cable was sent to
1937 NOV 5 PM 1 17
November 5, 1937.

AMEMBASSY,

TOKYO (Japan)
DIVISION OF
COMMUNICATIONS
AND RECORDS

(a) 2 PM

Your 521, November 5, 2 p.m./

We appreciate very much your telegrams on this important subject. We will await your analysis and estimate of the situation and hope to receive it at the earliest practicable moment. We are especially interested in (a) whether Japan is likely to declare war and (b) the probable attitude of Japan in the event of such a declaration toward American and other third country rights and interests in and with regard to China.

793,94/10989

793.94/10989

Nov. 6 1937 PM

Welles
acting
WRW

FE:MMH:EJL

FE

A-W

U

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. O. R.—No. 60

1-1462 U. S. GOVERNMENT PRINTING OFFICE

10989

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

TELEGRAM RECEIVED

MBo

FROM CINCAF

November 5, 1937

Rec'd 9:00 a.m.

793.94

FROM: CINCAF
ACTION: OPNAV
INFO 2ND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



0005 Military situation Northwest Shanghai unchanged, Japanese making minor gains South Scochow Creek, state one division across, attacks continuing in Southwest direction. No change other sectors. Reliable reports Japanese landing troops estimated two divisions on coast. Southeast Shanghai Settlement quiet 1932.

DDM:

793.94/10990

F/MR

FILED

NOV 9 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

130-1

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

TELEGRAM RECEIVED

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

FROM Nanking via N.R.

Dated November 5, 1937

Rec'd 9:12 a.m.

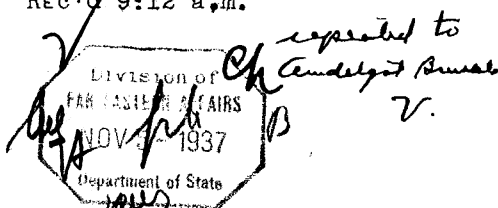
Secretary of State,

Washington.

890

888, November 5, 11 a.m.

CONFIDENTIAL.



793.94
893.24

Report unconfirmed but from apparently reliable source
is that 44 military planes have been purchased from France,
50 from Great Britain, and 300 from Russia. Some of the
Russian bombers reported to carry two radio operators, 8
machine gunners, 4 aviators. The Russian machine guns must
however be replaced by Chinese guns to fit ammunition. Some
of these planes have already arrived in Lanchow and all
are supposed to be in China ready for action by the 21st.
Crews of these planes will be partly made up of Chinese,
Indian and other Asiatic students trained in the Sun Yat
Sen University in Moscow. The Russian charge d'affaires
will hold further conference with General Chiang concerning
these arrangements November 5. Informant admitted evidences
of war weariness and desire for peace in mercantile circles
in Shanghai but said the fighting spirit in the government
is undiminished and that General Chiang has issued an order to
continue to contest every foot of territory for at least four
months

793.94/10991

F/A

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

130-2

months more! Informant said the Minister of War stated at conference that all rifle and machine gun ammunition would be exhausted by January at present rate of consumption but that the Minister of Finance asserted he would be able to finance purchase of war materials for the period mentioned. Informant was non-committal about North China but said popular enthusiasm in Central and South China with the exception of Shanghai for continuance of resistance to Japan is as strong as EVER.

Peking and Tokyo please
~~(?) (?) (?) Please~~ inform Military Attaches in strict confidence.

JOHNSON

WWC: CSB

0726

DECLASSIFIED: E.O. 11652, 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

130-3

STRICTLY CONFIDENTIAL

P A R A P H R A S E

A confidential telegram (no. 885) of November 5, 1937, from the American Ambassador at Nanking reads substantially as follows:

Three hundred military airplanes have been bought from Russia, forty-four from France, and fifty from Great Britain, according to a report received from an apparently reliable source, although unconfirmed. It is said that some of the Russian bombers carry four aviators, two radio operators and eight machine-gunners. However, in order to fit the ammunition it will be necessary to replace the Russian machine-guns by Chinese guns. The crews of these airplanes will be composed partly of Indian, Chinese, and other Asiatic students who have been trained in the Sun Yat Sen University in Moscow. Already some of these airplanes have been received in Lanchow, and it is thought that by November 21 all of them will be in China ready to go into action. On November 5 the Russian Chargé d'Affaires will talk further with General Chiang Kai-shek in regard to these arrangements. According to the informant the Minister of War stated at a conference that by the end of December, at the present rate of consumption, all machine-gun and rifle ammunition would be exhausted, but that the Minister

745.44/10991

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

SECRET

-2-

Minister of Finance declared he could finance the purchase of war materials for the period mentioned. Although the informant admitted that in mercantile circles in Shanghai there were evidences of war weariness and a desire for peace, he said that in government circles the fighting spirit is undiminished and that General Chiang Kai-shek has issued an order to keep on fighting for every foot of territory for another four months at least. The informant added that with the exception of Shanghai there is as strong popular enthusiasm as ever for continued resistance to Japan, but he made no comment with regard to North China.

793.94/10991

egc.
FE:EGC:HES
11-6

all
FE

0728

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

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Department of State
DEPARTMENT OF STATE

TO BE TRANSMITTED
✓ CONFIDENTIAL CODE ✓
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Washington, 'A.'
November 5, 1937.
1937 NOV 5 PM 4 51
A

AMDELGAT,
BRUSSELS, (Belgium).
DIVISION OF
COMMUNICATIONS
AND RECORDS

✓ 40 Nanking's 885, November 5, 11 a.m., is repeated for
your information.

QUOTE. (Telegraph Section: Please insert here text of
Nanking's 885, November 5, 11 a. m., omitting final garbled
paragraph). UNQUOTE.

793.94/10991

Heller, acting.
[Signature]

793.94/10991

FE: CV: REK
[Signature]

FE
[Signature]

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

F/FG

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

JR

PLAIN and GRAY

Hankow via N. R.

TELEGRAM RECEIVED

Received November 5, 1937

Rec'd 8:24 a.m.

Secretary of State,
Washington.

FROM

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

November 5, 5 p.m.

My November 3, noon.

Chinese press confirms withdrawal one-third of Chinese forces on north Shansi front from Hsinkow to position about forty Chinese li[s] south of Hsinshien. Despatches state Japanese directing attack towards Showyang on east Shansi front. Press states heavy fighting proceeding on Pinghan front in vicinity Anyang City.

I am reliably informed Liuhokow mines 25 kilometres northwest of Anyang have been captured thereby cutting off important source of coal supply for Pinghan Railway and also Hankow water works. Opinion is that Japanese advance both on Pinghan and Shansi fronts is farther than admitted and that both Showyang and Anyang have been taken.

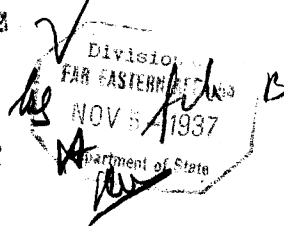
Press reports Generals Chen Chi Tang and Li Yang Ching passed through Hankow yesterday from Canton en route Nanking. Sinkiang provincial representative at Nanking Changyuan Fu recently arrived Hankow from Sinkiang, departed fourth for Nanking.

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

JOSSELYN

KLP

4



793.94/10992

F/A

NOV 6 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

TELEGRAM RECEIVED

JR

GRAY

FROM

Peiping via N. R.

Dated November 5, 1937

Rec'd 8:20 a.m.

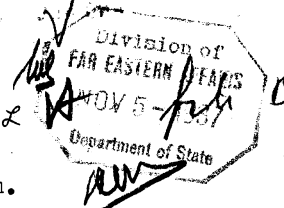
Secretary of State,

Washington.

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

728, November 5, 4 p.m.

Embassy's 723, November 3, 5 p.m.



One. According to Japanese reports Japanese forces are rapidly advancing on Taiyuan from the north and the east, capturing this morning Chinglungchen, which is about 12 miles north of Taiyuan, and capturing last evening Yutzu, which is the junction of the Chengtai and Tungpu Railways about 15 miles southeast of Taiyuan. It is also reported that Japanese forces on the Peiping-Hankow Railway are now attacking Changteh "Anyang" which is about 70 miles north of the Yellow River and about 2 miles south of Fenglochen which the Japanese occupied the 22nd of October. An American observer at Tsinanfu reported November 3rd that there was no change on the Pukow-Tientsin Railway front. Repeated to Nanking, by mail to Tokyo.

LOCKHART

CSB

793.94/10993

F/A

FILED

NOV 5 1937

0731

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

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TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State

Washington.

1937 NOV 5 PM 4 50

November 5, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

AMDELGAT,

BRUSSELS, (BELGIUM).

For your information.

Peiping's 728, November 5, 4 p. m., states that according to Japanese reports Japanese forces are rapidly advancing on Taiyuan from the north and the east, and Japanese forces on the Peiping-Hankow Railway are now attacking Changteh QUOTE Anyang UNQUOTE about seventy miles north of the Yellow River; and that according to an American observer at Tsinanfu there was no change on the Pukow-Tientsin Railway front as of November 3.

Commander-in-Chief's telegram November 5 reports that Shanghai military situation unchanged, with Japanese making minor gains south of Soochow Creek; and that according to reliable reports Japanese are landing troops estimated at two divisions on the coast.

FE:FCV:SMJ

FE

Enciphered by

Sent by operator M., 19

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/10993

F/F/G 10993

DECLASSIFIED: E.O. 11652, 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

MBo gpo

FROM COMSOPAT

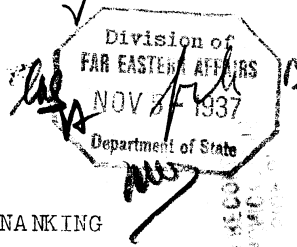
November 5, 1937

Rec'd 10:16 a.m.

FROM: COMSOPAT

ACTION: OPNAV

INFO: 2ND BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
USS MAPLEHEAD
AMERICAN EMBASSY NANKING
ALUSNA PEIPING



0105 South China ports quiet 1930.

CSB:

793.94/10994

F/A
FILED
NOV 9 1937

TELEGRAM RECEIVED

JR

GRAY

AMEMBASSY NANKING
AMEMBASSY PEIPING
AMCONSUL SHANGHAI

FROM

Hankow via N. R.

Dated November 5, 1937

Rec'd 7 a.m.

Secretary of State,
Washington.

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

November 5, 11 a.m.

My November 4, 4 p.m. /10977

Division of
FAR EASTERN AFFAIRS
NOV 5 1937
Department of State

I learn from reliable information that General Hsiang Ying has been commissioned by Nanking to round up and organize various communist and bandit groups in Kiangsi, Hunan and Hopeh and that he is now in Hunan for that purpose. If successfully organized these forces will be placed under control of and furnished arms by Generalissimo's Hubei provisional headquarters. Hsiang Ying's delegate, Hu Chien Huai, is now at 8th Route Army Hankow headquarters.

General Lang Shih Tsun of Szechuan 21st Army Corps left Hankow November 4th for Loyang Honan where he has established headquarters. Three divisions of his troops are reported on Pinghan front. General Kuo Hsun Chi of Szechuan 144th Division left Hankow November 4th for Nanking and his troops said ^{following} ~~(*) general~~ later. Sent to Nanking. Repeated to the Department, Peiping, Shanghai.

JOSELLYN

RR:CSB

~~(*) Omission~~

793.94/10995

F/A FILED

NOV 9 1937

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

Board of Trustees

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GEORGE W. ANDERSON
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WORLD PEACE FOUNDATION

FOUNDED IN 1910

40 MT. VERNON STREET, BOSTON, MASSACHUSETTS

1937 11 5 PM 2 00



The activities of the Foundation are focused upon the task of making the

facts of international relations available in clear and undistorted form

RECORDS

Division of
FAR EASTERN AFFAIRS
NOV 5 - 1937
Department of State

Reply drafted
Nov 10, 1937
KST

NOV 11 1937

October 23, 1937

Hon. Franklin D. Roosevelt
President of the United States
Washington, D. C.

Mr. President:

May I take the liberty of enclosing resolutions in support of your Far Eastern policy which were unanimously passed by the Trustees of the World Peace Foundation at their recent meeting on October 16th.

To the resolutions are appended the names both of the Trustees who voted for them and of those who later expressed the wish to subscribe to them.

Respectfully yours,

George H. Blakeslee

LHD
Ph D

GHB LL

793.94/10996

NOV 13 1937

F/A
FILED

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

Resolutions Adopted by the Board of Trustees
of the World Peace Foundation,
October 16, 1937.

Resolved: That the Trustees of the World Peace Foundation approve the President's position as stated in Chicago with reference to the co-operation of the United States with other nations in matters where treaty violation is involved or war may be prevented.

Resolved: That, in the opinion of the Trustees, the situation in the Far East is not one contemplated by Congress in adopting the Neutrality Act, and that the Trustees approve of the President's judgment in not applying it under the present conditions.

Newton D. Baker, formerly Secretary of War.

A. Lawrence Lowell, President Emeritus of Harvard University.

Harry A. Garfield, President Emeritus of Williams College.

James Grafton Rogers, Master of Timothy Dwight College, Yale University; formerly Assistant Secretary of State.

Harvey H. Bundy, formerly Assistant Secretary of State.

Stephen P. Duggan, Director of the Institute of International Education.

George W. Anderson, Judge of U.S. Circuit Court of Appeals, Boston.

Frank Aydelotte, President of Swathmore College.

Bruce C. Hopper, Associate Professor of Government, Harvard University.

Leonard W. Cronkhite, Jr.

George H. Blakeslee, Professor of History and International Relations, Clark University

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

NOV 11 1937

In reply refer to
FE 793.94/10996

My dear Dr. Blakeslee:

I acknowledge the receipt, by reference from the White House, of your letter of October 23, 1937, enclosing a statement of resolutions in support of the President's Far Eastern policy which were passed by a meeting of the Trustees of the World Peace Foundation.

The President is very grateful for your courtesy in making known the views of your organization in regard to foreign relations. He desires to express to you and through you to the other Trustees of the World Peace Foundation his appreciation of their expression of approval of the efforts being made toward maintaining the sanctity of treaties and making effective our policy of peace.

Sincerely yours,

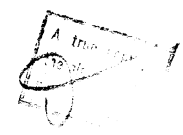
Sumner Welles
Acting Secretary

George H. Blakeslee, Ph.D.,
President, World Peace Foundation,
40 Mount Vernon Street,
Boston, Massachusetts.

OR
NOV 11 1937 PM

FE:KFP:HES:REK
11/11/37

W. M. H.



793.94/10996

F/FG

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

TELEGRAM RECEIVED

JR

FROM

COMYANGPAT

NOVEMBER 5, 1937

Rec'd 1:41 p.m.

ACTION: OPNAV

793.94
INFO: SECOND BRIGADE USMC
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

0005. Yangtze river ports quiet.

CSB

Lil
Division
FAC EASTERN
NOV 5 - 1937
Dep. Sec. State
ruj

793.94/10997

F/MR

FILED
NOV 8 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

TELEGRAM RECEIVED

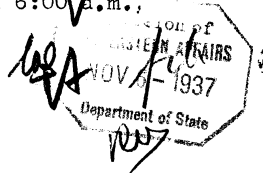
MBO
This message was received FROM
in navy code and must be
closely paraphrased before
being communicated to any-
one.

Radio Shanghai

November 6, 1937

Rec'd 6:00 a.m.,

FROM: RADIO SHANGHAI
TO: NAVY DEPARTMENT
INFO: CINCAF
AMEMBASSY NANKING
ALUSNA PEIPING



793.94

0005 Inspection Chinese lines between Railway and Monument Road by Astalusna Shanghai shows influx of fresh troops last forty eight hours, positions being strengthened in depth to Siccawei Creek. Believe Chinese now intend to hold present right flank. Chang Fahknei reported to have supplanted Chu Shao Liang in command troops this front in addition those Footung. Reported Sino-Japanese have individually completed arrangements with Father Jaquino Director International Relief Committee Red Cross for neutralisation northern section Nantao as refugee asylum 2024.

DDM:

793.94/10998

FILED
NOV 6 1937

F/FG

0739

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

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

1937 NOV 5 PM 12 34 November 5, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

1221

AMEMBASSY

BERLIN (GERMANY)

✓ *Urgent* 115
According to press reports published in this morning's
papers Germany has proposed itself as mediator in Sino-
Japanese conflict. Some of these press reports further in-
dicate that this proposal has been accepted by both parties
to the conflict. We would appreciate any information you may
give us regarding these reports.

Weller
acty
HAW

793.94
note
793.94/19
CR
NOV 5 1937. PM

[Signature]
PA/D JCD:AMW

Enciphered by

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/10938A

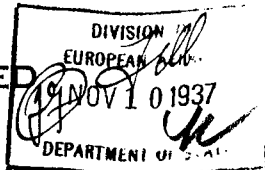
F/MR

10938A

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

131-1

TELEGRAM RECEIVED



LMS

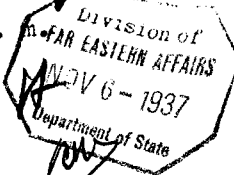
A portion of this telegram must be closely paraphrased before being communicated to anyone. (B)

FROM

Berlin

Dated November 5, 1937

Rec'd 5:15 p.



Secretary of State,
Washington.

*summary to
L. Hays + P. Murphy*

266, November 5, 8 p. m.

NOV 9 1937

(GRAY) The Embassy understands that today's American press carried despatches reporting rumors described as partially confirmed that offer from Germany to act on her own initiative as mediator in the Sino-Japanese conflict might be made public in the next few days. (END GRAY)

Inquiry at the Foreign Office this afternoon elicited a denial that any such plan was afoot as well as disclaimers as to the adoption of any policy toward the Far Eastern conflict other than that reported in the Embassy's telegram 258, October 29, 1 p. m.

My British colleague also has no information on the rumored plan.

Repeated to Brussels for American Delegation.

DODD

RGC:SMS

793.94/10999

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NOV 11 1937

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not
793 94119

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

3
GEORGE R. MAURY
ATTORNEY AND COUNSELLOR AT LAW
RECEIVED 448 SOUTH HILL STREET
DEPARTMENT OF STATE LOS ANGELES
MUTUAL 3037

1937 NOV 5 PM 2 41

DIVISION OF November 2, 1937
COMMUNICATIONS
AND RECORDS

His Excellency Franklin D. Roosevelt
President of the United States
Washington, D. C.

Dear Sir:

One of my boyhood friends who has been in Shanghai since 1924, and who is a very able observer of international affairs as put into practice in that area writes me the enclosed letter.

It perhaps contains some slants and information which might be useful in diplomatic circles. For obvious reasons I trust that you will keep confidential the name of the writer and his Company.

Very truly yours,

George R. Maury

✓ GRM:GT
Enc.

793194/11000

F/FG

FILED

NOV 16 1937

1 7 4

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

[COPY:HES]

Cable Address
"HENNDAM"

Codes Used: Universal Trade,
A. B. C. 5th, Bentley's, Acme

Postal Address
P. O. Box 498

HENNINGSEN PRODUCE COMPANY
Federal Inc. U.S.A.
SHANGHAI CHINA

September 22nd, 1937.

Dear George:

Next time I invite you to the Orient for a visit you had better accept. No telling what might come of it. This time it is another war in our backyard -- that is for most people. For our company the war went right into the house, unfortunately. We have been badly hit. Our dairy, the finest in the Far East, was deliberately bombed by the Japanese undoubtedly with the purpose of eliminating it and they succeeded. Those cattle not killed by bombs were machine gunned from the planes. One way to get rid of competition, what?

Fires set to harass the Chinese troops near our factory destroyed most of our frozen and dried egg plants. All in all we are down about \$1,500,000. War risk insurance was only carried on a small part of this, as this kind of insurance has not been obtainable for over a year except in renewals. However, we fortunately have good reserves and if the area should not happen to become Japanese like Manchukuo, we will undoubtedly arise out of the ashes.

The view now is that Japan is bound to have her own way. The Chinese have made a heroic effort and will undoubtedly continue to do so for some time. But rifles and machine guns have never been a match for artillery and planes. China has no artillery to speak of and almost no anti-aircraft equipment, so the Japs scout and bomb almost with impunity. Tough situation.

From the American standpoint out here, our Home Government is acting like a frightened little girl instead of a grown man. The Japs fear American intervention or sanctions more than anything else, even Russia, but they are so cocksure in their knowledge that America, no matter how hot things get or how much American property is destroyed, that Washington's strongest action will be evacuation that they treat Americans in the same light that they would treat Greeks or Mexicans. America could not get into a war with Japan as if things got to that point, Japan would get on her knees so fast that even

those

DECLASSIFIED: E.O. 11652, 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-

those of us out here might be surprised. In the Orient the basic philosophy of treating your fellow man is to kick him when he is down. Both China and Japan are guilty of this, and China is getting plenty of punishment for what she has done. Possibly someday when we and Great Britain happen to have governments that think of the next hundred years instead of next year's election, Japan will get her punishment. Then it will be costly. Now she can be stopped by sanctions and the humiliation of American citizens and prestige can be stopped by carrying the big stick. There will never be a chance to use it -- Japan will see to that. Just carry and be ready to use it.

Of course from an ethical side, we have little to talk about. Because of our idealism and for our self protection in future decades, our far seeing statesmen back in earlier years signed a pact in which they agreed that China must remain intact and that no one would be allowed to dismember her. Mr. Stimson tried to invoke this pact in 1931 when Japan bit off Manchuria - but when England could not bring herself to quarrel with her former ally Japan. England has paid her price for the betrayal as Ethiopia would never have been Italian if England had stood on her word.

Now it is generally considered that England realizes her mistake and wants to do her best to keep the world in a status quo. But the sticker is that America is in the hands of politicians who have little interest in foreign affairs, little foresight, and who have no knowledge of the way to handle the Orient. They listen carefully when Japan blusters. Of course Japan never means a word of it nor does any Oriental in casses like the present. No one is more surprised at what Japan has got away with than Japan herself. Anyway it looks as if we will have to be content with what crumbs of China or Chinese business that Japan may toss to us. She did not toss any in Manchuria and it is quite possible that she will not toss any here. Then we are out and the American export business to the Orient is finished. Too bad as it would have provided the butter on America's bread for the next hundred years. Now Japan gets that butter and gets strength enough to go after our bread itself.

We have one hope however. That is, that an impoverished and weakened Japan may no longer incite fear in our chicken hearted administration and that they will demand terms of equal treatment in China for Americans,

Chinese

-3-

Chinese and Japanese. But even this may not be of much help if the two countries are both allowed to wear themselves out. Communism may then enter the picture both here and in Japan and the little civilization that has started in China along modern economic lines will be entirely destroyed.

Of course we cannot forget Russia. She is waiting for a weakened Japan, but as she has her troubles, her actions cannot be predicted.

The bombings, the constant roar of the guns, the air raids, all provide their thrills and excitement. However, that interest in the affair died an early death in me. I had seen it before -- on a smaller scale of course. The tragedy of countless deaths, of staggering losses to those who have such a pitiful time anyway, of the stupidity of the whole thing, takes up more of one's thoughts and makes life pretty glum.

I have had a few tight squeaks and have constantly been in territory that was bombed and in which shells fell. One day I was in the Japanese Consulate when a Chinese air raid took place. The bomb intended for the Consulate was badly aimed, falling quite far away. Once I was trying to get to the factory when it was between the two forces. I got mixed up in a scrap between a Japanese patrol and a Chinese snipers nest. The bullets came awfully close but none hit the car. Thrilling while it lasts but not good as a regular diet.

We have all learned to duck when the planes come over. It is the shrapnel that falls all over that is the main danger, not the bombs. At least not now since the Chinese have realized how difficult it is to hit a warship and how many of their own people they kill when they make a mistake. Neither side is very accurate in bombing. The Japs do little good unless they are absolutely free from opposition. As the Chinese planes are always greeted with anti-aircraft they had not had their opportunity to show what they can do unhampered. But they do very badly when they are under fire. The Chinese soldier is much calmer than the aviator. This is a surprise to us as we expected formidable things from the Chinese aviators in the fine new American planes which are so much superior to the old Japanese planes.

Drop

DECLASSIFIED: E.O. 11652, 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-

Drop me a line when you get a chance and in the meantime try to awaken those people with whom you are in contact to the realities of the situation out here. We must not let the Japanese get away with this.

Sincerely,

KENT

P.S. Have not had any mail for about five weeks -- so if you have written, the letter is probably wandering around somewhere up in the interior, or waiting in Japan.

The Japs have us in their hands at present as our factory is behind their lines. If you should happen to use this letter please omit our company and my personal name. They are extremely sensitive to criticism and can't take it.

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

November 15 1937

In reply refer to
FE 793.94/11000

My dear Mr. Maury:

The Department has received, by reference from the White House, your letter of November 2, 1937, enclosing a letter from one of your friends residing in Shanghai in which comment is made in regard to the situation in the Far East.

The letter from your correspondent has received careful consideration and your courtesy in bringing it to the attention of the Government is greatly appreciated. As you may wish to retain it in your files I return it herewith.

We shall of course, as requested by you, consider as confidential the names of your correspondent and his company.

Sincerely yours,

For the Secretary of State:

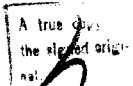
Maxwell M. Hamilton
Chief

Division of Far Eastern Affairs

Enclosure:
As stated.

Mr. George R. Maury,
448 South Hill Street,
Los Angeles, California.

FE:KFP:HES
11-12, 13



793.94/11000

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

MB0

CINCAF
TELEGRAM RECEIVED

November 6, 1937

Rec'd 10:00 a.m.

DE

FROM

FROM: CINCAF
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
AMCON SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
USS MARELEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING

793.94



0006 Japanese have occupied south bank Soochow Creek for distance four miles, have advanced approximately three thousand yards south along Monument Road, attacks continuing, force landed three places Hangchow Bay reported making rapid progress north, claimed reached Whangpoo three places southwest Minhang, endangered Chinese force Pootung expected withdraw westward. Japanese agreed not attack section Nantao north Fangpang Road which area reserved civilian refugees. Settlement quiet 1950.

KLP:

793.94/11001

F/FG
FILED
NOV 7 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

NO. 100

For Distribution Check		Yes	No
Grade	<input checked="" type="checkbox"/>	To be in	<input checked="" type="checkbox"/>
For	<input checked="" type="checkbox"/>	In U.S.A.	<input checked="" type="checkbox"/>

AMERICAN CONSULATE GENERAL,

Canton, China, October 4, 1937.

SUBJECT: Anti-American Propaganda Addressed
to Chinese Citizens.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

1/- I have the honor to enclose a copy of a typewritten communication, dated September 21, 1937, and bearing a Tientsin postmark, which was received in this office today. It is addressed to "The Chinese Secretary, American Consulate (sic) General, Canton", and is unsigned.

Respectfully yours,

Irving N. Linnell
Irving N. Linnell,
American Consul General.

Enclosure:

1/- Copy of communication, as stated.

Copies sent:

5 to Department
1 to Embassy, Nanking.
1 to Embassy, Peiping

800

TEW/ccw



793.94/11002

NOV 11 1937
FILED F/FG

Enclosure No. 1 to Despatch No. 89 dated October 4, 1937,
from Irving N. Linnell, American Consul General, Canton,
China, on the subject "Anti-American Propaganda addressed
to Chinese Citizens".

(COPY)

September 21, 1937.

Dear Fellow countrymen,

The imported doctrine have taught us in the past two
decades to hate the Niponese as an enemy and to like the
Americans as friends.

We have so far succeeded in turning out the Niponese
a real enemy, but, have we got the Americans prove their
worth as a friend of need ?

The Niponese are only fighting against the Kuomintang
while the Americans, after encouraging the fight, let down
the Chinese innocent to die in the field without possible
means of defence by virtue of their partial arm embargo. The
are discarding the downs and flirting with the ups. The
Orientals are humanly emotional, letting friendship before
the business, while the Occidentals are selfishly cruel,
preferring hard cash before anything, particularly so of the
Americans, who are very shallow and outspoken while the others,
who are just as false friends as they can be, still conceal
and mask their intentions better.

Will you therefore from now on, awaken yourselves from
the self fooling conception of American help and friendship
and etc? Will you please consider the following suggestions?

1. Treat the Occidentals as occidentals would to us.
2. Do not push and pave the way for their merchandise
unless you could get the lion's share of profit. Do
not buy theirs unless theirs are definitely cheaper
and yet better than the Sino or Niponese make.
3. Slap them in the face if they rough you, you will
have their respect. Do not give in to them as they
do not appreciate it. They will only think that you
are afraid of them and treat you with contempt.
4. Let us work with the Niponese as cousins should do.
The service you render with so much sincerity to the
Occidentals may not be appreciated by them-only putting
their noses up-but the same shall be received with great
satisfaction by the Niponese. Try and see it.
5. The cotton in North China and other produces will help
the Niponese very much. They can change with their goods
which we need. The Niponese do not need henceforth send
further gold to America for the raw and will put the
Americans on the dependent, giving us the position to
command.
6. The yellow sea must be Yellow Ocean. The Hawaii and
Luzons must be controlled by the Yellow. This could be
done by Niponese strength in army and navy and Sino
resources. Now it is the time. When the Nations arm
up in 1942, it will be too late. The Italians are
struggling for the control of the mediterranean sea.
We must own the Pacific.

Please circulate in confidence to your friends in the
employment of American and European firms, if you are really
patriotic. Do not forget, while they are rooting themselves in
our country and enjoying all the extra hospitality, they will
not give us a chance to live in their countries.

SINO ---K

1-1

TELEGRAM RECEIVED

MBo

GRAY

Shanghai via N.R.

FROM Dated November 5, 1937

Rec'd 6:00 a.m., Nov. 6

Secretary of State,
Washington.

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

Division of
FAR EASTERN AFFAIRS
Department of State

939, November 5, 7 p.m.

My No. 932 / 10969 November 3, 6 p.m.

793.94

Japanese are reported to have made further small gains south of Soochow Creek in spite of strong Chinese opposition and the rainy weather. Their main effort appears to be developing along Monument Road with the Hungjao aerodrome as the immediate objective. Chinese are reported to have moved in replacements and perhaps some reinforcements and appear to be holding this area in greater strength. It is reported by a foreign military observer that the Japanese effected a landing in strength along the southern coast of the Pootung peninsula this morning and that Japanese reinforcements are en route from North China.

I have received reports that American and other foreign residence and mission properties in the Hungjao Road area beyond the foreign defense lines have been occupied and looted by Chinese troops. I have made representations to the Chinese authorities here and suggest that Embassy support them at Nanking.

Sent to the Department, repeated to Nanking and Peiping.

GAUSS //

WWC:KLP

793.94/11003

F/FG

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

TELEGRAM RECEIVED

MBo

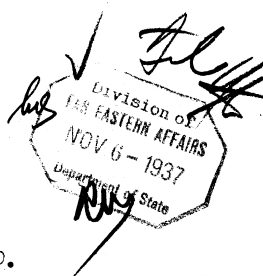
COMSOPAT

FROM

NOVEMBER 6, 1937

Rec'd 10:20 a.m.

FROM: COMSOPAT
ACTION: OPIAV
INFO: 2ND BRIGADE USMC
CCMSUBRON 5
CCMDESRON 5
CINCAF
CCNYANGPAT
USS MARBLEHEAD
AMN EMBASSY NANKING
ALUSNA PEIPING



0106 South China ports quiet 1900.

CSB:

793.94/11004

F/FG

FILED

NOV 8 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

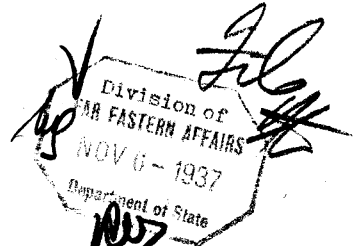
MEMO

COMYANGPAT

November 6, 1937

Rec'd 11:00 a.m.

FROM: COMYANGPAT
ACTION: OPNAV WASHINGTON
INFO: 2ND BRIGADE USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCPAC
COMSOPAT
USS HARBLEHEAD
AMEMBASSY NANKING CHINA
AMUSMA PEIPING



0006 Yangtze River ports quiet 1935.

KLP:

793.94/11006

F/EG

NOV 6 1937

2-1

TELEGRAM RECEIVED

JR

CHAI

Shanghai via N. R.

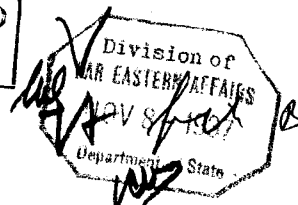
FROM

Dated November 6, 1937

Rec'd 8:10 a.m.

Secretary of State,
Washington.

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



943, November 6, 2 p.m.

My No. 939, November 5, 7 p.m.

Heavy Japanese shelling of the Monument Road area combined with infantry attacks launched early this morning have resulted in further Japanese gains along this sector. No details are available regarding the landing operation undertaken by Japanese troops on the Pootung peninsula east of Chapu but the Japanese military describe the operation as "highly successful".

An agreement has been reached between representatives of the International Red Cross Committee and the Japanese and Chinese whereby a small safety zone to harbor the Chinese civilian population and refugees is established in the northern half of the Chinese native city immediately adjacent to the French Concession. Sent to the Department, repeated to Nanking and Peiping.

GAUSS

KLP:WC

793.94/11006

F/FG

16

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



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

NOV 8 1937

November 5, 1937.

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

DIVISION OF
COMMUNICATIONS AND RECORDS

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
NOV 6 - 1937

Your reference No.
EA 793.94/10914

Mr. Herbert Feis, ~~DEPARTMENT OF STATE~~
Adviser on International
Economic Affairs,
Department of State,
Washington, D. C.

Dear Mr. Feis:

Receipt is acknowledged of your letter of Novem-
ber 4, 1937, transmitting a copy of Letter No. 214,
dated October 13, 1937, in Mr. H. Merle Cochran's series
of strictly confidential letters concerning the Bank for
International Settlements.

Your letter and its inclosure are being brought
to the attention of the members of the Board for their
information.

Very truly yours,

Chester Morrill

Chester Morrill,
Secretary.

793.94/11007

FILED

F/FG

11007

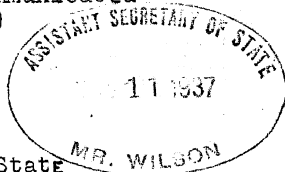
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Quisenberry NARS, Date 12-18-75

3-1

TELEGRAM RECEIVED

RB

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



Secretary of State

Washington.

524, November 6, 6 p. m.

STRICTLY CONFIDENTIAL.

Department's 288, November 5, 1 p. m.

One. Byas sent us last night a copy of his despatch
of the day before to the NEW YORK TIMES in which there
was included the suggestion that Japan might welcome American
mediation. His analysis of the significance of the Imperial
headquarters project, the Italian pact, and of other factors
is an able piece of writing from the point of view of press
reporting, but we believe that the situation is still obscure
and that we cannot at this time make any sure evaluation
except with the greatest reserve.

Two. The Naval and Military Attaches have endeavored
to procure further information on the trend of most recent
discussions on the headquarters project. The statements of
officials of the War and Navy Departments were carefully
couched but the conclusion is reached that,

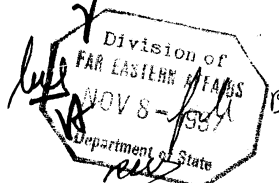
(A) the

Tokyo

Dated November 6, 1937

Rec'd 11:40 a. m.

*Reported to Amdelgat
at Brussels on Nov. 7*



793.94/11008

FILED

F/FG

793.94
no
793.94/11008

3-2

RB -2- No. 524, November 6, 6 p. m. from Tokyo

(A) the establishment of Imperial headquarters is still under consideration and has not been decided upon for the reason that,

(B) although the view is favored that Imperial headquarters should be purely an organ to formulate and coordinate military and naval functions and should not be vested with any powers in the political economic and fiscal fields,

(C) nevertheless, no decision has been reached on the question whether or not establishment of Imperial headquarters will inevitably involve from both legal and practical viewpoints the issuing of a declaration of war.

Three. There apparently has been no (repeat no) serious divergence of opinion with regard to the need for Imperial headquarters as we and other foreign observers uniformly believe that the Japanese military now expect that the hostilities in China are to be of long duration. (There is a difference of opinion among foreign observers as to the range of further implications in the project which would involve action whether positive or negative against countries other than China. This last point is hereinafter discussed). We have had indications during the past three weeks of a division of thought in the army with regard to future conduct of military operations in China. One school of thought advocates

3-3

RB -3- No. 524, November 6, 5 p. m. from Tokyo

advocates the limiting of military objectives to an advance to the Yellow River because further extension would greatly expose the Japanese west flank to Russia, create difficult problems of supply, impose undue hardship on the troops, and generally require the payment of a disproportionately high price for relatively inconsequential tactical successes. The other school argues that nothing short of complete destruction of the Chinese Army can fully liquidate situation. It is therefore not unlikely that friction between these two elements has developed to a point where resort has become necessary to the device of having plans of operations issued by the Emperor.

Four. With regard to point (E) above the Navy Department states that Imperial headquarters if established will be organized only as an instrument of the armed services. The War Department affirms that this question has not been decided. Indications from other sources are however that the Navy viewpoint will prevail.

Five. With regard to point (C) the theory is being advanced that as the conflict has been officially recognized by Parliament as a "national emergency" Imperial headquarters can be established without doing violence to the provisions of its organic ordinance. We do not attach much importance to legalistic

3-4

RB -4- No. 524, November 6, 5 p. m. from Tokyo

to legalistic discussions of this kind. In our view the determining factor in any declaration of war will be whether supplies of arms and munitions to China continue. According to a statement made to the Naval Attache at the Navy Department war supplies continue to be sent in to China through Hong Kong, Indo-China and Soviet Russia, forty planes and several hundred trucks from the latter having arrived. If it has been found that the present China blockade has not effectively reduced the flow of such supplies into China the establishing of Imperial headquarters would offer an opportunity to declare war and lay down an effective naval blockade.

Six. Our thought at this moment is in view of the foregoing that the Imperial headquarters project is probably being determined almost entirely by considerations associated with the completion of the hostilities against China.

(END SECTION ONE)

GREW

CSB

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

3-5

TELEGRAM RECEIVED

LMS

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

Tokyo

FROM Dated November 6, 1937

Rec'd 2:35 p. m.

Secretary of State,

Washington.

524, November 6, 6 p. m. (SECTION TWO)

Seven. Byas' suggestion that Japanese agitation against Great Britain has been artificially stimulated to make the Italian pact more palatable to the Japanese people is in our opinion of doubtful accuracy. As we have already reported on several occasions the resentment against Great Britain rests on the ground that Great Britain has taken the lead in endeavoring to form a common front against Japan. It cannot be denied that a pact at this time with Italy is an outward and visible sign of an inward and spiritual force animating three strong powers now aligned against the democratic powers. As there is a press ban on the pact we have no means of knowing how public opinion reacts to the pact but we venture the prediction that it will when announced be strongly approved as having lifted Japan out of its isolated international position.

Eight. The increase of Japanese forces in Manchuria and Inner Mongolia has probably been brought about by the
reported

3-6

LMS 2-No. 524, November 6, 6 P. M., Sec. 2, from Tokyo.

reported Chinese proposal to Soviet Russia that the recent treaty with Outer Mongolia be abrogated. (See Nanking's 871, November 1, 9 a. m.) A report to this effect was published in the Japanese papers about three weeks ago. As stated in paragraph three above the extension of the Japanese military lines from North China is increasing the vulnerability of the Japanese right flank to attack from the direction of Outer Mongolia. Although there is a **minatory** significance for Russia's notice in the movement of Japanese troops to the north and northwest, the probability is that it is dictated more by military expediency than by objectives of Japanese diplomacy.

Nine. In our 321, August 27, 4 p. m., we anticipated that there might arise a situation in which the American Government could with reasonable prospects of success offer its services to the two combatants to bring the hostilities to an end. Byas suggests that the thought is forming in Japan that it might be acceptable for the United States to open the way for peace discussions. We hope that our Government will not suppose that the time is ripe for any such move.

Ten. With regard to the Department's specific inquiry whether in the event of a declaration of war foreign rights and

3-7

LMS 3-No. 524, November 6, 6 p. m., Sec. 2, from Tokyo.

and interests in China will be respected: No indications are available as yet of the attitude which may be taken by Japan on this point. We have the feeling that in view of the emphasis placed abroad on observance of international law Japan will not be disposed to abandon in principle any rights which she may have as a belligerent and that the consideration she may give to foreign rights and interests would be influenced by her relations with each nation concerned.

Eleven. We realize that the present telegram is in part speculative in character but we must emphasize that almost complete silence is being maintained as to Japan's objectives and that our estimates must be formulated largely by weighing imponderables which change from day to day.

To Nanking by mail. End of Message.

GREW

SMS:EMB

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

3-8

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
\$

TELEGRAM SENT

Department of State
DEPARTMENT OF STATE

"B"

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

1937 NOV 7 PM 1 03

November 7, 1937.

2 PM

DIVISION OF
COMMUNICATIONS

AMDELGAT,

BRUSSELS (BELGIUM).

This is a confidential communication.
It should be handled accordingly before
being communicated to anyone. B

✓ 43

Department's 38, November 5, 5 p.m.

Following is text of Tokyo's 524, November 6,

6 p.m.:

QUOTE /Here insert text of Tokyo's 524, November 6,

6 p.m.] UNQUOTE

793.94/11008

Waller
Acting
(m.m.H.)

793.94/11008

FE:RCM:HES

FE
m.m.H.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

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

TELEGRAM RECEIVED

JR

FROM

COMYANGPAT

November 8, 1937

Rec'd 1:35 a.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCPAC
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
NAVAL ATTACHE PEIPING



0008. Yangtze river ports quiet. 2134.

KLP

793.94/11009

F/FG

FILED

NOV 8 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

MBo

314-2-10-7
CONSOPAT

FROM November 8, 1937
TO OMA 8 NOV 1937

Rec'd 1:35 a.m.

FROM: CONSOPAT
ACTION: OPNAV
INFO: 2ND BRIGADE
COMSUBRON 5
COMDESROM 5
CINCAF
COMYANGPAT
USS HARBLEHEAD
AMEMBASSY ALUSNA PEIPING
NANKING

TO WUJIAO
2ND BRIGADE
2000000000



793.94

0107 South China ports quiet 1945.

KLP:

793.94/11010

F/FG
FILED

NOV 8 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

D.

TELEGRAM RECEIVED

MBo

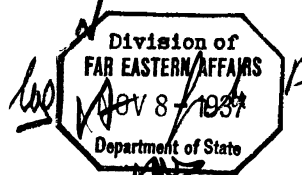
This message was received
in navy code and must be
closely paraphrased before
being communicated to any-
one.

FROM ALUSNA PEIPING

November 8, 1937

Rec'd 1:35 a.m.

FROM: ALUSNA PEIPING
TO: NAVY DEPARTMENT
INFO: 2ND BRIGADE USMC
CC SUBRON 5
CC DESRON 5
CINCAT
COMYANGPAT
COMSOPAT
AMERICAN EMBASSY NANKING



0007 Estimates Nippon troops North China in thousands,
highest three eight five, lowest two seventy, revised
withdrawals last two weeks not less than thirty five triple
zero. Arrivals week ending November second as replace-
ments twenty double naught. Departures fifteen hundred
casualties Tsingpu. Military and political situation un-
changed. Domei claims Taiyuan captured 1300.

CSB:

793.94/11011

F/FG

FILED
NOV 10 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

TELEGRAM RECEIVED

JR

gpo

FROM

CINCPAC

*Summary to
Bureau* ✓

November 8, 1937

Rec'd 1:35 a.m.

ACTION: OPNAV

INFO: SECOND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMSOPAT
USS MARBLEHEAD
AMEMBASSY NANKING
NAVAL ATTACHE PEIPING

793.94



0008. Military situation northwest Shanghai unchanged. Japanese continue make minor gains vicinity Lincoln AVENUE consolidate position. Chinese troops police evacuating Pootung moving westward towards Minshang Sungkiang many Chinese refugees from Pootung crossing Whangpoo into Nantao and Settlement. Japanese probably occupy sections Pootung waterfront shortly. Japanese claim crossed Whangpoo near Sungkiang. Settlement quiet. 1950.

CSB

793.94/11012

NOV 10 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. Hueston NARS, Date 12-18-75

TELEGRAM RECEIVED

MBo
This message was received
in navy code and must be
closely paraphrased before
being communicated to any-
one.

FROM
RADIO SHANGHAI

November 8, 1937

Rec'd 1:35 a.m.



TO: NAVY DEPARTMENT
INFO: CINCAF

193.94
0007 Japanese forces estimated one division landed
three places vicinity Chapu morning of fifth. From Alusna
Shanghai elements this force today reported have reached
Whangpoo south of Sungkiang threatening Chinese line com-
munications. Chinese troops Pootung reported withdrawn
last night. Officer this office witnessed unusual activ-
ity Minghang and Sungkiang yesterday. Chinese troops Soo-
chow Creek continue hold but must retire to west if Chapu
Force crosses upper Whangpoo. Rumor Chinese circles in-
dicates friction between Kwangtung leaders and General-
issimo due to heavy casualties among Kwangtung troops 1924.

CSB:

793.94/11013

NOV 11 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

MEMO

FROM COMYANGPAT

November 8, 1937

Rec'd 11:03 a.m.

ACTION: OPNAV
INFC: 2ND BRIGADE USMC
YANGTZE PATROL
CONSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
USS HARELEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



793.94

0008 Yangtze River ports quiet 2129.

CSB:

793.94/11014

NOV 8 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 P. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

FROM

MBO

COMSOPAT

November 8, 1937

Rec'd 11:00 a.m.

793.94
ACTION: OPNAV
INFO: SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
CCMYANGPAT
USS MARPLEHEAD
AMEMBASSY NANKING
ALUSNA PEIPING



1108 South China ports quiet 2000.

KLP:

793.94/11015

F/FG

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

TELEGRAM RECEIVED

MBo

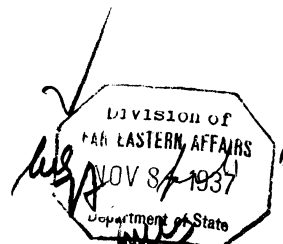
CINCAF

FROM

November 8, 1937

Rec'd 9:43 a.m.

FROM: CINCAF
ACTION: OPNAV
INFO: 2ND BRIGADE USMC
AMCONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANPAT
COMSOPAT
USS MARBLEHEAD
AMERICAN EMBASSY NANKING
ALBONA CHINA



0008 General military situation West Shanghai un-
changed Japanese making minor gains along Monument Road,
continue attacking. Reliable reports Japanese have ad-
vanced within four miles Sungkiang occupying both banks
Whangpoo for considerable distance toward Minhang. Settle-
ment quiet 1935.

CSB:

793.94/11016

F/FG

11
NOV 13 1937
FILED

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

No. 338.

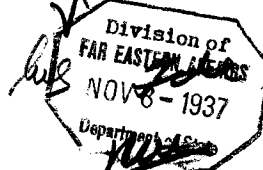
RECEIVED
DEPARTMENT OF STATE
AMERICAN CONSULATE GENERAL
Hankow, China, October 1, 1937

For Distribution Check
M
5 Drunright
In U.S.A.
ONI
MID

Subject: Vernacular Comment on Sino-American Relations.

The Honorable
The Secretary of State,
Washington.

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



Sir:

In continuation of my despatch No. 333 dated September 22, 1937, concerning vernacular comment on American attitude towards present Far Eastern crisis, I have the honor to transmit herewith, as of possible interest, a copy, in quintuplicate, of my despatch No. 500 addressed to the Embassy, Peiping, on the same subject.

Respectfully yours,

P. R. Josselyn
American Consul General

Enclosure:

1. Despatch No. 500 to Embassy, Peiping, October 1, 1937.

In quintuplicate.

800

EFD/CFS

793.94/11017

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FILED
OCT 6 1937

12

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

No. 500.

AMERICAN CONSULATE GENERAL

Hankow, China, October 1, 1937

Subject: Vernacular Comment on Sino-American
Relations.

The Honorable Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to my despatch No. 498 dated September 22, 1937, in regard to the attitude displayed by the vernacular press to the recent evolution of Sino-American relations, and to enclose herewith a translation of an editorial appearing in the September 28, 1937, edition of the TA KUNG PAO, an independent vernacular which recently commenced publication in Hankow. This article expresses disappointment at what that newspaper considers to be the present policy of the American Government, and implies the thought that China is being deserted by her hitherto most friendly supporter at the most critical hour of need.

It is probably correct to say that the Chinese public and press are paying closer attention to the policy pursued by the United States towards the present Far Eastern crisis, than to the policy of any other power, including that of Great Britain and Soviet Russia.

Respectfully

DECLASSIFIED: E.O. 11652, 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-

Respectfully yours,

P. R. Josselyn
American Consul General

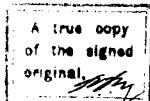
Enclosure:

Translation of an editorial appearing in the
TA KUNG PAO, Hankow, dated September 28, 1937.

Original to Peiping;
Copy to Nanking;
5 copies to Department
(despatch No. 338, October 1, 1937).

800

RFD/CPS



0772

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

Enclosure No. 1 to despatch No. 500, October 1, 1937, from Consul General P. R. Josselyn, Hankow, China, to the Embassy, Peiping, China, in regard to vernacular comment on Sino-American relations.

Translation of an editorial appearing in the TA KUNG PAO, Hankow, September 28, 1937.

Past and Future Sino-American Relations.

The Advisory Committee of the League of Nations held a meeting yesterday, and its results are not yet known. The signatory countries of the Nine Power Pact during the past several days have had contacts; some of them propose to call a new Far Eastern International Conference, but all these international activities depend on the United States, and it is reported that the United States is passive and is hesitating to participate in all these joint movements.

In the last few days the attitude of the United States has become a little stronger. It has lodged two protests with Japan; its Navy has announced that its fleet in China will not be withdrawn. The United States is a large country whose steps are of consequence. Of course its steps are planned and opportune. We should not be over anxious or over suspicious, but from all points of view the American Government evidently is not yet quite informed and awakened.

According to the diplomatic history of the Far East we feel that the international relations between China and the United States are now at an important turning point. This solution will have a deep cut and far reaching effect on China's politics, economics, and culture. It is desired to make a few statements on this point exclusively, in the hope that the Government and people of the United States will pay attention to it.

First of all we wish to declare that China by no means will be swallowed up by Japan. The strong and united struggle of the Chinese nation will improve the world situation, not only resist Japanese aggression. Therefore the heart of the question is that we will fight our own battle and no certain country is expected - for example the United States - to extend us outside assistance. But there is one point: this struggle will be of long duration and will be distressful. Of course, during the period of struggle the thoughts and actions of the Chinese nation must follow the environment of incessant evolution or change. Of course, the attitude of the great powers in Europe and America will have a great bearing on this evolution or change.

We are obliged to discuss the United States over and over again, as the people of China have, in general, recently fostered a cooler sentiment toward the United States. According to the diplomatic history of the Far East, this problem is by no means insignificant.

We

-2-

We recall that during the past half a century, with the exception of the Chinese labor question, there has been no conflict at all between China and the United States; the policy of the United States has always been advantageous to China; American missionaries and educators have gained friendship in the great and extensive community of China; Chinese students have been happiest to study in the United States; our famous modern diplomats are mostly graduates of American educational institutions; the new society of China has been greatly influenced by the United States, even in custom and habits. In brief, during recent years, Chinese high and low have been deeply colored with pro-Americanism.

Let us again recall that during the past many years Japan has evinced dislike to the new leaders of China because China has been pro-American. The Japanese antipathy to the British is an event of recent years, and friendship between China and Great Britain was established also in recent years. Since the end of 1926, when Great Britain announced its new policy toward China, to the currency reform year before last, relations between China and Great Britain have become friendly. But before that pro-Americanism filled the atmosphere, and Japan's permanent policy was anti-American. When the National Government was first inaugurated in Nanking, in diplomacy, the United States occupied the highest position. At the time relations between China and Great Britain were also good, but the people, in the Government or not, put special emphasis on the United States. This is one of the causes of mental conflict between China and Japan. China did not take precautionary steps to prevent the occupation by Japan of the Four Eastern Provinces simply because China relied on the United States; she was over sanguine of the Nine Power Pact, of which the United States was the promoter. After the incident of September 18th, China put its reliance in the League of Nations, but after all it was better to place hope in the United States. At the time the United States was active, but Great Britain was passive, with the result that Secretary Stimson's principles had a passive existence. Ever since that time, China has possessed a new cognizance and a new appraisal of world conditions. It was not disappointed in the United States because it had done its best and could not achieve its policy alone. Therefore the people of China are very appreciative and considerate. The foregoing is a description of the Chinese popular sentiment towards the United States.

Having become aware of the futility of empty words, the United States closes its mouth and devotes all its attention to naval armament. As the people of the United States crave for peace, it has done everything to sever itself from the Sino-Japanese question during the past five years. These conditions are quite appreciated by us. But now the situation is quite different:

First,

-3-

First, China has actually come to the point of existence or extinction.

Second, China is employing all its force in the struggle, its strength being much greater than five years ago.

Third, public opinion in Great Britain has actually been mobilized, the attitude of the British Government being decidedly not the same as five years ago.

Fourth, the prowess of the United States is stronger and greater than five years ago.

Fifth, the world situation is suitable for the organization of a strong peace bloc. As soon as the United States moves, a universal strong organ may be established.

Sixth, the ambition of Japan has been more revealed than ever. In the past many people thought that Japan would be satisfied with the occupation of Manchuria. Great Britain at the time was in this trend of mind, but recent years show that the Japanese militarists lust for conquest. In fact their conquests will be without end. Now they wish to destroy China, but this is not the final conquest. Japan has severed its relations with the Naval Treaty. After the conquest of China, it will extend its conquests without limit. The day when an Asiatic Empire is established, the United States will be the object of a direct threat. Now China is offering resistance with Chinese blood alone.

In conclusion, the problem of today is many times greater than five years ago. The existence or extinction of China, the government or misgovernment of the world, and the security or danger of the Pacific Ocean will be solved at this scene. How urgent and important is this situation? Those Chinese who have dreamed the pro-American dream during recent decades, and especially those who have been closely related with American culture are only learning that the Government and people of the United States are studying how to be neutral. Will they maintain neutrality through the Neutrality Law or not? Many countries in the world are in sympathy with us. Nineteen American planes for which China had paid cash were put aboard a ship. While on the way, the American Government issued an order prohibiting the transportation of munitions of war. The cargo was taken off the ship en route. This is the reply given by the United States, a friendly country, to the Chinese people for their half century of pro-Americanism, although China is opposing invasion in a desperate struggle. The sentiments of the people of China toward the United States vanish, and the Chinese intelligentsia who have in the past lauded American culture, in addition to being shamed before the nation, have nothing more to say. In our opinion the consequences of this event will be very great in the future. The American Government has constantly acted in this manner. If the young men of China lose their confidence in American culture completely, the consequences will

see

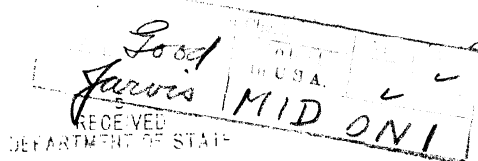
-4-

see great changes in China's future politics, economics, and culture. Of course the Chinese people will reconsider and liquidate the pro-Americanism fostered by the Chinese people during the past half a century. You may enjoy your plenty and glory in your bullet proof rooms, while we will defend our country and fight our own bitter battles. Hereafter let us go our own way, and let us see as we go along.

Our leader, Generalissimo Chiang, in his conversation to the foreign reporters a few days ago, made special mention of the United States on many occasions. This is evidence that our Government is still pursuing a pro-American policy. Of course, we are not in a position to oppose the leader's opinion, but the actual sentiments of the Chinese people have gradually cooled and vanished as the days go by. The Government and the people of the United States, unless they have decided to withdraw from Asia, as we stated several days ago, it seems, have no reason to disregard the situation at this critical juncture. Do you agree with us, you American friends who have resided in China?

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

No. 343.



AMERICAN CONSULATE GENERAL
1937 NOV 8 AM 10 42

Hankow, China, October 6, 1937

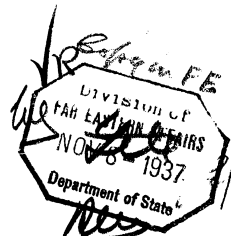
DIVISION OF
COMMUNICATIONS
AND RECORDS

Subject: Air raid on Hankow,
September 24, 1937

COPIES SENT TO
ONI AND M.I.D.

The Honorable

The Secretary of State,
Washington.

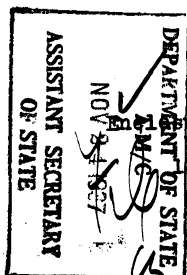


Sir:

I have the honor to transmit herewith, for
the information of the Department, a copy, in
quintuplicate, of my despatch No. 503 dated
October 4, 1937, addressed to the Embassy, Nanking,
concerning the above-mentioned subject.

Respectfully yours,

P. R. Josselyn
P. R. Josselyn
American Consul General



Enclosure:

Despatch No. 503 to Nanking,
October 4, 1937.

In quintuplicate

800

RYJ/MYH

793.94/11018

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

Confidential

No. 503.

AMERICAN CONSULATE GENERAL

Hankow, China, October 4, 1937

Subject: Air raid on Hankow,
September 24, 1937

The Honorable Nelson Trusler Johnson,
American Ambassador,
Nanking.

Sir:

I have the honor to submit the following observations on the bombardment of Hankow by Japanese aeroplanes on September 24, 1937, which was reported briefly in my telegrams of September 24, 7 p.m. and September 25, 5 p.m. This is the first time Japanese planes have reached Hankow, although the alarm has been raised on six previous occasions, on one of which they dropped bombs in the Yangtze several miles below the city.

2. The first alarm was sounded at 4:20 p.m., the emergency alarm 15 minutes later. Japanese bombers appeared from the east over Wuchang a quarter of an hour after that, crossed over the Yangtze and Hankow, turned, dropped bombs on both sides of the Han River and one in the Yangtze, and flew back towards the east whence they had come. The day was cloudy, the ceiling low, and the bombers flew at about 1200 feet as they loosed their bombs. The Chinese authorities give the number of Japanese planes participating in the raid as 13; foreign naval officers and civilians

with

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

-2-

with whom I have spoken observed no more than 7, but observation from the ground was difficult and the Chinese authorities were in a better position to verify the figures. To the foreign observers the Chinese defence seemed weak. No Chinese 'planes were seen, or are known to have made any attempt, to engage the enemy, although after the Japanese retired they were observed patrolling over the city and environs. The little anti-aircraft fire was ineffective. In short, the Japanese 'planes were greatly favoured by the weather and were hampered hardly at all by Chinese defensive measures.

3. The writer was informed by the Chinese authorities that 14 bombs were dropped of which 3 fell on the left bank of the Han River in the native city of Hankow, 8 on Hanyang on the right bank of the Han towards its confluence with the Yangtze, and 3 in the river. The spots where they fell are marked on the enclosed map.¹ The writer inspected 8 of these places (on the right and left banks of the Han) the day after the bombing; these are shown in red on the map. Lieutenant-Commander W. H. Ferguson, U. S. N. (Senior American Naval Officer Present) and Lieutenant B. N. Gallie, R. N. (Flag Lieutenant to Rear Admiral, Yangtze) accompanied him on part of his tour of inspection.

4. At seven of the places I visited the bombs had fallen in closely built-up and densely populated areas; the enclosed photographs (taken at Hanyang during my visit)

give

¹ The writer has been unable to locate two that fell in the river; three originally reported to have fallen in Hanyang City actually fell on the right bank of the Han.

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

-3-

give only a faint indication of the thorough way in which these bombs wrecked the buildings among which they fell, burying scores of people beneath their shattered homes and shops. The eighth bomb fell in an open space near a market, which it turned into a shambles; 29 people were killed there; when I saw it many bodies had been encased, others covered with matting were being wailed over by grief-stricken women, and some were still lying sprawled in the ruined stalls. The crater made by this bomb was roughly 12 feet deep and 25 feet across at the lip. The writer was informed by an official of Air Defence Headquarters that the bombs used weighed about 200 kilograms or 400 pounds and the appearance of this crater would seem to point to a bomb of this or possibly a larger size.

5. Casualties are given officially as 221 killed, 205 seriously wounded, and 260 slightly injured. It is the opinion of the writer and of Lieutenant-Commander Ferguson, after inspecting the bombed areas, that these figures are not unreasonable. The writer has been most earnestly assured by the Chinese authorities that these are the correct figures and he has no reason to doubt it.

6. Japanese jurists fifteen years ago helped to draft the proposed Rules of Aerial Warfare. I do not understand that these rules are binding but they form a fair criterion by which the conduct of aerial warfare may be judged. They undertook to prohibit aerial bombardment for the purpose of terrorizing the civilian population, of destroying or damaging private property not of military

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

-4-

military character, or of injuring non-combatants; to limit legitimate bombardment to specified military objectives; and to forbid the bombardment of cities, towns, villages, dwellings and buildings not in the immediate neighborhood of the operation of land forces and the bombardment of military objectives so situated that they cannot be bombarded without the indiscriminate bombardment of the civilian population.

7. Hankow is 450 miles in an air line from the Shanghai front and further than that from the hostilities in the North. The only important military objective anywhere near where the bombs fell is the Arsenal, which stands on the right bank of the Han River a mile or more from its junction with the Yangtze. Immediately adjoining the Arsenal on the east (i.e. down-river towards the Yangtze) is the Hanyang Iron Works, which occupies an area roughly four times the size of the Arsenal. From the air the two establishments might easily seem one target. One bomb fell in the Han immediately opposite and 300 yards from the Arsenal, destroying two junks; the three that did so much damage in Hankow fell on the other side of the Han and from 400 to 700 yards from the Arsenal; the five that took such heavy toll in Hanyang fell from 1300 to 2000 yards away from the Arsenal. The Arsenal was not touched, nor was any other military objective, while nearly 700 non-combatants were killed, injured and made homeless, and much private property was destroyed.¹

Respectfully yours,

P. R. Josselyn
 American Consul General

Enclosures

¹ It has not been possible to verify the report that a small powder dump outside the Arsenal was set on fire.

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

-5-

Enclosures (with original, copy to
Nanking, one copy to Department
and file copy):

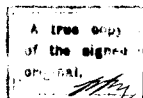
1. Map.

2. 15 photographs.

Original to Embassy, Nanking;
Copy to Embassy, Peking;
5 copies to Department (despatch
No. 343, October 6, 1937).

800

RYJ/MTM



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

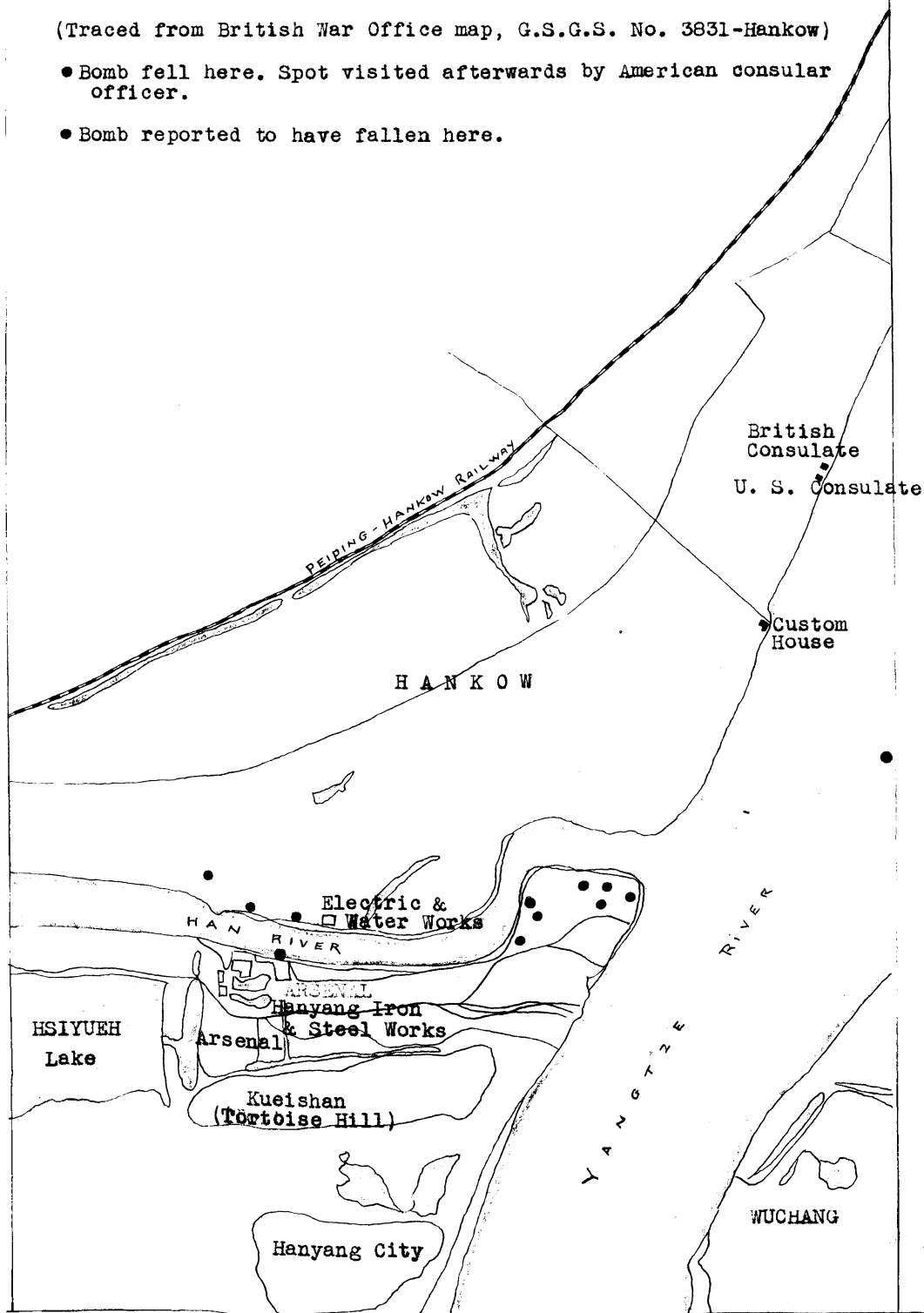
Enclosure No. 1 to despatch No. 503, October 4, 1937,
from Consul General P. R. Josselyn, Hankow, to the
Embassy, Nanking, concerning the Japanese air raid
on Hankow, September 24, 1937.

Scale: 1:25,000
1,000 500 0 1,000 2,000
Yards

Race
Club

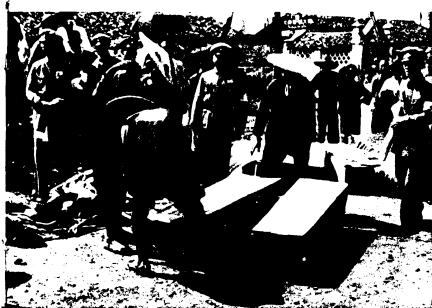
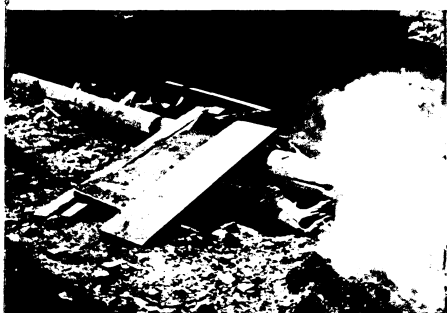
(Traced from British War Office map, G.S.G.S. No. 3831-Hankow)

- Bomb fell here. Spot visited afterwards by American consular officer.
- Bomb reported to have fallen here.



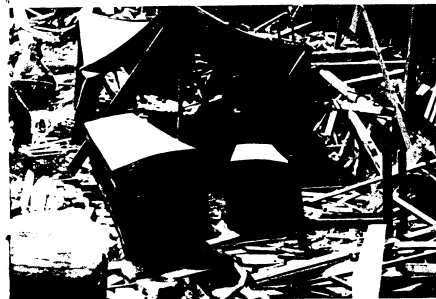
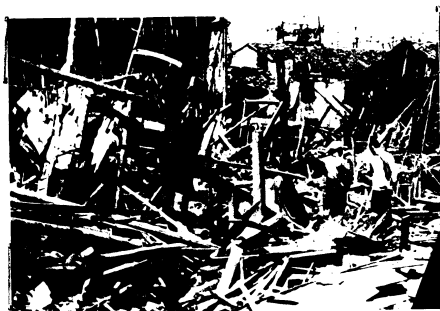
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Enclosure No. 2 to despatch No. 503, October 4, 1937,
from Consul General P. R. Josselyn, Hankow, to the
Embassy, Nanking, concerning the Japanese air raid
on Hankow, September 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

Enclosure No. 2 to despatch No. 503, October 4, 1937,
from Consul General P. R. Joselyn, Hankow, to the
Embassy, Nanking, concerning the Japanese air raid
on Hankow, September 24, 1937.



No. 5

AMERICAN CONSULATE

Yunnanfu, China, September 18, 1937.

SUBJECT: Yunnan and the Sino-Japanese
Conflict.

CONFIDENTIAL

The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose for the information
of the Department a copy of this Consulate's despatch
No. 4, dated September 18, 1937, to the Embassy at
the above subject.

Respectfully yours,

Paul W. Meyer
Paul W. Meyer,
American Consul.

Enclosure:

1/- Copy of despatch No. 4
dated September 18, 1937.

In quintuplicate

800
PWM:JLM

4 Carbon Copies
Forwarded F.F. [unclear]

For Distribution Check
Good Meyer
MID ONI
Division of
FAR EASTERN AFFAIRS
NOV 18 - 1937
Department of State

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NOV 20 1937

No. 4

AMERICAN CONSULATE

Yunnanfu, China, September 18, 1937

SUBJECT: Yunnan and the Sino-Japanese
Conflict.

CONFIDENTIAL

The Honorable

Nelson Truener Johnson,
American Ambassador,
Nanking.

Sir:

I have the honor to report the following matters
as of interest to the Embassy:

1. Plans for Participation of Yunnanese Soldiers
in the Present Hostilities

Intensive preparations are being made here for
the despatching of three Divisions of Yunnanese troops
to the Hunan area for garrison duty and eventually for
participation in the warfare against Japan. These
troops, it is reported, will be fully equipped with
provisions, arms and ammunition by the Yunnan Provin-
cial Government and will represent a part of Yunnan's
contribution towards the war. General Lu Han (盧漢),
a high military official in Yunnan, has been appointed
by the National Government to be Commander of the 60th
Army of which the three above mentioned Divisions will

be

-2-

be a part. He announced his assumption of office on September 10. The Provincial Government has requested the National Government to promote the following Brigade Commanders to the rank of Division Commanders and to appoint them commanders of the three Yunnanese Divisions:

1st Division, An Te-hue (安德化)
2nd Division, Lu Tao-yuan (鲁道源), and
3rd Division, Chang Ch'ung (张冲).

Some ammunition and equipment have already been issued to these Divisions and they are scheduled to leave shortly for Suifu via Chengsha. They are to go overland, following the motor road through Kweichow and Hunan. Their tentative schedule calls for their arrival at Chengsha the latter part of October, but it is not believed that they will arrive there by that time. The Provincial Chairman, General Lung Yun, is reported in the local newspapers to have issued an order to the effect that anyone assigned for service with these three Divisions who attempts to evade his duty will be summarily dealt with. Much popular enthusiasm has been created here in connection with the sending of these Divisions to the front.

2. Removal of the Central Aviation School to Yunnanfu.

The Provincial Chairman mentioned to me in a conversation I had with him following his return from Nanking that he had recommended to the National Government that the Central Aviation School which was formerly at Hangchow be moved to Yunnanfu. He did not know then what action, if any, had been taken in regard to his

recommendation

-3-

Recommendation.

Strictly Confidential

I am now informed that the Commander of the Hangchow aviation school has arrived in Yunnanfu together with other officials of the school. The Yunnanfu air field and the road leading to it are being improved as rapidly as possible, presumably in contemplation of the early arrival here of the aviation school. The Standard-Vacuum Oil Company's local representative has informed me in strictest confidence, that the National Aviation Bureau recently placed an order with his company for 37,000 cases of aviation gasoline to be delivered in Yunnanfu. Part of this shipment is doubtless intended for the aviation school, but since there are not storage facilities available in Yunnanfu for this quantity of gasoline it is possible that some of it is intended for Chinese aviation forces elsewhere in China. Shipments of gasoline and other war supplies, can, of course, be made from Yunnanfu by the motor road through Kweichow and Hunan but at considerable expense and inconvenience. It may, however, be necessary for the Chinese to utilize this route to a considerable extent should the Japanese blockade of China's coastal ports become effective. The route from French Indo-China may shortly become of utmost importance to the Chinese as a source of aviation as well as other war supplies.

3. Preparations for the Opening of a Branch of the Central Bank of China in Yunnanfu.

Mr. Hsu Pao-ying (許葆英), manager of the proposed Yunnanfu branch of the Central Bank of China, and

eight

-4-

eight members of his staff have arrived in Yunnanfu and are making preparations for the early opening of a branch of that bank here. Mr. Yu is reported to have held posts as Commissioner of Finance in Kiangsu, General Manager of the Bank of Kiangsu, and at various times to have been manager of branches of the Bank of China and of other branches of the Central Bank of China. He is said to be a man of high reputation in banking circles. The appointment of such a prominent banker to be manager of the branch bank in Yunnanfu is therefore considered significant. The Provincial Government has in the past placed obstructions in the way of establishing a branch of the bank in Yunnanfu and has consistently opposed the extension of the influence of the National Government into the financial affairs of the province. This attitude, however, shows signs of having changed. For example, whereas the Provincial Chairman formerly took the position that the proceeds from the National income tax collected within the province should be retained by the Provincial Government, he is reported now to be willing for the proceeds to go to the National Government. Some National Government financial agency such as the Central Bank of China will be needed to handle war financing in the province, to act as the depository for proceeds from the sale of "Salvation" bonds, the sale of which is to begin shortly, to finance shipments of war materials should Yunnan become an important trans-shipment point for such articles which now seems probable, and for other purposes. The present crisis

-5-

crisis has thus apparently forced the issue, and the opening of the branch bank should redound not only to the benefit of the National Government but also to the benefit of the province as well (The local Commissioner of Customs has informed me that the opening of this branch bank will greatly facilitate the transfer of Customs funds to the National Government).

4. Loyalty of Yunnan to the National Government

In the past, there have been times when the Yunnan Provincial authorities have been suspected of disloyalty to the National Government and even of plotting with those whose aim was the overthrow of that Government. There are now no traces to be found of such suspected disloyalty. The Provincial Chairman's recent visit to Nanking did much to cement his personal loyalty to the National Government and particularly to Generalissimo Chiang Kai-shek. His proposal to send completely equipped and provisioned divisions of his best troops to participate in the war instead of unequipped rabble, as he might be expected to do, may be considered a bona fide gesture of loyalty to the National Government and evidence of a willingness to give substantial assistance in the war. The proposal to move the aviation school to Yunnanfu he claims with much pride as his own. The opening of a branch of the Central Bank of China here may be considered as further evidence of his desire to cooperate with the National Government. The national crisis appears to have brought the Provincial Government and the National Government into greater harmony

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

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harmony than has ever before existed between them. It is anticipated that National Government activities in the province will increase markedly in the near future and that the National Government's influence will be more in evidence, this time with the concurrence and active support of the provincial authorities.

Respectfully yours,

Paul W. Meyer,
American Consul.

Single copy (by air mail)
Copy for Embassy at Peking via Nanking Embassy (air mail)
Copy for Consulate General at Hankow (air mail)
Copy for Consulate General at Canton
In quintuplicate to the Department

800
PAM:JIM

~~MSM~~

~~LEV~~

11/16

~~REDA~~

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To note marked
passages on TP 1,
3, 4, & 5.

Now that the Yun-
nan Railway is closed
to war material, per-
haps the project to
use the Yunnan Air-
field as a military base
has been abandoned.

ALP

079
DECLASSIFIED: E.O. 11652, 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

November 9, 1937.

There are attached two despatches from Tokyo, Nos. 2619 and 2633, reporting conversations with Mr. Kojiro Matsukata on October 5 and October 12, respectively.

In the first conversation which was reported in the Embassy's telegram No. 449, October 5, 6 p. m., Mr. Matsukata expressed the view that when the time came for peace in China, Japan would welcome the good offices of the United States. In the conversation on October 12, Mr. Matsukata remarked that the feeling among naval leaders who had been accused by the military group of being too moderate had completely changed and as a result of the President's Chicago speech and the Department's announcement of October 6, there was intense adverse feeling toward the United States. They had believed, according to Mr. Matsukata, that the attitude of the United States was so fair that the final solution of the Pacific problem was at hand but the same people were now saying that if the United States continued along the recently announced policy, Japan would have to get ready.

In despatch No. 2619 the Embassy encloses a draft of a telegram which the Embassy had not sent because of the feeling that the President's Chicago speech and the Department's announced support of the League

action

79394/MOD

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

action rendered the dispatch of the telegram superfluous. The draft contains the British Ambassador's impressions of the situation, our Embassy's estimate of Anglo-Japanese relations and its conclusions regarding the situation in Japan. The Embassy affirms its belief that there is little likelihood that any offer of good offices either by the United States alone or in association with other powers would be entertained by the Japanese Government until such time as Chinese military opposition has been eliminated and as foreign good offices could be expected effectively to contribute toward civil order in China.

Jm
FE:JWB:SMJ

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

4-1



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

No. 2619.

AMERICAN EMBASSY
Tokyo, October 8, 1937.

SUBJECT: SINO-JAPANESE CONFLICT.

793.94

RECEIVED
DEPARTMENT OF STATE

1937 NOV 8 PM 1 52

COMMUNICATIONS
SECTION
AND RECORDS

London, Embassy
copy to be made for
Indo/Bat/Bangkok
J. H. M. J. M. J. M.

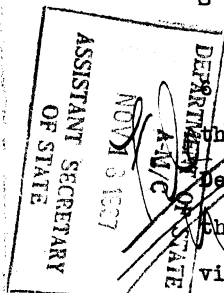


793.94/11020

The Honorable
The Secretary of State,
Washington.

S i r :

With reference to our telegram No. 449, October 5, 1937, p.m., reporting a conversation with Mr. Kojiro Matsukata, the Embassy on October 6 had prepared a telegram to the Department by way of comment on Mr. Matsukata's assertion that an offer of good offices by the United States with a view to terminating the present hostilities in China would now be timely. That telegram was held up for one day and the developments reported on October 7, namely the President's speech in Chicago and the Department's announced support



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

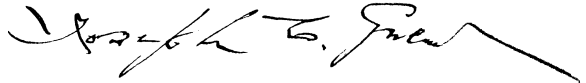
4-2

- 2 -

1/ support of the action taken by the League of Nations in connection with the Sino-Japanese situation, seemed to us to render superfluous the despatch of the telegram at this date. For purposes of record however, I enclose herewith a copy of the draft of the telegram in question.

2,3/ There are also enclosed copies of memoranda of the conversations which Mr. Matsukata had with me and Mr. Dooman on October 5.

Respectfully yours,



Joseph C. Grew.

✓
Enclosures:

1. Copy of draft of a telegram dated October 6 to the Department.
2. Copy of memorandum of conversation, Mr. Grew with Mr. Matsukata, on October 5, 1937.
3. Copy of memorandum of conversation, Mr. Dooman with Mr. Matsukata, on October 5, 1937.

710.

JCG:r

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

4-3

Enclosure No. 1 to despatch No. 2619
of October 8, 1937 from the Embassy
at Tokyo.

Draft.

Tokyo, October 6, 1937.

Secstate

Washington.

Our 449, October 5, 6 p.m.

1. On September 22, my British colleague gave me his
impressions of the situation, which were as follows:

(a) Parallel action by the United States and Great
Britain in the Far Eastern conflict has been and can be
distinctly useful in specific issues and is likely
to be much more effective than identical action would be.
This presupposes the use sometimes of different forms
and methods of approach to the Japanese Government as
well as different choice of language.

(b) He found no resentment on the part of the Japa-
nese Government to even the strongest representations
on behalf of specific British interests. He felt that
such attitude of the Japanese authorities could be
preserved only so long as the British Government maintain
the strictest neutrality in policy and procedure. He
greatly feared the results of his Government's repeating
at Geneva or elsewhere the mistake it made in the Abyssinian
crisis.

(c) He felt that the civil Government in Tokyo, particularly
the Foreign Office, and the substantial elements of
civilian life including the business world, are loath

to

4-4

- 2 -

to see the Japanese military in complete future control of Japan's affairs, and that any manifestations of partiality or lack of neutrality on the part of our respective Governments would incite Japanese public opinion against us and thus play directly into the hands of the military.

2. Since the date of that conversation, there has been a concerted mass attack by the Japanese press on British attitude and policy. Emphasis is being laid on British endeavor to create a common front of the Powers to intervene in the conflict. Great Britain is charged with instigating the discussions at Geneva of economic boycott of Japan, and the receptiveness of the British Government and people to "Chinese propaganda" is referred to in terms reflective of sharp resentment. The attendance of the Archbishop of Canterbury as Chairman at a mass meeting in London for the purpose of censuring Japan has especially aroused widespread indignation in this country, the Japanese inevitably regarding the Archbishop as an officer of the British Government and therefore interpreting his action as an unfriendly step by Great Britain.

3. There are daily being cited in the press alleged instances of British partiality towards China, the cases cited yesterday, for example, being assistance by the British in repairing the Kowloon-Canton Railway, which had been damaged by Japanese bombing, the use of HongKong for the assembling of Chinese military airplanes purchased in Great Britain, and the use of trucks belonging to the British marines in Shanghai

to

4-5

- 3 -

to smuggle Chinese plain clothes troops behind the Japanese lines.

4. I had a further conversation with Craigie on October 4. He now feels that any representations he may make to the Japanese Government are looked at askance and do much more harm than good. He said that, although representations concerning individual interests or the general protection of the lives and property of our nationals in China are entirely proper and can sometimes be helpful, general censure of Japan's course of action can only stir up irritation which defeats its own object. He thought that anything which injured British influence in Japan would automatically injure American influence and that, therefore, it was well for us to work step by step together. He believed that eventually we might be helpful in bringing the hostilities to a close and that we should try to maintain our influence if only for that purpose. He said that the influence of the moderate and liberal elements in Japan must stand or fall on the basis of American and British friendship. If that friendship is lost, the moderates will be equally lost; the Japanese military will then become permanently predominant and Japan will be thrown directly into the arms of Germany, Italy, and other fascist countries.

5. Although the American Government has established its position in the present situation and has amply recorded its views, the Japanese press and people are not

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not reacting adversely to the American attitude. There prevails generally the feeling that the United States is concerned primarily with the protection of its nationals and of their interests in China and with maintaining its prestige as a great Power.

6. We cannot but feel that the sharp contrast between the sentiment of the Japanese Government and people towards the United States and towards Great Britain has grown out of the differences in method employed by these two countries respectively: notably, British effort to create a common front against Japan as compared with American independent action to protect rights and interests in China. Whether Matsukata had any authority to suggest that Japan would favorably entertain an American offer of good offices and would reject any such British offer, we do not know. Nevertheless the suggestion is, we are convinced, reflective of the present sentiments of the Japanese toward the United States on the one hand and toward Great Britain on the other.

7. Our conclusions at the present moment with regard to the situation, and in the light of the statements made to me by Craigie and Matsukata are as follows:

(a) We find no evidence of there being any moderate element in Japan opposed to the carrying out of the Japanese military program in China.

(b) Notwithstanding their common opposition to Communism, we perceive no basis for any enduring close association between Japan and the Fascist Powers, evidences of trend of Japan toward Germany and Italy

being

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- 5 -

being reflective, we believe, of a policy of opportunism on both sides. It is our estimate that Japan will not link itself with the latter nations unless the United States should align itself with the democratic countries in any project contemplating action, whether positive or negative, with the democratic countries.

(c) We believe that the program of the Japanese military originally contemplated piecemeal and gradual expansion in China, and that the Japanese military were not prepared at this time for the present conflict, the successful liquidation of which will entail enormous expenditures in terms of both money and lives. Nevertheless, the Japanese military are apparently confident, in view of the rapid and favorable progress of military operations in North China, that Chinese military opposition can be crushed in the relatively near future. We have reason to believe that the Japanese military, although hopeful that disorganization of the Chinese army will lead to disruption of the Chinese Government as now constituted, are anxious to prevent there arising in China conditions of civil disorder. We believe that there is little likelihood that any offer of good offices, either by the United States or by the United States in association with Great Britain and other Powers, would be entertained by the Japanese Government until such time as Chinese military opposition has been eliminated and as foreign good offices could be expected effectively to contribute toward preserving of civil order in China.

8.

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

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8. We understand from press despatches that the League of Nations will follow precedent of the 1933 Resolution on the Sino-Japanese conflict and will request the American Government for expression of views. We hope that this telegram will indicate to the Department the results, so far as they affect relations with Japan, of the course thus far pursued by our Government.

GREW.

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

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Enclosure No. 2 to despatch
No. 2619 dated October 8 1937,
from the Embassy at Tokyo

Conversation

October 5, 1937.

The American Ambassador, Mr. Grew,
and
Mr. Kojiro Matsukata.

*Entire enc.
OK*

Mr. Kojiro Matsukata called on me today by appointment and said that he wished to have a talk with me before his forthcoming visit to the United States whither he sails on October 14 and he says he may remain there anywhere from two to six months visiting several cities, especially Chicago, New York, and Washington. Mr. Matsukata said that he was not going as a "good will envoy" but merely as a business man seeking business contacts. He says that he feels almost more at home in New York than in Tokyo. In the course of the conversation I tried to draw Mr. Matsukata out on the precise purpose of his trip and he explained it in a very few words: Japan is in need of several commodities notably oil, scrap iron, and trucks, especially oil, and his primary purpose is to secure a supply of these commodities.

Mr. Matsukata said that he himself had been greatly surprised, especially in conversing with Japanese Army and Navy officers to find a complete reversal of sentiment in Japan away from Great Britain and towards the United States. He said that whereas formerly the Japanese Navy looked upon the United States as its potential enemy this attitude has now completely changed and is aimed at Great Britain. The Army feels the same way. They feel that in the present life and death struggle in China, the United States has followed a proper course while Great Britain has done the reverse and the tide of Japanese sentiment against England is steadily mounting.

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-2-

mounting. The British note concerning the "accident" to the British Ambassador in China in which an apology and the punishment of the responsible aviators were demanded had caused widespread indignation, especially in the Navy, and this was also the case in the recent incident where the Chinese had used British docks in Shanghai to arrange apparatus for mining the IDZUMO. But apart from these individual incidents the tone of British representations since the beginning of the affair had been "rough" whereas the American representations had been made in an entirely proper tone.

Carrying on this line of thought, Mr. Matsukata said that when the time comes for peace in China Japan will heartily welcome the good offices of the United States whereas it would not welcome a similar offer from Great Britain and he hoped very much that American effort would eventually be serviceable, alone, in this connection.

After Mr. Matsukata had talked for a long time I said that he must not expect in the United States to find American public opinion favorable to Japan. On the contrary, he would find a very strong and rising tide of public feeling against Japan, arising largely out of the arbitrary action of the Japanese military and naval forces in China and the indiscriminate bombing operations which had resulted in appalling loss of non-combatant life and property. I said to Mr. Matsukata that it would do no good whatever for him to try to explain Japan's point of view. The average American would no doubt listen politely but his attitude would be "Well, you're fighting on the soil of a neighbor aren't you?" The average

American

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-3-

American would see no reason to think further than this. Mr. Matsukata then tried to develop to me the theory of self-defense. I countered by reminding him that the whole trouble had started because Japanese forces at the Marco Polo Bridge had been conducting military maneuvers in a spot adjacent to a Chinese Garrison and whatever might be said about the matter there could be no question that this was an extremely provocative and risky thing to do if the Japanese Army had really wished to avoid hostilities.

In further conversation I said to Mr. Matsukata, in replying to his observation that I myself had been largely responsible for the changed sentiment in Japan toward the United States, that naturally my primary duty here was to maintain and develop good relations between our countries; that I had worked along these lines during the past five years and that any success which had developed had come about largely through the support and cooperative spirit of Mr. Hirota with whom I was fortunately on terms of personal friendship; and that I would continue to work along these lines. This attitude on my part has been entirely in accord with the "Good Neighbor" policy of my Government. Nevertheless Japan has recently done much to render difficult the future course of that policy; that public opinion in the United States is a very powerful matter and that the American Government must obviously listen to such public opinion in shaping its own policy and action. Mr. Matsukata observed that President Roosevelt is a very strong man. I said, smilingly, "Yes, but even Mr. Roosevelt must listen to public opinion".

The

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

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The conversation then ended with an exchange of amenities and Mr. Dooman came in to take Mr. Matsukata to his office for a further talk.

J.C.G.

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

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Enclosure No. 3 to despatch
No. 2619 dated October 8, 1937,
from the Embassy at Tokyo.

Conversation.

October 5, 1937.

Confidential

Mr. Kojiro Matsukata

Mr. Dooman

9.10.37
The Ambassador called me to meet Mr. Matsukata who was then completing his call on the Ambassador. As I have known Mr. Matsukata for many years, I invited him to visit my office for a few minutes before he left, and Mr. Matsukata returned with me to my office. Without any preliminary remarks, Mr. Matsukata asked whether I had noticed the "astonishing difference" in the attitude of the Japanese people towards the United States and towards Great Britain. I said that as a matter of fact the difference would be noticed at once by anyone, such as myself, who reads the Japanese papers every day. I wondered whether he could offer any explanation of what Mr. Matsukata had described as a "phenomenon". Mr. Matsukata said that, in preparation for his approaching visit to the United States, he had talked to a large number of Japanese officials, including military and naval officers, and that he had been struck by the fact that Japanese naval officers especially, notwithstanding the British tradition that prevails in the Japanese Navy, are particularly bitter toward the British. They had told him that the written representations of the American Government were reasonable and were formulated as though they were addressed to a "civilized" nation, but that the British notes were full of offensive statements.

Mr.

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

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Mr. Matsukata remarked that the British, both individually and collectively, do not seem capable of realizing that the Japanese people are not to be lumped with "natives". But more than that, he said, the British had done a number of things which betrayed their hostility towards Japan. He referred in this connection to the attitude of British diplomatic and naval officers in China and with great emphasis to the publicity which the British Government had given to the charge of Chinese fishermen picked up at sea that their vessels had been sunk by a Japanese submarine.

Mr. Matsukata then shook his finger at me as though to emphasize what he was about to say and then said slowly, "when your Government mediates between Japan and China, it should mediate alone and not with the British Government." He said that, as a result of his talks in various influential circles, he was certain that even the Japanese military would welcome American mediation, and he added, "it should be done now".

I said that, in my opinion, one of the most likely consequences of the disorganization of the Chinese military forces would be disunity among the various elements which now comprise the Chinese Government. If such disunity should be followed by a breakup of the Nanking Government, there would have to be expected conditions in China of disorder and perhaps of chaos. Mr. Matsukata stated that he agreed entirely: that disorder in China would be injurious to everyone and that it was essential that the American Government exercise its influence to bringing an end to the conflict before the Chinese Government breaks up. I reminded Mr. Matsukata of the statements of members of the Japanese Government that Japan would not tolerate any intervention in the conflict by

outside

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outside parties. Mr. Matsukata smiled and said: "the military are getting over that idea, they realize that Japan is too poor to develop China, and they are looking forward to a time when it will be practicable for American, British, and other money to be invested in China". I asked whether the military realized that they could not on the one hand, invite western capital into China, and, on the other hand, insist that Japan alone is responsible for peace and order in the Far East. Mr. Matsukata thought that they understood that, I expressed skepticism.

After a brief conversation on personal matters, Mr. Matsukata said that he felt that, with his call on the Ambassador today, he had completed his mission. He said that he has no intention of making any public address during his stay in the United States, and he did not feel that he could accomplish anything useful in the brief space of time which would be allotted to him when he called upon American officials. As he arose to leave, he said, "don't lose any time in mediating, and don't mediate together with the British".

E.H.D.

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

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TELEGRAM RECEIVED

MBo

PLAIN AND GRAY

Peiping via N.R.

FROM

Dated November 8, 1937

Rec'd 10:50 a.m.

Secretary of State

Washington.

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

REK



735, November 8, 4 p.m.

Embassy's 728, November 5, 4 p.m.

One. The local Japanese military spokesman stated at noon today that Japanese forces breached the north and east walls of Taiyuan this morning and occupied the northeast corner of the city and that fighting was continuing.

Two. Principals of local primary and middle schools were officially ordered this morning by Chinese police under Japanese instruction to parade their pupils today in celebration of the victory at Taiyuan. These parades are now in progress.

Three. Instances of Japanese policy such as the foregoing continue to exacerbate the feelings of Chinese in Peiping. However, conditions in the city during the day time are rapidly returning to normal. Streets are still largely deserted at night due to fear of robbers and of mistreatment by Japanese soldiers. Instances of oppressive measures by Japanese soldiers against individual Chinese are now rare.

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

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2- No. 735, November 8, from Peiping.

Four. On the other hand reports indicate that the alleged policy of the Japanese to make friends with the Chinese is not being observed in many places in the occupied territory. Cases of indiscriminate shooting of civilians, rape, looting and other illtreatment are among the reports. (There are also some authenticated cases of looting by Chinese soldiers.) In many towns only a fraction of the inhabitants remain, large numbers having fled to the country side. Economic suffering is severe and will become increasingly so.

Repeated to Nanking. By courier to Tokyo.

LOCKHART

KLP:CSB

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

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DOCUMENT FILE

NOTE

SEE 852.00/6861 FOR Tel. #131, 11 am

FROM Poland (Biddle) DATED Nov. 6, 1937
TO NAME 1-1137 670

REGARDING:

Far Eastern Situation. In Polish circles it is believed that Great Britain, in facing foregoing potential difficulties, is pressing the United States to take the lead in Far Eastern situation.

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 2626.

Tokyo, October 22, 1937.

SUBJECT: REACTION IN JAPAN, OCTOBER 1 TO 22, 1937, TO
AMERICAN FAR EAST POLICY.

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DEPARTMENT OF STATE

1937 NOV 2 PM 1 53

DIVISION OF
COMMUNICATIONS
AND RECORDS

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ON I MID

copy to Undersecretary
Bureau Nov 9.

The Honorable
The Secretary of State
Washington.

Sir:

I have the honor to review in the present despatch the evidences which have come to the Embassy during the first three weeks of October 1937 of a changing Japanese public reaction to the attitude assumed by the United States toward the hostilities in the Far East. This changing reaction can be summarized thus:

(1) At the opening of the month there was in Japan (a) general recognition that American opinion opposed Japan's actions in China and (b) common knowledge that the American Government was making, and continuing to make, firm representations with regard to American damages suffered through Japanese activities in the hostilities.

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

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Division of
FAR EASTERN AFFAIRS
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Department of State

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(2) Following the President's Chicago address of October 5 and the Department's declaration of October 6 feeling against the United States mounted sharply. This feeling resulted from (a) resentment at being condemned and (b) uncertainty as to American intentions of coercing Japan.

(3) With the passage of the two weeks which have since elapsed, the outburst against the United States has become less articulate. At the same time the public conviction has become settled and accepted that the United States has prejudged the issues between Japan and China, thereby abandoning any right to influence the terms of settlement.

The due respect on the part of Japan for American opposition to Japan's actions in China was expressed to the Embassy by a responsible Japanese (Embassy's telegram 449, October 5, 6 p.m.) as late as the morning of October 5, before receipt here of news of the President's speech. The Japanese referred to stated at that time that Japanese official circles were of opinion that the American Government's representations had been reasonable and considerate of Japanese susceptibilities. His statement was a fair reflection of the impression which had come to the Embassy from other sources also.

On October 6 the Japanese newspapers featured news of the President's Chicago speech. Comparison with the full text shows that the Japanese reports were fairly accurate, though extracts only. The following morning the editorials of the two principal Japanese newspapers were given to the subject (Embassy's telegram 456, October 7, 5 p.m.) Close on the heels of the President's address came news of the Department's October 6 statement, which was carried

sensationally

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1 - 7/ sensationally in all the Japanese newspapers of October 8. Outspoken editorials thereafter appeared in all the important papers, and the public's principal topic of news was this question, as interpreted by the Japanese press. Translations of editorials are enclosed herewith (enclosures 1 to 7).

Alongside reports of the American attitude toward Japan the newspapers of October 7 gave prominence to a Domei telegram from Rome reporting a signed article by Mussolini expressing approval of Japan's aims and methods in the China conflict. The press has in fact shown, since the President's address and the Department's declaration, an increasing tendency to accept as a now closed matter an international alignment of Japan with Germany and Italy against the territory-possessing countries of the world.

It should be recorded that, for better or for worse, the Department's October 6 declaration coincided in time with the period of Japan's settling down to the serious business of war. By the end of September the initial exhilaration of hostilities was over, and the public was beginning to realize, as the nation's leaders already realized, that a huge effort would be necessary to attain success in the China undertaking. All Japanese were beginning to hear of friends lost in the fighting; the second heavy wave of calling up men to military service, obviously to carry through what was proving difficult, had just got under way. Just as the country was soberly taking a second breath, for the first time generally conscious of the sacrifices necessary, with determination setting itself to seeing the crusade through, came the clear condemnation embodied in the Department's declaration. The degree of reaction to it was in part a consequence of this coincidence. Whether in the long run the impression made by the declaration on the people of

Japan

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-4-

Japan will be the deeper by reason of the timing of the statement is a question for the future to decide. For the present the reaction is resentment and the conviction that the United States cannot now be impartial in any international effort to restore peace in the Far East.

Respectfully yours,

For the Ambassador:

Cabot Coville

Cabot Coville
Second Secretary of Embassy.

Enclosures:

1. Translation of editorial, THE UNITED STATES AND THE PROPOSED NINE POWER CONFERENCE; ASAHI, October 8, 1937.
2. Translation of editorial, COOL JUDGMENT IS LACKING; NICHU NICHU, October 8, 1937.
3. Translation of editorial, THE NINE POWER CONFERENCE AGAINST PEACE; YOMIURI, October 8, 1937.
4. Translation of editorial, THE DECLARATION OF THE AMERICAN GOVERNMENT; KOKUMIN, October 8, 1937.
5. Translation of editorial, THE PRONOUNCEMENT OF THE UNITED STATES GOVERNMENT; CHUGAI, October 8, 1937.
6. Translation of editorial, UNREASONABLE DECLARATION OF TREATY VIOLATION; HOCHI, October 8, 1937.
7. Translation of editorial, THE UNINTENDED EFFECTS OF ANGLO-AMERICAN CONCERT; ASAHI, October 9, 1937.
8. Copy of a statement released in English by the Japanese Foreign Office at Tokyo, October 9, 1937.
9. Translation of editorial; YOMIURI, October 11, 1937.
10. Translation of editorial, WHAT TO EXPECT; THE NINE POWER CONFERENCE AND ENGLAND AND AMERICA; NICHU NICHU, October 14, 1937.

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

6-5 Enclosure No. 1 of despatch
No. 2626 of OCT 22 1937
from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
in the Japanese newspaper ASAHI for October 8, 1937.

jke:mg

THE UNITED STATES AND THE PROPOSED NINE POWER CONFERENCE

Following close upon President Roosevelt's address of
October 5 at Chicago, which was discussed in this column yes-
terday, the Assembly of the League of Nations at Geneva
adopted a proposal to call a conference of the signatories of
the Nine Power Pact concluded in Washington February 6, 1922.
The Assembly has adopted the report on the China incident
submitted by the committee of inquiry representing twenty-
three nations, and through the president of the Assembly the
necessary steps have been taken toward calling a conference
of those signatories which are League members (this will of
course exclude Japan, the United States, and Soviet Russia).
Under the same resolution the president will authorize moral
aid to China and ask members of the League to refrain from
any measures which might have the effect of increasing the
danger and duration of the Sino-Japanese conflict or of weaken-
ing China's power of resistance. Member nations will assist
China in so far as their positions for rendering such aid will
permit. It is to be noted that the regular autumn session of
the Assembly will not be terminated, but merely postponed, so
that the president may at any time reconvene the Assembly in
view of developments which may occur.

The American Government has made clear its stand on the
League proposal through the statement issued by the State De-
partment October 6 to the effect that it is in agreement with
the decision of the Assembly. Also, according to our Washing-
ton correspondent, America has shown clearly that she is pre-
pared to participate in a conference of the Nine Power Pact
signatories. It

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It is needless to point out that the Assembly's decision with regard to the China incident is based on the same inaccurate knowledge of Far Eastern affairs exhibited at the time of the Manchurian incident. It is also self-evident that the League of Nations exerts no real influence in any part of the world, and her outcries against Japan are thus completely meaningless. Not only does the League not include the two great non-European nations, Japan and the United States, but of the European Powers, Germany has withdrawn officially and Italy belongs only in name. Thus, it finds its policy directed only by the militaristic diplomacy of Britain, France, and the U.S.S.R. It is small wonder that the moral authority represented by the League is open to question.

It is possible that the speech of the American President and the pronouncement of the State Department were issued with the purpose of extending a kind of moral support to the League. Or they may have been intended as a sort of safety valve for certain movements and sections of public opinion within the country. Certainly we are able to say that up to the present time the United States, especially American authorities, have shown a just comprehension of world affairs, especially in relation to the Far East. In view of our New York correspondent's report of the 6th that the American stock market had declined and that there was an atmosphere of uncertainty in Wall Street we must conclude that thinking Americans, both in official and unofficial circles, are already convinced that the Government's foreign policy should be based upon a prudent and cautious attitude. Thus any support given to the League will be strictly moral and even if the United States should agree to participate in a conference of the Nine Power Pact signatories, we cannot believe that she has any intention of disregarding the position of Japan.

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We are as much concerned for the peace of the world as for the peace of East Asia. We are at all times ready to cooperate in any bona fide effort in the interests of world peace. However, in the present instance, a desire to speed up settlement, without inquiry into the causes leading up to the hostilities and a thorough understanding of the circumstances involved, can only aggravate instead of improve the situation. We have repeatedly discussed in these columns the remote and immediate causes of the China incident. We believe that it is needless to reiterate the fact that Japan is at the present time using every care to respect the interests and good will of other nations. The Powers must however bear in mind that, if they take any steps which will have the effect of encouraging China's will to fight, the League itself will be inviting a state of affairs quite different from the aim.

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

Enclosure No 2 to despatch
2626 OCT 22 1937 from the
Embassy at Tokyo.

Translation by the American Embassy, Tokyo of an editorial
in the Japanese newspaper NICHU NICHU for October 8, 1937.

uaj:c

Cool Judgment is Lacking

President Roosevelt's Chicago speech was in the nature of an intimation that the policy of isolation which the United States has pursued up to now is being abandoned. Sure enough, the formal statement released on October sixth by the State Department declared that Japan's actions are inconsistent with the principles which should govern the relationships between nations and are contrary to the provisions of the Nine Power Treaty and the Anti-War Pact. The arguments of President Roosevelt's speech were the result of an uncritical acceptance of false Chinese propoganda. In view of the intelligence and insight shown by the President's statements up to now, to understand is difficult and we feel no small regret. The statement made by the State Department strengthens our belief that the United States government is lacking in cool judgment.

The statement made by the State Department cites the Nine Power Treaty, the essential article of which is the first which states that the contracting Powers, other than China, agree to respect the sovereignty, the independence, and the territorial and administrative integrity of China. The statement also cites the Anti-War Pact and we assume that the State Department had in mind the article which states that the contracting parties condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

It

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It is not unreasonable to say that it is wrong to apply these agreements to our actions at the present time. The provision of the Anti-War Pact just cited has to do with war as an instrument of national policy but does not thereby forbid all wars. It only forbids wars waged by countries to advance their own selfish interests. Even Mr. Briand, one of the proposers of this treaty, made this point clear to those present at the ceremony of signing the treaty. Thus a war for self-defense or a punitive war is not prohibited by this treaty. About May and June of 1928, before this treaty was signed, England, Japan, the United States, and France exchanged notes making clear this point which was then universally recognized.

We need not repeat that Japan's present actions are entirely in self-defense. Nor is it again necessary to repeat that the attacks of the Chinese troops in North China and Shanghai were the direct cause for the present emergency. Were we to mention in detail the endless succession of attacks on Japanese nationals in China and the violations of Japan's legitimate rights in China during the past several years, the reasons for the present situation would be clear to everyone. It is also certain that if any other nation had been placed in the same position as Japan, unless it had lost its sense of nationalism and national consciousness, it would have taken exactly the same action as has Japan. It would be well for those who doubt this to look at the record of the Boxer trouble in 1900. At that time, to meet the outrages of the Boxers and regular troops, did not the powers dispatch troops for self-defense and chastisement of the Chinese? There is no one who thinks that
the

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the dispatch of troops by the powers at that time was to advance their own selfish interests. Those who wish to pass fair judgments should not use as criterion the circumstance of the participation or otherwise of their own country.

As to whether or not the actions of Japan conflict with the provisions of the Nine Power Treaty, what has been said above constitutes a full explanation. It is not necessary to say that Japan's desire has always been to stand for unvarying friendship with China, her neighboring state, and to assure the peace of the Far East, for it has been repeatedly declared to the world at every opportunity both by the government and by private citizens. There has not been the least particle of change in the genuineness of Japan's desire for respect of the sovereignty and independence of China. At this point it should be stated that a country which receives protection from a treaty such as this must, if it is to receive the benefits of the treaty, honor and abide by its obligations. By what right can a nation which wilfully slaughters nationals of a neighboring power, infringes upon its legal rights and interests, unhesitatingly uses its military force, makes hatred its national policy, and incorporates hatred as guiding principle of national education, be entitled to the protection of such a treaty? The danger of this military force was acute, and not only had threats actually been carried out but the danger that was facing us was gradually becoming greater and greater, and as the injured party we naturally had to take immediate measures of self-defense.

We understand that the answer of the Japanese government to the statement of the United States State Department will

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

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be to the effect that to apply a treaty concluded ten years ago to the present special and complicated situation in the Far East shows a lack of understanding of present day conditions. We trust that the reasonableness of this reply has been fully confirmed by what we have said above. If the United States and other countries look only at surface indications or listen to propoganda and false reports and overlook the fact that our friendship has been trampled under foot, outrages have been committed to our nationals, and our legitimate rights have been violated, and ignore what would have ensued had we done nothing, it is going to be very difficult for them to reach a true conclusion. They should also realize that to draw hasty conclusions without studying the facts behind the propaganda being given out by China, no matter how lofty their motives, there will be a tremendous loss to the cause of justice and world peace.

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

Enclosure No. 3 of despatch
No. 2626 of October 22, 1937,
from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
in the Japanese newspaper YOMIURI for October 8, 1937.

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The Nine Power Conference Against Peace

That Sino-Japanese questions should be dealt with between Japan and China, that the participation of third parties only stimulates the situation, heightens China's sense of dependency, and makes adjustment of the situation still more difficult, has been our unceasing admonition; but the attitude of the Powers, moved by Chinese propaganda and inclined more and more against Japan as the war situation develops, has finally resulted in a decision by the League of Nations that the matter should be transferred to a Nine Power Treaty conference. In this way, the League of Nations, which has become practically impotent, shifted the responsibility on the one hand and sought to secure American cooperation on the other. On the same day as the League's decision of policy, President Roosevelt threw off his hitherto calm attitude and, without taking into consideration its origin and inevitability, said that war should be ended. Japan's present action against China violates both the Nine Power Treaty and the Anti-War Pact and from the point of view of international morality it is a duty to cause that action to stop quickly. He stated the conviction that this point was in agreement with the conclusions adopted by the League of Nations and he manifested an inclination for cooperation with the League.

The Sudden Change of the Attitude of the United States

Adjustment of the various international disorders,
the basic idea of maintaining peace, would be disputed by

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no one in the world. But how is peace broken? If one closes one's ears to that fundamental question, how is one going to bring about peace? If, under the cover of the diplomatic phraseology of the lovers of peace, they attempt disciplinary measures against an individual country, there is nothing to be said; but in reality we think that President Roosevelt, in planning a constructive peace, would have used more suitable and direct measures to bringing about peace by acting as an impartial third party as hitherto. Because of what belief did the American Government suddenly change front? Does the same country, which in relation to the Italo-Ethiopian war and the Spanish rebellion maintained a rigorous neutrality, in the development of the present incident suddenly lose its composure and try to fish in troubled waters? We suspect so, and we cannot restrain our regret.

What is the Purpose?

The cooperation of the United States will be an un hoped-for windfall for the League. First a Nine Power Treaty conference will be convened of only the Powers belonging to the League, then it has been decided to invite Japan, the United States, Soviet Russia, and other interested countries which are not members of the League; but our government, not admitting that article VII of the Nine Power Treaty holds in this instance, is determined, however much it may be called a parley of impartiality, to take the attitude of positively not accepting any invitation to such a conference called by the United States (which has stated plainly its intention of cooperating with the League, has branded our country as a violator of treaties, and with censurable motives has put us in the position of defendant at the proposed conference. But without the participation of Japan, what measures can

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the Nine Power conference consider concerning the absent party? There is nothing to do except to choose between a moral censure and referring the incident back to the League to carry out an economic blockade. As the London Times states, an anti-Japanese blockade by Great Britain alone would be futile, and it strongly urges American cooperation.

How much determination does Mr. Roosevelt really have? In one American political circle there is a party which denies any advantage in positive action and opposes threats without effective backing. It cannot be overlooked that public opinion is assuming this tinge more and more. Whatever may be decided, it is undeniable that the United States will have the power of directing the coming conference and we must be concerned about America's changing phases.

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

Enclosure No. 4 of despatch
No. 2626 of October 22, 1937,
from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
in the Japanese newspaper KOKUMIN for October 8, 1937.

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THE DECLARATION OF THE AMERICAN GOVERNMENT

It is a surprise that the American Government, which up until now has maintained an attitude of non-intervention, has, by the speech of President Roosevelt, suddenly abandoned that attitude, and, following the anti-Japanese leaning of one part of American public opinion, has supported the attitude of the League of Nations, which is lacking in understanding of realities. Following President Roosevelt's speech, according to telegraphic reports from Washington on the seventh, the declaration, coming from the United States, a friendly Power, that Japan's action in the Sino-Japanese conflict is in violation of the Nine Power Treaty and the Anti-War Pact is indeed deeply regrettable.

We have frequently pointed out the fact that the League of Nations, in the Sino-Japanese conflict, is always deceived by China's unfounded propaganda, is cursed by the preconceived view of Japan as an aggressor, and is lacking in understanding of the true conditions. But when the United States supports in this way the attitude of the League and calls Japan a violator of both treaties, we can only think that the comprehension of the United States with regard to the Far East, and especially with regard to the present Sino-Japanese conflict, is regrettable.

As we have explained before, the fundamental reason why the League of Nations has from the beginning treated Japan as an aggressor in the Sino-Japanese conflict is due to lack of understanding of the true facts of the Sino-Japanese conflict and to a mistaken preconceived view. In every case it disregards Japan's position, swallows whole the false propaganda

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from China, and devotes itself to criticizing Japan. It is criticizing Japan's dispatch of troops, but paying almost no attention to the fundamental problem--why Japan could not help sending troops to North China and Shanghai. It criticizes our air force for attacking Nanking and other cities, but one does not hear any thorough-going discussion of why our air forces bombed the various agencies of the Nanking government in important cities.

Everything is one-sidedly criticized, discussed, and decided, and only Japan is held an aggressor nation. However much it may be urged that the decisions of the League of Nations are the will of the world, there is no reason for Japan to give heed.

The fact that the United States, which is in a more impartial position, publicly supports this attitude of the prejudiced League of Nations, is truly a matter for profound regret to Japan; but Japan, at this time, must with firm determination press forward to a solution of the incident, basing its action on the hard fact that the intervention of third Powers in the Sino-Japanese conflict would postpone more and more the stability of eastern Asia.

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

Enclosure No. 5 of despatch
 No. 2626 of OCT 22 1937
 from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
 in the Japanese newspaper CHUGAI for October 8, 1937.

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THE PRONOUNCEMENT OF THE UNITED STATES GOVERNMENT

The statement of the American Government pronouncing Japan's action in China a violation of both the Anti-War Pact and the Nine Power Treaty is an event of tremendous importance to the international relations involved in the China incident. Since no detailed reports have yet been received it is not clear whether this declaration is merely a unilateral expression of intention or whether it is a precursor to some sort of positive action. In view of the United States' traditional policy of strictly avoiding any entanglement in Far Eastern conflicts we believe that this announcement was meant simply to clarify the position of the United States Government with regard to the two treaties and that no positive action will necessarily be taken. Besides, we need anticipate no action under the provisions of these treaties; application of the Anti-War Pact and the Nine Power Pact was similarly thoroughly discussed at the time of the Manchurian incident.

Japan respects the opinion of the United States but cannot sacrifice what she holds to be right. In this instance Japan's views are opposed to those of the United States, and while this is indeed an unfortunate state of affairs it is a circumstance which may well come about in international relations and is not therefore especially startling nor disconcerting to us.

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As past decades prove, Japan is second to none in observing and respecting treaties and principles of international good faith. Every agreement entered into has a certain background which affects that treaty; its fulfillment depends upon the carrying out of certain promises. Changes of vital importance occur both in the atmosphere surrounding a treaty and promises made in connection with it. Often it is very difficult to effect a revision which will be just and proper. No country can wait calmly for group action by members of a League of Nations or for moral reflection on the part of a rival nation when that nation, itself the key to the fulfillment of the agreement, has violated the spirit of the treaty, taken up arms, and delivered a challenge. Japan is in full accord with the intent of the Anti-War Pact and the Nine Power Treaty, and for this reason affixed her signature to the agreements and has not abrogated them. Japan's present action in China is based on no ambitions which look toward violation of the open door principle, equality of opportunity, or the territorial and administrative integrity of China. We need not reiterate that it is based rather on the high and sincere ideal of eventual friendship with China and the perpetuation of peace and prosperity in the Orient. If the meaning of the present American statement is one of censure of Japan, we have no other course but to protest it strongly. The pride of any nation would dictate similar action.

The background of the Sino-Japanese conflict extends far back into history and is by no means simple. It is of universal knowledge and the United States must be well aware of the facts. The motive behind the American declaration

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is not one of further alienating Japan and China, but rather a desire to bring about a peaceful settlement and stop the armed conflict as quickly as possible. We have no desire to inquire further into what America may have in mind, but, speaking frankly, if the United States is truly anxious for Sino-Japanese peace, why has she not in the past fully recognized Japan's position and extended practical aid to Japan's energetic and advancing power? On occasions America has considered only her relations with China, and while unjustly restraining Japan has caused China to assume an exaggerated sense of self-importance. In normal times the United States shows no sympathy for Japanese advancement, yet at the first sound of gunfire, she rushes to produce a treaty document. Surely this is not conducive to the peace she advocates.

Japan is resolved to make tremendous sacrifices and is striving earnestly for the stability of East Asia. The United States should open its eyes, study the actualities of the situation and then adopt a policy for peace. This would be consistent with true American methods and Japan would then gladly give heed.

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

Enclosure No. 6 of despatch
 No. 2626 of October 22, 1937,
 from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
 in the Japanese newspaper HOCHI for October 8, 1937.

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UNREASONABLE DECLARATION OF TREATY VIOLATION

With the extension of the Sino-Japanese hostilities and defeat for the Chinese armies imminent on all fronts, the sudden injection into the picture of a possible intervention by the Powers is a matter not lightly to be dismissed by Japan. The conclusion of the Sino-Soviet non-aggression pact is clear evidence that from the beginning of the hostilities the Soviet Union has taken the lead in advocating aid for China. Owing to internal conditions, England and the United States avoided the positive attitudes adopted at the time of the Manchurian affair, with the undeniable result that Chinese leaders were disappointed, at least for the time being. However, incited by the Japanese air bombardments of Nanking and Canton, the attitude has become one of open antagonism to Japan's military action.

Britain's backstage diplomacy at Geneva as well as President Roosevelt's Chicago speech of October 5 both hinted at a change for the positive in British and American policy in the Far East. Consequently, the American State Department's announcement of the 6th citing Japan as violator of the Nine Power Treaty and the Kellogg Peace Pact indicated that chances are greater that the Powers may intervene.

The significant point not to be overlooked in connection with this American statement is the fact that on the 6th the League Assembly adopted the resolution on the Sino-Japanese conflict presented by the committee of inquiry and issued a call to a conference of those League members who are parties
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to the Nine Power Pact, to be convened as soon as possible for the purpose of initiating negotiations based on the provisions of the treaty. If we scrutinize the trends indicated by the American President's speech of the 6th, by the League's decision, and by the pronouncement of the American Department of State, it is easy to detect the relationship underlying all of them. It seems clear that the League's proposal of a nine Power conference and America's opening the way for application of the Nine Power Pact are steps preliminary to an invitation by the United States (who is little concerned with Japan's viewpoint) of an international conference of the Nine Power Treaty signatory nations. In view of American action in branding Japan a violator of the Nine Power Pact and the Anti-War Treaty, Japanese authorities must be prepared at the outset to act judiciously in the face of this new international situation.

In short, the attitude of the Powers toward the present Sino-Japanese conflict is headstrong and lacking in discretion. At the time of the Manchurian incident, the League of Nations dispatched the Lytton Commission to the spot and the final decision based on the report of the commission was therefore expected to be just. However, in the present instance, no such similar action has been taken. Instead, the Powers have suddenly passed a resolution denouncing Japan's bombing operations and treating her as an aggressor nation. Certainly little circumspection has been shown in the proceedings leading up to this decision. As regards the fundamentals of the incident, Japan could never accept the viewpoint of the "have" nations (represented by the League, England, and the United States) who stick firmly to the principle of maintaining the status quo. Furthermore, there is danger that intervention either by the League or the Powers may turn China into a confusion of blind and sentimental ideology.

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Even if this were not so, due to the various political issues involved, the final result will be to plunge the already seething Orient into a cauldron of disputes far more difficult to settle than those now before us. Therefore, we can never tolerate any direct intervention by third nations and we are forced to oppose vigorously any cooperative plans designed to check Japan.

It has been clear that Japan's determination to punish China by force of arms would result sooner or later in some kind of interference by third nations. As a matter of fact, compared to the time of the Manchurian incident, the threat of intervention in the present instance is not of as great intensity and persistence as was expected. A fundamental truth in international relations--the existence of the "haves" and the "have-nots"--has been clarified. As a result, justification for the Powers' restraint on Japan has been destroyed and the basis for their statements greatly weakened. England, occupied with the increasingly dangerous situation in the Mediterranean, has little time to devote to Far Eastern affairs; America's strong isolationist policy will prevent her government from positive interference in the Orient. Thus, even though the League of Nations and the Powers do adopt concrete plans for checking Japan, whether in the end these will actually be carried out or not is a matter of grave doubt. Whatever they do, Japan is determined to pursue unswervingly the policy which will attain the aims for which she is striving.

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Enclosure No. 7 to despatch
 No. 2626 of October 22, 1937,
 from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an
 editorial in the Japanese newspaper ASAHI for October 9,
 1937.

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The Unintended Effects of Anglo-American Concert.

Considering all together President Roosevelt's
 Chicago peace speech of October 5, the adoption on
 October 6 by the League of Nations in Geneva of the reso-
 lution concerning the China incident, the declaration
 by Secretary of State Hull upon receipt of news of this
 resolution that Japan has violated treaties, the response
 in London and elsewhere to this declaration-- the im-
 pression of an Anglo-American rapprochement and of an
 attempt at joint action with regard to the China incident
 can not be denied. In America there are people like
 former Secretary of State Stimson who praise this develop-
 ment, but on the other hand there are also people who are
 apprehensive of the Far Eastern policy about to be adopted
 by President Roosevelt, and the present indications are
 that there is no unity of opinion in the country as to
 practical consequences of the so-called Anglo-American
 concert. This fact shows that the robust quality of
 American public opinion is not yet paralyzed -- valuable factor
 which we believe may become a safety valve in the future

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of Japanese-American relations.

It is not the purpose of this article to explain in detail our opinion of the difference in opinion in America about President Roosevelt's present change of policy. However, the boasted sound common sense of the American people is giving rise to a controversy, and we hope that that common sense will block the President's sudden change of policy. As for us, if we may speak out our mind frankly, Anglo-American concert and joint pressure with regard to the Far Eastern question, even though its motive proceed for the time being from noble ideals, will lead, since it disregards the realities of Sino-Japanese relations and regards only Western idealism, to a completely unintended result; and there is danger that the purpose and the result will be diametrically opposed. In Geneva, as well as in London and Washington, they are concentrating every effort through Anglo-American cooperation to bring quickly to an end the fighting between Japan and China, but because of this pressure the conflict is unexpectedly stimulated and shows no indication of terminating. This is not simply our own private opinion; the actual state of affairs bears it out. In other words, China, relying on outside help, on the eve of defeat is being cheered on to no purpose, while Japan hardens its resolution and is determined to stop at no sacrifice for complete victory. Sober minded people do not believe that the conclusion of the war can be hastened in this way.

The concert of England and America in interference in the Far East is what China has for years hoped for.

China

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China has used every method and opportunity in endeavoring to drag in the United States. China has spread fabricated propaganda, with falsified photographs has slandered the Japanese military forces, and has maliciously published false charges of the bombing of non-combatants and of the sinking of fishing vessels by submarines. All are artifices for causing the uninformed to believe what is false. The objective is, by means of China's habitual playing off of third Powers against Japan, to overwhelm Japan. While China can practice this traditional policy she will resist by indirection, and when opportunity later comes she would try to circumvent each Power separately. Even the United States, if she really knew China, would take the lead in withdrawing help from China. They should realize that their acting otherwise and uselessly spurring on China's will to fight (that is to say, by the present Anglo-American concert) is but a gesture of interference in the Far East.

But why will the effect on Japan be the reverse of that expected? That is very simple. Nothing is further from the truth than to suppose that Anglo-American concert will be able to change Japan's policies in China by pressure of a Pacific conference. The feeling of the Japanese people will be aroused to the extent that Anglo-American pressure is applied. The statement made by the chief of the press section of the Foreign Office may be cited as honestly typical. The more America understands Japan's position and resumes its calm, the more the Japanese people's inclination for praising peace will grow and the more they will take up their inborn magnanimity toward China. We

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want America to remember the outcry for desperate policy
raised by the whole nation in 1932 at the time of the
Stimson doctrine. We shall not cease to expect and hope
that the American people exercise a little of their good
sense, with regard to such an obvious miscarriage of
desired effect.

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

Enclosure No. 8 to despatch
No. 2626 of October 22, 1937,
from the Embassy at Tokyo.

Copy by the American Embassy, Tokyo, of a statement
released in English by the Japanese Foreign Office at
Tokyo at 1:35 p.m., October 9, 1937.

FOREIGN OFFICE STATEMENT

October 9, 1937.

The League of Nations has declared that the actions
now being taken by Japan in China are a violation of the
Nine Power Treaty and the Treaty for the Renunciation of
War, and the State Department of the United States has
issued a statement to the same purport. However, these
steps must be attributed to an unfortunate lack of
understanding of the real circumstances as well as the
true intentions of Japan, a state of affairs which the
Japanese Government deem very regrettable.

The present Sino-Japanese affair originated in the
unwarranted attack made by Chinese forces on Japanese
garrison troops legitimately stationed in North China
under rights clearly recognized by treaty. The troop
which was maneuvering at the time of the outbreak was a
very small unit. The Japanese garrison force was then
scattered in different parts, engaged in peace-time
duties. After outbreak of hostilities, Japan did
everything in her power to reach a local settlement of the
incident, even at the sacrifice of Strategical advantages.
These facts are sufficient to prove that the action of the
Japanese force was by no means premeditated but simply
defensive.

China

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China is undoubtedly responsible for the spread of the affair to Shanghai and then to other points of Central China. She openly violated the Agreement for the Cessation of Hostilities concluded in 1932 by concentrating overwhelmingly numerous forces of more than forty thousand men in the demilitarized zone and attempted to annihilate our Naval Landing Party, numbering but a scant three thousand, and our 30,000 nationals living in the Settlement, amongst whom were many women and children.

The subsequent development of the Japanese military action has been but the unavoidable consequence of the hostile operations of China, who ignoring our policy of a local settlement and non-aggravation of the situation, moved and concentrated her large armies against us. The action which Japan is taking at the present time is a measure of defense to which she has been compelled to resort by the premeditated provocative acts of China.

What the Japanese Government seek today is merely the abandonment by China of her anti-Japanese policy and the establishment of the enduring peace in East Asia, through sincere cooperation between Japan and China. They have no territorial designs whatever.

In the light of these circumstances, it must be firmly declared that the present action of Japan in China contravenes none of the existing treaties which are in force.

The Chinese Government lending themselves to Communist intrigue, have brought about the present hostilities by their persistent and malicious anti-Japanese measures and their attempt to do away with the rights and vital interests of Japan in China by force of arms. It is they who should be deemed a violator of the spirit of the Treaty for the Renunciation of War -- a menace to the peace of the world.

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Enclosure No. 9 to despatch
 No. 2626 of October 22, 1937,
 from the Embassy at Tokyo.

Translation by the Okuyama Service, Tokyo,
 of a financial editorial in the Japanese newspaper
 YOMIURI, October 11, 1937.

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What the United States and the League Powers, which have begun to dance to the tune played by Great Britain, can do against Japan as violator of the Nine-Power Pact, according to foreign cables, if the worst comes to the worst, is to isolate Japan economically through joint action on the part of the nations signatory to the pact.

But can such an economic blockade or isolation be enforced in effect as a measure of sanctions against Japan? No, it is doubtful whether such Powers, which could not enforce it even in the Manchurian Incident in which Japan was utterly isolated in world opinion with 43 votes against one, can do so now when Japan has such powerful Powers as Germany and Italy as friends. Yet, if such economic sanctions were launched . . . ?

If the 9-Power Pact Conference should resolve on the economic blockade or isolation of Japan, the first step that would be taken by the participating Powers would be financial blockade of Japan. By financial blockade is meant suspension of credit establishment, subscription to foreign bonds and transactions between Governments and banks of the sanctioning Powers and the condemned Power. As Japan settles 60 - 70 per cent of its total accounts in pounds, the measure would prove

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a serious obstacle to Japan's foreign settlements but owing to the friendly relations with Germany and Italy it would be possible for Japan to make adjustments by transference to the lira or the mark.

Again, if an economic blockade should be launched against Japan, trade with those Powers would cease at the worst, but, in this too, Japan needs no fear as trade with Europe could be continued through Germany and Italy to a certain extent as regards necessities.

Consequently, imports of munitions, which Japan needs most at present, could be secured to a certain extent through the medium of these two friendly Powers. If the imports of cotton and wool should stop, demand at home could be met up to a certain limit by stock in hand. Also, cotton, for instance could be obtained by buying a piece of bedding from each family and taking out the cotton stuffed in it, if the material were needed for munition purposes. Cotton and wool in Korea and North China could meet the demand to a certain extent and the consumption of cotton be reduced by stopping the exports of cotton yarn and textiles.

In such an event, exports of raw silk to the United States would cease but since such a measure would give rise to the problem of unemployment of silk workers in the United States it could not be exercised so rigidly. Even if it were exercised rigidly, the status of sericulturists and silk manufacturers could be guaranteed by domestic measures. As to petroleum,

liquefaction

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liquefaction of coal is quite a good source of supply and the economic bloc of Japan, Manchukuo and North China would yield enough to see the country through.

So we say, don't be in a funk at the possibility of economic sanctions against Japan.

(By Yutaka Noda, staff writer
on financial affairs).

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Enclosure 1.10 of despatch
 No. 2626 of October 22, 1937,
 from the Embassy at Tokyo.

Translation by the American Embassy, Tokyo, of an editorial
 in the Japanese newspaper NICHU NICHU for October 14, 1937.

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WHAT TO EXPECT

THE NINE POWER CONFERENCE AND ENGLAND AND AMERICA

The conference of signatories of the Nine Power Pact is expected to convene in Brussels on the 25th of this month. Reports indicate that the Belgian Government, itself a party to the treaty, will soon issue invitations to the eight other signatories, Japan, China, England, United States, France, Italy, Holland, and Portugal. Belgium, whatever may have been her Far Eastern interests at the time the treaty was made, now has no relations with the Orient and it seems strange at first glance that she should voluntarily (?) take it upon herself to play host to the gathering. As pointed out in British and American diplomatic circles, the conference is the result of increasing anti-Japanese sentiment in England which has now spread to the United States.

For the reason that neither of these governments wishes the entire responsibility for calling such a conference, it is said that they have decided to shift this grave responsibility to Belgium, a nation with scarcely any interest in the situation. Needless to say, this is of England's doing and certainly is a plan with little chance for success.

Even as a matter of form, Japan's attendance at such a conference is indispensable. But Japan will not attend the meeting; in fact, her refusal will be positive. If she were to consent and the conference were held, it is quite clear that the only result to be achieved would be aggravation of the situation. England's action in hesitating to take the first step in calling the conference is an example of her well-known

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known caution. As we have often stated, Japanese opinion is agreed on the fact that this treaty, negotiated more than ten years ago, because of its vagueness and its generality, cannot be applied to the complicated and very special conditions now existing in the Far East. In short, the treaty proved ineffectual at the time of the Manchurian incident and now that the Comintern has joined China's anti-Japanese regime and the danger of sovietization of the Orient looms before our eyes, this treaty not only fails completely to recognize the situation but is actually a danger in itself.

According to President Roosevelt in his "fireside talk" of October 12, the aim of the nine Power conference is to settle the present situation in China by agreement, and America's reason for participating in the conference is to cooperate with China, Japan, and the other treaty signatories to discover a method of settlement. However, it is well known that the incentive for summoning the nine Power conference came from the headstrong act of the Assembly of the League of Nations (based on a policy of restraint on Japan) in citing Japan as violator of the Nine Power Pact and the Anti-War Treaty. It is not surprising that England took the lead in urging the League to this action and that British Government officials were persistent in manipulating the League to a decisive stand. However, President Roosevelt's stand in declaring Japan an aggressor nation and then in the same breath asking for her cooperation in settling the situation is clearly a contradiction of logic, based on a fundamental misconception of the actual facts.

According to some reports, the summons to the conference is based on Article 7 of the Pact, which states:

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The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned.

However, they have taken the one-sided, arbitrary decision of branding Japan's action a treaty violation, thus placing her in the position of a defendant. If they desire Japan's participation in order that there may be full and frank communication, surely this action shows a complete lack of common sense. The United States is not necessarily the only nation desiring peace and hating war. This is clearly the highest desire of all humanity. Yet the most effective proof that distorted peace cannot endure forever lies in European conditions following the World War. If the Powers are sincerely desirous of peace in the Orient, they will not fail to exert every effort toward open-mindedness. If third nations depend upon a one-sided treaty which has long lost its effectiveness, and attempt to restrain Japan and as a result encourage China's anti-Japanese policy, then President Roosevelt will find many obstacles in his search for peace.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

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Tokyo's No. 2632, Oct. 18,
1937, describe in greater detail
"Recommendations Made and
Steps Taken" by the American,
British, and French Embassies
in Tokyo + all of which were
reported by telegraph + which
are here presented chiefly
for record purposes.

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 2632.

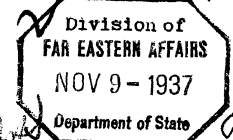
Tokyo, October 18, 1937.

SUBJECT: RECOMMENDATIONS MADE AND STEPS TAKEN BY THE
AMERICAN EMBASSY AND STEPS TAKEN BY THE BRITISH
AND FRENCH EMBASSIES IN TOKYO WITH RESPECT TO
THE SINO-JAPANESE CONFLICT.

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Copy to Margaret
Bureau, Nov 9.

793.94/11024

The Honorable
The Secretary of State
Washington.

Sir:
793.94/10048

With reference to my despatches No. 2556 of August
28, 1937, No. 2568 of September 3, 1937, No. 2586 of September
16, 1937, and No. 2604 of September 30, 1937, I have the honor
to enclose outlines prepared by a member of my staff on the
following subjects:

- I. Recommendations made and steps taken by the
American Embassy in Tokyo with respect to
the Sino-Japanese conflict from October 1 to
October 14, 1937, inclusive.
- II. Steps taken by the British Embassy in Tokyo
with respect to the Sino-Japanese conflict from
October 1 to October 14, 1937, inclusive (so
far as known to this Embassy).

III.

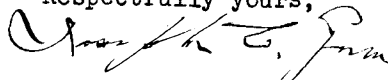
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III. Steps taken by the French Embassy in Tokyo with respect to the Sino-Japanese conflict from October 1 to October 14, 1937, inclusive (so far as known to this Embassy).

Respectfully yours,




Joseph C. Grew

✓
Enclosures:

- I. Recommendations made and steps taken by the American Embassy in Tokyo with respect to the Sino-Japanese conflict from October 1 to October 14, 1937, inclusive.
- II. Steps taken by the British Embassy in Tokyo with respect to the Sino-Japanese conflict from October 1 to October 14, 1937, inclusive (so far as known to the American Embassy).
- III. Steps taken by the French Embassy in Tokyo with respect to the Sino-Japanese conflict from October 1 to October 14, 1937, inclusive (so far as known to the American Embassy).

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Enclosure No. 1 to despatch
No. 2632 of October 18, 1937,
from the Embassy at Tokyo.

STRICTLY CONFIDENTIAL

SECTION I -- RECOMMENDATIONS MADE AND STEPS TAKEN BY THE
AMERICAN EMBASSY IN TOKYO WITH RESPECT TO THE
SINO-JAPANESE CONFLICT FROM OCTOBER 1 TO
OCTOBER 14, 1937, INCLUSIVE.

On September 29 the Foreign Office addressed to the Embassy a memorandum a translation of which follows: "With a view to cooperating with the Japanese forces in their desire not to cause damage to the property of nationals of third countries, especially to eleemosynary institutions, during attacks on military establishments and facilities, the Japanese Department of Foreign Affairs has the honor to express to the American Embassy the hope that a list will be supplied, as soon and in as much detail as possible, indicating the location of the hospitals, churches, schools, and other eleemosynary establishments belonging to the United States and to nationals of the United States, preferably accompanied by maps and photographs." (Embassy's telegram No. 435, September 30, 1937).

Pursuant to the Department's instructions, the Counselor of the Embassy called at the Foreign Office on October 7 and read to the Chief of the Bureau of American Affairs the Department's telegram No. 250 of October 5 which stated that in the light of the assurances repeatedly given by the Japanese Government that the objectives of Japanese military operations are limited to Chinese military agencies and establishments and that the Japanese Government has no intention of making non-military property and non-combatants the objects of attack, the American Government did not perceive that there was need for the supplying of a list such as that desired by the Japanese Government; that American institutions in China, so far as the American Government was aware, had been adopting the practice of plainly displaying on their buildings

clear

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

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clear nationality marking; that the location of such buildings was usually described in published directories and maps which were doubtless available to the Japanese military authorities; that consequently the Japanese military authorities were in better position than the American authorities to determine what American institutions would be endangered by virtue of their proximity to Japanese military objectives; that in the event that Japanese authorities should request information to supplement that which was already available regarding American institutions, the American authorities would be prepared as formerly to give such information; that in giving such information, however, the American Government did so only for the purpose of protecting American life and property; that the American Government reserved entirely its declared attitude and position in regard to the hostilities in China; and that its reservation of rights in regard to destruction of American life or property which might arise would in no way be altered by the fact of its having given or not having given such information. (Department's telegram No. 250, October 5, 1937).

Acting under the general authorization conveyed in the Department's telegram No. 240 of September 29, the Ambassador addressed to the Minister for Foreign Affairs a semi-formal note on October 1 bringing to the Minister's attention the substance of a telegram received from the American Ambassador in Nanking. The telegram from Nanking stated that so far as the American Embassy at Nanking was aware the only establishments in that city which could warrantably be regarded as bases for Chinese military operations were establishments such as the military air field, the arsenal, and the barracks outside the walls of Nanking; that non-military establishments such as the Central University,

the

-3-

the Central Hospital, the Ministry of Health, the Legislative Yuan, the Ministry of Finance, the National Economic Council, the Ministry of Education, and the electric light plant, had apparently been the targets of Japanese bombers; and that in certain instances bombs had fallen within a hundred yards of the official residences of foreign diplomatic representatives in Nanking. (Telegram to the Department from the Embassy at Nanking No. 737, September 29, and Embassy's telegram No. 438, October 1, 1937).

In reply to the Embassy's oral representations of September 25, the Foreign Office stated orally on October 1 that the Japanese Navy had no intention of interfering with Chinese coastal lights, that it had not molested Chinese lighthouse supply ships, and that it was exercising utmost caution to avoid interference with coastal lights. (Embassy's telegram No. 440, October 1, 1937).

Acting under the Department's instructions, the Ambassador called on the Vice Minister for Foreign Affairs on October 4 and left with him an aide-mémoire embodying the following points: that the American Government had since the initiation of hostilities at Shanghai viewed with concern the action of the Japanese armed forces in making use of portions of the International Settlement as a base for military operations against the Chinese; that the Japanese Consul General at Shanghai had stated that any Japanese armed force in the Settlement was or would be acting only in self-defense; that in the opinion of the American Government the present Japanese military operations at Shanghai--their extent, place, and seeming objectives--could not with warrant be construed as a means of defense of the Settlement; that portions of the Settlement, particularly the Hongkew section, were being extensively and continuously used as a main base for debarking Japanese troops and unloading military supplies

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supplies to be employed outside the Settlement in major operations against the Chinese troops; that the American Government felt strongly that the Japanese military forces should refrain from use of the Settlement in any way as a base or channel for military operations of any character, excepting such as were exclusively for the protection and defense of the Settlement; that the Settlement was an area in which by treaties and agreements a number of foreign countries, including Japan and the United States, and their nationals had common rights and interests; that use by the Japanese military of portions of the Settlement as a base for major military operations which were being conducted outside the Settlement against Chinese troops was not in keeping with the spirit of those agreements; and that such use unwarrantedly endangered the rights and interests of all other countries, including the United States, which possess in common those rights and interests. (Department's telegram No. 245, October 2, and Embassy's telegram No. 444, October 4, 1937). The Vice Minister's only comment was that the Chinese forces were endangering Japanese lives and property in the International Settlement by fire from Pootung and Chapei and that the Japanese had landed a very small number of troops in the Settlement, their principal forces having been disembarked elsewhere.

In reply to the Embassy's representations of September 27 concerning the bombing of the Catholic Mission at Sienhsien by Japanese planes on September 21, the Foreign Office addressed a note to the Ambassador on October 4 stating that the Japanese Government had received the information of the bombing "with deep concern"; that on September 21 Chinese forces massed to the northeast of Sienhsien had opened heavy fire upon the Japanese, whereupon six Japanese airplanes had responded by bombing the Chinese forces; that it was highly regrettable

that

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

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been
 that, since no information had/ previously received as to the
 existence of the Mission at Sienhsien, special warning had
 not been issued to the Japanese aviators; that immediately
 upon receiving a report of the present incident the Japanese
 Army at Tientsin had issued instructions calling particular
 attention to the existence of the Mission; and that the
 Japanese Government would be gratified if the American
 Government saw fit to "extend cooperation" to the efforts
 which Japan was making to prevent such damage to establish-
 ments of third nations, such cooperation to be extended by
 furnishing maps showing the location of American religious
 and humanitarian establishments in China (Embassy's telegram
 No. 450, October 5, 1937).

It will be recalled that in reply to the Ambassador's
 representations of September 22 concerning the bombing of
 Nanking by Japanese planes, the Minister for Foreign Affairs
 addressed a note to the Ambassador on September 29 which
 stated in substance that the bombing of the military facilities
 and equipment located in and around the city of Nanking was a
 necessary and unavoidable measure for the attainment of the
 military objectives of the Japanese forces and that it was
 earnestly hoped that the American Government "would cooperate"
 with the Japanese Government by having American officials,
 citizens, and vessels take refuge away from Nanking in case
 of advance warning by the Japanese authorities. (Department's
 telegram No. 221, September 21 and Embassy's telegrams No.
 403, September 21, and No. 431, September 29, 1937). On
 October 7 Mr. Dooman called on Mr. Yoshizawa at the Foreign
 Office and read to him the Department's telegram No. 251 of
 October 5 to the effect that there had been widespread comment
 in the American press that the reply of the Japanese Government
 was "unsatisfactory", that there had been adverse comment both

in

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in unofficial and in official circles in the United States concerning the Japanese Foreign Office's use of the expression "cooperate"; that what the American Government sought and expected was not "cooperation" between the two countries in relation to any phase of military operations but that American lives and property should not be endangered by any military operations; and that the American Government appreciated the assurances and the apparently sincere effort of the Japanese Foreign Office to help toward avoiding endangering American lives and property, but that in the opinion of the American Government it would be advisable to avoid use of the term "cooperate" in any context relating to or bearing upon the military operations. On the same day, i.e., October 7, Mr. Dooman addressed to Mr. Yoshizawa a letter embodying the substance of the Department's telegram. (Department's telegram No. 251, October 5, 1937).

Before the receipt of the Department's telegram No. 256 of October 7, on the morning of October 8 the Embassy delivered to the Japanese Government a memorandum based on a telegram received from the American Consulate at Hankow to the following effect: that during a Japanese air raid at Nanchang on September 4, four bombs had landed in and near the compound of the Ida Kahn Women and Children's Hospital belonging to the Women's Foreign Missionary Society of the Methodist Episcopal Mission at Nanchang; that the interior of the building had been wrecked; that the building had been abandoned by the hospital staff; and that the American Government, adhering to the views which it had previously expressed to the Japanese Government concerning unwarrantable attacks upon humanitarian establishments and non-combatants, protested against an attack which exposed to grave danger the lives of Americans and non-combatants. (Department's telegram No. 256, October 7 and Embassy's telegram No. 457, October 8, 1937).

Acting

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Acting under the Department's instructions and after consultation with the British Ambassador, ^{on} October 14 the Embassy orally invited the attention of the Foreign Office to a proposal advanced by the British Government for the preservation of the integrity of the Chinese Customs, stated that the American Government was interested primarily in preserving the integrity of the Chinese Customs, and urged that the Japanese Government give favorable consideration to the British proposal. However, the Embassy told the Foreign Office that it reserved the right later to comment on or to propose modification of the terms of the proposed arrangement. In reply, Mr. Yoshizawa stated unofficially and not on behalf of the Foreign Office that the crux of the problem was the question of the disposal of surplus funds in the Yokohama Specie Bank; that because of abnormal conditions the "Peace Preservation Committee", which had assumed responsibility for the administration of the Tientsin area, could not raise by local taxes sufficient funds for its needs; and that, since the incidence of the customs revenues fell largely upon the people of the Tientsin area, it was felt that the Committee was entitled to the use of the customs revenues for local administration purposes. Mr. Yoshizawa further stated unofficially that the arrangement proposed by the British Embassy had been formulated by the Chinese Customs and that if absence of any reference in the British Embassy's memorandum to the question of the disposal of funds in the Yokohama Specie Bank meant that the Chinese Government was now agreeable to such funds being placed at the disposal of the "Peace Preservation Committee", it was likely that a satisfactory solution could be worked out between the Japanese Consul General and the Commissioner of Customs at Tientsin. (Department's telegram No. 259, October 12, and Embassy's telegram No. 473, October 14, 1937).

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

CONFIDENTIAL

II. STEPS TAKEN BY THE BRITISH EMBASSY IN TOKYO WITH RESPECT TO THE SINO-JAPANESE CONFLICT FROM OCTOBER 1 TO OCTOBER 14, 1937, INCLUSIVE (SO FAR AS KNOWN TO THE AMERICAN EMBASSY).

In accordance with instructions received from London, on October 13 the British Embassy handed to the Foreign Office a memorandum entitled "Proposed Arrangement Concerning Customs Revenues at Tientsin and Chinwangtao", which was based on a telegram received from the British Embassy at Nanking. (Telegram to the Department from the Embassy at Nanking No. 788, October 9, and Embassy's telegram No. 473, October 14). The British memorandum stated that the Chinese Government was willing to instruct on its own initiative the Central Bank of China to authorize as a provisional measure a bank of a third country as custodian bank to receive the Chinese Customs revenues at Tientsin and Chinwangtao; that the period for which Chinese authorization was given would cover only the duration of the present hostilities; that the custodian bank should be responsible to the Central Bank of China for the safe custody of all Customs revenues so deposited; and that such revenues could be deposited by the custodian bank with another bank. It was urged by the British Embassy that the proposed arrangement be accepted by the Japanese Government. For unofficial comments on the British proposal made by the Foreign Office to the American Embassy, reference is made to enclosure No. 1, "Recommendations made and steps taken by the American Embassy in Tokyo with respect to the Sino-Japanese conflict from October 1 to October 14, 1937, inclusive."

On September 29 the Foreign Office addressed to the British Embassy a note verbale stating that the Japanese forces were anxious to avoid as far as possible danger to the property of nationals of third countries and requesting details of cultural establishments owned by Great Britain or by British subjects in China. In reply, the British Embassy addressed to the Foreign Office on October 13 a note verbale in which it was stated that the British Government regretted that

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

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that it was unable to comply with the Japanese request;
that the existence and locality of such cultural institutions were doubtless known to the local Japanese authorities in all parts of China; and that in the view of the British Government the responsibility for insuring that such institutions should not be made the subject of any attack must rest with the Japanese authorities concerned.
(Embassy's telegram No. 471, October 14, 1937).

CONFIDENTIAL

III. STEPS TAKEN BY THE FRENCH EMBASSY IN TOKYO WITH RESPECT TO THE SINO-JAPANESE CONFLICT FROM OCTOBER 1 TO OCTOBER 14, 1937, INCLUSIVE (SO FAR AS KNOWN TO THE AMERICAN EMBASSY).

In reply to his representations of September 27 concerning the bombing by Japanese planes of the French Catholic Mission at Sienhsien, Hopei Province, on October 4 the French Ambassador received a communication from the Foreign Office dated October 4 which was almost identical to that received by the American Embassy on the same day. (See Enclosure No. 1 to the present despatch).

According to information furnished to the American Ambassador by the French Ambassador on October 11, in response to the request of the Japanese Government the French Ambassador sent to the Ministry for Foreign Affairs a list of all the French institutions in China with a view to avoiding as far as possible a recurrence of incidents such as the bombing at Sienhsien.

In the course of a recent conversation with a Secretary of the Embassy, a Secretary of the French Embassy stated that his Ambassador had made an approach to the Foreign Office on the subject of the integrity of the Chinese customs revenues at Tientsin.

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2633.

Tokyo, October 18, 1937

SUBJECT: SINO-JAPANESE CONFLICT.

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DIVISION OF
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AND RECORDS

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The Honorable
The Secretary of State
Washington

Sir:

With reference to my despatch No. 2619, dated
October 8, 1937, reporting my conversation with Mr.
Kojiro Matsukata regarding the latter's forthcoming visit
to the United States, I have the honor to transmit here-
1/ with a memorandum of a conversation between Mr. Matsukata
and Mr. Dooman, Counselor of Embassy, on the same subject,
on October 12, 1937.

Respectfully yours,

Joseph C. Grew
Joseph C. Grew

Enclosure:
1/ As stated above.

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

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(e) Soviet Russia.

Though relatively quiet on the surface, Soviet-Japanese relations became more and more delicate during the month.** Several minor incidents occurred, such as the arrest and detention by Soviet Russians of Japanese fishing vessels off the Russian coast, alleged mistreatment of Japanese nationals in north Saghalien, and the closing by the U.S.S.R. of the Japanese Consulates in Odessa and Novosibirsk.

However, there were other developments of a more serious nature which were connected with the present Sino-Japanese hostilities.

* Embassy's telegram No. 422, September 27, 1937.

** Embassy's despatch No. 2615, October 1, 1937.

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ties. The repercussions in Japan to the conclusion on August 21 of the Sino-Soviet non-aggression pact, together with rumors that a secret military agreement had been concluded between China and the U.S.S.R., caused an increased tensivity in Japanese-Soviet relations.* Furthermore, rumors persisted that Soviet Russia had made definite arrangements to give military aid to China by selling war planes to that country and sending Soviet pilots to man them.** There were also reports that the Soviet Union was massing troops on the "Manchukuo" border. According to a Domei despatch from Moscow dated September 27, Soviet Government officials denied this rumor.

The Embassy hears on reliable authority that the possibility that Soviet Russia might ally itself openly with China was considered serious by the Japanese military; that steps had been taken to reinforce the Kwantung Army as a protective measure; that there was a strong feeling among the younger army officers that war might just as well come soon, since Russia would have to be fought some time; and that, however, plans had not been made to bring on a Soviet-Japanese war soon.

It was reported by the Tass News Agency that immediately upon receipt of the notification by Vice Admiral Hasegawa, Commander of the Japanese Third Fleet, that Nanking would be bombed from the air, the Soviet Consul General at Shanghai had lodged a protest with the Japanese Consul General there against the "intended unlawful actions" by the Japanese military. According to Domei, a week later the Soviet Ambassador in Tokyo delivered a note to the Japanese Minister for Foreign Affairs formally notifying the Japanese Government that the Soviet Embassy would not be evacuated from Nanking and that the Soviet Government would hold the Japanese Government responsible for any damage resulting from bombing of that city by Japanese planes.

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* Embassy's despatch No. 2571, September 3, 1937.

** Telegram to the Department from the Embaasy at Nanking, No. 733, September 29, 1937.

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

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Enclosure No. 1 to despatch
No. 2633 of October 18, 1937
from the Embassy at Tokyo.

Confidential.

Conversation.

October 12, 1937.

Mr. Kojiro Matsukata

Mr. Dooman.

Mr. Matsukata said that he had come to the Consulate General to obtain a visa and that he had dropped in to say good-bye to me.

I said that I was glad to have a final opportunity to advise against his speaking in public on the Far Eastern conflict. Mr. Matsukata said that he saw no likelihood of his visit to the United States accomplishing any good result, and that - as he had just said to a group of his friends - he proposed to make of his trip a "good long nap".

I asked Mr. Matsukata whether he cared, notwithstanding the altered situation, to explain a little more fully what was in the minds of his military and naval friends who had favored American action to end the conflict. Mr. Matsukata remarked that that was now ancient history: that the feeling among naval leaders, who had been accused by the military group of being too "moderate", had completely changed, and as a result of the President's Chicago speech and the Department's announcement of October 6, there is intense adverse feeling toward the United States. They had believed that the attitude of the United States was so fair that a final solution of

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the "Pacific Problem" was at hand, and the people in control were prepared, as a token of their appreciation, to throw the "Open Door in China wide open to the United States" and to any other country taking a similar impartial position. "But that is all finished", said Mr. Matsukata, "and the same people are saying that, if the United States continues along the policy which was recently announced, Japan will have to get ready".

E.H.D.

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 2634.

Tokyo, October 18, 1937

SUBJECT: SINO-JAPANESE RELATIONS.

*copy to Amalgamated
Business, Nov 9*

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Division of
FAR EASTERN AFFAIRS
NOV 9 - 1937
Department of State

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COMMUNICATIONS
SECTION

793.94/11026

The Honorable
The Secretary of State
Washington.

Sir:

/10720

With reference to the Embassy's despatch No. 2605 dated September 30, 1937, I have the honor to transmit herewith, for the purpose of the records, further copies of various notes, letters, memoranda, and other communications relating to Sino-Japanese relations.

Respectfully yours,

Joseph C. Grew

Joseph C. Grew.

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Annex:
List of enclosures.

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LIST OF ENCLOSURES TRANSMITTED WITH DESPATCH NO. 2634
OCTOBER 18, 1937.

- 1/ The American Ambassador, Mr. Grew, with the British Ambassador, Sir Robert Craigie.
- 2/ The British Ambassador, Sir R. L. Craigie, to the American Ambassador, Mr. Grew.
- 3/ The American Ambassador, Mr. Grew, to the Minister for Foreign Affairs, Mr. Hirota.
- 4/ The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
- 5/ The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
- 6/ The Minister for Foreign Affairs, Mr. Hirota, to the American Ambassador, Mr. Grew (Translation).
- 7/ The American Ambassador, Mr. Grew, with the British Ambassador, Sir Robert L. Craigie.
- * 8/ (Omitted).
- 9/ The Minister for Foreign Affairs, Mr. Hirota, to the American Ambassador, Mr. Grew.
- ✓ 10/ The American Ambassador, Mr. Grew, with the Vice Minister for Foreign Affairs, Mr. Horinouchi.
- 11/ The American Embassy to the Ministry of Foreign Affairs.
- 12/ The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
- 13/ Chief of the First Section of the American Bureau, the Foreign Office, Mr. Ishii, with the American Second Secretary, Mr. Crocker.
- 14/ The American Ambassador, Mr. Grew, to the French Ambassador, Mr. Arsène Henry.
- 15/ The Director, American Bureau, the Foreign Office, Mr. Yoshizawa, with the American Counselor, Mr. Dooman.
- 16/ The American Counselor, Mr. Dooman, to the Chief of the Bureau of American Affairs, the Foreign Office, Mr. Yoshizawa.
- 17/ The American Embassy to the Ministry of Foreign Affairs.
- 18/ The Minister for Foreign Affairs, Mr. Hirota, to the American Ambassador, Mr. Grew (Translation).
- 19/ Summary of speech delivered at Nanking by German Ambassador to China (Translation from Italian).
- 20/ Foreign Office Statement (in English) October 9, 1937.
- 21/ The Chairman, Council on China Problems, House of Representatives, Mr. T. Yamamoto, to the American Ambassador, Mr. Grew.

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

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- 22/ The French Ambassador, Mr. Arsène Henry, to the American Ambassador, Mr. Grew.
- 23/ The American Ambassador, Mr. Grew, with the Belgian Ambassador, Baron de Bassompierre.
- 24/ The British Ambassador, Sir R. L. Craigie, to the American Ambassador, Mr. Grew.
- 25/ The American Ambassador, Mr. Grew, with the British Ambassador, Sir Robert Craigie.
- 26/ The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
- 27/ The British Ambassador, Sir Robert Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
- 28/ The American Ambassador, Mr. Grew, to the Chairman, Council on China Problems, House of Representatives, Mr. T. Yamamoto.

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

Enclosure No. 1 to despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Conversation.

September 22, 1937.

The American Ambassador, Mr. Grew,
with the British Ambassador, Sir
Robert Craigie.

Sino-Japanese Conflict.

The British Ambassador called on me today and in the course of conversation brought out the following points concerning our cooperation in the present Sino-Japanese hostilities.

(a) Parallel action by the United States and Great Britain in the Far Eastern conflict has been and can be distinctly useful in specific issues and is likely to be much more effective than identical action would be. This presupposes the use sometimes of different forms and methods of approach to the Japanese Government as well as different choice of language.

(b) Sir Robert Craigie found no resentment on the part of the Japanese Government to even the strongest representations on behalf of specific British interests. He felt that such attitude of the Japanese authorities could be preserved only so long as the British Government maintain the strictest neutrality in policy and procedure. He greatly feared the results of his Government's repeating at Geneva or elsewhere the mistake it made in the Abyssinian crisis.

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

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(c) Sir Robert Craigie felt that the civil Government in Tokyo, particularly the Foreign Office, and the substantial elements of civilian life including the business world, are loath to see the Japanese military in complete future control of Japan's affairs, and that any manifestations of partiality or lack of neutrality on the part of our respective Governments would incite Japanese public opinion against us and thus play directly into the hands of the military.

J.C.G.

Note: The British Ambassador continued this conversation on October 4. Please see memorandum October 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

Enclosure No. 2 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The British Ambassador, Sir R. L. Craigie,
to the American Ambassador, Mr. Grew.

BRITISH EMBASSY

Tokyo, 1st October, 1937.

My dear Grew,

I have just received instructions to inform the Japanese Government that my Government must take strong exception to the use of the International Settlement at Shanghai as a base of operations. I am to say that the presence of Japanese troops in the Settlement has no justification except as a measure of defence of an area in which troops generally are concerned; but that to go beyond this brings into question the whole tranquillity of the Settlement and jeopardises the immense interests of other countries in it.

If you have received similar instructions yourself, may I ask you to be so good as to let me know? I should then like to call on you and discuss how the action is to be taken.

Yours very sincerely,

R. L. Craigie.

His Excellency
The Honourable Joseph Clark Grew,
Ambassador Extraordinary and Plenipotentiary
for the United States of America
at TOKYO.

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

Enclosure No. 3 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the Minister for
Foreign Affairs, Mr. Hirota.

Tokyo, October 1, 1937

My dear Minister:

With reference to the assurances, both written and oral, which from time to time have been conveyed by Your Excellency to my Government to the effect that the bombing operations of the Japanese forces in China are aimed exclusively at Chinese military establishments, and that strict orders have been issued to officers in the field that non-combatants as well as humanitarian and other non-military establishments are to be scrupulously and solicitously avoided, I consider it pertinent to bring to Your Excellency's attention the substance of a telegram which I have received from the American Ambassador in Nanking reporting the bombing of that capital, as follows:

So far as the American Embassy at Nanking is aware, the only establishments at Nanking which can warrantably be regarded as bases for Chinese military operations are establishments such as the military air field, arsenal and barracks outside the walls of Nanking. The term "military establishment" cannot properly be applied to the Central University, the Central Hospital, the Ministry of Health, the Legislative Yuan, the Ministry of Education, and the electric light plant, all of which have apparently been the targets of Japanese bombers and some of which have been hit and damaged by bombs. The Central University has been bombed three times. It is also to be emphasized that bombs in certain instances have fallen within a hundred yards of the official
residences

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residences of certain of the foreign diplomatic
representatives in Nanking.

I am, my dear Minister,

Very sincerely yours,

Joseph C. Grew.

His Excellency

Mr. Koki Hirota

His Imperial Japanese Majesty's

Minister for Foreign Affairs,

etc.,

etc.,

etc.

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

Enclosure No. 14 of despatch
No. 2634r OCT 18 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to
the British Ambassador, Sir Robert L. Craigie.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 1, 1937.

CONFIDENTIAL.

My dear Colleague,

With reference to the information conveyed to you
that no further bombing of Nanking by Japanese air
forces would take place after September 25 it may be of
interest to you to know that yesterday I received the
following telegram from my Government:

"Telegram received this morning from
authoritative source states that on Septem-
ber 28 eleven Japanese bombers raided Nanking
and dropped bombs in the vicinity of the com-
mercial air field."

In this connection I am sending you herewith a
copy of a semi-formal note which I am today addressing
to the Minister for Foreign Affairs on this general
subject.

I am, my dear Colleague,

Very sincerely yours,

Joseph C. Grew

His Excellency

Sir Robert L. Craigie,

British Ambassador

Tokyo.

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

Enclosure No. 5 of despatch
No. 2634 of October 18, 1937,
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the
British Ambassador, Sir Robert L. Craigie.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 2, 1937

My dear Craigie,

Many thanks for your letter of yesterday concerning renewed representations relative to the use of the International Settlement at Shanghai as a base of military operations. I have as yet received no further instructions in this regard but shall be very glad to let you know if and when such instructions are received.

Sincerely yours,

Joseph C. Grew

His Excellency

Sir Robert L. Craigie, K.C.M.G., C.B.,

British Ambassador

Tokyo.

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

Enclosure 6 to despatch
No. 2634 October 18, 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota,
to the American Ambassador, Mr. Grew
(Translation)

No. 124, Asia I.

Department of Foreign Affairs
Tokyo, October 4, 1937

Excellency:

I have the honor to acknowledge receipt of Your Excellency's note No. 781 of September 27 with regard to bombing by Japanese military airplanes of a French Roman Catholic mission at Sienhsien, Hopei Province.

The Japanese Government has received this information with deep concern. According to reports on the incident from the Japanese Consulate General and military authorities at Tientsin, Sienhsien is situated on a line extremely important from the standpoint of military operations in North China. At about 10.20 a.m. on September 21, Chinese forces massed to the northeast of Sienhsien opened heavy fire, whereupon six Japanese airplanes responded by bombarding the Chinese forces. It is understood that at this time some damage was inflicted on the Catholic mission. It is highly regrettable that, since no information had been previously received as to the existence of the mission at Sienhsien, special warning had not been issued to the Japanese aviators.

The Japanese Government is of the belief that it is utterly impossible that Japanese military airplanes should intentionally bomb such a religious establishment. The Japanese Government is making consistent efforts to prevent as far as possible the occurrence of such accidents consequent upon military operations in China, and the Japanese army at Tientsin, immediately upon receiving a report of
the

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

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the present incident, has issued, in connection with bombing in the Sienhsien district, instructions calling particular attention to the existence of this mission.

Under date of September 29 the Japanese Government addressed notes to various Powers concerned requesting maps showing the location of religious and humanitarian establishments in China. This request having been based on the sincere desire to prevent just such damage to establishments of third nations as was incurred in the present incident, the Japanese Government will be indeed gratified if the American Government sees fit to extend cooperation to the efforts which Japan is making in this regard.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Koki Hirota (Seal)

Minister for Foreign Affairs

His Excellency

Joseph Clark Grew

Ambassador Extraordinary and Plenipotentiary
of the United States of America.

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

Enclosure No. 7 to despatch
No. 2634 dated October 1937,
from the Embassy at Tokyo.

Conversation

October 4, 1937.

The American Ambassador, Mr. Grew,
and
the British Ambassador, Sir Robert L. Craigie.

I called this morning on the British Ambassador and told him that I had now received instructions to make representations in connection with the use by Japanese forces of the International Settlement in Shanghai as a base for military operations, and I left with the Ambassador a copy of the Aide-mémoire which I proposed to leave with the Vice Minister for Foreign Affairs. Sir Robert Craigie said that he would take similar action today as he was instructed to act on the same day as we acted but that he was very reluctant to do so because he found himself and his country in a most embarrassing situation. The reported intention of the Archbishop of Canterbury to preside at a public meeting in London for the purpose of censuring Japan had aroused widespread indignation in this country and he, the Ambassador, had been deluged with letters and messages from prominent Japanese. The press editorials against Great Britain were becoming vitriolic in character and he now feels that any representations which he may make to the Japanese Government are looked at askance and do much more harm than good.

Sir Robert then went on to repeat what he had formerly said to me to the effect that while representations concerning individual incidents or the general protection of the lives and property of our nationals in China are entirely proper and can sometimes help, a general censure of Japan's
course

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course of action is futile and can only stir up irritation which defeats its own object. I said that my Government had beyond peradventure announced and established its position in the present situation.

The Ambassador then developed the thought that anything which injured British influence in Japan automatically injured American influence also and that, therefore, it was well for us to work step by step together. He thought that eventually we might be helpful in bringing the hostilities in China to a close and that we should try to maintain our influence if only for that purpose. He said that moderate opinion in Japan and the substantial element of liberal thinkers in this country must stand or fall on the basis of American and British friendship. If that friendship is lost the moderates will be equally lost for they will have no further basis on which to stand, the Japanese military will then become permanently predominant and Japan will be thrown directly into the arms of Germany, Italy, and other fascist countries.

The Ambassador asked me how I felt about this. Without subscribing to the thought that a loss of British influence would automatically entail a loss of American influence I merely said that I was in hearty accord with the theory of a common front and parallel action between Great Britain and the United States in the present situation, that I had constantly worked along these lines, as he was well aware, and that in doing so I was following the attitude and policy of my own Government.

Sir Robert then remarked that he was sorry to find that the JAPAN ADVERTISER appeared to be showing up Great Britain in the worst light and might even be held to be adopting an anti-British attitude. He said that this might of course be

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

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due to the despatches received from correspondents abroad but he did not think that this could entirely account for the attitude of the ADVERTISER. While Sir Robert did not ask me directly to intercede with Mr. Fleisher, he clearly implied that he hoped I would do so. I later had occasion to discuss this subject with Mr. Fleisher who said that the ADVERTISER was endeavoring to be entirely impartial and that its news despatches came exclusively from Domei. As for the editorials, it was true that on certain occasions when Mr. Redman (a British subject) was writing the day's editorials he had attempted to turn in pro-British material but Mr. Fleisher had declined to accept these editorials on the ground that it was not the ADVERTISER's function "to pull British chestnuts out of the fire in Japan". This was what had probably given rise to Sir Robert's criticism. Mr. Fleisher observed that, after all, the ADVERTISER is an American paper.

J.C.G.

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

Enclosure No. 9 to despatch
No. 2634 dated OCT 18 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota,
to the American Ambassador, Mr. Grew.

THE GAIMUSHO

TOKIO

October 4, 1937.

My dear Ambassador:

With reference to Your Excellency's note of
October 1, in which you were good enough to transmit
to me the substance of a telegram from the American
Ambassador in Nanking reporting the bombing of that
capital, I wish to state in reply that the matter is
now receiving careful attention of the Japanese Govern-
ment.

I am, my dear Ambassador,

Yours very sincerely,

K. Hirota.

His Excellency

Mr. Joseph C. Grew,

Ambassador of the United States of America.

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

Enclosure 10 to despatch
No. 2634 of October 18 1937,
from the Embassy at Tokyo.

Conversation

October 4, 1937.

The American Ambassador, Mr. Grew,
and
The Vice Minister for Foreign Affairs,
Mr. Horinouchi.

I called on the Vice Minister for Foreign Affairs by appointment at 12:10 p.m. and made oral representations along the lines of paragraph 4 of the Department's telegram No. 245, October 2, 3 p.m. concerning the use by Japanese forces of the International Settlement at Shanghai as a base for military operations, reading aloud and leaving with the Vice Minister our aide-mémoire on that subject.

Mr. Horinouchi, after listening to my exposition, said that Japanese lives and property in the Settlement are being constantly endangered by firing from Pootung and Chapei and that the measures of the Japanese in landing forces in the International Settlement had been for self-defense. He said that as a matter of fact only about 4,000 marines had been landed in the International Settlement which was a very small proportion of their forces in that sector and that most of these forces had been landed at points well separated from the International Settlement. Mr. Horinouchi said that our aide-mémoire would be studied and that a reply would be made in due course.

J.C.G.

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

Enclosure No. 11 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

Aide-mémoire.

On several recent occasions and through different channels, the attention of the Japanese Government has been earnestly invited to the use of the International Settlement at Shanghai by the Japanese forces as a military base. On August 23, with the arrival at and near Shanghai of contingents of the Japanese Army, the operations which were conducted up to that time by the Japanese naval landing force as part of the defense forces of the International Settlement, became a campaign on a large scale against the Chinese military forces in an extensive area outside the International Settlement. Since the date above mentioned, the wharves of the Hongkew section have been the main base for unloading supplies and troops and evacuating the wounded. According to authoritative reports, fifteen Japanese transports used the docks on the three days September 22 to September 24, four thousand troops having been landed on one of these days.

On September 15 the Consular Body at Shanghai caused oral representations to be made on this subject to the Japanese Consul General, who replied that the Japanese landing party being stationed in Shanghai for the protection of Japanese interests has the right, equally with other foreign military units, to land supplies and reinforcements, and that the landing party or any other Japanese armed force was or would be acting only in self-defense.

In the opinion of the American Government, the present Japanese military operations at Shanghai--their extent, place, and seeming objectives--cannot with warrant be construed as

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

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a means of defense of the Settlement. The American Government, accordingly, feels strongly that the Japanese military forces should refrain from using any portion of the Settlement as a base for disembarking Japanese troops and unloading military supplies to be employed outside the Settlement in major operations against Chinese troops, and that the Settlement should not be used in any way as a base or channel for military operations of any character except such as are exclusively for the protection and defense of the Settlement.

It is the further opinion of the American Government that, as the Settlement is an area in which by treaties and agreements a number of countries, including Japan and the United States, have common rights and interests, its use as a base for military operations conducted outside the Settlement is not in keeping with the spirit of those agreements, and that it unwarrantably endangers the rights and interests of all those countries, including the United States, which possess in common those rights and interests.

Tokyo, October 4, 1937

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

Enclosure No. 12 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew,
to the British Ambassador, Sir Robert L. Craigie.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 4, 1937

My dear Colleague:

I enclose herewith for your confidential information a copy of the Aide-mémoire which I am today presenting to the Vice Minister for Foreign Affairs to support my oral representations concerning the use of the International Settlement at Shanghai by the Japanese forces as a military base.

I am, my dear Colleague,

Very sincerely yours,

JOSEPH C. GREW

Enclosure

His Excellency
The Right Honorable
Sir Robert L. Craigie, K.C.M.G., C.B.,
His Britannic Majesty's Ambassador
Extraordinary and Plenipotentiary
at Tokyo.

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

Enclosure No. 13 to despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Conversation.

October 4, 1937.

Chief of the First Section of the American
Bureau, the Foreign Office, Mr. Ishii .

The American Second Secretary, Mr. Crocker.

Mr. Ishii of the Foreign Office called me by
telephone this morning to say that the Foreign Office
had a further telegram from Hsingking to the effect that
the three Americans from Pingti Chen mentioned in
Nanking's telegram No. 673, September 18, 10 a.m.
had arrived at Tatung all right and were doing well,
as he put it, and were expected to leave in a few days
for Peiping.

E.S.C.

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

Enclosure No. 14 to despatch
No. 2634 dated October 18 1937,
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to
the French Ambassador, Mr. Arsène-Henry.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 6, 1937.

My dear Colleague:

I send you herewith for your confidential information a translation of the reply received from the Foreign Office to our note of September 27 concerning the bombing of the French Roman Catholic mission at Sienhsien.

I am, my dear Colleague,

Sincerely yours,

JOSEPH C. GREW.

His Excellency

Mr. Charles Arsène-Henry,

French Ambassador,

Tokyo.

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

Enclosure No. 3 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Conversation

October 7, 1937

Mr. Seijiro Yoshizawa, Director,
American Bureau, Foreign Office,

Mr. Dooman.

Subject: American property in China.

I called on Mr. Yoshizawa this morning and read to him the Department's 250 of October 5, 7 p.m. and 251 of October 5, 8 p.m. Mr. Yoshizawa listened attentively and asked me again to read No. 250. He then enumerated the several points brought out in the telegram and asked whether he had correctly outlined the purport of the telegram. I replied that he had. Mr. Yoshizawa then asked whether I could give him in writing the substance of the first and third paragraphs of No. 251. I said that I would do so.

As I was about to leave, Mr. Yoshizawa said that he had just read the State Department's announcement. He said that he would be interested in seeing, now that the American Government has declared that Japan has resorted to war, whether the Neutrality Act would be invoked.

E.H.D.

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

Enclosure No. 16 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Counselor, Mr. Dooman, to the
Chief of the Bureau of American Affairs, the
Foreign Office, Mr. Yoshizawa.

Tokyo, October 7, 1937

My dear Mr. Yoshizawa:

The substance of pertinent portions of one of the
telegrams from the Department of State which I read to you
this morning, with regard to the hope of the Japanese
Government that the American Government would "cooperate"
with the measures to avoid endangering or destroying American
lives and property, is as follows:

The publication of the text of the Japanese
reply of September 29 to the American Government's
note of September 22 was followed by widespread
comment in the press in this country to the effect
that the reply was "unsatisfactory". There was
much comment, some of astonishment, some severely
critical, and some expressive of perplexity on the
expression of hope that this Government would "cooperate
with measures taken by the Imperial Japanese Government."
The Department of State realizes that Mr. Hirota's
statement in that context related to measures which the
Japanese wish to take to avoid endangering or destroying
American lives and property. But many commentators
failed accurately to grasp the intended application
and dealt with this suggestion that the American
Government "cooperate" without reference to the limi-
tation implicit in the context. Subsequently both in
the memorandum reported in the Embassy's 435, Septem-
ber 30, 1 p.m., and in the last paragraph of Mr. Hirota's
note reported in the Embassy's 450, October 5, 7 p.m.,

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the Foreign Office again solicits the American Government's "cooperation" in relation to procedure for the safeguarding of American lives and property.

In view of the type of comment to which the Foreign Office use of this expression "cooperate" has given rise both in unofficial and in official circles please bring this matter to Mr. Hirota's attention and make clear to him that what the American Government seeks and expects is not "cooperation" between the two countries in relation to any phase of military operations. The Department of State appreciates the assurances and the apparently sincere effort of the Japanese Foreign Office to help toward avoiding endangering American lives and property but in the opinion of the Department of State it would be advisable to avoid use of the term "cooperate" in any context relating to or bearing upon the military operations.

Very sincerely yours,

Eugene H. Dooman
Counselor of Embassy.

Seijiro Yoshizawa, Esquire,
Director of the American Bureau,
The Gaimusho.

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

Enclosure No. 17 to despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

Memorandum.

Information has just been received that on September 24 during a Japanese air raid at Nanchang, four bombs landed in and near the compound of the Ida Kahn Women and Children's Hospital belonging to the Women's Foreign Mission Society of the Methodist Episcopal Mission at Nanchang. While the building was apparently not directly hit it was so shaken that the interior was wrecked and the building was abandoned by the hospital staff.

The American Government, adhering to the views which it has previously expressed to the Japanese Government concerning unwarrantable attacks upon humanitarian establishments and non-combatants, protests against an attack which exposed to grave danger the lives of Americans and other non-combatants.

Tokyo, October 8, 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

Enclosure No. 18 to despatch
No. 2634 of OCT 13 1937
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to the
American Ambassador, Mr. Grew.

(Translation)

(Original withdrawn by the Foreign Office as
having been sent to the Embassy in error)

No. 127, Asia I.

Department of Foreign Affairs

Tokyo, October 8, 1937.

Excellency:

I have the honor to inform Your Excellency that,
following the declaration of blockade of the China coast
issued by the Imperial Navy on August 25, the Japanese
Government has envisaged the possibility of Chinese vessels
attempting to escape the penalties of the blockade by the
disguise of a change of registry.

The Japanese Government, in order to check such acts of
simulated change of registry, addressed itself to the United
States Government on September 18, to the effect that it would
be necessary for the Japanese Navy to detain any ships sus-
pected of being in this category in order to investigate their
true registry. Accordingly, to avoid unnecessary controversy,
I have the honor to request of Your Excellency a list of
vessels the bona fide registry of which has been changed from
Chinese to American since August 25, and if possible a
schedule of the movements of American vessels off the

coast

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

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coast of China.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Koki Hirota(Seal)
Minister for Foreign Affairs.

His Excellency

Joseph Clark Grew,

Ambassador Extraordinary and Plenipotentiary

of the United States of America,

Tokyo.

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

Enclosure No. ¹¹⁹ of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Summary of speech delivered at Nanking by
German Ambassador to China
(Translation from Italian)

The press gives great prominence to the speech delivered at Nanking by the German Ambassador on the occasion of the annual German Harvest Festival Holiday in the course of which he expressed sympathy for "the prowess shown by the Chinese in their struggle against Japan". The Ambassador said that all the Germans residing in China entertained united sympathy for the sufferings undergone by the Chinese people during the present hostilities and are in exceptional harmony with great reciprocal advantage. Meanwhile in certain circles there has been noticed during the past week without doubt real German sympathy and it is evident that the outrageous Japanese aggression has met with strong disapproval on the part of German public opinion. Their memory also goes back to the Great War. In view of the fact that China is being invaded it is natural that German public opinion should give prominence to the Chinese resistance on the Shanghai front. It is also interesting to note that the courage and bravery of the Chinese soldiers who fight for their cause should evoke admiration in Germany. He concluded by expressing the hope that China would overcome the present crisis and thus arrive upon the road of peace and prosperity. The comments in the German press emphasize the inability of the Japanese to adopt steamroller tactics despite her imposing war machine and the fact that great difficulties are foreseen for Japan if the war continues.

October 9, 1937.

(Reference: Embassy's telegram No. 464, October 9, 9 p.m.)

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

Enclosure No. 0 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

FOREIGN OFFICE STATEMENT (In English)

October 9, 1937

The League of Nations has declared that the actions now being taken by Japan in China are a violation of the Nine Power Treaty and the Treaty for the Renunciation of War, and the State Department of the United States has issued a statement to the same purport. However, these steps must be attributed to an unfortunate lack of understanding of the real circumstances as well as the true intentions of Japan, a state of affairs which the Japanese Government deem very regrettable.

The present Sino-Japanese affair originated in the unwarranted attack made by Chinese forces on Japanese garrison troops legitimately stationed in North China under rights clearly recognized by treaty. The troop which was maneuvering at the time of the outbreak was a very small unit. The Japanese garrison force was then scattered in different parts, engaged in peace-time duties. After the outbreak of hostilities, Japan did everything in her power to reach a local settlement of the incident, even at the sacrifice of strategical advantages. These facts are sufficient to prove that the action of the Japanese force was by no means premeditated but simply defensive.

China is undoubtedly responsible for the spread of the affair to Shanghai and then to other points of Central China. She openly violated the Agreement for the Cessation of Hostilities concluded in 1932 by concentrating overwhelmingly numerous forces of more than forty thousand men in the demilitarized zone and attempted to annihilate our Naval Landing Party, numbering but a scant three thousand, and our 30,000 nationals living in the Settlement, amongst whom were many women and children.

The

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

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The subsequent development of the Japanese military action has been but the unavoidable consequence of the hostile operations of China, who, ignoring our policy of a local settlement and non-aggravation of the situation, moved and concentrated her large armies against us. The action which Japan is taking at the present time is a measure of defense to which she has been compelled to resort by the premeditated provocative acts of China.

What the Japanese Government seek today is merely the abandonment by China of her anti-Japanese policy and the establishment of the enduring peace in East Asia, through sincere cooperation between Japan and China. They have no territorial designs whatever.

In the light of these circumstances, it must be firmly declared that the present action of Japan in China contravenes none of the existing treaties which are in force.

The Chinese Government lending themselves to Communist intrigue, have brought about the present hostilities by their persistent and malicious anti-Japanese measures and their attempt to do away with the rights and vital interests of Japan in China by force of arms. It is they who should be deemed a violator of the spirit of the Treaty for the Renunciation of War--a menace to the peace of the world.

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

Enclosure No. 21 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The Chairman, Council on China Problems,
House of Representatives, Mr. T. Yamamoto, to
the American Ambassador, Mr. Grew.

COUNCIL ON CHINA PROBLEMS
House of Representatives

October 11, 1937

His Excellency Joseph Clark Grew
Ambassador Extraordinary and
Plenipotentiary of United States of
America.

Your Excellency,

I have the pleasure of sending you
a copy of the statement issued on October 8 by the
Council on China Problems, an organization within
the House of Representatives composed of 248 members
of all political parties. The members would be very
much gratified if you would be so kind as to read it.

With kindest regards, I am

Yours sincerely,

T. YAMAMOTO

Chairman,
Council on China Problems,
House of Representatives.

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

Statement regarding the Interpretation and
Application of the Nine Powers Treaty and
the Anti-War Pact.

An emergency meeting of party secretaries of the
Council on China Problems of the House of Representatives
was held on October 8, at 11 a.m., and decided upon the
following statement:

1. Japan's actions in China do not violate the
Nine Powers Treaty.

The present conflict was provoked by China. In
North China, the Chinese troops, in complete disregard
of established treaties and agreements, wantonly fired
on a small unit of our garrison forces who were in the
midst of regular maneuvers. In Central China, Chinese
troops not only committed a serious outrage by murdering
a Japanese naval officer and seaman while they were per-
forming official duties, but, in flagrant violation of
the Shanghai Truce Agreement, attacked that section of
the city in which almost all of the residences of our
nationals are concentrated in an obvious attempt to wipe
them out. In the face of this danger our country had no
alternative but to send armed re-inforcements as a measure
of self-defence. Our country exerted its utmost to pre-
vent the aggravation of the situation, but the Chinese
attitude daily became so increasingly provocative that
our policy of non-aggravation was forced to end in failure.

The Nine Powers Treaty clearly stipulates that
the signatories will respect the rights, sovereignty and
territorial and administrative integrity of China, but
it cannot forbid a nation from employing its right of
self-defence when its nationals are killed or injured
and when its rights and interests are seriously threatened
by China. If the signatories insist that a nation cannot
defend itself and its nationals in the event of attack

and

-2-

and injury, the Nine Powers Treaty may then be construed as an instrument which makes China an "enfant gâté" with the special rights of inviolability. Is there anything more unreasonable than this?

2. Japan's actions in China do not violate the Anti-War Pact.

The Anti-War Pact established the rule of illegalizing war as "an instrument of national policy", but when a nation is placed in a situation where measures of self-defence are imperative to protect the lives, ^{the rights} and the interests of its nationals, and especially when it is confronted by a danger affecting its every existence, the pact does not deny the right of all nations to resort to self-defence.

As the present conflict was provoked by China, as mentioned above, Japan was compelled to exercise its right of self-defence, to protect the lives and interests of its nationals in China. Behind this situation existed another which required Japan's serious attention--the subversive activities of the Third International which, in accordance with its fixed policy of revolutionizing the world toward Sovietism, has been carrying on all sorts of intrigue in China. It is easy to imagine the situation which would result should the people of China go Red and there is established in that country a political administration allied with Soviet Communism. It would not only be a serious danger to Japan but a great menace to world civilization. The efforts of Japan at this juncture to safeguard East Asia from this menace by means of force are by no means contradictory to the principles of the Anti-War Pact.

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

Enclosure No. 22 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The French Ambassador, Mr. Arsène Henry,
to the American Ambassador, Mr. Grew.

AMBASSADE
DE LA
RÉPUBLIQUE FRANÇAISE
AU JAPON

Tokio, le 11 Octobre 1937

Monsieur l'Ambassadeur et Cher Collègue,

Je vous remercie d'avoir bien voulu me communiquer
la note que vous a adressée le Ministère des Affaires
Etrangères au sujet du bombardement par l'aviation japonaise
de la mission Catholique française des Pères jésuites à
Hsien-Hsien. J'avais reçu moi-même, à la date du 4 Octobre,
une réponse identique à celle qui vous a été remise, ainsi
que vous pourrez vous en rendre compte par la traduction
1 P.J. annexée à la présente lettre.

J'ajoute qu'à la demande même du Gouvernement japonais,
j'ai envoyé au Ministère des Affaires Etrangères des in-
dications relatives à toutes les missions françaises établies
en Chine; ces renseignements sont destinés aux autorités
militaires, afin d'éviter, dans toute la mesure du possible,
le retour dans la zone des hostilités d'incidents de la
même nature./.

Veillez agréer, Monsieur l'Ambassadeur et cher Collègue,
l'assurance de mes sentiments très cordialement dévoués.

CHARLES ARSÈNE HENRY

à Son Excellence
Monsieur Joseph C. Grew
Ambassadeur des Etats-Unis
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

(The Minister for Foreign Affairs, Mr. Hirota, to the
French Ambassador, Mr. Arsène Henry.)

MINISTERE IMPERIAL
des
AFFAIRES ETRANGERES

Tokio, le 4 Octobre 1937

Asie Orientale

1^{ère} section

n°142

Monsieur l'Ambassadeur,

J'ai pris bonne note de la communication n° 103 de
Votre Excellence, en date du 27 septembre, relative au bom-
bardement de la Mission Catholique française à Hien-hien
(province de Hopei) par des avions de l'Armée Impériale.

Le Gouvernement Impérial a appris cette nouvelle
avec une profonde affliction.

D'après des rapports sur la présente affaire reçus
et
du Consul Général du Japon à Tientsin/des autorités mili-
taires, Hien-hien se trouve placé actuellement sur une
ligne extrêmement importante pour une action militaire
dans le Nord de la Chine. Il paraît que le 21 Septembre,
vers 10 H 20 du matin, six avions japonais qui avaient
été l'objet d'une violente fusillade de la part de troupes
chinoises rassemblées au Nord-Est de Hien-hien ont bombardé ces
dernières et que des dommages ont été causés à cette occasion
à ladite mission.

Il est regrettable que le manque d'information préalable
signalant l'existence d'une mission dans le dit lieu, n'ait
pas permis de compter, de la part des aviateurs montant les
appareils, sur une particulière attention.

Le Gouvernement Impérial déclare formellement qu'il
est absolument impossible que des avions de l'armée Impériale
commettent intentionnellement des actes tels que le bombarde-
ment d'établissements religieux. Vu ses constants efforts
dans le but de prévenir de tout son pouvoir de tels accidents

fortuits

fortuits qui pourraient se produire comme résultat de son action militaire en Chine, il a fait donner d'urgence, des instructions par le Corps d'Occupation de Tientsin pour que, relativement aux bombardements dans la région de Hien-Hien, l'existence de la mission fût prise en considération et qu'une attention toute particulière fût apportée de ce fait.

Au surplus si, à la date du 29 septembre, le Gouvernement Impérial a exprimé le désir aux Pays intéressés de recevoir d'eux la liste de leurs établissements religieux et culturels en Chine, c'est parce qu'il se préoccupe uniquement d'éviter les dommages tels que ceux de la présente affaire qui pourraient être causés aux établissements culturels des Pays tiers et il serait extrêmement heureux si le Gouvernement français voulait bien coopérer avec lui dans les efforts que le Japon fait dans ce sens./.

En portant cette réponse à la connaissance de Votre Excellence, je vous prie d'agréer, Monsieur l'Ambassadeur, les assurances de ma très haute considération.

Koki Hirota

Ministre des Affaires Etrangères

DECLASSIFIED: E.O. 11652, 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 French Ambassador, Mr. Arsène Henry,
to the American Ambassador, Mr. Grew.
(Translation)

EMBASSY
OF THE FRENCH REPUBLIC
IN JAPAN

Tokyo, October 11, 1937

Mr. Ambassador and dear Colleague:

I thank you for having kindly communicated to me the note which the Ministry of Foreign Affairs addressed to you on the subject of the bombing by Japanese aircraft of the French Catholic Mission of the Jesuit Fathers at Hsienhsien. I myself received on the 4th of October an identic reply to that which was sent to you as you can see by the translation attached to this letter.

I wish to add that in compliance with the same request of the Japanese Government I sent to the Ministry of Foreign Affairs information relating to all the French missions established in China; this information is for the use of the military authorities for the purpose of avoiding insofar as is possible the recurrence in the zone of hostilities of incidents of this nature.

Please accept, Mr. Ambassador and dear Colleague, the assurance of my most cordial regards,

CHARLES ARSENE HENRY

His Excellency

Mr. Joseph C. Grew

American Ambassador

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

(The Minister for Foreign Affairs, Mr. Hirota, to the
French Ambassador, Mr. Arsène Henry.)
(Translation)

Department of Foreign Affairs
East Asia, I. No. 142

Tokyo, October 4, 1937.

Mr. Ambassador:

I have duly noted the communication from Your Excellency No. 103 dated September 27, relative to the bombardment of the French Catholic Mission at Hsienhsien (Province of Hopei) by Japanese military aeroplanes.

The Japanese Government has received this information with deep concern. According to reports on the incident from the Japanese Consulate General and military authorities at Tientsin, Sienhsien is situated on a line extremely important from the standpoint of military operations in North China. At about 10:20 a.m. on September 21, Chinese forces massed to the northeast of Hsien-Hsien opened heavy fire, whereupon six Japanese airplanes responded by bombarding the Chinese forces. It is understood that at this time some damage was inflicted on the Catholic mission. It is highly regrettable that, since no information had been previously received as to the existence of the mission at Hsien-Hsien, special warning had not been issued to the Japanese aviators.

The Japanese Government is of the belief that it is utterly impossible that Japanese military airplanes should intentionally bomb such a religious establishment. The Japanese Government is making consistent efforts to prevent as far as possible the occurrence of such accidents consequent upon military operations in China, and the Japanese army at Tientsin, immediately upon receiving a report of the present incident, has issued, in connection with bombing in the Hsien-Hsien district, instructions calling particular attention to the existence of this mission.

Under

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

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Under date of September 29 the Japanese Government addressed notes to various Powers concerned requesting maps showing the location of religious and humanitarian establishments in China. This request having been based on the sincere desire to prevent just such damage to establishments of third nations as was incurred in the present incident, the Japanese Government will be indeed gratified if the French Government sees fit to extend cooperation to the efforts which Japan is making in this regard.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Koki Hirota

Minister for Foreign Affairs

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

Enclosure No. 23 to despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Conversation.

October 13, 1937

The American Ambassador, Mr. Grew,
with the Belgian Ambassador, Baron
de Bassompierre.

Nine Power Treaty Conference.

I called this afternoon on the Belgian Ambassador to discuss with him, on my own initiative, the press reports that Brussels would be chosen as the meeting place for the proposed conference of signatories to the Nine Power Treaty. Baron de Bassompierre said that, merely for his information, he had received a telegram from his Government to the effect that the British Government, with the concurrence of the American Government, had approached the Belgian Government with a view to the selection of Brussels for the meeting place. The Belgian Government has not yet reached a decision and is considering the matter.

Baron de Bassompierre nevertheless went to see Mr. Horinouchi on his own initiative yesterday and inquired what Japan's attitude toward the convocation of such a meeting would be and towards the participation in such a conference. Mr. Horinouchi replied that the Japanese Government is "disinterested" and that in any case the matter has not yet been given consideration because it has not yet been brought officially to the attention of the Japanese Government.

Baron

- 2 -

Baron de Bassompierre said that Sir Robert Craigie had also seen the Vice Minister later yesterday and that Mr. Horinouchi had told Sir Robert that he could not see that the holding of such a meeting would serve any good purpose because it could not have the slightest effect on the terms of the final Sino-Japanese settlement.

Baron de Bassompierre is strongly opposed to the holding of such a meeting in Brussels and has so recommended to his Government. He feels that by holding such a meeting the Belgian Government would be futilely injuring Belgium's relations with Japan and that no international action short of force could in any way alter the course of developments in China.

J.C.G.

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

Enclosure No. 24 to despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The British Ambassador, Sir R.L. Craigie,
to the American Ambassador, Mr. Grew.

British Embassy.

(1060/70/37)

13th October 1937.

Confidential.

My dear Grew,

I enclose herein, for your confidential information,
a copy of the note verbale which I am to-day addressing to the
Ministry of Foreign Affairs in reply to their identic note verbale
of the 29th September last asking for details of foreign cul-
tural establishments in China.

Believe me,

Yours very sincerely,

(Sgd) R.L. Craigie.

His Excellency

The Honourable Joseph Clark Grew,

Ambassador Extraordinary and Plenipotentiary

for the United States of America at TOKYO.

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

The British Ambassador, Sir R.L. Craigie,
to the Ministry of Foreign Affairs.

No. 164 (1059/70/37)

Note Verbale

His Britannic Majesty's Embassy present their compliments to His Imperial Japanese Majesty's Ministry of Foreign Affairs and have the honour to refer to the Ministry's Identic Note Verbale No. 30 of the 29th September last stating that the Imperial forces were anxious to avoid as far as possible danger to the property of nationals of third countries and requesting details of cultural establishments owned by Great Britain or by British subjects in China.

While gladly taking note of the foregoing His Majesty's Embassy have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to state that His Majesty's Government regret that they are unable to comply with this request. It is thought that the existence and locality of any institutions of the nature specified are doubtless known to the local Japanese authorities in all parts of China. His Majesty's Government take the view that the responsibility for ensuring that such institutions are not made the subject of any attack must rest with the Japanese authorities concerned.

British Embassy,

Tokyo,

13th October, 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

Enclosure No. 25 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

Conversation

October 14, 1937.

The American Ambassador, Mr. Grew,
with the British Ambassador, Sir
Robert Craigie.

Nine Power Treaty Conference

The British Ambassador called on me this evening and showed me two urgent telegrams from his Government (which he said were doubly urgent because they were marked "immediate") reporting conversations between the British Ambassador in Washington and Mr. Norman Davis (as Mr. Hull has a cold) concerning the proposed conference of signatories of the Nine Power Treaty. Sir Robert Craigie is directed after consultation with me to urge the Japanese Government to participate in the conference as its purpose, according to the resolution of the Assembly of the League of Nations, is merely "to seek a method of putting an end to the conflict by agreement". Sir Robert Craigie is informed that I am to be similarly instructed but in view of the urgency of the matter he proposes to take it up with the Minister for Foreign Affairs tomorrow morning in the hope that my own instructions will arrive shortly.

Sir Robert Craigie confirmed to me the remarks made to him by the Vice Minister as reported to me by Baron de Bassompierre on October 13, but Sir Robert has not reported these remarks to his Government as he regards them as merely informal comment.

I told Sir Robert that I would let him know the moment that my instructions came.

J.C.G.

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

Enclosure No. 26 to despatch
No. 2634 of OCT 18 1937 from the
Embassy at Tokyo.

Conversation

October 15, 1937.

The American Ambassador, Mr. Grew,
with the Minister for Foreign Affairs,
Mr. Hirota.

Nine Power Treaty Conference

In accordance with the Department's instructions conveyed in telegram No. 261, October 14, 5 p. m., I called this afternoon on the Minister for Foreign Affairs at the Gaimusho and opened the conversation by referring to the plans, which the Minister had already seen reported in the press, for the convocation of a conference of the parties to the Nine Power Treaty. I said I did not know whether these plans were yet completed or where the conference would take place, although Brussels had been prominently mentioned in this connection. I then said to the Minister, acting under instructions, that the American Government is proceeding on the assumption that the Japanese Government shares the view of the American Government that the proposed conference of the parties to the Nine Power Treaty will offer a useful opportunity for a reasoned and frank discussion of the difficulties, both present and underlying, of the situation in the Far East with a view to seeking to arrive at a constructive solution by a process of peaceful agreement, and that the Japanese Government will attend the proposed conference. I then for a few moments elaborated the thoughts contained in the foregoing statement and the great importance of seizing this opportunity both for the purpose of a frank and free exchange of views and for finding a basis from which a constructive settlement could be reached.

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The Minister after listening carefully to my oral presentation, replied that no decision had yet been reached by the Japanese Government because no invitation to attend such a conference had been received, but that according to the present tendency of views within the Japanese Government such an invitation would be declined. I repeated word for word the Minister's reply and asked him if this was the answer to my representations which he wished me to report to my Government. Mr. Hirota replied in the affirmative.

I then said to the Minister that my official representations were completed and that I wished now to speak personally and informally. I said that Japan had shown every indication of desiring to have her point of view known in the world and that the Japanese Government was sending abroad good-will envoys for the specific purpose of explaining that point of view. Did not the Minister think that the proposed conference would offer an excellent opportunity for a frank and free discussion in which both combatants could express their respective points of view and that such an exchange of views might well lead to an earlier peaceful settlement than if the present warfare is allowed to pursue its course? Mr. Hirota replied that the League of Nations had already taken the part of China against Japan and that such a conference would merely result in bolstering up China and in prolonging rather than shortening the warfare. I asked whether such a conference might not offer an opportunity to discuss terms of peace. The Minister replied that China already well knows

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knows the terms on which peace would be possible as he had been discussing them with Chiang Kai-shek for the last four years. I said: "Do you mean your three points?" The Minister said "in general, yes". The Minister added that ever since the conclusion of the Sino-Soviet Pact a settlement of the troubles had become much more difficult and that Chiang Kai-shek was no longer free to follow his own wishes. I said: "Do you mean that he is estopped by the Soviets". Mr. Hirota said: "and also by his own generals". I said I understood that the Sino-Soviet Agreement was merely a pact of non-aggression. Mr. Hirota replied that he thought it went much farther than that. I said: "Do you mean that it contains secret clauses". Mr. Hirota nodded an affirmative.

After a further expression of hope on my part that the Japanese Government would still see its way clear to participate in the forthcoming conference the conversation terminated.

Note: The following is the text of the statement issued by the Department on October 6, 1937:

In the light of the unfolding developments in the Far East the Government of the United States has been forced to the conclusion that the action of Japan

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

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in China is inconsistent with the principles which should govern the relationships between nations and is contrary to the provisions of the Nine Power Treaty of February 6th, 1922, regarding principles and policies to be followed in matters concerning China, and to those of the Kellogg-Briand Convention of August 27, 1928. Thus the conclusions of this Government with respect to the foregoing are in general accord with those of the Assembly of the League of Nations.

J. C. G.

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

Enclosure No. 27 of despatch
No. 2634 of October 18, 1937,
from the Embassy at Tokyo.

The British Ambassador, Sir Robert Craigie,
to the Minister for Foreign Affairs, Mr. Hirota.

His Majesty's Government in the United Kingdom
desire to emphasize that the proposed conference under
the Nine Powers will, in the words of the League Assembly,
have as its objective "to seek a method of putting an
end to the conflict by agreement".

The present situation is causing His Majesty's
Government grave and continuing anxiety and it is
earnestly to be hoped that the Japanese Government
will co-operate in this aim and will accept an in-
vitation to the Conference.

15th October 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

Enclosure No. 28 of despatch
No. 2634 of OCT 18 1937
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the
Chairman, Council on China Problems, House
of Representatives, Mr. T. Yamamoto.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 16, 1937.

Mr. T. Yamamoto, Chairman
Council on China Problems
House of Representatives
Tokyo

Sir:

The receipt is acknowledged of your communication dated October 11, 1937, transmitting a copy of a statement issued on October 8 by the Council on China Problems, an organization within the House of Representatives.

I am, Sir,

Respectfully yours,
For the Ambassador

Edward Savage Crocker
Second Secretary of Embassy

DECLASSIFIED: E.O. 11652, 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. 99.

RECEIVED
AMERICAN CONSULATE GENERAL,

Seoul, Chosen, October 9, 1937.

1937 NOV 8 PM 2 34

793.94

SUBJECT: Comment by Japanese Press of Chosen
Regarding the Attitude of the United
States in Reference to the China
Emergency

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose herewith a translation
of an editorial that appeared in the KEIJO NIPPO, Japanese
daily of Seoul, on October 8, 1937.

Very respectfully yours,

O. Gaylord Marsh

O. Gaylord Marsh
American Consul General

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OGM-r

Copy to Embassy, Tokyo.

enclosure



793.54/11027

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11027

TRANSLATION

KEIJO NIPPO, official organ of the Government
General of Chosen, October 8, 1937.

AMERICAN DECLARATION

Since the Japan-China emergency arose, Italy has been maintaining a pro-Japanese attitude, although the Italian press has been keeping a rather neutral attitude, and avoiding a show of preferential attitude. It is reported that, after visiting Germany, Premier Mussolini seems to be inclined to acknowledge Japan's attitude as proper, and published an article, under his signature, on the 6th instant, recognizing the attitude of the Japanese government toward the Japan-China dispute as exceedingly simple and clear, and has thus given a great shock to the diplomatic circles in Europe. The American Department of State, which has been keeping a no-approaching and no-withdrawing and neutral but no-neutral attitude, has suddenly published a declaration, asserting that Japanese actions in China violate the Nine Power Pact and Kellogg's Anti-war Treaty. These two events show quite opposing attitudes, which lead us even to think that there may be a hint in them.

The publication of such a declaration by America may be thought to be a renunciation of the neutral attitude so far maintained, but it is difficult to imagine what the intention is. It must be said that it would be the greatest contribution to world peace if America, like the ideals of peace cherished by President Roosevelt, should make efforts to go straightforward for realization of America's America, avoid an attitude of interference in other continents, and keep the waves calm and peaceful in the Atlantic and Pacific

oceans

DECLASSIFIED: E.O. 11652, 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 -

oceans. Notwithstanding that such would be the wisest policy of America today when all the conditions in the world have changed, America has published such a declaration from a certain illusion. Is not this because America, having tasted the refuse of the old-style diplomacy, has a secret desire to resume it when the Japan-China dispute has been settled? If so, this is an attitude lacking too much knowledge of the times, and at the same time is a very tactless step in diplomatic arts. It is our well-meant interpretation that America has perhaps been influenced by some underhanded movements and taken such a tactless step without careful consideration.

In contrast to the American attitude, the simple and explicit attitude of Italy is exceedingly bright and broad. The good-willed expressions and actions of the Italian people for Japan and Japanese, since the emergency broke out, are most satisfactorily pleasing. The world is now facing an opportunity to see distinctly the existence of three forces - nationalism, communism and liberalism. However, America may finally return to nationalism in the new form of "America's America". The declaration of the 6th may be considered as a rash whim which it is apt to take. Judging like this, there ^{be} may/no necessity to mind the American declaration. Without minding such declarations, we must resolutely support our majestic national constitution, propagate Imperialism in the world to the end, thoroughly prevent communism, and go straightforward to the end that peace and happiness of the mankind in the world be ensured. Declarations, such as are published by Great Britain, America, or the League of Nations from their selfish nature, should be passed over without the least concern.



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1416

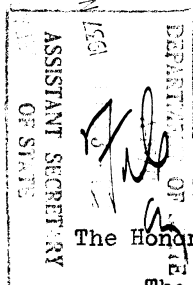
Peiping, September 30, 1937.

Subject: Japanese Military Forces in
North China.

CONFIDENTIAL

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

Classified For	M	Excluded From U.S.A.	
Berger		ONI + MID	



The Honorable

The Secretary of State,

Washington, D. C.



Sir:

1/ I have the honor to enclose a copy of confidential despatch No. 545 of September 25, 1937, addressed to the Embassy by the Consulate General at Tientsin, which gives briefly an estimate made by the French military authorities in Tientsin of the Japanese military personnel and equipment in North China.

Respectfully yours,

For the Ambassador:

Frank P. Lockhart
Frank P. Lockhart
Counselor of Embassy

793.94/11023

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

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Enclosure:

1. Tientsin's No. 545,
September 25, 1937.

Original and 4 copies to Department.
Copy to Embassy, Nanking.

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4 carbon copies
received ... EP

DECLASSIFIED: E.O. 11652, 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. 545

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN CONSULATE GENERAL

Tientsin, China, September 25, 1937.

CONFIDENTIAL

SUBJECT:

Japanese Military Forces in
North China.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to state that the Headquarters of the United States Army Troops in China at Tientsin has informed this office that the French military authorities in Tientsin, who are in the best position to observe Japanese military movements in North China, give the following estimate of Japanese military personnel and equipment passing by rail and sea through Tangku between July 9 and September 20, 1937:

330,000 troops; 45,000 horses; 333 pieces of light artillery; 44 pieces of heavy artillery; 475 37m.m. guns; 25 37 m.m. anti-tank guns; 76 trench mortars; 287 tanks; 135 armored cars; 272 carts (probably ammunition carts); 3,360 motor trucks and 660 automobiles.

The American headquarters further state that the French believe that "Manchukuo" troops are
being

1924

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

- 2 -

being used to guard the Peiping-Shanhaikuan section of the Pei-Ning railway; that the French estimate of Japanese troops includes 25,000 Kwantung Army and "Manchukuo" troops and excludes 25,000 dead and wounded and troops withdrawn to "Manchukuo"; but that the French estimate is believed to be high.

The Consulate General is inclined to believe that the French estimate is fairly accurate due to the fact that the French, since the beginning of Sino-Japanese hostilities in North China, have had observers at Tangku and at the East Station in Tientsin and from their Concession and troop quarters in Tientsin have an excellent opportunity to observe Japanese military movements.

It will be recalled that prior to July 9, 1937, the Japanese forces in North China were estimated at about 6,000, with light and heavy artillery.

Respectfully yours,

J. K. Caldwell,
American Consul General.

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DCB:M

Original and five copies to Embassy, Peiping.
Copy to Embassy, Nanking.

A true copy of
the signed original
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1417

Peiping, September 30, 1937.

Subject: Review of Military and Political
Activities in North China during 51
September, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS

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copy to Undersecretary
Rosen - Nov 16

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The Honorable

The Secretary of State,
Washington, D. C.

R. Copy in FE
Division of
FAR EASTERN AFFAIRS
NOV 9 - 1937
Department of State

Sir:

I have the honor to refer to the Embassy's des-
patch No. 1402 of September 2, 1937, describing mili-
tary and political developments in Hopei Province from
July 19 to August 31, and to report herein military and
political developments which took place during September
in North China.

Japanese military victories on the three fronts:
simultaneous fall of Tsangchow, Paoting, and
P'ingtich'uan:

The only important Japanese military victory during
August in North China was the taking of Nank'ou Pass and

Kalgan.

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Kalgan, both on the Peiping-Suiyuan Railway. On the Peiping-Hankow Railway and the Tientsin-Pukow Railway the Japanese forces advanced by the close of August no more than 18 miles south of Peiping and 25 miles south of Tientsin. Advances on these fronts were evidently delayed because of the unprecedentedly heavy rains, which resulted in flooded areas on the Tsin-pu front and deep mud on the P'ing-han front. The Japanese were also using this period of delay to strengthen their forces; men and armaments were constantly flowing into Hopei Province during this period. The delay was also due in part probably to the wisdom of watching developments on the P'ing-sui front (in late August) where progress by the Japanese had been unexpectedly slow.

By the second week in September, however, strong Japanese offensives were in progress on the Tsin-pu and P'ing-han fronts, the former offensive consisting of a direct advance along the railway while the latter offensive depended primarily upon flanking movements along both sides of the railway. Meanwhile Japanese forces in the P'ing-sui area were advancing westward along the railway, while others were occupying the southern tip of Chahar Province. Two important strategic points fell during September on each front to the Japanese: on the Tsin-pu front, Machang fell September 11 and Tsangchow September 24; on the P'ing-han front, Chochow fell on the 18th and Paoting, the Hopei provincial capital, on the 24th; and on the P'ing-sui front, Tat'ung fell September 12 and P'ingtich'uan September 24. The synchronization of the fall of Tsangchow, Paoting, and

P'ingtich'uan,

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P'ingtich'uan, each of which fell on September 24,
was a cause for jubilation among Japanese.

Military activities subsequent to September 24:

So far as could be learned, only small advances were made during the remaining days of September toward the next main objectives on the Tsin-pu and P'ing-han fronts; that is, toward Techow on the Tsin-pu front and Shihkiachwang on the P'ing-han front. Meanwhile a threatening development was taking place in northwest Shansi as the month drew to a close. The Japanese claimed that a Japanese force, which had participated in the capture of towns along the P'ing-sui Railway in Chahar and had thence moved south through Chahar into western Hopei, had proceeded into Shansi and captured the Great Wall pass of P'inghsingkuan, while another force moved south from the P'ing-sui Railway in northern Shansi and captured the Great Wall pass of Juyuehkuan. These two passes lie to the east of the Yenmenkuan, the strategically important and difficult pass in the Great Wall on the main road leading from Tat'ung to Taiyuanfu, the Shansi provincial capital. The intention of the Japanese in seizing the two passes mentioned above was apparently to flank and defeat those Chinese troops massed at Yenmenkuan Pass to repel a Japanese attack from the north.

Explanation of the Japanese victories:

To observers, the Japanese victories were not evidence of the invulnerability of the Japanese military. The objectives on the three fronts mentioned above were won not because of intelligent leadership and fighting

qualities

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qualities of the Japanese, but rather, in the opinion of many well-informed persons, because of the poor leadership, inadequate equipment, and inefficient training of the troops on the Chinese side. It was believed that in achieving their victories the Japanese took a longer time and suffered greater losses than they had anticipated. Certainly the reputation of the Japanese military declined during September in the eyes of foreign military observers while one intelligent Japanese civilian in close association with the Japanese military informed a member of the Embassy that the Japanese residents in North China had learned one thing during September: namely, that the Japanese army does not know how to wage war. It seemed evident to observers that, given such leadership and equipment as the Chinese forces in the Shanghai area possess, the Chinese forces on the three fronts in North China could delay or make impossible further Japanese advances. Whether Techow, Shihkiachwang, and Kueihwa - the next principal objectives on the three railway fronts, as well as Taiyuanfu, would present greater obstacles to the Japanese in the way of more intelligent Chinese leadership, better trained troops, and improved equipment, was a question which was unanswered at the close of September. The future course of the war in Suiyuan and Shansi seems at present to depend primarily on the ability of communist forces, which are said to be in both areas, to carry out an effective defensive campaign.

Japanese air attacks on towns and cities:

Japanese planes made frequent bombing raids during September on towns and cities along the Tsin-pu, P'ing-han

and

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and P'ing-sui Railways, as well as on towns and cities not on those lines, as, for example, Taiyuanfu, the Shansi provincial capital, and Tsining in southwestern Shantung. That care was not taken to confine the bombing to military establishments was illustrated by a statement to the foreign press correspondents at Peiping by the Japanese military spokesman to the effect that a raid had been made on Paoting at night when it was so dark that no objectives were visible. It was further illustrated by the dropping of 30 bombs on property of a non-Chinese monastery at Sienhsien,¹ which is some miles west of Tsangchow on the Tsin-pu Railway and a considerable distance from any military establishment.

Strength of the contending forces in North China:

It was estimated by the American Military Attaché that Japanese forces in North China, including the provinces of Suiyuan, Chahar, and Shansi, increased in number during September from 100,000 to 250,000 (estimates of the French military authorities was considerably higher)² and that the total number of Chinese troops in that area was by the end of September 400,000.

Creation of the Japanese North China District Army:

To unify the Japanese forces operating in North China, the North China District Army was created - or information with regard thereto was obtained - early in September

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1. Tientsin's telegram 43, September 23, 4 p.m.
 2. The estimate of the French Military Attaché is 300,000 and of the French Intelligence Officer in Tientsin is 380,000.

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September. General Juichi Terauchi, former Minister of War, is the Commander in Chief. Under him are three armies: (1) the army of the Tsin-pu front, under the command of Lieutenant General Kiyoshi Kazuki, former Commandant of the Imperial Guard, who had been made Commander of the North China Garrison shortly after the Marco Polo Bridge incident; (2) the army of the P'ing-han front, under the command of Lieutenant General Toshizo Nishio, former Chief of Staff of the Kwantung Army, Vice Chief of the General Staff at Tokyo, and Commander of the Imperial Guard, and (3) the army of the P'ing-sui front, under the command of Lieutenant General Seishiro Itagaki, one of the leading figures in the seizure of Manchuria in 1931. (With regard to General Itagaki's command, there is evidence that not all the forces in the Peiping-Suiyuan area are his. Apparently the troops operating in south Chahar and northwest Shansi are under him, while those operating in Suiyuan and north Shansi are allegedly forces of the Kwantung Army. The relationship of these forces is obscure.) General Terauchi's Chief of Staff is Lieutenant General Okada, an officer unknown to the Embassy, and his Vice Chief of Staff is Major General Masakazu Kawabe, who was until recently in command of the brigade stationed in and about Peiping. Mention should be made of two other officers, noted for their activities during recent years on the Asiatic mainland: Lieutenant General Kenji Doihara, an instigator, allegedly, of the seizure of Manchuria, is serving under Lieutenant General Nishio on the Ping-han front, and Lieutenant General Isogai, long involved in

Sino-Japanese

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Sino-Japanese affairs, is serving under Lieutenant-General Kazuki on the Tsin-pu front.

Strengthening of the Japanese Special
 Military Affairs Organ:

Presumably in preparation for the work of establishing a new political regime in the conquered areas of North China, a reorganization took place of the Japanese Special Military Affairs Organs in Hopei Province. These missions are engaged in political activities and are located at Peiping, Tientsin, Shanhaikwan, and T'ungchow. (It had been understood that the mission at T'ungchow was abolished as the result of the killing of its chief in the revolt of the Peace Preservation Corps on July 28 and of the subsequent removal of the "capital" of the East Hopei regime from T'ungchow to Tangshan. The press announced recently, however, that an officer has recently been assigned to T'ungchow as the chief of the Special Military Affairs Organ there.) For the first time an officer was assigned during September to supervise the Special Military Affairs Organs of Hopei Province, in the person of Major General Seiichi Kita, who has for some years been active in Sino-Japanese affairs in North China. Other changes in personnel have also taken place or are to take place. For example, Lieutenant Colonel Matsui has been succeeded as chief of the Special Military Affairs Organ in Peiping by Colonel Hiroshi Nemoto. Definite information with regard to other changes is not as yet obtainable. According to one Japanese source, the transfer of Colonel Matsui was a victory for the war

party

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party of the Japanese military, as Colonel Matsui has been opposed to military action in North China, believing that Japan's strength should be concentrated on preparation for military conflict with the Soviet Union.

Impending change in the political structure of North China:

Notwithstanding widespread rumors of imminent change in the political structure of all North China, only two minor alterations in administrative organs occurred during September. (1) The "Southern Chahar Autonomous Government" was inaugurated at Kalgan under the nominal headship of Tu Yun-yu, a young man who studied at Waseda University in Tokyo and whom foreigners who have met him describe as an "upstart". This "government" will presumably administer nominally that part of Chahar south of the Great Wall until it is merged in whatever regime the Japanese may set up eventually for the control of all of North China, or it might possibly be included in some autonomous regime which the Japanese are allegedly contemplating for the nominal direction of those areas of Inner Mongolia over which they are extending their control.

It seemed at the close of September that the Japanese authorities had not decided the questions of when the new government for North China would be formed, who would be its head, or what form the new government would take. It was rumored during the month under review that one part of the military wanted to establish a regime after the fall of Tsangchow and Paoting. Those cities fell, however, and no regime was formed. It was also said that another

element

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element of the Japanese military wished to wait until it was possible to establish a regime of which the southern boundary would be either the Yellow River or the Lunghai Railway, while still another element wanted to delay until an important victory in the Yangtze Valley would make possible the establishment of a regime which could lay claim to being the government of all China rather than of North China only. Presumably not only the difference of opinion among the Japanese authorities delayed the inauguration of a new regime but also Japanese preoccupation with the military campaigns and their difficulty in finding a Chinese of suitable caliber to head the proposed regime contributed to the delay.

All reports indicated that the Japanese wanted Marshal Wu P'ei-fu to come out of his retirement in Peiping and lead the regime. According to report, Marshal Wu was willing but under conditions unacceptable to the Japanese. Some informants claimed that the Japanese hoped to inveigle Marshal Wu to participate by persuading some such person as Ts'ao K'un or Hsu Shih-ch'ang, former presidents of China, to accept the nominal leadership of the regime. Other names mentioned as possible alternatives included T'ang Erh-ho, Hsu Lan-chow, and Chin Yu-p'eng, retired officials of the old Peking Government.

To observers it seemed that Japanese were less active during September in respect to the establishment of a new regime than were office-seeking Chinese who had held office in the old Peking Government.

The

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The ambiguity of Yen Hsi-shan and Han Fu-chu:

Generals Yen Hsi-shan and Han Fu-chu were frequently mentioned as possible participants in a new Japanese-directed regime. Belief in the possibility that they might follow such a course was strengthened by such factors as (1) their record of opportunism, (2) reports that each had a representative in Peiping during September, and (3) their probable dissatisfaction with the National Government because of its despatch into Shansi and Shantung of large forces of National Government troops, including allegedly in Shansi a number of divisions of Chinese communist forces. The presence of these non-provincial troops seemed to be, however, the strongest deterrent to defection on the part of Yen and Han. Presumably one objective in turning over to the Japanese would be to preserve their provinces from warfare, but the presence of non-provincial troops seemed to render such warfare inevitable, regardless of the actions of the provincial leaders. Furthermore, alignment with the enemy at this time of crisis and of growing unity in China is more difficult than in the past without becoming anathema to the whole nation. Yen and Han also have before them the fresh example of General Chang Tzu-chung who did the Japanese bidding in July and was out of office and in hiding in early August. So frequent were press reports during September that General Han would shortly turn over to the Japanese that he reportedly issued a statement at the close of the month denying such intentions and declaring emphatically that he would obey the orders of the National Government.

The

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The situation in Peiping:

Conditions in Peiping, which may be assumed to be representative of conditions in other places occupied by the Japanese military, showed little improvement during September.

a. Actions against persons unsympathetic to the present regime:

A few arrests came to the attention of the Embassy of persons either unsympathetic to the present regime or persons who had aroused the antagonism - or perhaps the cupidity - of either Chinese or Japanese influential in the regime. The sealing of houses against entry continued during September, being extended from houses of members of General Sung's regime to houses of members of the Kuomintang or its sympathizers. In cases where the wife and children of such a person were still in Peiping, a part of the house was left unsealed to permit their continued residence.

b. Actions creating uneasiness among the people:

Notwithstanding the comparative restraint of the authorities in dealing with the person or property of those not favorably disposed toward the new regime, uneasiness continued to exist among the people of Peiping to such a degree that streets remained deserted in the evening, many shops continued closed throughout the day, while almost all shops closed early, and places of amusement were poorly patronized. The apprehension of the people, as well as their dislike of the new regime, was especially evident in their failure to respond to the officially inspired

celebrations

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celebrations of the Autumn Moon Festival and of the fall of Paoting.

Among the causes of the uneasiness were the continued and comprehensive search of houses, presumably for fire arms and former soldiers or members of peace preservations corps, examination of Chinese leaving or entering Peiping, further instances of the impressing of Chinese for labor and the commandeering of vehicles, instances of occupation of schools as barracks for Japanese troops, the delayed opening of other schools, the constant presence of Japanese soldiers on the streets, delay in rearming the Chinese police, although some were rearmed during the month, the issuance by the authorities of harsh and dangerous regulations allegedly intended to maintain order, frequent flights over the city of Japanese military airplanes, disturbed conditions existing outside the city walls, impossibility of obtaining authentic news from the Japanese-controlled press, and continued high prices and stagnant business.

c. Regulations to maintain order:

Regulations were issued September 3 by the Peiping Local Maintenance Society prescribing the death penalty for fifteen offenses. The regulations were allegedly drawn up at the instigation of the Chief of Police, P'an Yu-kuei. The offenses listed included political activities or "thought movements" destructive of public safety, speculation which disturbs currency or exchange, interference with public functionaries discharging their duties, possession of lethal weapons, rumor-mongering which

excites

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excites public opinion, and any disturbing of peace and order. So wide in scope were these orders that it seemed that the death penalty could be inflicted on almost anyone who came into the disfavor of the local authorities. However, so far as known, the penalty was not invoked during September for political reasons.

Other regulations or orders issued by the local authorities - or by Mr. P'an Yu-kuei, according to the press - were regulations for the establishment of an organ to conduct the search of houses, an order prohibiting the making of false accusations for the purpose of revenge, an order forbidding the impersonating of officials, and an order forbidding local Chinese residents' acting as correspondents for publications in the foreign concessions of Tientsin or in the south.

Apprehension was not lessened by an order issued August 31 by the Japanese Military Headquarters at Tientsin announcing that severe punishment would be meted out to those guilty of espionage, treachery or instigation of treachery against Japanese troops, and other actions endangering the safety of Japanese troops.

d. The unsatisfactory state of education:

Only two universities opened for the fall term, Yenching (American) and the Catholic University (Papal). Some of the others were occupied by Japanese troops. Lack of funds, comprehension of the difficulties which would be created for educators by the Japanese, and the exodus to the south of a large proportion of the faculties were among the causes of the failure of the Chinese universities

to

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to open. Lack of funds and the uncertainty of the political situation delayed the opening of elementary and middle schools, some of which are still closed.

The attitude of at least an important part of the Chinese teachers in Peiping was indicated by their action when orders were received that the students should be directed to participate in parades celebrating the fall of Paoting. To avoid giving such direction to students, the authorities in a number of schools sent the students to their homes, declaring the schools closed for the day. The attitude of students in Peiping was illustrated by the failure of the authorities to obtain student support for the formation of a students' union which would "co-operate" with Japan. At the inaugural meeting of the union there were reportedly only 6 or 7 students present.

d. Economic and financial conditions:

Some improvement took place in September in the movement by railway of freight in and out of Peiping via Tientsin. (Passenger and freight service on the Peiping-Suiyuan and Peiping-Hankow Railways remained suspended; and, although the train service between Peiping and Tientsin improved somewhat, only two trains ran each way daily, taking from $5\frac{1}{2}$ to $8\frac{1}{2}$ hours for the trip instead of the former $2\frac{1}{2}$ hours.) Trade continued dull and shops did little business, large numbers of shop boys and factory workers being dismissed. Places of amusement, such as theatres and restaurants, continued to suffer from lack of patronage,

due

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due in part to the decline in incomes and to the fear of the monied classes of leaving their houses after dark. ⁷
1

The financial situation was confused during September. Exchange rates were maintained artificially. The shortage of notes of the three so-called Government banks increased, partly as the result of hoarding, while the use of notes of the Bank of Chosen and of silver currency and yen notes of the Yokohama Specie Bank became appreciable. Notes of the Hopei Provincial Bank, founded by General Sung Che-yuan, continued to circulate at their face value, but General Sung's other bank, the Chahar Provincial Bank, closed its doors and its notes have become valueless. There were reports, which could not be confirmed, that the Japanese authorities were planning to establish a North China Bank which would absorb the banks already established in North China and which would take over the notes now in circulation, including the defunct Chahar Provincial Bank. The more common report was that notes of the Yokohama Specie Bank and the Bank of Chosen would be substituted for the existing note issue. Meanwhile the financial future of the area continued to be regarded with pessimism by local bankers.

e. Conditions outside the city walls:

Travel outside the walls of Peiping was unsafe during September because of the activities of volunteers and bandits. Rifle firing, shelling, and bombing were frequently audible in Peiping, especially during the first half of

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the month. These disturbances were almost entirely north and west of the city, although reports became current during the latter part of the month of attacks by Chinese hiding in kaoliang south of the city on small groups of Japanese. The organization which kidnapped ten Europeans on August 30 released seven of them voluntarily during September, presumably to indicate that the object of the kidnapping was not monetary but political, to embarrass the Japanese authorities.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Original and 4 copies to Department.
Copy to Embassy, Nanking, Tokyo.
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TELEGRAM RECEIVED

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FROM

GRAY

Shanghai via N. R.

Dated November 8, 1937

Rec'd 1:10 p.m.

REK

Secretary of State,

Washington.

945, November 8, 7 p.m.

My 943, November 6, 5 p.m.



Japanese landing operations on the Pootung Peninsula, effected at three points east of Chapi, apparently met with complete successes and Japanese troops are now reported to have pushed in rapidly from the coast and to have effected a crossing of the Whangpoo River to the southeast of Sungkiang. Units of the two Chinese divisions heretofore stationed in Pootung have withdrawn to check the Japanese advance. Other Chinese troops are reported to be concentrating in the vicinity of Sungkiang for the same purpose. Heavy fighting continues in the western area south of Soochow Creek where the Japanese have made further gains. The Japanese report indications of a Chinese withdrawal from this sector and from Nanhsiang and other points.

Repeated to Nanking and Peiping.

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