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NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 49

1930-39

793.94/12141-12326
Dec. 1937-Feb. 1938



**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.

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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

Febr. 7, 1938.

~~MEM~~ ~~WAA~~
~~JUG~~
~~WAA~~

Aircraft-carriers from waters around Hong Kong serve as base for air operations against the Canton-Hong Kong and the Canton-Hankow Railways. Waichao Island, between Hong Kong and Kwangchowwan, appears to have been occupied by Japanese and five cruisers with auxiliary craft are based there. Kimoi Island, off Amoy, is thought to have been occupied by the Japanese who are said to be constructing an aerodrome there.

On Dec. 11, armed Japanese (apparently unintentionally) raided the coast of the Colony & seized a Customs ~~launch~~ which was later found abandoned.
ARR ~~WAA~~

FE

CHENGTING T. WANG

*Ambassador Extraordinary and Plenipotentiary
of the Republic of China*

WASHINGTON, D. C.

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

No. 46

AMERICAN CONSULATE GENERAL
Hong Kong, December 18, 1937

CONFIDENTIAL.

SUBJECT: Japanese Landings in Hong Kong Territory -
Seizure of Chinese Customs Launch in Hong
Kong Waters.

RECEIVED
DEPARTMENT OF STATE

1938 JAN 19 AM 43

THE HONORABLE	THE SECRETARY OF STATE	WASHINGTON.
<i>Good</i>	<i>Southard</i>	<i>MID</i>

Division of
FAR EASTERN AFFAIRS
JAN 20 1938
Department of State

in confidence DT

I have the honor to state that during recent weeks Hong Kong has had wave after wave of rumors about Japanese landings at points in British governed territory and about other violations of the Colony's frontiers on both land and sea.

Most of these rumors have proved to have little, if any, real foundation. That they abound, and from time to time recur, is not surprising in view of the continued apprehensions which exist here as to possible Japanese attacks on Hong Kong and its leased territories on the mainland. These apprehensions have been mentioned in earlier despatches from the Consulate General and we have to date nothing more in the way of confirmation than existed at the time those despatches were written.

On the basis of informal conversations I have had with local officials in a position to know it can definitely be said that the waters around

Hong Kong

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Hong Kong are frequented by Japanese war vessels of which two are air-craft carriers supporting the planes used for bombing the Kowloon-Canton and the Canton-Hankow Railways. Japanese destroyers and submarines have been seen near Hong Kong by persons who know such craft when they do actually see them. In some instances at least it has been confirmed that other kinds of observers have sworn that they saw Japanese war vessels when actually they have seen nothing of the kind. The presence of Japanese war vessels in these waters is a natural development of Japanese interest in Canton and the traffic on the Canton River, and in the Chinese coastal territory and outlying islands both above and below Hong Kong. Their activities in connection with the great Island of Hainan are well known through verified reports which appear from time to time in the public prints of the world. There appears also to be reasonable confirmation of Japanese occupation of Kimoi Island up the coast just off Amoy. Here they are said to have under construction an aerodrome with accompanying searchlights, sound detectors, and anti-aircraft guns. Local British naval and military men appear also to have no doubt of the foregoing activities and accomplishments of the Japanese. However, this office has found in no source reasonable confirmation that Japanese forces have actually

established

- 3 -

established themselves in any degree on the mainland of the South China coast.

A great deal of excitement was caused last week by the brief landing of Japanese Marines or sailors in the vicinity of Castle Peak, on the Leased Territory mainland just north of Lan Tau Island. There is verification that the landing was brief, and there is the probability that they landed either to steal or buy chickens or other meat from the local Chinese. At the time of this landing in British territory there was seized about six hundred yards off the same coast, in British territorial waters, the Chinese Customs Cruiser CHA HSING. The customs boat was captured by a destroyer of the Japanese twenty-third flotilla after one shell had been fired. The shell is stated to have glanced off the side of the customs boat leaving only a dent. This 136-foot Chinese Maritime Customs Cruiser was two days later found abandoned and aground at Haimun Bay, near Wangkan Island, and was towed into Macau where presumably it will be restored to the Maritime Customs. I have heard no explanation for this particular exploit, but it is accepted as a definite indication of the activity of Japanese destroyers in watching the mouths of the Canton and West Rivers in an endeavor to capture worth-while Chinese vessels.

The Hong Kong gossip mongers last week made much of the reported occupation of Waichao Island,

northwest

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

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northwest of Hainan and half way between Haiphong and Liuchow, by the Japanese for military and naval purposes related to what is said to be their impending onslaught on South China. An officer of the Chinese Maritime Customs and a naval officer, both of them well informed, have assured a member of the staff of this office that Waichao Island is of no use for either naval or military purposes. The news about the occupation of Waichao was accompanied by the statement that five Japanese cruisers, with auxiliary craft, are now based at St. John's Island which is between Hong Kong and the French territory of Kwangchauwan. This latter item is thought to be more or less accurate.

There seems no doubt that there are many Japanese war vessels in and around this British Colony but whether they are merely scouting, whether they are preparing the way for the long predicted invasion of South China with Canton as an objective, or whether they have some other purpose, is probably known only to the Japanese themselves. Their presence adds, of course, to the agitation of mind of most of the Hong Kong folks about attack. This in turn breeds more and more rumors, and perhaps energizes tangible progress in Hong Kong preparations for defense.

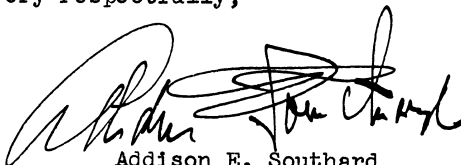
From

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From the latter viewpoint at least the situation appears of sufficient interest for reporting by this Consulate General.

1/ As of possible interest in connection with this despatch there is attached an editorial under the title of "Dangerous Incidents", taken from the HONG KONG TELEGRAPH of December 14th, 1937.

Very respectfully,



Addison E. Southard
American Consul General

✓ Enclosure:

1/ Editorial from Hong Kong Telegraph
December 14th, 1937.

In quintuplicate to the Department
Copy to American Consulate General, Hankow
" " " " Canton
Copy to American Embassy, Tokyo

800.

AES:MM

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

(CORRECT COPY MM)

Enclosure No. 1 to Despatch
No. 46 of December 18, 1937,
from the American Consulate
General, Hong Kong, to the
Department of State, Washington.

HONG KONG TELEGRAPH (First Edition)

Tuesday, December 14, 1937.

DANGEROUS INCIDENTS

It seems that Japanese sailors landed at Black-head Point on Saturday night. The Hongkong Government has sent to London a report on the matter, and in due course there will probably come from the British Government a fitting protest for this breach. While undue importance must not be attached to the episode, as it is very likely that the Japanese were not aware that they were invading neutral territory, it must be pointed out that more caution would be advisable on the part of naval landing parties in the Hongkong area. An extremely delicate situation might very easily be created by such mistakes, particularly if an armed party came into collision with a British police or military patrol. The status of the Japanese under such circumstances would be somewhat dubious. It must be presumed that they would be arrested; and it is entirely likely that they would deeply resent any such action by the British authorities. One cannot help feeling that although Hongkong people will not experience any tremendous indignation at this incident, the Japanese themselves would understand a storm of protest and complaint. If British seamen were to land on Formosa their presence would undeniably create the gravest of complications. When it is remembered with what jealousy Japan guards her territory and the adjacent waters, particularly those areas

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

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in the vicinity of fortifications, it would not be misunderstood if an apology and explanation were proffered even before the inevitable protest is delivered.

In connection with the attacks on British vessels in the Yangtse River, in one instance at least the Japanese have explained that the action of the gunners was "a mistake". They have not indicated whether the aircraft which three times attacked two gunboats were aware that their targets were British men-of-war, but it seems incredible that the airmen should have been ignorant of the fact. Explanations of all these incidents will be made in due course, but in the meantime British lives are in danger and the question of what steps should be taken to remedy the situation presses for an answer. The British Navy's response to future attacks by aircraft will be immediate. The ships will open fire. Perhaps if one of the attackers is put out of action by British gunners it will have the effect of making Japanese airmen more cautious. No repetition of the Panay tragedy is required to bring home to all parties the terrible danger to which neutrals are exposed in the Yangtse and the possibility of international repercussions which will strain gravely the relations between Japan and the major powers with interests in the Far East.

It may be advanced by the Japanese that they had warned all neutrals and neutral shipping to move as far as possible from the zone of the fighting around

Nanking

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

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Nanking, and that in consequence the Japanese Government cannot be held responsible for the error in judgment of its officers in the field. That does not alter the ugly appearance of such incidents as those involving the Panay and H.M.S. Ladybird. The attacks on these vessels were too deliberate to be called "accidents". While no foreign Government is going to make a great fuss over damage to its property which is obviously unavoidable, repeated attacks will undoubtedly bring some form of retaliation and are bound to give rise to the suspicion that while the official intentions of the Japanese are above question, the action of certain officers are dubious to say the least. The recklessness of individuals, if it is not downright and deliberate hostility, has already caused incidents which might very easily be interpreted as acts of war.

Copied: MM

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

EMERY, BOOTH, TOWNSEND, MILLER & WEIDNER
RECEIVED
COUNSELLORS AT LAW
PATENT AND TRADE MARK CAUSES
50 CONGRESS STREET
BOSTON

FREDERICK L. EMERY
(1893-1933)

THOMAS B. BOOTH

IRVING U. TOWNSEND

EVERETT S. EMERY

LOUIS A. JONES

LAWRENCE G. MILLER

HENRY M. WEIDNER

IRVING U. TOWNSEND

DEPT. OF STATE

JAN 19 1938

CHIEF

DIVISION OF

Service Administration

1938 JAN 10 A

DIVISION
COMMUNICA
AND RECC

January 17, 1938

TELEPHONE HUBBARD 5161

CABLE
EMBOVA
WESTERN UNION CODE

Ack'd

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Mr. Nathaniel P. Davis
Division of Foreign Service Administration
State Department
Washington, D. C.

Dear Mr. Davis:

I have the honor to hand you personally a copy of a letter written by the Rev. Ernest H. Forster, at Nanking, on December 7, 1937, just three days before the Japanese assaulted the city. It is as fine an example of simple, unassuming Christian heroism as anything of which I know or have heard. It has the savor of the early Christians worshipping in the catacombs.

I trust that you will put the letter before Secretary Hull, himself also a noble Christian gentleman. I think he will be thrilled at the simple story of an American who has come safely through great peril.

Yours very truly,

Irving U. Townsend

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

#10 Sze T'iao Hsiang
Kulou, Nanking
December 7, 1937

Dear Family:

I fell down last week about writing to you, so I will try to make amends this week. Please excuse me. We had a rather busy week which ended with our moving from Hsiakwan to the above address which is the residence of the German gentleman who invited Crisso to go to Hankow aboard the ship which the German Embassy had chartered for its nationals. A young Russian whom we call Kola since his real name is very difficult to pronounce is taking care of the house for Mr. Schultze-Pantin. You see our Hsiakwan compound is just outside the main gate of Nanking city from the north. We are really only a stone's throw from the gate and as the situation has grown tighter with the approach of the J. upon Nanking we decided it would be better for us and our Chinese workers and Christians to move inside the city lest the city gate be suddenly closed without warning and we be left outside with no place to go to. Mr. Hansen, the manager of the Texas Oil Co. very kindly invited us to use his company residences for ourselves and our people. These are within the area which the International Committee has been trying to reserve for a safety zone in order to save the civilians who cannot leave Nanking. We had quite a large group of workers and Christians to provide for so we decided it would be best to move them in and get them settled. John Magee and I decided to come to this house since the other place was quite crowded and we had to be a little freer to carry on our work. So here we are. We have been busy moving in as many of our things as possible for if the Chinese really defend the city our residences on the Hsiakwan compound are in for a lot of shelling, etc. It has been a hectic time trying to make all arrangements, and I think that when I can no longer qualify as a missionary I'll hire myself out as a mover and packer! From the news we are receiving it looks as tho the J. would be here very soon. Everybody is wondering how much of a fight the C. will put up. They are certainly making preparations to put up some resistance but it is uncertain how long they can hold out. Their casualties were very great around Shanghai and included some of the very best troops. Those who will defend Nanking will be either fresh troops of uncertain fighting calibre or else men who have already had a pretty heavy dose of fighting. We are realising more and more that only God can help, and we feel sure that He will accomplish His purpose. He has called us here, has given us work to do from day to day, and we are trusting Him implicitly to see it thru to the end. It is a great comfort to our Chinese believers, many of whom cannot go to other places and some of whom have come here from places that have been bombed and annihilated, to have us here. There is no complaining. In the house where many of them are living they have set up an altar and they have prayers there in the morning and evening. John Magee celebrated the Communion there while I did the same at St. Paul's. We did not have many at the latter place but even so it was thrilling to have as many as we did. On my way to the church we got caught in an air raid and had to leave the motor car to take shelter. The car was left here by the wusih group when they went to Shanghai. We have found it invaluable, as Nanking is a city of tremendous distances, and for nearly three weeks practically all bus and rickshaw traffic has stopped and cars are not to be hired. The next week ought to decide the fate of the city. We hope it will be over quickly so that life can settle down normally. I rode my bicycle to St. Paul's this afternoon. The city was like a deserted place with only an occasional person to be seen here and there.

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

Our work for the wounded soldiers has borne some fruit. Conditions at the railway station where the men arrived were simply terrible. People who were being paid to do the work simply did not turn up and the wounded were left sometimes for days without any one to dress their wounds and feed them. We went down ourselves to help and made such a to-do about things that those high in authority became interested and did something. Now there are doctors and dressers on hand twenty-four hours a day and the men are moved rapidly to hospitals. Not a great many are coming in that way now since the fighting line has come so close that it is practically impossible to use the railway. John met an American who has been connected with the Chinese air force for four years. He had just returned from Shanghai from which place it had taken him two weeks to get here. He came by small boat, and reported Yangchow to be full of Chinese soldiers who retreated across the Yangtse from Chinkiang. That may mean that our buildings there have been occupied by them. Mr. Ko, our Chinese priest, wrote me that the Yangchow magistrate had tried twice to get our Mahan buildings for the use of the Kiangsu Provincial Government. We refused, of course, since our consent would involve our government. We have been allowing our buildings to be used for refugees and for the wounded, but not for military or official purposes. If they take them by force we have no recourse. The last word I had from Mr. Ko was that the buildings had not been taken. Mail is no longer being delivered in Nanking, so we have been cut off from communications for quite a time. Mail is still being sent out. I write to Crisso every day and send it air-mail to Hankow. I have had only one letter from her telling of her safe arrival there at noon on Thanksgiving Day. I have received no other letters from her. Last week she succeeded in calling me up by long distance telephone. She said she was well and that she had been getting my letters. I am glad of that. She is also going to language school in the mornings. From her experience in Nanking she realized how necessary it is for her to have a speaking knowledge of Chinese. I am glad she is able to study with others as it is easier and more regular than having to do it alone. She is staying with Miss Dexter. The Embassy called me up the other day to report that they had had an inquiry from the State Department as to Clarissa's plans at Hankow, so I take it that you have received my cable, sent thru the Embassy, telling of her departure for Hankow. I think she will be all right there, and if she has to leave she will do so in the company of some of the other Mission folk there whenever they deem it wise to leave. She can either go to Hongkong and then to Shanghai or else go further west into Szechuen Province whither the Central government has moved. In any case I do not think there is any cause to worry about her safety.

There are a number of foreigners remaining in Nanking, most of them having responsibility for various activities or people. The committee is working very hard to have a 'neutral' zone respected by both sides in case fighting takes place. The Nanking University Hospital is carrying on valiantly with a small staff of two foreign doctors, one Chinese doctor, and two foreign and several Chinese nurses. They are about worn to a frazzle thru pressure of work and lack of personnel, since the Chinese superintendent and about 49 other doctors and nurses connected with the hospital deserted and went to Hankow for safety. That has been one of the heart-breaking things we have had to endure - so many of the professional classes whose services are direly needed here have run away. On the other hand we have also seen some very encouraging exhibitions of loyalty to duty in the midst of great danger. We are realising the truth of Christ's parable of the hirelings and the good shepherd, and of the meaning of trying to save one's life and losing it.

We hope you are all fine. Our dearest love and best wishes for Christmas and the new year. *Clarissa & Ernest*

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

In reply refer to
FE 793.94/12142

January 27 1938

My dear Mr. Townsend:

The receipt is acknowledged of your letter of
January 17, 1938, addressed to Mr. Nathaniel P. Davis,
with which you enclose a copy of a letter written by
the Reverend Ernest H. Forster at Nanking on December 7,
1937.

Mr. Forster's letter has been read with interest
and your thoughtfulness and courtesy in sending it to
the Department are appreciated.

Sincerely yours,

M. M. H.
Maxwell M. Hamilton
Chief

Division of Far Eastern Affairs

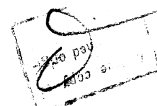
Mr. Irving U. Townsend,
50 Congress Street,
Boston, Massachusetts.

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JAN 26 1938

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793.94/12142

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

No. 48

AMERICAN CONSULATE GENERAL

Hong Kong, December 20, 1937

CONFIDENTIAL.

SUBJECT: Reaction in Hong Kong to Japanese Attacks
on American and British Ships.

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RECEIVED
DEPARTMENT OF STATE

1938 JUN 19 AM 10 42

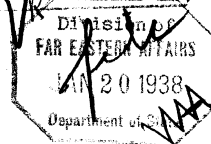
DIVISION OF
COMMUNICATIONS
AND RECORDS

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:



I have the honor to report that the Consulate General has been endeavoring to prepare a brief record of the reaction of officials and leading citizens of British nationality in this Colony to the recent serious attacks by the Japanese on American and British ships.

The local press has not waxed as indignant as one might have expected about such incidents as those concerning the U.S.S. PANAY and H.M.S. LADYBIRD. As representative of the modest amount of comment which has appeared in the Hong Kong press there are enclosed two editorials from the CHINA MAIL issues of December 14th and 15th, 1937.

Officials and leading members of the local British community are sympathetic in their comments, but not nearly so indignant as might be expected under the circumstances. One gets the impression, which is perhaps a not too well defined one, that

they

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1-2/

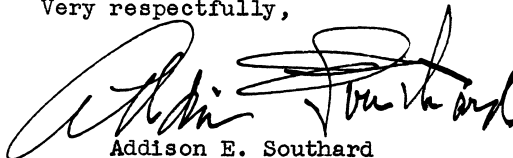
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

- 2 -

they are more or less apathetic; that they have expected such incidents; that they think more serious ones are likely to occur; and that, finally, they feel that not much in the way of enforced protests or retaliatory action is probable from either the American or British Governments. There is, of course, the circumstance that these folks are considerably worked up about local problems such as a feared Japanese blockade or attack directed at Hong Kong, or a Japanese military expedition against Canton which could produce various upsets in the Colony and, more importantly, cut off the rich commerce of its Chinese hinterland on which the Government and people of Hong Kong live and thrive.

Being so deeply concerned with their own official and personal problems of local defense and prosperity it is perhaps only natural that their interest in the particular connection indicated should be no more than rippled by outside happenings. The Consulate General does not mean to give the impression that there has not been a great deal of talk but it does find it worthy of record that such talk lacks the fire, the decision, the indignation, or even the belligerency which might reasonably be expected.

Very respectfully,



Addison E. Southard
American Consul General

Enclosure

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

- 3 -

Enclosures:

1/Editorial from China Mail
December 14th, 1937

2/Editorial from China Mail
December 15th, 1937

In quintuplicate to the Department
Copy to the American Consulate General, Hankow
Copy to the American Embassy, Tokyo

800.

AES:MM

4 Carbon Copies
Received 7-10-72

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

(CORRECT COPY MM)

Enclosure No. 1 to Despatch
No. 48 of December 20, 1937
from the Consulate General
at Hong Kong to the Depart-
ment of State, Washington.

FROM: China Mail
Tuesday, December 14, 1937

"WE ARE VERY SORRY"

Deliberate attacks on British ships in the Yangtze, such incidents as the invasion of Hong Kong waters by Japanese bluejackets and the falling of shells upon a Hong Kong beach, such tragic outrages as the sinking of the U.S.S. Panay and of three American tankers, will go on and on in their woeful succession until the Powers apologise properly to Japan for their presence in China, or, alternatively reach the conclusion that the time has come to make a stand. It is obviously impossible if we are British and care a hoot for the dignity of the British flag, or if we are Americans and feel that Old Glory demands some respect, to go on as we have been doing. Outrage--protest--apology, that tragi-comic trinity of Arrogance, Futility and Oriental Politeness, have been a British indulgence so often in this campaign that the idea of Whitehall winding up by making the ultimate apology is publicly bandied about in this Colony as a common joke as soon as an incident occurs in which British honour is put at stake by Japanese cynicism. Apologies are Japan's cheapest commodity today. They cost nothing and are worth less, judging by past experience, than gratuitous offerings usually are. It occurs again and again: apology to-day and another bomb to-morrow; not necessarily because the Tokyo Government which tenders the regrets is not

sincere

- 2 -

sincere, but because it is absolutely powerless to control those responsible for the outrageous attacks. "I am commander here", says Colonel Hashimoto, whose troops were responsible for the shelling of H.M.S. Ladybird and H.M.S. Bee, "and my men are unable to recognise the British flag." In Nanking, where presumably the excuse was not available of not being in touch with headquarters, three separate and distinct attacks were made on British gunboats and merchant ships. A protest was lodged after the first attack and the ships were forthwith bombed again. It is not known whether the third attack made later in the afternoon, was distinguished by a preliminary protest.

While these painfully plainly deliberate attacks were occurring on British shipping, the U.S.S. Panay was being bombed and sunk. It seems a fair inference, therefore, that the sinking was just as much a mistake as was the shelling of H.M.S. Bee from a range of 400 yards. The only difference between the incidents was in effect, and the effect was so disastrous that Admiral Hasegawa yesterday afternoon could find nothing more to do to placate American opinion than he had already done. This is the affair of the American authorities, however, and tendering our sympathies, we leave them to handle it in their own way. Our concern is with the Wuhu and Nanking incidents in which the "Daily Telegraph" detects, by some extraordinary reasoning, a conciliatory assumption in the suggestion that the military commanders in the Yangtze Valley are running amok! This is desperately clutching at the flimsiest straw to justify another
demonstration

- 3 -

demonstration of British Patience 1937 Model. For our part, obedience to the behest of the authorities, to remember the old school tie and behave, all of us, as best we can, as little diplomats in a troublesome world, becomes, as we are not fish, ever a matter of greater difficulty. The more thought that is given to events, their progression and development, the position to which policy has carried us in the last few months in the Far East, and it remains the more remarkable that some restraint in language can still be exercised. However, we suspect that there is a limit to British patience somewhere and with Japan's apparently studied efforts to detect its whereabouts, it surely must be reached. When the erstwhile pro-Japanese "Daily Express" begins to refer to them as bandits and in a most threatening tone, used usually only for Communists, Britain must be closely approaching the turning-point.

Nevertheless, if we read Japan's mind correctly over the Panay incident, she expects by swift expressions of regret, jumping in ahead of formal Notes, to slip gracefully by this "most unfortunate incident", and to secure the forgetting, in the stress of the Panay sinking, the little matter of the shelling of the Ladybird and the Bee. Mr. Chamberlain does not see eye to eye with Japan in this matter, but he rejects the idea of ultimatum as he must unless Britain is prepared to back it up. At the same time simple apology cannot suffice. Faith in the repentance behind Japanese regrets has been so shaken that some more tangible assurance must be required against repetition of the Incidents.

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

(CORRECT COPY MM)

Enclosure No. 2 to despatch
No. 48 of December 20, 1937,
from the Consulate General,
Hong Kong to the Department
of State, Washington.

FROM: China Mail
Wednesday, December 15, 1937

ANGLO-AMERICAN CO-OPERATION

If Japan had set herself out to throw the United States and Great Britain together in cooperation in the Far East, she could not have done it more effectively than by choosing the same day for unwarrantable attacks on British warships and the sinking of the U.S.S. Panay. Mutual Anglo-American support there would be, without any definite understanding, by the very logic of the circumstances. Events, however, are compelling much more than that, and it may be taken for granted that a very clear understanding now exists between Washington and London on the steps to be taken to secure reparation for the outrages. As pointed out yesterday, the international situation in the Pacific has swung suddenly back to the position that existed in 1931 when only the agreement of one of the parties was needed for joint action to place a curb upon Japan. The difference on this occasion arises, apparently, from the reversal of roles, with the initiative coming from Great Britain, plus the fact that defence of China was the primary interest in 1931 while the elemental issue of self-defence is today the paramount pre-occupation. How far the movement will go depends very largely upon the United States, but all visible pointers indicate that her patience, too, is near exhaustion, and that an outward calm does not predicate her willingness to accept any nonsense.

The

- 2 -

The time is past when excuses can be made. No-one imagines for a moment that there was anything accidental either in the shelling of the Ladybird, the bombing of the Cricket and the Scarab, or the sinking of the Panay. Given an isolated incident and Japan might have deplored to good effect, but to authorise stories alleging that troop-carrying junks clustered round this warship or that, hence, the attacks, merely adds insult to injury, and prejudices judgment on the honesty and sincerity of any submission that may be made in mitigation. The best defence Tokyo could offer is that her military forces were out of control and to that extent were not responsible for their actions. But that defence will not be tendered because it must heighten the virtue of the demand for restraint that is being made, with the claim for reparation.

Unfortunately for Japan, as she fully realises, it is impossible for her on this occasion to evade the onus of responsibility, though what her actions will be still depend very largely upon the mood of the military. It is indicated in Washington that President Roosevelt will only be satisfied if the Emperor Hirohito apologises for the bombing and gives assurances that measures against a repetition of the attack will be taken. That goes above the civil government and above the military, and is fairly described as the strongest demand the United States has made in modern times. The final test of the power of control in Japan is contained within this American demarche, and fully supported as it must be by Great Britain, the Powers may be said to have replied to the latest wanton attacks in the only possible way, striking a decisive blow at one and the same time for the prestige of their flags and for respect for international order

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

- 3 -

generally. It has not come out of turn.

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

PAH
DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

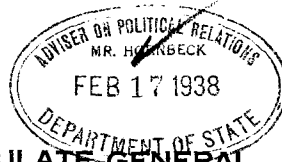
Febr. 7, 1937.

MSM
The Hong Kong authorities made arrangements for the visit of two Japanese army officers to the land frontier between the Colony and China. The Japanese are reported to have been relieved over the fact that land communication other than by railway does not lend itself to the transportation of munitions, since they feel they can bomb the railway to Canton and that they can readily block the water route.

ARR
AOR

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

No. 55



AMERICAN CONSULATE GENERAL

Hong Kong, December 23, 1937

STRICTLY CONFIDENTIAL.

DIVISION OF
EUROPEAN AFFAIRS
FEB 18 1938

SUBJECT: British Accused of Truckling to Japanese -
David Au and Suzuki Frontier Incidents

RECEIVED
DEPARTMENT OF STATE
JAN 10 1938

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

ASSISTANT SECRETARY
OF STATE
JAN 23 1938

have the honor to report that various local Chinese, many of them claiming to be officials of the Chinese Central Government, have recently commented confidentially to me on what they consider truckling to the Japanese by the British in Hong Kong.

This charge of truckling appears to have grown mainly out of two recent incidents in Hong Kong, although there is the suggestion that the Government of the Colony is in general too willing either to conciliate the Japanese or to pass lightly over such incidents as the recent violations represented by the landing of Japanese Marines on British territory on the mainland and by the seizure in British territorial waters of a Chinese Maritime Customs launch - please see this Consulate General's Confidential Despatch No. 46/12144 of December 18th, 1937.

One

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12/44

- 2 -

One of the two recent incidents mentioned has to do with the oral warning to David Au, Manager of the local Bank of Canton, and to certain other Chinese bankers in the Colony, that their anti-Japanese activities here would result in their deportation. This was briefly reported to the Department in our strictly confidential telegram of December 6, 2 p.m. //1478 There have been no further developments of this incident, but it is understood that the bankers concerned have been soft-peddling the activities to which the Inspector General of Police found objection.

The second incident particularly discussed arose out of the detail of two British army officers (Captain C. L. Edwards, Royal Marines, and Captain C. R. Boxer, Lincolnshire Regiment and Staff Officer, as ascertained by Consul Donovan of this office) to accompany two Japanese army officers to the frontier of the British Leased Territories and China proper and show them that the terrain and facilities for road communication were not such as to justify Japanese suspicion that the British authorities here were permitting large quantities of ammunition to be conveyed to Canton by other than the Kowloon-Canton Railway route. Japanese naval vessels consider that they are able to control the transport of munitions by water from Hong Kong to Canton, and they have facilities for bombing the railway after it leaves British territory. They apparently feel that they are unable to

control

- 3 -

control the transport of munitions by road or highway from British territory into China other than by protesting. It is understood that as a result of such protests they were given this British-conducted excursion to the frontier to examine the facilities which they think may exist. Local Chinese are of the opinion that the military authorities of the Colony shouldn't show so much consideration for Japanese suspicions or feelings.

The two Japanese officers who made this excursion on Sunday afternoon, December 19th, 1937, were a Captain T. Suzuki and a lesser officer named Kobota. These two men are understood to be Japanese army officers attached, with British consent, to the Japanese Consulate General here for purposes of language study.

In their survey of the Kowloon-Chinese frontier the four officers took some photographs at a point (Lokmachau) where the frontier line is marked only by a shallow stream a few feet wide. A hundred or more Chinese villagers, who may have been instigated by other more sophisticated Chinese, attacked the party with bamboo poles and stones. Captain Suzuki was badly bruised about the chest and shoulders but is reported to have had no bones broken. Captain Edwards was injured by some of the stones thrown. These two men were, it is understood,

conveyed

- 4 -

conveyed to a Hospital in Hong Kong by an ambulance fortunately stationed at nearby Fan-ling on the occasion of races being held there on this Sunday afternoon. Captain Boxer and Kobota, the other Japanese, escaped injury. Neither Suzuki nor Edwards are reported to be seriously injured.

The local military authorities had notified the Central Police Station of this proposed excursion to the frontier but apparently the latter failed adequately to inform the police station at or near the frontier. There appears to be some doubt as to whether the assault occurred on British or on Chinese territory but Major General A. W. Bartholomew, C.B., C.M.G., C.B.E., D.S.O., commanding British troops in China, indicated to me that it might have occurred in Chinese territory. The General placed no great importance on either the excursion of the four officers or on the incident of the attack, but it caused a great deal of excitement locally, particularly as early reports indicated that the Japanese beaten was Mr. T. Nakamura who recently arrived here as Japanese Consul General.

Certain local Chinese rancorously resent the presence in the Colony of the Japanese, and particularly of Japanese officers, and it is perhaps extraordinary that there have not been more

incidents

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

- 5 -

incidents of this general nature. It is, of course, possible that the beating of Suzuki was importantly provoked by the increasing tension felt here on account of the threatened Japanese invasion of South China with Canton as a main objective.

Very respectfully,

Addison E. Southard
American Consul General

In quintuplicate to the Department
Copy to Embassy, Hankow
Copy to Embassy, Tokyo
Copy to Embassy, London

800.

AES/mm

4. 5000 Copies
 received 9P

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

TELEGRAM RECEIVED

EG

SECOND BRIGADE USMC

... ~~COPIES SENT TO~~ FROM

January 19, 1938

Rec'd 4 p.m.

OPNAV WASHINGTON CINCAF

INFO: AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS HARBLEHEAD
ALUSNA PEIPING

8619. Chinese resistance to Japanese southward
drive from Tsinning weakened. Nipponese column reached
point 22 miles south Tsinning. Chinese claim Japanese
garrisons at Sunacheng, Lishui, Changhing between Tai
Lake and Wuhu withdrawn for service Tsinpu drive.
Japanese continue mopping up irregulars eastern
Pootung Peninsula. 1821.

KLP

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JAN 21 1938

793.94/12145

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11

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

TELEGRAM RECEIVED

Hankow via N. R.

FROM Dated January 19, 1938

Rec'd 3:35 p. m.

Secretary of State
Washington.

COPIES SENT TO
O.N.I. A & M.I.

41, January 19, 3 p. m.

FOLLOWING FOR WAR DEPARTMENT FROM COLONEL STILLWELL.

"Chiang Kai Shek back from inspection Lunghai front.

Purpose of trip infuse more determination in commanders. Han Fu Chu to be tried for giving up prepared positions at Tsinanfu, Taian and without fight. Falkenhausen now more optimistic. Says Chinese can still put up resourceful resistance. Expects to get new artillery soon. Has no hopes that guerrilla warfare will be decisive, but expects considerable harassing value from it." Repeated to Peiping.

JOHN SON

KLP

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F/FG

4

LMS

TELEGRAM RECEIVED

GRAY

Tsingtao via N. R.

FROM Undated

COPIES SENT TO
CHINA AND H.K.

Rec'd 4:46 p. m.,
January 19, 1938

Secretary of State,

Washington.

FOR WAR DEPARTMENT FROM DORN.

Peiping and Hankow please transmit to Military
Attaches.

No. 20, January 19, 4 p. m.

Detachment of Japanese troops arrived in Tsingtao
from Weihsien on the night of the 14th, but military
junction not completed until the 17th. Japanese reports
state that railway and other property around Weihsien
were destroyed completely. Tsingtao airfield was cleared
and guarded by aircraft on the 17th. Japanese fleet
identified as the 4th Battle Fleet. Troops here are
from both Shanghai and north fronts. Japanese troops in
Tsinpu Railway area reported to be advancing in three
columns as follows; the first, south from Tsining towards
Kweitch (Shangkui); the second, south from Tsowhsien along
the railway; the third, south from Lini area towards Taier-
chuang and Haichow.

Since

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JAN 21 1938

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

LMS 2- From Tsingtao, undated.

Since the 15th we have had no communication because of the departure of USS MARBLEHEAD and the failure of Japanese telegraph.

SOKOBIN

SMS:NPL

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

TELEGRAM RECEIVED

JS

Plain

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

CHEFOO Via N.R.

FROM

Dated January 19, 1938

Rec'd 7:35 p.m.

Division of

ASIAN EASTERN AFFAIRS

Secretary of State,
Washington, D.C.

January 19, 7 p.m.

Eighteen of the police who created disorder did not return to duty. It is reported that militia southwest of Chefoo killed seven or eight and disarmed the rest of the missing men. This morning Chinese press published a "statement of repentance" addressed to the elders and citizens of Chefoo by the disaffected police describing the events of the fifteenth as unfortunate and a mistake and pledging themselves to good behavior. The loyal Chief of Police and the Chinese Chamber of Commerce consider the incident closed, are urging shops to reopen and hope to restore public confidence.

ALLEN

SMS NBL

793.94/12148

FILED

JAN 21 1938

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17

NOTE
893.101 chefoo

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

TELEGRAM RECEIVED

JS

COMYANCPAT

Rec'd January 20, 1938

FROM

4:30 a.m.

ACTION: OPNAV

INFO: CINCAF (ADMINISTRATIVE) 2ND BRIGADE USMC
YANGTZE PATROL - COMSUBRON 5 - COMDESRON 5 - CINCAF
COMSOPAT - AMAMBASSADOR CHINA - U S S MARBLEHEAD
ALUSNA PEIPING

0019 Yangtze River ports quiet 2005

JS

793.94

COPIES SENT TO
H. H. H. H.
DT

Division of
FAR EASTERN AFFAIRS
JAN 20 1938
Department of State

FILED
JAN 26 1938

793.94/12149

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

TELEGRAM RECEIVED

JS

SOPATCOM

Rec'd January 20, 1938

FROM 4:30 a.m.

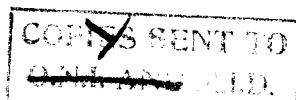
ACTION: OPNAV
INFOR: CINCAF (ADMINISTRATIVE),
2ND BATTALION USMC
COMSUFRON 5
COMDESRON 5
CINCAF
COMYA GPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD



0119 South China ports quiet. 2000.

JS

793.94



DT

793.94/12150

FILED
JAN 25 1938

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

JS

TELEGRAM RECEIVED

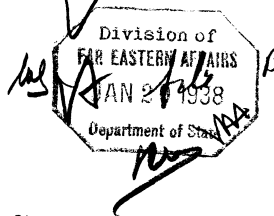
U S S MARBLEHEAD

Rec'd January 20, 1938

FROM

4:30 a.m.

ACTION: GINCAF (ADMINISTRATIVE) - GINCAF
2ND BRIGADE USMC
COMSUEBON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
ANAMEASSADOR CHINA
OPNAV
ALUSNA PEIPING



1019 Chafoo continued quiet Japanese craft departed
daylight 1923

JS

Handwritten: Y. ...
Handwritten: DT

Handwritten: 793.94

793.94/12151

FILED
JAN 25 1938

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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

TEXT OF A STATEMENT ISSUED BY THE CHINESE GOVERNMENT
ON JANUARY 18, 1938, IN REGARD TO THE SINO-JAPANESE SITUATION

Since the outbreak of the Lukouchiao incident in July of last year, the Chinese Government has repeatedly declared its readiness to seek an amicable settlement by any of the pacific means known to international law. But Japan, regardless all consequences, has embarked upon a large scale invasion of China and a wanton massacre of her people by the land, naval and air forces. China has thus been forced to act in self-defence against the violence of aggression.

During the last few months, a large number of Chinese cities and towns have been illegally occupied by the Japanese army whereas not a single Chinese soldier has set foot on the Japanese territory. Lives and property have been ruthlessly destroyed by the invaders. Soldiers who had given up arms and helpless non-combatants including women and children were murdered coldblood, while untold damages were done to the industrial and cultural enterprises.

That Japan's action violates international law, the Anti-war Pact, and the Nine Power Treaty has in unmistakable terms been pronounced by the nations of the world. The responsibility for disturbing international peace clearly rests with Japan and not with China.

In spite of such well-known facts, Japan has now declared that she respects China's territory and sovereign rights as well as the rights and interests of the foreign powers in this country. It should be observed however that by her respect for China's territory and sovereignty, Japan means the dismembering of China through the creation by force of various unlawful organizations within the Chinese territory and the making use of such organizations to usurp China's sovereign rights. Likewise, by her respect for the rights and interests of foreign powers, Japan means the securing of monopolistic rights through her predominant position in China.

The object of China's armed resistance is to safeguard her national existence and maintain the sanctity of international treaties. Though her desire for peace remains unchanged, China cannot tolerate any encroachment by any country upon her sovereign rights and her territorial and administrative integrity which are the essential attributes of her independent status and which all interested powers by solemn treaty have pledged themselves to respect.

Under whatever circumstances the Chinese Government will exert itself utmost to maintain the sovereign rights and the territorial and administrative integrity of China. Any terms for the restoration of peace, if they do not conform to this fundamental principle, must necessarily be unacceptable to China.

All acts of such unlawful organizations as may be set up in the areas under the Japanese military occupation will be considered null and void both internally and externally by the Chinese Government.

The Chinese Embassy,
Washington, D. C.
January 19, 1938.



793.94/12152

F/FG

A CHRISTIAN WITNESS TO A WORLD AT WAR

A United Christmas Appeal to the Churches for
CHINESE SUFFERERS • SPANISH CHILDREN • GERMAN REFUGEES
by the
FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA
297 Fourth Avenue, New York City



793.94
IN EVERY CONGREGATION, let an opportunity be given for an offering for war sufferers as a much needed Christian witness in America to a world in trouble, in war, and in pent-up emotion. In addition, let pastors ask generous men and women to contribute so that a worthy sum may be secured and many lives saved. One dollar will keep a Chinese refugee alive for a month. Two dollars will provide milk for a day for 32 Spanish babies or 25 Christian German refugee children. Ten dollars will purchase enough anesthetic for 150 operations. Remember the ether supply has become exhausted in some hospitals in China and in Spain.

In Shanghai alone \$700,000 a month is needed for refugees, not counting the sick and the wounded.

Let constant prayer be offered for world-wide peace and that the hearts of governments controlled by the war spirit may be turned to justice and goodwill.

This nation-wide united Christian expression of sympathy and love for war sufferers depends upon the cooperation of yourself and the many thousands of other pastors and their people.

[Signature]
Chairman,
Sponsoring Committee

A Prayer for Mercy, for Grace and for Peace

ALMIGHTY GOD, OUR FATHER, from whom every family in heaven and earth is named, hear our prayer for Thy children in other lands who live in the midst of conflict and death, who are wounded in spirit or in body by man's inhumanity to man. Have mercy upon them and sustain them in their dark hour of trial and temptation. Forgive us our indolence and faithlessness in not teaching nations a better way than strife. Purge our own hearts of racial and national antagonisms.

¶ O God of love, draw us all so close unto Thyself that we may be enabled by Thy Grace to pray for our enemies as did Christ himself, to put away all malice, and to subdue the hateful promptings of evil. So may our fellowship within Thy Church Universal endure in spite of distance, falsehood and bloodshed.

¶ Gather us together with all our Christian brothers of every tongue and nation beneath the Cross of Christ that in humility we may learn of Him how to serve Thee in healing the wounds of a stricken world. Enlarge our hearts to respond to suffering and need that we may give and not count the cost.

¶ May Thy wisdom guide us. May Thy power sustain us. And may Thy love keep us ever. Amen.

ON EARTH . PEACE,
GOOD WILL .
TOWARD MEN .

793.94/12153

F/FG
12/153

WE ARE HUNGRY" comes the bitter cry of the children in war-devastated districts of China, in war-torn Spain and among Christian German refugees.

"We are hungry" comes the bitter refrain of women, of the aged throughout the war-shattered sections of the world. "We are sick and suffering" say ill and wounded civilians.

Day by day the need for war relief throughout the world grows more and more urgent. Darker and darker the war spirit of hatred spreads over mankind.

Worse and worse are the horror and suffering in China and Spain. Greater and greater is the anguish of innocent sufferers.

But there is hope!

The call to churches of America for a united Christmas offering as a Christian witness to a world at war is already meeting a response that indicates the pent-up feelings of the American people. Final results depend upon pastors throughout the country. Their members cannot give unless they present the appeal on Sunday, December 19th, or some other suitable day. Pastors are urged also to present the needs individually to generous men and women and to challenge all Christians to pray daily for peace and to give for war sufferers.

An Offering in Every Congregation

The goal of the United Christmas Appeal for war sufferers is an opportunity for an offering in every congregation so that church members may stand as Christian witnesses to a world at war.

From one end of the United States to the other Christian leaders have joined in sponsoring the United Appeal. Presiding officers and officials of the great communions have approved the plan which was born in prayer and conference. Laymen in many fields, college, university and seminary presidents, other educators, and representative women, have become sponsors.

This winter may see greater suffering across the face of the world than ever before, even during the World War. Peoples and nations are struggling with impossible burdens.



Recent years have been a time of multiplying of misunderstandings. Individual men and women of goodwill have been helpless to stop war.

And yet this suffering, this very helplessness, are creating a new feeling of world brotherhood.

To relieve suffering and to pray are Christian actions on which all may agree. The United Christmas Appeal for war sufferers is a peace gesture that may be universal. It may weave together the Christian forces of the nations — and the peoples of the nations themselves.

War — modern war — is the enemy of all mankind. No matter where Mars walks, the story is the same — universities and hospitals destroyed, homes wiped out, the countryside devastated, employment lost, women and children and other civilians bombed and raked with machine gun fire. Then come the three other Horsemen: Famine — Pestilence — Death.

Cries for help from both China and Spain tell of the same horrible suffering, the same devastation, the same bombing and killing of civilians, the same heart-breaking hardships and suffering for women and children.

Others Give Generously

A hospital bombed in China is matched in horror by a school bombed in Spain — 242 children killed and more than 700 wounded. Unfortified cities and towns are shelled. The crushing poverty in China and the teeming millions of inhabitants multiply the numbers affected and intensify the horror.

Christian German refugees present a picture less horrible physically but equally tragic mentally and spiritually. Slow starvation and long continued mental pressure become acute torture. Morale sinks and despair comes. Idleness, with lack of intellectual activity, creates a bleakness of life which cannot be described.

Many of the refugees are Christians with Jewish blood. There are educators who have sought to maintain the great German tradition of freedom for science, officials, professional and business men, workers, students and

pastors, who will not surrender freedom of conscience.

Terse messages describing the needs, the work being done, and the magnificent efforts of the people in China to help themselves, have come to the Foreign Missions Conference of North America from the National Christian Council War Relief Committee of China, and other Christian agencies, as follows:—

... civilian war victims and refugees need our most urgent attention. The elementary human needs of food, clothing, shelter and medical care must be met ...

The Council on Medical Missions is acting closely with us. The work for wounded soldiers is in the hands of the army medical service and the Red Cross. The Y.M.C.A. is undertaking fine social service for soldiers near the front ...

... we're giving support to local committees of the Christian churches ... This gives us all a sense of solidarity which is a very real strength.

... The Shanghai Christian Federation has a dozen camps with 2,000 refugees and a budget of \$13,000 for three months, the bulk of which it is raising.

... Nanking has recently organized a Christian Committee (which includes Roman Catholics) with a program of hospital work and refugee work to which we are giving help. The same is true of Soochow ...

Canton has suffered very severely from air raids, and is still suffering ... But the Federation of Churches in Canton has been very active. They've organized 14 emergency service corps, with a membership of 300 in training.

The most urgent needs of the hospitals in Shanghai are doctors, nurses and medical supplies. Nearly all the remaining medical stock in China has been sold out. Efforts should be made to increase immediately such supplies and possibly medical personnel from abroad.

... In spite of many hardships, the people in Shanghai have contributed generously in their endeavors to assist the war refugees. Several hundred thousand dollars have been collected and spent during the last two months for relief work among war refugees, but unless large gifts can be counted on from foreign sources in the immediate future, the situation is bound to become extremely difficult ...

The Shanghai public is approaching the end of its resources, particularly because of the virtual cessation of international trade and the closing of many large factories during the past few weeks ...

It costs about three cents a day to keep one refugee alive. Thus approximately \$700,000 per month will shortly be required for refugees in the Shanghai area alone without taking into account the needs of sick and wounded civilians. Upcountry appeals are being received from Soochow, Chinkiang, Nanking, Wuhu and Hankow, and other points where international relief activities have been started.

Maintain Christian Fellowship

For more than one hundred years, American Christians have poured into China a wealth of money and love. The wealth of the Church in China is not in the church buildings, the universities, colleges and schools, not in the hospitals, important as all these things are, but in the hundreds of thousands of souls which constitute

its membership. These people, faithful Christians, must not be allowed to die of disease or starvation. They must be helped in their fight for rehabilitation. Among them are real leaders of China.

In spite of war with shells and gas and air raids, Christian work in evangelism, education and medicine continues in China. While women and children and frail and aged missionaries have been recalled from some stations, the great majority of missionaries in China are carrying on.

Mission hospitals continue their work. In a few cases it has been necessary for the American staff to withdraw temporarily, but the Chinese nurses and doctors are keeping them open.

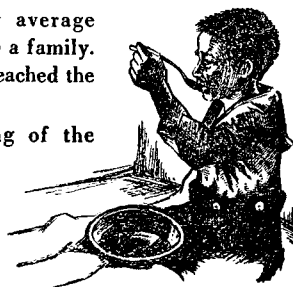
People Want to Help

There are 252 Protestant mission hospitals in China. Some have been bombed and shelled, some have been compelled to move either by the destruction of the building or for safety. Most are seriously affected by lack of funds, for there are practically no pay patients these days and there has been a tremendous increase in free work. Literally thousands of sick and wounded are dependent on these American mission hospitals. In Nanking and Wuhu, according to cabled reports, only the mission hospitals are open.

Before the United Christmas Appeal could reach pastors, news articles about it influenced men and women to give individually. The first gift came from a missionary to Japan. The second came from a grandmother who gave five dollars for each of thirteen grandchildren as a thank-offering that they have been spared the horrors of war. The third was from a church in New Jersey, followed by one from Virginia. A retired minister sent an offering that he considered "too small," and yet it will keep a child alive for days.

Chinese in America are making great sacrifices for relief of suffering. At first efforts were made to raise war funds but, as the story of great suffering (probably the greatest in the history of the world) began to reach the United States, war chests were largely forgotten and all efforts put on war relief. Considering the resources of the average Chinese in America, gifts are almost beyond belief. Reports from some communities say they average \$200 a person, and \$500 a family. The Chinese here have reached the limit of their resources.

In China, the giving of the Chinese and foreigners is on a generous and sacrificing scale. It must be remembered



that China is a country of abject poverty for millions.

Spaniards strive to provide for the children, victims of civil strife, bitter and fierce. Though great sacrifices are made by many and both sides endeavor to feed the children, war demands keep food and clothing from them. Many have been killed or wounded. In civil conflict neutral aid is imperative. The French Government has given 3,000,000 francs for Spanish children within its borders.

Jews of the world are taking care of Jewish German refugees. Nobly they also are carrying assistance to some Christians. Many Germans are doing what they can to help.

Swift aid from the Christmas offering will go under Christian auspices to war sufferers and Christian German refugees. In Spain the number of child feedings will be increased. Care will be taken of more Christian German refugees as soon as more money is available. A cable to China will provide the next day's food for refugees, medicine and anesthetics for the sick and wounded civilians.

They Presented Unto Him Gifts

The Sunday before Christmas, December 19th, is the date set for the appeal. Pastors of congregations with annual appeals for special purposes have asked that they may take their offerings in January. Of course they may! But the Christmas season was chosen so that offerings might be made in the spirit of the birthday of the Prince of Peace.



Thank You

Money given will go to civilian war relief in China, to feed and clothe children of both sides in Spain and for the relief of Christian German refugees.

The money for China will be spent by agencies approved by the Foreign Missions Conference of North America, in which most of the foreign missionary bodies of the United States and Canada cooperate. Relief for Spanish children will be administered through the American Friends Service Committee (Quakers), which is already carrying on work on both sides of the line in Spain. Additional funds will be spent with but little increase in overhead. The American Committee for Christian German Refugees will be given the funds for the German refugees. It also is an established agency, so that the money will be spent without increased cost of administration.

Some communions have issued appeals for China war relief. The United Christmas Appeal supplements and strengthens them.

Gifts may be designated, if desired, for:

- A. The appeal for war relief of your communion
- B. Christian German refugees
- C. Spanish children
- D. Chinese civilian war relief

Undesignated funds will be distributed in proportion to needs.

Contributions received indicate that the small administrative expenses of this appeal will be met by special gifts, so with the exception of the cost of mailing the appeals all gifts will go to relief.

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Walter C. Woodward
Miss Mary E. Woolley
Carroll M. Wright

Offerings and contributions should be sent to
SIDNEY D. GAMBLE, Treasurer, United Christmas
Appeal, Federal Council of the Churches of Christ
in America, 297 Fourth Avenue, New York City.

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

793.94

DOCUMENT FILE

NOTE

SEE 853.00 P.R./103 FOR #152

FROM Portugal (Pell) DATED Jan. 6, 1938
TO NAME 1-1127 870

REGARDING: War in China. Macao. Portuguese newspapers continue
to report day by day events occurring in the Far East.
The main concern of Portugal is with its colony of
Macao.

mb

793.94 / 12154

12154

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

War in China. Macao.

The newspapers continue to report day by day, in press telegrams from various sources, the events occurring in the Far East. Of course, the main concern of Portugal is with its colony of Macao, which is much too near the scene of operations for the comfort of the Lisbon Government. "The man in the street" comments on such headlines as "In South China, the landing of Japanese troops is imminent in the vicinity of Macao, in preparation for a great offensive
against

-3-

"maintained in such a way as to demand the respect of those who are strong and to inspire the confidence of those who are weak. The Portuguese sailors and soldiers who are at present in the little island of Pai-Von-Cam, near Co-toane, have certainly the full sense of the honorable mission entrusted to them and will fulfill it with the pride which is customary in our people - the first people of Europe to have been known and admired in the Far East".

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

against Canton" (C SECULO, December 29), and the opinion is often heard that the fate of Macao may to a certain extent be linked to that of China. It was announced recently that a military inspector was on his way to Timor to report on the degree of preparation of the infantry regiment ("Caçadores de Timor") which is stationed there. The anxiety created by the attitude of Japan was further increased by the following press telegram from Hong Kong, December 30, which appeared in NOTICIAS of the day following, under the caption "The Japanese are landing near Macao. A diplomatic protest of the Portuguese Government":

"The occupation by Japan of part of the island of Pail-Von-Cam, effected yesterday, gave rise to Portugal occupying, on its side, the eastern portion of that island, which for a long time has been considered a zone in dispute between Portugal and China. It appears that the Portuguese Government has presented in Tokyo a diplomatic protest against the occupation, thus making reservations as to its rights, and maintaining as to Japan the claims which it has always held against China. These facts are not interpreted as involving in any way Portugal in the conflict, especially inasmuch as the Japanese troops, - following, according to reports, the instructions of their government, - have not gone beyond the limit claimed by Portugal on the eastern part of the island. It appears that the pacific Chinese population has taken refuge in the part of the island occupied by Portugal".

Although all the Portuguese newspapers reproduced the above telegram, with headlines expressing the concern felt in this country over the incident, the only comment was in the semi-official DIARIO DA MANHA, where the editor wrote:

"The firm attitude of our authorities at Macao, according to the telegram in question, shows to all the world that the rights and the honor of Portugal are nowadays defended and

maintained

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

JH

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

TELEGRAM RECEIVED

Berlin

Dated January 20, 1938

FROM Rec'd 3:03 p.m.

Secretary of State,
Washington.

22, January 20, 5 p.m.

(GRAY) With reference to a report from Tokyo that the

Japanese Government had thanked Germany for its attempt at
an adjustment in the Far Eastern conflict the Deutsches
Nachrichten Buro last evening carried the following announce-
ment: "It is learned from official quarters that in the
course of conversations which took place at the end of
October 1937 between the German Ambassadors in Nanking and
Tokyo and the governments there, the wish was expressed by
the governments of the two countries in conflict for the
assistance of Germany in the attempt to find an adjustment.
In order to serve the interests of peace in the reestablishment
of which Germany is as interested as the rest of the world
the German Government believed it should place itself at the
disposal of the two countries with which it was on friendly
terms for the proposed purpose. Hereby Germany from the
beginning stressed that its attitude in the conflict was
neutral and that therefore its cooperation could not
transcend the simple transmission of communications which
one of the two governments might wish to transmit to the other.

This

Division of
FAR EASTERN AFFAIRS
JAN 20 1938
Department of State

793.94 12155

FILED F/FG

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

4579

-2- #22, January 20, 5 p.m., from Berlin.

This principle has been observed.

"With the publication on January 16 of the manifesto of the Japanese Government the conflict between Japan and China has entered a new stage".

Referring to a report in the Paris TEMPS concerning the possibility of a joint German, French, English, American mediation in the conflict this morning's D A Z points out that the last three countries had so far shown very little understanding for Japan's action, that they had not like Germany observed a neutral attitude and that the proposed demarche is apparently primarily to be directed against Japan. It is intimated finally that the step would probably be of little use in view of the Japanese manifesto on January 16. (END GRAY)

I inquired as to the basis of this announcement of Bismark at the Foreign Office this morning who informed me in substance as follows. The German Ambassadors at Nanking and Tokyo had facilitated the transmissions of two series of communications between the Chinese and Japanese Governments, one of which commencing in October last had extended into November and the other beginning at the end of December had continued for a time in January. Germany had not, however, acted in any capacity other than as a forwarding agent and had added nothing whatsoever to the communications except to express the wish to both parties that a settlement might

be

4580

-3- #22, January 20, 5 p.m., from Berlin.

be achieved. Germany had undertaken this in response to the request of the parties both of which had expressed the view that Germany afforded a suitable agency inasmuch as she was the only great power which through the Brussels Conference or otherwise had not taken a position in the matter. Both parties had requested at the time that Germany not make her action public. He was aware that this had been the ~~course~~ ^{Cause} of "misunderstandings" in the press (Department's 115, November 5, 1 p.m.) and that Germany was thus pleased that on the initiative of Japan the matter was being cleared up. The fact that the announcement came at this time had no special meaning except that Germany's action having come to an end rendered it opportune.

WB
2-3-35

Respecting the general situation in the Far East, Bismark expressed the view that the breaking of relations between Japan and China would not affect the status of affairs unless Japan should declare war. He believed that the conflict had now entered on a phase which meant that it would be long protracted. He could see no hope for success of mediatory efforts at this time.

He said that Germany was maintaining her attitude of complete neutrality and had informed the Chinese Government that it intended to continue that course unless Russia should enter the conflict in which case Germany would have to reconsider her position. He said, however, that the Foreign

Office

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

4581

-4- #22, January 2, 5 p.m., from Berlin.

Office did not perceive any indication of Russia's taking such a step.

Regarding the item in the TEMPS cited above Bismark said that he was not aware of its having any official basis.

GILBERT

KLP:WWC

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

TELEGRAM RECEIVED

EG

SECOND BRIGADE USMC

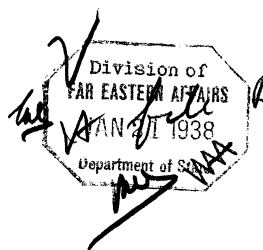
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

FROM January 20, 1938

Rec'd 8:11 p.m.

ACTION: CINCAF ADM
CINCAF
OPNAV

793.94
INFO: AMCON SHANGHAI CHINA
COMDESRON FIVE
COMSUBRON FIVE
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
AMUSNA PEI PING



8620. No reported changes military situation. 1912

SMS:NPL

793.94/12156

F/FG
FILED
JAN 22 1938

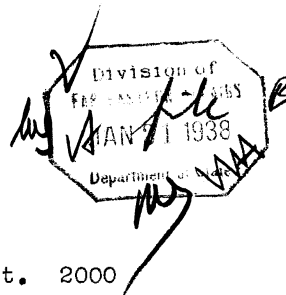
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

EG ... ~~TOBY~~ FROM COMSOPAT
~~COMSUBRON FIVE~~ January 21, 1938
DT Rec'd 9:13 a.m.

ACTION: OPNAV

INFO: CINCAF
ADMINISTRATIVE
SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMYANGPAT
AMBASSADOR CHINA
VES MARBLEHEAD
ALUSNA PEIPING



0020. South China ports quiet. 2000

RR

793.94/12157

JAN 25 1938

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F/FG

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

TELEGRAM RECEIVED

EG

~~COPIES SENT TO~~
~~ON LAND M.I.D.~~

FROM

COMYANGPAT
PLAIN

January 21, 1938

Rec'd 9:11 a.m.

INFO: OPNAV WASHN
ACTION
CINCAF (ADMINISTRATIVE)
SECOND BRIGADE USMC
YANGANTZPAT
COMSUBRON FIVE
CINCAF
COMSOPAT
AMEMBASSADOR CHINA
USS FARBLEHEAD
ALUSMA PEI PING
COMDEBRON FIVE

Division of
FAR EASTERN AFFAIRS
JAN 21 1938
Department of State

0020. Yangtze River ports quiet. 2245.

RR

793.94/12158

F/FG

FILED

JAN 25 1938

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

TELEGRAM RECEIVED

EG

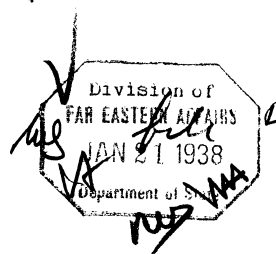
~~COPIES SENT~~
~~CHINA~~

SECOND BRIGADE USMC

FROM January 21, 1938

Rec'd 8:10 a.m.

ACTION: CINCAF (FLAG AND ADM)
OPNAV
AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8621. Japanese drive northern section Tsingpu
line delayed by inclement weather northward attack
southern section Tsingpu reported captured Lin Hweikwan
16 miles East Pengpu with object flanking Fengyang and
Pengpu. 1827.

DDM:MPD

793.94/12159

FILED

F/FG

JAN 21 1938

TELEGRAM RECEIVED

EG

GRAY

COPIES SENT TO FROM
O.N.I. AND R.I.D. Mentsin via N. R.

January 20, 1938

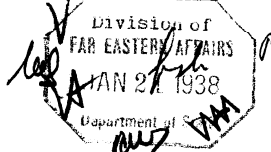
Rec'd 12:50 a.m. Jan. 21st

Secretary of State,
Washington.

15, January 20, 2 p.m.

Pennell, Associated Press Correspondent, has

informed me that 10 gunmen said to be in the employ of the Japanese military police last night raided the residence of Li Tu, ex-subordinate of Ma Chan Shan and former volunteer leader in Manchukuo, in the British concession. Not finding Li Tu they announced that they would wait but finally shot two nephews and an employee of Li Tu, of whom one nephew was fatally and one seriously wounded, and decamped. This outrage is considered particularly of special interest in view of recent Anglo-Japanese dispute wherein Japanese military police demanded the surrender to them of certain Chinese residents of the British concession who the Japanese alleged were anti-Japanese workers. The Japanese request was refused due to failure to discover any incriminating evidence in a search of the premises concerned by the British concession police. This report has been officially confirmed and it is understood that Pennell is endeavoring to



793.94/12160

JAN 25 1938

F/FG
FILED

-2- #15, January 20, 2 p.m. from Tientsin via N. R.

to send it out via ordinary commercial communication facilities.

I have just been informed unofficially that Japanese threatened to take Chinese from the British concession by force but were warned that such action would be opposed by force.

Repeated to Embassy at Peiping and Hankow.

CALDWELL

RR:AWC

DECLASSIFIED: E.O. 11652, 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 890.00/75 FOR Memorandum

FROM State Department (Jones) DATED Jan. 15, 1938
TO Far Eastern Div. NAME 1-1127 GPO

REGARDING: Outstanding developments in Far Eastern conflict during week
ending Jan. 15: Outlines--.

mr

793.94/12161

12/61

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

4582

TELEGRAM RECEIVED
PLAIN AND GRAY

JR

Peiping via N. R.

AMEMBASSY HANKOW

FROM Dated January 21, 1938

Rec'd 8:05 a.m.

Secretary of State

Washington.

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



45, January 21, 3 p.m.

Embassy's 36, January 18, 4 p.m.

One. The headquarters of the Japanese forces in North China have been transferred from Tientsin to Peiping. General Terauchi arrived yesterday, stating that the primary reason for the transfer is military, that he may be able to render personal assistance to the new Government and to cooperate in the execution of administrative policies, that due to the absence of sincerity on the part of the National Government, the Japanese Government has been compelled to take steps to cease dealing with the National Government, and that his entire efforts will be directed toward complete extermination of the Kuomintang Army and the construction and consolidation of "the new and rising China".

Two. The transfer of the headquarters has been under consideration for some time. Presumably the delay in transfer was due to a decision not to take a step which might create an additional hindrance to Sino-Japanese negotiations.

793.94/12162

F/FG

FILED

JAN 25 1938

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

4583

-2- #45, January 21, 3 p.m., from Peiping via N. R.

negotiations, a reason which however ceased to exist with
(with the?)
Japan's decision not to deal without National Government.

The primary reason for the transfer seems to be, as
Terauchi said, military, as Peiping is from the
viewpoint of strategic communications more important
than Tientsin. The new Chinese regime can scarcely
welcome the change as its puppet character will thus
be emphasized. Japanese claim that the transfer is not
related to Japanese dissatisfaction with Wang Keh Min.

Repeated to the Ambassador by mail to Tokyo.

LOCKHART

JLS:WVC

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

793.94

DOCUMENT FILE

NOTE

SEE 893.102 Hankow/113 FOR #-

FROM China (Hankow) (Johnson) DATED Dec 10, 1937
TO NAME 1-1127 ***

REGARDING: Establishment of a "notified area" at Hankow for the safety of
neutrals against injury during Sino-Japanese hostilities.

Meeting of colleagues to discuss-, reporting on today's-, at-
taches copy of a memorandum, presented by Mr Moss, British Con-
sul General, setting forth the proposal.

FRG.

793.94/ 12163

12163

DECLASSIFIED: E.O. 11652, 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

PLAIN

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL TSINGTAO

FROM

Chefoo via N. R.

Dated January 20, 1938

Rec'd 1:22 p.m., 21st.

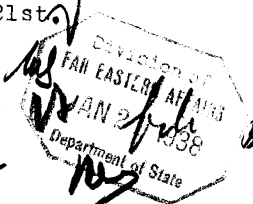
Secretary of State,
Washington.

January 20, 11 a.m.

Most local shops are open today but bank of China
and Bank of Communications are still closed following
disorders of fifteenth. Twenty-five disaffected police
paid off yesterday sailed for Tientsin after surrendering
arms and uniforms.

ALLEN

RR



793.94/12164

793.94
note
993.101 Chefoo

F/FG
FILED
JAN 25 1938

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

JAMES A. FARRELL, Chairman

GRAEME K. HOWARD, Vice-Chairman

EUGENE P. THOMAS, President

ROBERT H. PATCHIN, Treasurer

NATIONAL FOREIGN TRADE COUNCIL, INC.

26 BEAVER STREET • NEW YORK, N. Y. January 21, 1938

Dr. Stanley K. Hornbeck,
Political Adviser on the Far East,
Department of State,
Washington, D. C.

Dear Dr. Hornbeck:

I enclose exact copy of cablegram received via Washington, dated Tokyo, January 13, 1938, from Kenji Kodama, President, Japan Foreign Trade Federation; ex-President, Yokohama Specie Bank. Also copy of the cable as we have interpreted it, after consulting with Mr. Hatsujiro Yoshida, General Manager, Mitsui & Company, Ltd., New York.

In reference to the portion of the message which Mr. Yoshida interprets as meaning: "if such untoward assistance (boycott and credit) is not given by other sources of Communistic elements, then the whole of China would unite with Japan against the radical Changakishiek Government".

He says "This interpretation may not be the true one for while I can appreciate the connection between Communism and the boycott, I cannot quite reconcile Communism and the granting of credit to the Chinese Government.

"I should like to suggest, therefore, that a cable be sent to Mr. Kodama asking him to repeat in other words his paragraph beginning 'Such untoward assistance', etc."

It is not our purpose, at least until we hear from you, to cable to Mr. Kodama. He apparently is under the misconception that because the American-Japanese Trade Councils, here and in Japan, were formed and operated for several years under our sponsorship and that of the Japan Economic Federation, together with Economic Missions to Japan and the United States, representing the respective bodies, that we would make representations to our members and other exporters along the lines indicated in his cablegram.

We would appreciate your advices as to whether it would be proper for us to inform Mr. Kodama that, during the present hostilities, the American-Japanese and American-Chinese Trade Councils here have discontinued operations, for obvious reasons, and that as the policies governing our trade relations with both countries are in the hands of the State Department we have necessarily referred his cablegram to them.

Yours very truly,

E. P. Thomas
President.

Telephone: WHitehall 4-5780

Cable Address: NAFTRAC

COOPERATING ORGANIZATIONS:

INTER-AMERICAN ADVISORY COMMITTEE
PHILIPPINE-AMERICAN ADVISORY COMMITTEE

SOUTH AFRICAN RECIPROCAL TRADE COMMITTEE
SPANISH-AMERICAN ADVISORY COMMITTEE

FOREIGN COMMERCE DEPARTMENT, CHAMBER OF COMMERCE OF THE UNITED STATES
FOREIGN TRADE COMMITTEE OF THE BUSINESS ADVISORY COUNCIL, DEPARTMENT OF COMMERCE
EXPORTERS-IMPORTERS ADVISORY COMMITTEE FOR
EXPORT-IMPORT BANK OF WASHINGTON, D. C.

AMERICAN EXPORTERS & IMPORTERS ASSOCIATION
JOINT COMMITTEE FOR FOREIGN TRADE ACTION

793.94/12765

FILED

F/F9

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

Exact

C O P Y

Tokio, January 15th -
Via Washington, D.C.,
January 17, 1938

E. P. Thomas, President,
National Foreign Trade Council, Inc.,
26 Beaver Street, New York City.

In dawn New Year permit convey heartiest greetings Honorable Members your Associations express sincere thanks strenuous efforts developing American-Japanese commercial relation which shown wonderful record never experienced between any two countries in world. Present Sino-Japanese conflict unexpectedly fell should not allow mar happy economic relations our two nations. Panay incident caused us extraordinary anxiety has happily solved thank generous attitude American people. With fall Nanking seems maximum trouble present conflict done international commerce already overridden. Under circumstances Japanese people as whole earnestly desire American public continue traditional friendly fair attitude towards present conflict and not unduly encourage Chinese people such means boycotting Japanese goods giving credit purchase Chinese Government, etc., so present conflict might degenerate state like unfortunate Civil War Spain. Such untoward assistance not given other sources communistic element whole China will unite with us separating radical Changakishak Government whose anti-Japanese policy real cause present conflict. Again relying traditional policy fair play American business men continuous development prosperous economic relations our two countries.

(signed) Kenji Kodama, President, Japan Foreign Trade Federation.

Ex-President, Yokohama Special Bank.

706

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

January 25 1938

In reply refer to
FE 793.94/12165

Dear Mr. Thomas:

I have received your letter of January 21, 1938, with which you enclose copies of a telegram from Mr. Kenji Kodama, President, Japan Foreign Trade Federation, and of an interpretation of the telegram, and request advice with regard to action which you are considering in reference thereto.

As the cablegram from Mr. Kodama appears to be a New Year's greeting, it would not seem that cognizance need be taken of the further observations contained therein or that any response need be made beyond a simple acknowledgment. In any case, it is believed that it would be inadvisable to state to Mr. Kodama that the policies

Mr. Eugene P. Thomas,
President, National Foreign
Trade Council, Inc.,
26 Beaver Street,
New York, New York.

793.94/12165

F/FG

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

-2-

policies governing our trade relations with Japan and
 China are in the hands of the Department and that you
 are referring his cablegram to the Department.

Yours sincerely,

SKH

Stanley K. Hornbeck
 Adviser on Political Relations

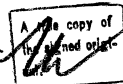
CR *✓*

JAN 25 1938.FM

Jan
 FE:JWB:TMT:SS:NN
 1/24/38

FE
mm

✓
 PA/H



FE

TELEGRAM RECEIVED

JR

GRAY

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

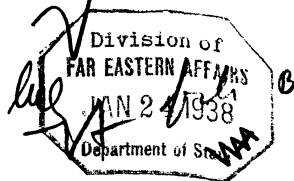
DT

FROM Shanghai via N. R.
Dated January 22, 1938
Rec'd 10:25 a.m.

Secretary of State,
Washington.

124, January 22, noon.

My No. 97, 12/31/January 18, 5 p.m.



Japanese drive up the southern section Tsingpu Railway has made little progress during the past few days. In consequence operations to the east of the railway are being undertaken with a view to outflanking Chinese positions at Fengyang and Fengpu. Increasing activities of Chinese guerrilla units in the Wuhu and Hangchow areas and around Tai Lake are keeping Japanese troops occupied and apparently preventing further Japanese withdrawals from these areas for use on other fronts. Mopping up operations in Pootung continue.

International Settlement police have successfully rounded up a large part of terrorists and criminals during the week and are making strenuous efforts to prevent further bombing incidents.

Repeated to Hankow and Peiping.

GAUSS

RR:HPD

793.94/12166

FILED
JAN 25 1938

F/FG

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

AE

TELEGRAM RECEIVED

CA

Plain

FROM CQMYANGPAT

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

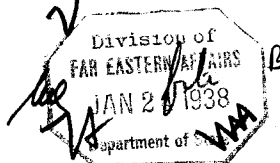
Undated.

Recd 10:22 p.m. Jan. 22, 1938.

ACTION: OPNAV

INFO: CINCUS, 2nd Brigade, Yangpat, Comsubron 5,
Comdesron 5, Comsopat, Amambassador China,
USS Marblehead, Alusna Peiping.

0021 Yangtze River ports quiet 2050.



NPI RGC

793.94/12167

F/FG
FILED
JAN 27 1938

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

DOCUMENT FILE

NOTE

SEE 701.9394/18 FOR Tel. #49 lpm

FROM Japan (Gren) DATED Jan. 24, 1938
TO NAME 1-1127 GPO

REGARDING:

Japanese Government has ceased to deal with General Chiang Kai Shek's regime according to press report from Japanese Foreign Office, but it will continue to accord diplomatic and consular privileges to Chinese diplomatic and consular officials representing the National Government. The de jure status of Japanese and Chinese diplomatic and consular officials remains unchanged.

emc
✓

793.94 / 12168

793.94 / 12168

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

RR

GRAY

Tokyo

Dated January 24, 1938

Received 7:05 a. m.

Secretary of State,
Washington.

RUSH 49, January 24, 1 p. m.

Department's 22, January 23, 3 p. m.

The Foreign Office spokesman on January 21 made the following statement which appeared in the local press.

"Although it has ceased to deal with General Chiang Kai Shek's regime, the Japanese Government will continue to accord diplomatic and consular privileges to Chinese diplomatic and consular officials representing the National Government."

The Foreign Office this morning upon discreet approach confirmed the foregoing and stated categorically that the status of the Chinese Charge d'Affaires would remain unchanged.

In other words it is the view of the Japanese Government that the de jure status of the Japanese and Chinese diplomatic and consular officials respectively remains unchanged.

Repeated to Shanghai for Nanking and Johnson.

RR

GREW

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

CA

Plain

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

DI

FROM USS MARBLEHEAD

Undated

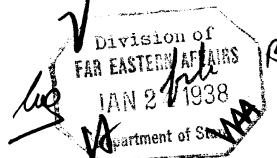
Recd 10:22 p.m. Jan. 22, 1938.

ACTION: CINCUS

INFO: 2nd Brigade, Comsubron 5, Comdesron 5,
Comyangpat, Comsopat, Ambassador China, Opanav.

1021 Chefoo quiet, No change 2310.

NPL RGC



793.94/12168 2

F/FG
JAN 27 1938

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

TELEGRAM RECEIVED

LMS

2nd BRIGADE USMC

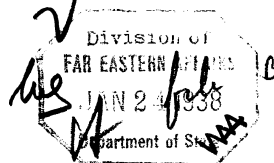
COPIES SENT TO
G.N.I. AND A.I.D.

FROM

January 22, 1938

Rec'd 5:40 p. m.

ACTION: OPNAV, WASHINGTON
INFO: AMCONSUL, SHANGHAI
CONSUBRON 5
COMDESRON 5
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8622 Japanese three column southward Shantung offensive making slow progress. Units from Tsingtao now twenty-eight miles south that city. Detachment on Tsinpu Railway still held up south Tengersien. Third column driving south from Weihsien now one hundred miles east Yenchow. No reports other sectors 1840

NPL

793.94/12169

JAN 27 1938

FILED/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

NC

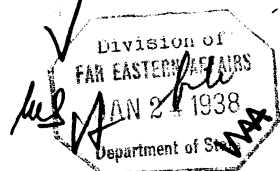
TELEGRAM RECEIVED

January 23, 1938

Rec'd 8:20 a.m.

FROM

ACTION: OPNAV
INFO: CINCAF (ADMINISTRATIVE)
2nd BRIGADE WSMC
YANGTZE PATROL
COMSUBRON 5
COMDESRON 5
CINCAF
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0022 Yangtze River ports quiet 2045

RR

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

51

793.94/12170

FILE/Fg
JAN 27 1938

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

TELEGRAM RECEIVED

NC

PLAIN

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

FROM Canton via N. R.

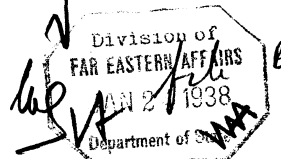
Dated January 22, 1938

Rec'd 11:43 p.m.

Secretary of State

Washington

January 22, 1 p.m.



Aside from one small raid on Canton Hong Kong and Sunning Railway, reported further dropping of propaganda pamphlets near Canton and considerable scouting over province, Japanese air operations have been confined to daily repeated raiding of southern section Canton Hankow Railway and Canton Hong Kong highway by small groups averaging three planes dropping total about seventy bombs on railway and twenty on highway. No important damage reported, military headquarters spokesman confirms substantial accuracy of press reports to effect that January nineteenth about two hundred Japanese Marines from three warships (accompanied by some merchant vessels) attempted to land at Yuling deep water harbor southern Hainan under cover of shelling and air bombing and were repulsed by defence garrison with considerable casualties.

Chinese press professed unconcern over decisions reached by Japanese Imperial Conference and declares they must be answered by more determined Chinese resistance.

Mailed Hong Kong, Swatow.

LINNELL

793.94/12171

F/FQ

FILED

JAN 22 1938

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

NC

GRAY

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

FROM

Swatow via N. R.

Dated January 21, 1938

Rec'd 10:22 p.m. 22nd

Secretary of State

Washington

January 21, 5 p.m.

Japanese Consulate was broken into and thoroughly

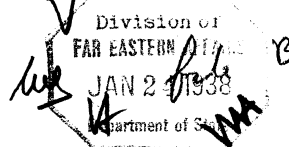
ransacked this morning by group of about twenty soldiers
believed to be acting under instructions from Canton.

Objectives were apparently papers and suspected stores of
munitions of war but none of the latter was found although
some machinery and electrical parts were found in cellars.
No evidence of vandalism as furniture was unharmed.

KETCHAM

RR

793.94
note
702.9493



793.94/12172

F/FG
FILED
JAN 27 1938

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

NC

A portion of this telegram is confidential and must be closely paraphrased before being communicated to anyone. Dated Jan. 22, 1938

(A)

Secretary of State

Washington

47, Jan, 22, 11 a.m.

FOLLOWING FOR WAR DEPARTMENT FROM COLONEL STILLWELL:

"One. Military situation Yangtze Valley unchanged.

Death of Liu Hsiang and appointment of Chang Chon as Szechwan Governor gives Central Government better hold on Szechwan. Japanese making progress towards Hsuehowfu along railroad from south. Believe Hsuehowfu will not be held long. (End gray)

Two. Reliable report from foreigner long experience in northwest indicates heavy traffic on ^{Lanchow Sian} ~~(?) Lanchow(?)~~ highway. Estimates 1500 heavy Russian trucks operating hauling munitions. Daily arrivals Lanchow 100 to 200 trucks. He has counted 400 in one day. Saw four Russian tanks and over fifty Russian planes at Lanchow on January 1. Highway being surfaced throughout. Large gangs Chinese laborers working. 700 Russian mechanics chauffeurs, et cetera, quartered in village near Lanchow handling transport. Individual truck capacity four tons. Russian are chauffeurs west of Lanchow; only Chinese chauffeurs east thereof"

Repeated Peiping.

JOHNSON

NPL
RGO

TELEGRAM RECEIVED

FROM

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

Division of
FAR EASTERN AFFAIRS
JAN 24 1938
Department of State

793.94/12173

F/FG
FILED

007

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

[CONFIDENTIAL]

P A R A P H R A S E

A telegram (no. 47) of January 22, 1938, from the American Ambassador at Hankow quotes a message from Colonel Stilwell for the War Department which reads substantially as follows:

Military situation Yangtze Valley unchanged. Death of Liu Hsiang and appointment of Chang Chun as Szechwan Governor gives Central Government better hold on Szechwan. Japanese making progress towards Hsuehowfu along railroad from south. Believe Hsuehowfu will not be held long.

According to a reliable report received from a foreigner who has had long experience in the northwest, there is heavy traffic on (?) Lanchow(?)n highway. On January 1 this foreigner saw more than fifty Russian airplanes and four Russian tanks at Lanchow. He estimates that 1500 heavy Russian trucks with an individual truck capacity of four tons are engaged in hauling munitions. One hundred to two hundred trucks arrive daily at Lanchow. In one day he counted four hundred trucks. Large gangs of Chinese laborers are working, and the highway is being surfaced throughout. Only Chinese chauffeurs are used east of Lanchow and Russian chauffeurs are used west. Seven hundred Russian mechanics, chauffeurs, et cetera, handling transport are quartered in a village near Lanchow.

gjc
FE:EGC:HES
1-24

ACR
FE

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Chas. 1/2/75 NARS, Date 12-18-75

#47.
TELEGRAM from Johnson. HANKOW. dated January 22, 1938:
Yangtze Valley Military Situation

DISTRIBUTION:

<u>Office Symbol</u>	<u>Office Title</u>	<u>Chief, or Head of Office</u>
S	Secretary	Cordell Hull
U	Under Secretary	Sumner Welles
C	Counselor	R. Walton Moore
A-M	Assistant Secretary	George S. Messersmith
A-W	Assistant Secretary	Hugh R. Wilson
PA/H	Adviser on Political Relations	Stanley K. Hornbeck
FEIS	Adviser on International Economic Affairs	Herbert Feis
FE	Division of Far Eastern Affairs	Maxwell M. Hamilton

#47.

TELEGRAM from Johnson, HANKOW, dated January 22, 1938:
Yangtze Valley Military Situation

DISTRIBUTION:

<u>Office Symbol</u>	<u>Office Title</u>	<u>Chief, or Head of Office</u>
S	Secretary	Cordell Hull
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C	Counselor	R. Walton Moore
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PA/H	Adviser on Political Relations	Stanley K. Hornbeck
FEIS	Adviser on International Economic Affairs	Herbert Feis
FE	Division of Far Eastern Affairs	Maxwell M. Hamilton

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

0078

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

Jan. 22. Johnson, U.S. Ambassador to China cabled from Hankow the following message from Stillwell, U.S. Military Attache, for the War Department:

"One. Military situation Yangtze Valley unchanged. Death of Liu Hsiang and appointment of Chang Chou as Szechwan Governor gives Central Government better hold on Szechwan. Japanese making progress toward Haichowfu along railroad from South. Believe Haichowfu will not hold long.

"Two. Reliable report from foreigner with long experience in northwest indicates heavy traffic on(?) Lanchow(?) highway. Estimates 1500 heavy Russian trucks operating hauling munitions. Daily arrivals Lanchow 100 to 200 trucks. He has counted 400 in one day Saw four Russian tanks and over 50 Russian planes at Lanchow on Jan. 1. Highway being surfaced throughout. Large gangs Chinese laborers working. 700 Russian mechanics, chauffeurs, etc quartered in village near Lanchow handling transport. Individual truck capacity four tons. Russians are chauffeurs west of Lanchow; only Chinese chauffeurs east thereof."

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

4584

CA

TELEGRAM RECEIVED

Gray

SHANGHAI VIA N.R.

Dated Jan. 22, 1938

FROM

Recd 2:40 p.m.

Secretary of State,
Washington.

NOTE
811.015394

125, January 22, 1 p.m.

Reference my 1219, December 23, 9 p.m. and my 1255,

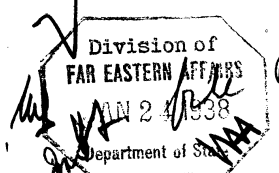
December 31, noon regarding Wuhu incidents. Having received
no further reply showing satisfactory action to locate the
military unit concerned, I have again brought the matter to
the attention of the Japanese Consul General ~~that~~ ^{ASKING THAT} it be
referred to his military authorities for prompt and satis-
factory action.

Repeated to Hankow.

GAUSS

(#) apparent omission

NPL RGC



793.94/12174

FILED

JAN 27 1938

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

TELEGRAM RECEIVED

NC

GRAY

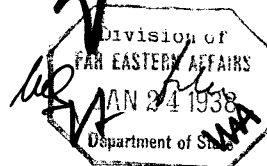
FROM Tsingtao via N. R. &
USS MARBLEHEAD

Undated

Rec'd 8:20 a.m. January 23,
1938

Secretary of State
Washington

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



793.94

FOR WAR DEPARTMENT FROM DORN.

Peiping and Hankow please transmit to Military Attaches.
Number 21, January 22, 12 noon. One battery truck drawn 10
centimetre howitzers and four batteries horse drawn 77
millimeter guns have been landed. Five hundred Japanese
citizens returned yesterday. Japanese troops are *approaching* ~~(#)~~
from Chefoo by overland marches. Reports indicate that
Japanese troops in Anhwei province have passed Linhuaikwan,
15 miles east of Pengpu and 90 miles south of Hsuehowfu.

SOKOBIN

RR

(#) apparent omission

793.94/12175

F/EG
FILED
JAN 27 1938

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

TELEGRAM from TSINGTAO, CHINA, dated January 22, 1938,
From Dorn, of the U. S. Military Attache's Staff

DISTRIBUTION:

<u>Office Symbol</u>	<u>Office Title</u>	<u>Chief, or Head of Office</u>
S	Secretary	Cordell Hull
U	Under Secretary	Sumner Welles
C	Counselor	R. Walton Moore
A-M	Assistant Secretary	George S. Messersmith
A-S	Assistant Secretary	Francis B. Sayre
A-W	Assistant Secretary	Hugh R. Wilson
PA/H	Adviser on Political Relations	Stanley K. Hornbeck
FE	Division of Far Eastern Affairs	Maxwell M. Hamilton

793.74/12175

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

91.
c. 11

Far East

Jan 22. from Tsingtao, Dorn, of the U.S. Military Attache's staff
cabled that the Japanese landed one battery of truck drawn 10 centimeter
howitzers and four batteries of horse drawn 77 millimeter guns.

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

4585

NC

TELEGRAM RECEIVED

GRAY and SPECIAL GRAY

Nanking via N. R.

Dated Jan. 22, 1938

FROM

Rec'd 8:56 p.m.

Secretary of State
Washington

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

Division of
FAR EASTERN AFFAIRS
JAN 24 1938
Department of State

DT

32, January 22, noon.

Embassy's January 21, noon and Tokyo's 39, January 19,

noon.

In my January 8, 4 p.m. from Wuhu it was reported
that during the first week of occupation Japanese soldiers
engaged in "ruthless treatment and slaughter of civilians
and wanton looting and destruction of private property".
In a later report January 9, 1938, a copy of which was
addressed to Tokyo, left Nanking for Shanghai on January
10, a detailed report was given of conditions in Wuhu,
including as an enclosure a copy of an account prepared by
an American missionary concerning Japanese actions in
that city.

In my January 6, 5 p.m. I reported that local American
residents had told "an appalling story of wanton killing
of civilian Chinese and violation of women, some taking
place in American property" and in my 27, January 18, 4 pm.
further instances were given of the taking by force of women
from American property. (?) deemed it advisable to send full
details

793.94/12176

FILED

F/FG

note
893.48
793.94/16

WB
2-3-38

4586

NC -2- #32 from Nanking, January 22, 1938

*WB
2-3-38*

details of such atrocities by telegraph *but a* (A) detailed report is being prepared which will shortly be forwarded by safe means to Shanghai. It can be said, however, that such facts as reported in Tokyo's telegram under reference have been fully authenticated here and that this office has on file written statements from responsible American citizens testifying to the absolutely barbarious action of Japanese troops, whose officers made no apparent effort to control them, after the occupation of Nanking.

While conditions have improved, discipline has not yet been completely restored and we continue to receive from American residents a daily average of three or four reports of rape or attempted rape within the refuge zone. How many cases take place without commanding the attention of these Americans it is impossible to say. The Japanese are now making an attempt to get Chinese refugees to return to their homes outside the refugee zone but there is considerable reluctance to do so inasmuch as many of those who have returned have been robbed, raped and in several cases bayoneted to death by Japanese soldiers. Records of such cases are on file at this office.

Sent to Embassy Hankow, Peiping, Shanghai. Shanghai please repeat to Tokyo.

ALLISON

NPL
RGC

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

DOCUMENT FILE

NOTE

SEE 841.00 P.R./525 FOR Doc #3759

FROM Great Britain (Johnson) DATED Jan. 10, 1938
NAME 1-1127 ***

REGARDING:

Crowds attracted to the motion picture houses showing
the PANAY films. Film increased anti-Japanese sentiment.

ML

793.94

793.94/ 12177

12177

74394
The showing of the Panay films began in the West End on January 8, and attracted crowds to the motion picture houses where the films were being shown. It seemed that the audiences realized that they were viewing a record of historical importance and the commentary appeared to receive general approval. The final scene showing the Japanese spokesman (name not announced, but known to be the Japanese Ambassador at Washington) expressing his country's regret that the bombing of the Panay was, in numerous instances, received by hissing which, to say the least, is unusual for a London audience. Having included views of the damaged British vessel H.M.S. Ladybird, the film no doubt has increased public resentment towards measures adopted by Japan in China, and may have the effect of increasing anti-Japanese sentiment.

Return of Former British Ambassador to China

The former British Ambassador to China, Sir Hugh Knatchbull-Hugessen, who, it will be recalled, was seriously wounded by bullets fired from Japanese airplanes last August, returned to London on January 8. Other than stating to the press that he had quite recovered, he made no further comment. He was met by the Counselor of the Japanese Embassy representing the Japanese Ambassador. Although Sir Archibald Clark Kerr has been appointed as his successor, no announcement has as yet been made of a new assignment for Sir Hugh.

DECLASSIFIED: E.O. 11652, 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 849b.00/89 FOR Despatch #104

FROM Malta (Green) DATED Jan.12,1938
TO NAME 1-1127 000

REGARDING:

Far Eastern situation. The American action in the Far East has been met in Malta with considerable acclamation. There seems to be the belief that Great Britain can count on the U. S. in case of trouble, especially in the Orient.

f p

793.34/12178

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

In contrast with the bitter feelings against Italy, there is the growing approval of everything American, and the American action in the Far East has been met with considerable acclamation here. There seems to be a universal belief that Great Britain can count on the United States in case of trouble, especially in the Orient. The Press has given considerable publicity to the President's speeches on international policy, and approving comment is to be found in the editorials. My own personal contact with Government officials, as well as Army and Navy officials, has given me the impression that they are all well satisfied with recent American action, and that they feel they can count on American cooperation to an extent that had not been contemplated a few months ago. British diplomacy has been working for some time to be assured of American support, and from information available in Malta, it would appear that they have been successful.

12178.

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

DOCUMENT FILE

NOTE

SEE 701,9394/17 FOR Tel. #46 10am

FROM China (Hankow) (Johnson) DATED Jan. 21, 1938
TO NAME 1-1127 GPO

REGARDING:

Chinese Ambassador to Japan ordered to return to China, by his own Government. Comment on press report that the remaining members of the Chinese Embassy staff will be treated merely as ordinary citizens by the Japanese Government, while it expects the Japanese Counselor in China to retain all diplomatic prerogatives.

enc

793.94/12179

793.94/12179

DECLASSIFIED: E.O. 11652, 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
PA/H

JR

GRAY

Hankow via N. R.

Dated January 21, 1938

Rec'd 7:51 a.m.

Secretary of State,
Washington.

46, January 21, 10 a.m.

Minister for Foreign Affairs last evening told me that he had instructed Chinese Ambassador to Japan to leave Tokyo and return to China. Chinese Ambassador to Japan was not handed his credentials by the Japanese Government. Minister for Foreign Affairs commented somewhat sarcastically upon statement reported by press as emanating from spokesman of Japanese Foreign Office that members of Chinese Embassy remaining in Tokyo would not retain diplomatic status but would be treated like ordinary citizens, whereas Japanese Foreign Office apparently considers that Japanese Counselor remaining in China will be Charge d'Affaires with all diplomatic prerogatives intact.

This change raises question in connection with Allison's discussion as to who might appropriately convey apologies at Nanking for acts of Japanese soldiers as there is no longer any Japanese Ambassador in China for whom the Consul General in Nanking can speak.

Repeated to Paiping.

WVC:JLS

JOHNSON

701.9394
note
793.94

701.9394/17

124.932
701.9493

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

TELEGRAM RECEIVED

JR

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

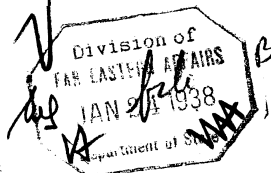
COMYANGPAT

FROM January 23, 1938

DT Rec'd 8:23 p.m.

ACTION: OPNAV

INFO: CINCAF (ADMN)
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
CINCAF (FLAG)
AMEMBASSADOR CHINA
ALUSNA PEIPING
USS MARBLEHEAD



793.94
0023, Yangtze River ports quiet. 2046.

DDM

793.94/12180

F/FG

FILED
JAN 24 1938

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

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

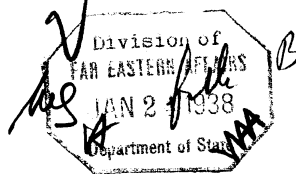
COMSOPAT

January 23, 1938

Rec'd 8:22 p.m.

ACTION: OPNAV

INFO: CINCAF (ADMN)
SECOND BRIGADE
COMSUBRON FIVE
COMDESRON FIVE
CINCAF (FLAG)
COMYANGPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0023. South China ports quiet. 2000.

LDM

793.94/12181

F/FG

FILED

JAN 27 1938

793.94

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

TELEGRAM RECEIVED

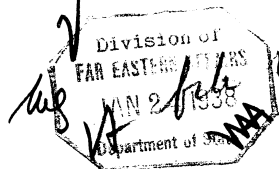
JR

SECOND BRIGADE

COPIES SENT TO FROM January 24, 1938
O.N.I. AND M.I.D. Rec'd 8:27 p.m., 23rd.

ACTION: CINCAF (FLAG)
CINCAF (ADMN)

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

8623. Guerrilla activities continue Hanchow, Wuhu regions.

Japanese claim irregulars Pootung area liquidated Fengyang southern section. Tsinpu railway reported occupied by Japanese forces. 1852.

DDM

793.94/12182

F/FG
JAN 25 1938
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

DOCUMENT FILE

NOTE

SEE 394.115 PANAY/300 FOR Letter

FROM Hennings, Thomas C. Jr. (USS) DATED Jan. 17, 1938
TO NAME 1-1127 670

REGARDING: Encloses letter from Norman G. Moore, Chairman of Peace-
Action Committee commenting on bombing of PANAY and re-
questing that American forces be withdrawn from China,
that conflict be recognized as war and Neutrality Act be
invoked.

mr

793.94/ 12183

12183

DECLASSIFIED: E.O. 11652, 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 GRAY

Shanghai via N. R.

Dated January 24, 1938

Rec'd 10:25 a.m.

Secretary of State,
Washington.

127, January 24, noon.

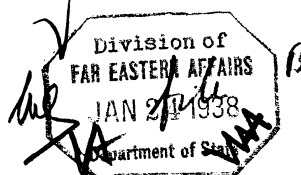
Following from Tokyo.

"January 24, noon. Please send telegram to Nanking
and repeat to Department. "Your No. 32, January 22, noon.

Your January 5, 4 p.m., and January 6, 5 p.m., have
not been received. Please repeat at once. It is extremely
important that you should continue to furnish us by
telegraph with all information available on the conditions
to which these telegrams refer". Grew".

GAUSS

RR WVC



793.94/12184

F/MR

FILED

JAN 24 1938

11

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14200 FOR Tel #-, 5pm
FROM Canton (Linnell) DATED Jan 20, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING: Sino-Japanese conflict:-identic coordinated "movements",
against Japanese aggression, in Kwangtung, Kwangsi and Hunan.
Reports concerning-, with specific information on progress in
Kwangtung. Supported by national and provincial governments,
it serves as an indication of South China's determination to
see the war through.

793.94/12185

FRG.

12/85

DECLASSIFIED: E.O. 11652, 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

NOTE
793.94/

sms

GRAY

Canton via N R

Dated January 20, 1938

Rec'd 8:05 p.m. Jan. 21.

Secretary of State,
Washington.

January 20, 5 p.m.

Following fall of Nanking and Central Government's
conduct
/ respecting guerrilla warfare plan, Kwangtung
military, civil and Kuomintang authorities have been
making great efforts in an ambitious program best
describable as martialization, both military and men-
tal, of the masses. Apparent objects are: (one) arouse
in the people and particularly peasant laborers and
students an aggressive fighting spirit and conception
of the war as continuation of Sun Yat Sen's popular
revolution against foreign imperialist invaders and
traitorous northern militarists who would sell country
for degrading peace and pecuniary profit; (two) impress
people with sense of responsibility to actively share
the Government's military defence of Kwangsi, "cradle
of Revolution," and combating of Japanese agents and

peace

893.00 / 14200

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

sms 2 - January 20, 5 p.m. from Canton

peace advocates; (three) raise huge armed citizen forces for garrison duty, picketing service, and guerrilla warfare.

Authorities have issued manifestoes: Exhorting popular support of program; inviting complete freedom in volunteer self-defense corps organization and political activities within framework of Sun's doctrine; encouraging populace in hitherto forbidden private possession of arms (said to include 400,000 rifles) and their dedication to patriotic usage.

Movement has been boosted by tremendous press publicity and by officially encouraged student activity in leading popular demonstrations and organizing young men's militant associations and propaganda campaigns, and authorities have decreed that certain students be sent to popularize it throughout interior. Revolutionary aspect of movement is being capitalized to encourage its backing by labor groups.

Several hundred thousand new rifles reliably reported being distributed to interior farmers.

A commission including highest military, civil and party authorities has been appointed to supervise program,

sms 3 - January 20, 5 p.m. from Canton

program, active direction to be entrusted to nine regional leaders apparently responsible for all measures, militia organization, training, coordination of volunteer self-defense corps and emergency defense of their regions in cooperation with regular army. These leaders thus far announced are all colorful military and party figures and pro-war popular front enthusiasts reportedly including Chen (?) Shu, Tsai Ting Kai and Li Fu Lin.

While program is not yet in full operation it is reported reliably that organized armed militia under training already number about 200,000 with several hundred thousand more enrolled.

Definitely Leftist in appearance, the movement emphasizes special concern for popular, especially farm labor, welfare and apparently supports closer relations with Russia and democratic countries and the policy of destruction of Japanese and surrendered Chinese properties.

Identic coordinated movements are reported in Kwangsi and Hunan though the program is less signifi-

cant

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

ms 4 - January 20, 5 p.m. from Canton.

cant in Kwangsi due to the province's already highly developed militia and police training systems.

While it is too early to estimate the movement's full significance and possible consequences, there appears no doubt of its present support by national and provincial governments and its proof of South China's determination to see the war through.

Mailed Hong Kong, Swatow.

LINNELL

rgc

sms

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

JR

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

FROM GRAY

Hankow via N. R.

Dated January 24, 1938

Rec'd 12:44 p.m.

Secretary of State,
Washington.

50, January 24, noon.

Following for War Department from Colonel Stillwell:

"Military situation Yangtze Valley unchanged. Ichang
bombed this morning, 50 bombs on airfield. Am proceeding
to ^{Kai} Feng area to observe. Recommend Captain Roberts
come to Hankow".

Repeated to Peiping.

JOHNSON

KLP:CSB



793.94/12186

793.94

was
4/24/38

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

TELEGRAM RECEIVED

JR

FROM SECOND BRIGADE USMC

January 24, 1938

Rec'd 1:45 p.m.

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

DT

ACTION: OPNAV
CINCAF (ADMIN)

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

7624. No reports Tsingpu front. Chinese counter offensive activities continue Hangchow Wuhu regions. Fuyang 18 miles southwest Hangchow reported recaptured by Chinese. Japanese claim resumed westward drive from Hohsien. 1911.

KLF:CSB

793.94/12187

JAN 27 1938

FILED

F/FG

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

1938 JAN 24 PM 1 31

AMERICAN EMBASSY

No. 2717. DIVISION OF
COMMUNICATIONS
AND RECORDS

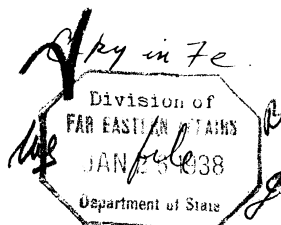
Tokyo, January 6, 1938

SUBJECT: SINO-JAPANESE RELATIONS.

793.94

Grade	Page	1
U.S.A.		

STRICTLY CONFIDENTIAL



793.94/12188

The Honorable

The Secretary of State
Washington.

Sir:

With reference to the Embassy's despatch No. 2707, dated December 23, 1937, I have the honor to transmit herewith, for the purpose of the records, further copies of various notes, letters, memoranda, and other documents relating to the present Sino-Japanese conflict. Documents relating to the Chinese customs administration are being transmitted with the Embassy's despatch No. 2718, dated January 6, 1938. Copies of the minutes of the meeting held at the Embassy on December 23, 1937, to hear the explanations of the Japanese Army and Navy and their reports on the bombing and sinking of the U.S.S. PANAY, as well as a translation of a note from the Foreign Office, together with translations of memoranda submitted by the Japanese Army and Navy offices to the American Military and Naval Attachés of

12/188

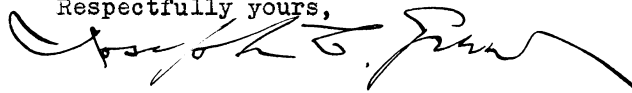
F/FG

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

-2-

this Embassy on the same subject, are being transmitted with
the Embassy's despatch No. 2719, dated January 6, 1938.

Respectfully yours,



Joseph C. Grew

710
ESC:mg

Annex:
List of enclosures.

4 Carbon Copies
Received - J. P. [unclear]

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

LIST OF ENCLOSURES TRANSMITTED WITH DESPATCH NO. 2717,
JANUARY 6, 1938.

1. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
2. The Director, American Bureau of the Foreign Office, Mr. Yoshizawa, with the American Counselor, Mr. Dooman.
3. The British Ambassador, Sir Robert L. Craigie, to the Minister for Foreign Affairs, Mr. Hirota.
4. The Ministry of Foreign Affairs to the American Embassy.
5. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
6. The American First Secretary, Mr. McGurk, with the Italian Counselor, Baron Scammacca, the French Third Secretary, Mr. d'Andurain, and the German Counselor, Dr. Noebel.
7. The Ministry of Foreign Affairs to the American Embassy (Translation)
8. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
9. The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
10. Unofficial translation by the Japanese Foreign Office received by the American Embassy, Tokyo, with the Foreign Minister Koki Hirota's confidential note No. 173, American I, December 24, 1937, in Japanese. Compared by the Embassy with the Japanese original and found substantially correct.
11. List of Japanese officers responsible for the bombing and sinking of the U.S.S. PANAY who have been dealt with in accordance with Japanese law. List handed to the American Ambassador, Mr. Grew, in strict confidence, by the Minister for Foreign Affairs, Mr. Hirota, on December 24, 1937.
12. The American Ambassador, Mr. Grew, to the Minister for Foreign Affairs, Mr. Hirota.
13. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
14. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
15. The American Ambassador, Mr. Grew, with the Minister for Foreign Affairs, Mr. Hirota.
16. The American Ambassador, Mr. Grew, to the Minister for Foreign Affairs, Mr. Hirota.
17. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
18. Memorandum from the American Naval Attaché, Captain Bemis, to the American Ambassador, Mr. Grew.
19. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.

-2-

20. The American Embassy to the Ministry of Foreign Affairs.
21. The American Ambassador, Mr. Grew, with the Vice Minister for Foreign Affairs, Mr. Horinouchi.
22. The American Ambassador, Mr. Grew, with the Vice Minister for Foreign Affairs, Mr. Horinouchi.
23. The American Embassy to the Ministry of Foreign Affairs.
24. The American Ambassador, Mr. Grew, with the Vice Minister for Foreign Affairs, Mr. Horinouchi.
25. The American Embassy to the Ministry of Foreign Affairs.
26. The American Embassy to the Ministry of Foreign Affairs.
27. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
28. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
29. The British Ambassador, Sir Robert L. Craigie, to the American Ambassador, Mr. Grew.
30. The Minister for Foreign Affairs, Mr. Hirota, to the American Ambassador, Mr. Grew (Translation).
31. The American Ambassador, Mr. Grew, to the Vice Minister for Foreign Affairs, Mr. Horinouchi.
32. The American Ambassador, Mr. Grew, to the British Ambassador, Sir Robert L. Craigie.
33. The British Embassy to the American Ambassador, Mr. Grew.
34. The American Embassy to the Ministry of Foreign Affairs.

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

Enclosure No. 1 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
American Ambassador, Mr. Grew.

BRITISH EMBASSY,

TOKYO.

13th December, 1937.

My dear Grew,

I send you herewith a copy of a letter which I have
addressed to the Vice-Minister for Foreign Affairs re-
garding looting by Japanese soldiers and civilians in
areas of Shanghai to which access is either altogether
denied or only occasionally allowed.

In case you have received similar reports from the
American authorities at Shanghai you may wish to make
similar representations.

Believe me,

Yours very sincerely,

R. L. Craigie.

His Excellency
The Honourable Joseph Clark Grew
Ambassador Extraordinary and Plenipotentiary
for 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

(The British Ambassador, Sir Robert L. Craigie, to
the Vice-Minister for Foreign Affairs, Mr. Horinouchi.)

No: (182/70H/37)

13th December, 1937.

Immediate

My dear Vice-Minister,

Numerous complaints have been received by
His Majesty's Consul-General at Shanghai from British
subjects regarding looting by Japanese soldiers and
civilians in areas of Shanghai under Japanese control
to which access is either altogether denied or only
occasionally allowed. Repeated semi-official repre-
sentations to the local Japanese authorities have
failed to prevent further cases of looting and fresh
instances of malicious damage, attempted arson, wanton
looting and the like have been reported by British
subjects last week, particularly in the Hongkew area.

In view of the increasing seriousness of this
matter His Majesty's Consul-General has addressed

a formal letter to his Japanese colleague urging that
admission to the areas in question be granted as soon
as possible and that meanwhile the Japanese military
authorities who have assumed control of these areas
should make effective arrangements for the protection
of property and the prevention of further damage.

I

His Excellency
Mr. Kensuke Horinouchi,
H.I.J.M. Vice-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

-2-

I have been instructed by my Government to support the very reasonable requests made by His Majesty's Consul-General. Efforts have been made to restrain an outburst on the part of British public opinion in Parliament and in the press in the hopes that the Japanese authorities in Shanghai will speedily comply with these requests. But a serious criticism is to be feared if nothing is done by the Japanese authorities and I should be grateful if Your Excellency would be so good as to arrange that the necessary instructions to remedy this situation should be sent at the earliest possible moment.

Believe me

my dear Vice-Minister,

Yours very sincerely,

(sgd) R.L. CRAIGIE.

DECLASSIFIED: E.O. 11652, 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. 2717 of JAN 6 1938
from the Embassy at Tokyo.

Conversation

December 13, 1937

Mr. Seijiro Yoshizawa, Director, American
Bureau of the Foreign Office,

Mr. Dooman.

Subject: Entry of Japanese forces into the neutral
areas at Shanghai and disorderly condi-
tions in the Japanese guarded areas.

I informed Mr. Yoshizawa that, according to a report which we had received from the American Consul General at Shanghai, the Japanese authorities at Shanghai had again indicated intention to send detachments of Japanese troops into the American and Italian sectors of the International Settlement for the purpose of guarding Japanese property, specifically mills, situated there. Mr. Gauss had already made strong representations to his Japanese colleague, urging that the Japanese abandon such plans, for the reason that suitable measures were being taken to safeguard Japanese property in the neutral areas. I wished to reinforce those representations.

Referring to the march of the Japanese troops on December 3 through the International Settlement, I said that it was providential that there had not occurred disorders of the gravest character, and that it was probably realized by the Japanese themselves that we had been on sound ground in urging that the march be abandoned. We now felt that it would be extremely ill-advised for the Japanese forces to enter the neutral areas to guard Japanese property. There were still Chinese airplanes in operation, and the presence of Japanese troops in the neutral areas would afford the Chinese grounds for bombing Japanese property.

-2-

erty in the neutral areas. There were also other possibilities for disorders arising from the presence of Japanese troops.

In connection with all of the foregoing, I felt that I had to call to Mr. Yoshizawa's attention the conditions of disorder prevailing in the areas of the International Settlement and outside the Settlement which are being guarded by the Japanese forces. Houses owned by Americans and other foreigners were being looted. I argued that if there were available Japanese troops to guard Japanese property in the neutral areas, where orderly conditions prevailed, they might be used to better advantage in the guarding of the Japanese areas.

Mr. Yoshizawa asked when the conversation, to which I had referred, between Mr. Gauss and Mr. Okamoto, had taken place. I replied that to the best of my recollection it had taken place yesterday. Mr. Yoshizawa stated that the Foreign Office had not as yet heard from Mr. Okamoto on the matter, but that as soon as he had reported, the statements which I had made today would be taken into consideration in formulating the instructions which would be sent by the Foreign Office to Mr. Okamoto.

E.H.D.

Copy handed to British Ambassador, December 14,
11 a.m.

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. Hunt NARS, Date 12-18-75

Enclosure No. 3 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to
the Minister for Foreign Affairs, Mr. Hirota.

No: 200
CONFIDENTIAL

British Embassy,
Tokyo.
22nd December, 1937.

Your Excellency,

I have the honour upon instructions from
His Majesty's Principal Secretary for Foreign Affairs
to bring to Your Excellency's notice the fact that a
serious violation of territorial waters and of the
territory itself of the British Colony of Hongkong
was committed on December 11th by Japanese naval
forces. At about 2.20 p.m. on that day a revenue
protection vessel of the Chinese Maritime Customs,
when within British territorial waters off Black Point,
was fired at by a Japanese destroyer from a position
just outside territorial waters; the number of the
destroyer is unknown. The vessel turned away from
the destroyer to make for Urmston Roads and was shortly
afterwards struck by one ricochet. She was then run
aground approximately half a mile north-east of Black
Point, that is, on British territory, and abandoned.
According to the account which has been furnished to
the Water Police authorities of the Colony the Japanese
destroyer subsequently entered British territorial
waters and, when at about one and a quarter miles from
the shore, lowered two motor boats and towed the Customs
vessel off. The Police authorities further report
that/

His Excellency,

Mr. Koki Hirota

H.I.J.M. Minister for Foreign Affairs.'

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two unexploded shells were found on the beach and that a house on the beach was hit by splinters. A Japanese naval party landed without any permit from the Authorities of the Colony and took a number of chickens from local houses.

2. The Japanese Government will doubtless agree that the action of the Japanese destroyer was in all respects wholly unjustified and illegal. In the first instance there was an attack upon a vessel while within British territorial waters. The subsequent action of the destroyer in removing the vessel from a place in British territory where she had as a result of this illegal attack been beached is equally unwarrantable and inexcusable. Finally there was an unauthorised landing of armed Japanese forces in British territory.

3. The illegal nature of these violations of British sovereignty and jurisdiction is so clear that His Majesty's Government can only suppose that the local Japanese naval authorities are in ignorance of the correct course of conduct to be followed in such cases; the more so as this is not the first instance of its kind.

4. His Majesty's Government do not doubt but that the Japanese Government will share their view of this incident; they accordingly expect to receive at an early date an assurance that the strictest

instructions/

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instructions have been issued to ensure that the territories and territorial waters of Hongkong are fully respected. At the same time they request to be informed of the nature of the disciplinary action which has been taken against those responsible for this deplorable occurrence.

5. Apart from the violation of British territory and waters involved, His Majesty's Government feel constrained to recall the observations which they have on more than one previous occasion expressed to the Japanese Government, that attacks on revenue protection vessels of the Chinese Maritime Customs can have no military value and merely serve to interfere with the regular functioning of the Customs Administration. Having regard to the assurances which the Japanese Government have given regarding their desire to preserve the integrity of this Administration, His Majesty's Government can only conclude that the local naval authorities still remain in ignorance of the declared policy of the Japanese Government in this respect and they accordingly suggest that immediate steps should be taken to bring that policy to the notice of all those concerned with the conduct of operations and to insist that it be carried out.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Sd) R.L.Craigie

Enclosure No. 4 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The Ministry of Foreign Affairs to the American
Embassy.

(Translation)

No. 169, American I.

Department of Foreign Affairs

Tokyo, December 22, 1937.

Memorandum.

The Japanese Foreign Office has the honor to acknowledge receiving the American Embassy's memorandum of October 8 stating 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 at Nanchang belonging to the Women's Foreign Mission Society of the Methodist Episcopal Mission, and that while the building was not directly hit it was so shaken that the interior was wrecked and the building was abandoned by the hospital staff.

Inquiries made by the Japanese authorities have revealed that on September 24 when Japanese naval planes attacked Nanchang there were large concentrations of Chinese forces at that point and strong resistance was offered against the Japanese planes. The planes were therefore obliged to fly at high altitudes, from which it was impossible to discern national flags of small size marking the American building, although there was due solicitude for the rights and interests of foreign nationals. The occurrence was therefore wholly a mistake, which fact it is hoped will be evident to the American Embassy. The Japanese Government hereby expresses its sincere regret and has the honor to state that rigid instructions have been issued to the Japanese authorities

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

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ities in the field to exercise caution to prevent the occurrence of such incidents. The Japanese Foreign Office incidentally desires to express the hope that the Embassy will request of the appropriate American authorities that American property in China be marked as far as possible by flags and other markings of large size.

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. 5 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
American Ambassador, Mr. Grew.

British Embassy,
Tokyo.
22nd December, 1937.

My dear Grew,

I send you herewith the substance of an informal
protest which I made to the Minister for Foreign Affairs
today regarding the treatment of foreigners in parts of
Shanghai under Japanese control.

If you have received similar information from
your own authorities at Shanghai, perhaps you would
consider making a similar protest? I should be very
grateful to learn if you should decide to take any
action.

Believe me,

Yours very sincerely,

(Sd) R.L.Craigie.

His Excellency,

The Honourable Joseph Clark Grew,
Ambassador Extraordinary and Plenipotentiary,
for the United States of America
at Tokyo.

Left by the British Ambassador with the Minister for
Foreign Affairs on 22nd December.

Hongkew - Yangtzepoo

The British Consul-General at Shanghai reports that permits for the previous residents to return have been promised but they are hedged about with such humiliating conditions that only the poorer members of the foreign community are willing to accept them. The Consul-General adds that little progress has been made to secure facilities for industrial concerns except where firms have managed to do so themselves through Japanese friends or employees or where, as in the case of light and power companies or the Asiatic Petroleum Company, the Japanese authorities have a direct interest in the continuation of their business: the Tramways Company on the other hand (whose services are not required by the Japanese military authorities) are unable to get facilities even for the most urgent repairs.

Hungjao

British Military authorities have been able to arrange for short visits to be paid but no permanent passes have yet been issued and matters are being delayed on one pretext after another. Passes for Indian watchmen have in most cases been secured, but only after weeks of negotiations by the British Consul-General and by the Commercial Counsellor.

Here again it is well known that various individuals of different nationalities have managed to secure passes through personal contacts with Japanese Military officials. The Consul-General is informed that very few Japanese troops are left in this area and that looting by the Chinese is still going on. The whole position for residents still remains most unsatisfactory.

Point Island

Point Island where a number of residents as well as industrial concerns are situated has been completely closed. All these concerns are believed to have thoroughly looted.

Enclosure No. 6 to despatch
No. 2717 or JAN 6 1938
from the Embassy at Tokyo.

Conversations

December 23, 1937.

The American First Secretary, Mr. McGurk, with the Italian Counselor, Baron Scammacca, the French Third Secretary, Mr. d'Andurain, and the German Counselor, Dr. Noebel.

Subject: Proposal for an area including part of river front at Hankow free of attack.

I called on Baron Scammacca, Counselor of the Italian Embassy, this morning and left with him a copy of our memorandum of the 15th to the Foreign Office on the above subject. Baron Scammacca read the memorandum and then I remarked that the Ambassador had requested me to leave it and inquire whether the Italian Embassy would be willing to support a similar proposal. Baron Scammacca went into a long dissertation on the delicacy of requesting the Japanese to respect a given area when there was no assurance that the Chinese would do so. However, he added that they had no indications regarding such proposal and that in any case they could not act without instructions from Rome. He said he would take up the matter immediately with his Ambassador and inform us of the Ambassador's decision.

I then called at the French Embassy and saw Secretary d'Andurain. Mr. d'Andurain read the memorandum and I repeated to him the Ambassador's instructions. He said that the French Ambassador had been to the Foreign Office on the 18th to make representations regarding French shipping in the Hankow area and that he did not know of any further representations the Ambassador may have made. He said he would telephone me and let me know as soon as he found out.

I then called on Dr. Noebel, Counselor of the German Embassy, who read the memorandum and thereafter informed me that the German Embassy had sent Count Mirbach to the Foreign Office to make oral representations along similar lines to those

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those set forth in our memorandum. Dr. Noebel could not get in touch with Count Mirbach but he said he thought the representation had been made on the 18th.

It will be recalled that Mr. Ashley Clarke, Secretary of the British Embassy, when calling this morning stated that the British Ambassador had made representations similar to ours on December 18.

J.F.M.

P.S. Baron Scammacca telephoned at 3:25 this afternoon to say that he had taken the question up with his Ambassador and that the Ambassador had instructed him to say that the Italian Embassy associated itself with Ambassador Johnson's proposal and that appropriate representations would be made tomorrow morning, December 24, 1937.

J.F.M.

P.P.S. Mr. d'Andurain called at 4:15 to say that the French Ambassador's representations had consisted especially regarding the French Concession and French ships in the River and that the Ambassador will on the first opportunity support the general proposal.

J.F.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. 7 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The Ministry of Foreign Affairs to the American Embassy
(Translation)

Department of Foreign Affairs

No. 172
American Bureau.

Tokyo, December 24, 1937.

Aide-mémoire.

The Department of Foreign Affairs has the honor to inform the American Embassy that the Department was requested by the persons (Japanese subjects) whose names are as mentioned in the accompanying list to present as solatiums to the victims of the United States gunboat PANAY which sank as the result of bombing by mistake by the Japanese air force the sums of money (also mentioned in the accompanying list) and that the Department is therefore sending to the Embassy the said solatiums with the wish that the American Embassy would be good enough to take the trouble of transmitting them to these victims.

N.B. Appended is the list of the donors and the amount of money contributed by them.

List of Donors and Amount of Contribution

	<u>Yen</u>
Mr. Kojiro Shimada, 1405 Mori-machi, Isogo-ku, Yokohama.	5.00
Mr. Eiyu Imanishi 1 Nishi-no-kyo Hakuraku-machi Nakakyo-ku, Kyoto.	5.00
Joshi Seinen-dan Kusunokibashi Shibu, Kogetsu-machi, Onga-gun, Fukuoka. (Young Women's Association Kusunokibashi branch)	10.00
Mr. Sumitsugu Koura, 69, Nishi Sengoku-machi, Kagoshima	5.00
Miss Yoshiko Yebuki 9 Yatsurugi-machi, Fukushima-shi, Fukushima-ken.	5.00
A Soldier care of "Rikugun Bun-in" (Army Hospital) at Atami.	3.00
Tokushima Mojin-kwai (Tokushima Blindmen's Association) at Fukushima-machi, Tokushima City.	16.50
Miss Sadako Sawaguchi "Johobu", Foreign Office, Tokyo.	5.00
Mr. Mitsuo Yamada and Mr. Hideo Yamada, 45 Aoyama Minami-machi Gochome, Akasaka-ku, Tokyo.	7.00
A group of Students of Meiji Daini Shogakko (Meiji Second Primary School) at Mannencho Nichome, Fukagawa-ku, Tokyo.	3.00
A group of Children in Hakudoyen School, 1059 Okino-machi, Adachi-ku, Tokyo.	5.00
Employees of Restaurant Etoiles, 11 Aoicho, Akasaka, and Ginza, Kyobashi-ku, Tokyo.	38.85
Mr. Aizo Hosaka, 23 Izumi-machi, Kofu City.	5.00
A Soldier care of "Rikugun Bun-in" (Army Branch Hospital) at Beppu, Kyushu	5.00
Members of "Kansen Urikomisho Kumiai" (Warship Suppliers Guild) at Yokohama. Office - 1 Kaigan-dori Itchome, Naka-ku, Yokohama.	50.00

Mr. Isemu Imai

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	<u>Yen</u>
Mr. Isamu Imai 25 Miyamayecho Itchome, Kanagawa-ku, Yokohama.	10.00
Miss (or Mrs.) Sonoye Kawabata 7-1 Ginza Nishi Hatchome, Kyobashi-ku, Tokyo.	3.00
A Young man of Komatsu-machi, Ishikawa-ken.	1.50
Inmates of No. 2 Room, No. 8 Ward of Surgery, First Army Hospital, Tokyo: Fukuji Tamura; Tokuma Momoyama; Ki-ichi Yoshida; Taigaku Kohashi; Kameji Senoya; Takizo Arai; Shingo Horie; Shinobu Nakamura; Hidenori Asoh; Makoto Fujikawa.	5.00
Employees of the Kabushiki Kaisha Shiseido (Shiseido Company) 2 Ginza Hatchome, Kyobashi-ku, Tokyo.	1,000.00

TOTAL ¥ 1,187.85

Enclosure No. 8 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
American Ambassador, Mr. Grew.

BRITISH EMBASSY,
TOKYO.
24th December, 1937.

No. 1475/70/37

My dear Grew,

I send you herewith a copy of a letter which I addressed yesterday to the Vice-Minister for Foreign Affairs on the subject of safety zones in Hankow.

I should be grateful if you would consider whether you could say something in the sense of the 2nd paragraph.

Since sending this letter I have received further instructions:

1. To ask the Japanese Government to consider Kuling as a place of refuge and to take no action which might endanger the safety of British and other foreign nationals there (I am enquiring from Shanghai how numerous they are); and
2. To inform the Japanese Government that we look to them to give prior warning in the event of any area on the Yangtze becoming a danger area and to indicate to us zones in which our nationals and shipping could be concentrated under a guarantee of safety. I am at the same time to remind the Japanese Government that we claim absolute freedom for our ships to move and trade freely on the river.

On this second point I think we may obtain some elucidation of the Japanese Government's attitude when we receive their replies to our notes on the Yangtze incidents.

I am informing our French and German colleagues of the foregoing and should be grateful to know whether you have information or instructions which would enable you to make representations on the above lines.

Believe me,

Yours very sincerely,

(Sd) 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. Gustafson NARS, Date 12-18-75

(The British Ambassador, Sir Robert L. Craigie, to the
Vice Minister for Foreign Affairs, Mr. Horinouchi)

1465/70/37

23rd December, 1937.

My dear Vice-Minister,

You will remember that on the 18th of December
I requested Your Excellency's support for the proposal,
originally emanating from the representatives in Hankow
of the principal Powers interested, that a safety zone
should be established at Hankow. This zone was to consist
of the area comprised by the former British, Russian
and German Concessions and the present French Concession
(including the river front of this area).

I now write to inform Your Excellency that my
Government has approved my action in approaching you in
this matter subject however to the understanding that the
creation of any safety zones would not in any way lessen
or replace the general obligation of the Japanese forces
to observe the rules of International Law, outside such
zones.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(Sgd.) R.L.Craigie

His Excellency
Mr. Kensuke Horinouchi
H.I.J.M. Vice-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 O. Quate NARS, Date 12-18-75

Enclosure No. 9 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

Conversation

December 24, 1937.

The American Ambassador, Mr. Grew,
with the Minister for Foreign Af-
fairs, Mr. Hirota.

Subject: U.S.S. PANAY

The Minister for Foreign Affairs asked me to call on him at 7 o'clock this evening and he handed me the Japanese note replying to our note concerning the sinking of the U.S.S. PANAY. The Minister said that only a resumé of the Japanese note would be published in Japan owing to the effect which it might create in connection with the current hostilities, but that the Japanese Government has no objection to the immediate publication of the full text in the United States.

In handing me the note the Minister said that the Government is taking every step to meet the desires of the American Government and that the strictest orders in this connection have been issued to the military and naval forces. He said that the recall of Admiral Mitsunami as the officer responsible for the incident was extremely severe punishment because it implies disgrace and the fact that he is no longer competent to command "on the field of battle". The Minister furthermore gave me in strict confidence a list of eleven naval officers against whom measures have been taken in accordance with law.

I said to the Minister that I would send him the find-
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ings and report of the American Naval Court of Inquiry as soon as received. I expressed appreciation of the direct reports made to me by naval and military officers last night and repeated part of the remarks made to them in my final statement, especially with regard to the dangers of another incident analagous to that of the PANAY. Hirota said rather sadly: "I am having a very difficult time. Things happen unexpectedly." He did not elaborate this remark. I gathered that it was his earnest hope that his present note would serve toward settling the incident. I said that I would cable the note immediately to my Government.

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. 10 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

Unofficial translation by the Japanese Foreign Office received by the American Embassy, Tokyo, with the Foreign Minister Koki Hirota's confidential note No. 173, American I, December 24, 1937, in Japanese. Compared by the Embassy with the Japanese original and found substantially correct.

Unofficial translation

"December 24, 1937

Monsieur l'Ambassadeur,

Regarding the unfortunate incident occurring on the Yangtze River about 26 miles above Nanking on the 12th instant, in which Japanese naval aircraft attacked by mistake the U.S.S. PANAY and three merchant ships belonging to the Standard Oil Company of America, causing them to sink or burn with the result that there were caused casualties among those on board, I had the honour previously to send to Your Excellency my Note (Bei-I Futsu 159) dated the 14th of December. Almost simultaneously, however, I received Your Excellency's Note No. 838, which was sent by the direction of the Government of the United States, and which, after describing the circumstances prior to the occurrence of the incident, concludes that the acts of the Japanese forces in the attack were carried out in complete disregard of the rights of the United States, taking American life and destroying American property, both public and private; and which states that, "in these circumstances, the Government of the United States requests and expects of the Japanese Government a formally recorded expression of regret, and

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an undertaking to make complete and comprehensive indemnifications, and an assurance that definite and specific steps have been taken which will ensure that hereafter American nationals, interests, and property in China will not be subjected to attack by Japanese armed forces or unlawful interference by any Japanese authorities or forces whatsoever."

As regards the circumstances surrounding the present unfortunate incident, I desire to state that while it is concluded in Your Excellency's Note that the incident resulted from disregard of American rights by Japanese armed forces, it was entirely due to a mistake, as has been described in my Note above mentioned. As a result of the thorough investigations which have been continued since then in all possible ways to find out the real causes, it has now been fully established that the attack was entirely unintentional. I trust that this has been made quite clear to Your Excellency through the detailed explanations made to Your Excellency on the 23rd instant by our naval and military authorities.

With reference to the first two items of the requests mentioned in Your Excellency's Note, namely, a recorded expression of regret, and indemnifications, no word needs to be added to what I have said in my aforementioned Note. As regards the guarantee for the future, I wish to inform Your Excellency that the Japanese Navy issued without delay strict orders to "exercise the greatest caution in every area where warships and other vessels of America or any other third Power are present, in order to avoid a recurrence of

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a similar mistake, even at the sacrifice of a strategic advantage in attacking the Chinese troops." Furthermore, rigid orders have been issued to the military, naval and foreign office authorities to pay, in the light of the present untoward incident, greater attention than hitherto to observance of the instructions that have been repeatedly given against infringement of, or unwarranted interference with, the rights and interests of the United States and other third Powers. And the Japanese Government are studying carefully every possible means of achieving more effectively the above-stated aims, while they have already taken steps to ascertain, in still closer contact with American authorities in China, the whereabouts of American interests and nationals, and to improve the means of communicating intelligence thereof speedily and effectively to the authorities on the spot.

Although the attack on the man-of-war and other vessels of the United States was due to a mistake as has been stated above, the Commander of the Flying Force concerned was immediately removed from his post, and recalled, on the grounds of a failure to take the fullest measures of precaution. Moreover, the staff members of the fleet and the commander of the flying squadron and all others responsible have been duly dealt with according to law. The Japanese Government are thus endeavouring to preclude absolutely all possibility of the recurrence of incidents of a similar character. It needs hardly be emphasized that, of all the above-mentioned measures taken by the Japanese Government, the recall of the Commander of the Flying Force has a significance of special importance. It is my fervent hope that the fact will be fully

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

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fully appreciated by the Government of the United States that this drastic step has been taken solely because of the sincere desire of the Japanese Government to safeguard the rights and interests of the United States and other third Powers.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration."

DECLASSIFIED: E.O. 11652, 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 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

STRICTLY CONFIDENTIAL

List of Japanese officers responsible for the bombing and sinking of the U.S.S. PANAY who have been dealt with in accordance with Japanese law. List handed to the American Ambassador, Mr. Grew, in strict confidence, by the Minister for Foreign Affairs, Mr. Hirota, on December 24, 1937.

1. Commander-in-Chief, the China Sea Fleet
Vice-Admiral Kiyoshi Hasegawa.
2. Chief of Staff, the China Seas Fleet
Rear-Admiral Rokuzo Sugiyama.
3. Vice-Chief of Staff, the China Seas Fleet
Captain Ryunosuke Kusaka.
4. Staff Officer (concerned), the China Seas Fleet
Commander Toshitane Takada.
5. Commander of the Flying Force
Rear-Admiral Teizo Mitsunami.
6. Staff Officer, the Flying Force
Commander Shigetoshi Miyazaki.
7. Commander of the Flying Corps
Captain Morihiko Miki.
8. " Captain Sadatoshi Senda.
9. Commanding Officer of the Flying Squadron
Lieutenant Ichiro Komaki.
10. " " Shigeharu Murata.
11. " " Masatake Okumiya.

DECLASSIFIED: E.O. 11652, 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 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the Minister
for Foreign Affairs, Mr. Hirota.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, December 24, 1937.

No. 851.

Excellency:

I have the honor, by the direction of my Government, to
address to Your Excellency the following note:

"In further reference to the PANAY incident,
the Government of the United States encloses a
copy of the report of findings of the United
States Naval Court of Inquiry."

I avail myself of this opportunity to renew to Your Ex-
cellency the assurances of my highest consideration.

JOSEPH C. GREW.

His Excellency

Mr. Koki Hirota,

His Imperial Japanese Majesty's

Minister for Foreign Affairs,

etc.

etc.

etc.

FINDING OF FACTS OF THE
UNITED STATES NAVAL COURT OF INQUIRY
ORDERED TO INVESTIGATE THE BOMBING AND
SINKING OF THE U.S.S. PANAY.

1. That on December 12, 1937, the U.S.S. PANAY, a unit of the Yangtze Patrol of the United States Asiatic Fleet, was operating under lawful orders on the Yangtze River.

2. That the immediate mission of the U.S.S. PANAY was to protect nationals; maintain communication between the United States Embassy office, Nanking, and the American Ambassador at Hankow; provide a temporary office for the United States Embassy staff during the time when Nanking was greatly endangered by military operations, and to afford a refuge for American and other foreign nationals.

3. That due to intensive shell fire around Nanking the U.S.S. PANAY had changed berth several times to avoid being hit and on the morning of December 12, 1937, formed a convoy of Socony Vacuum Oil Company vessels, principally the S.S. MEIPING, MEIHSIA and MEIAN, and proceeded up river.

4. That adequate steps were taken at all times to insure that the Japanese authorities were informed of the movements of the U.S.S. PANAY.

5. That in addition to her regular complement the U.S.S. PANAY had on board at this time four members of the American Embassy staff, four American nationals, and five foreign nationals.

6. That at 0940 while standing up river the U.S.S. PANAY stopped in response to a signal from a Japanese landing boat, a Japanese Army boarding officer with guard went on board and was informed that the U.S.S. PANAY and convoy were proceeding to anchorage 28 miles above Nanking. No warning was given
of

-2-

of any danger likely to be encountered.

7. That at about 1100 December 12, 1937, the U.S.S. PANAY and convoy anchored in the Yangtze River in a compact group at about mileage 221 above Woosung, 28 miles above Nanking.

8. That the U.S.S. PANAY was painted white with buff upper works and stacks and displayed two large horizontal flags on her upper deck awnings plus large colors at her gaff.

9. That the Socony Vacuum ships MEIPING, MEIHSIA and MEIAN each displayed numerous horizontal and vertical American flags all of large size.

10. That at 1330 the crew of the U.S.S. PANAY were engaged in normal Sunday routine and were all on board except a visiting party of eight men on board the S.S. MEIPING.

11. That at about 1338 three large Japanese twin-motored planes in a V-formation were observed at considerable height passing overhead, downriver. At this time no other craft were in the near vicinity of the U.S.S. PANAY and convoy, and there was no reason to believe the ships were in a dangerous area.

12. That without warning these three Japanese planes released several bombs, one or two of which struck on or very close to the bow of the U.S.S. PANAY and another which struck on or very close to the S.S. MEIPING.

13. That the bombs of the first attack did considerable damage to the U.S.S. PANAY, disabling the forward three-inch gun, seriously injuring the Captain and others, wrecking the pilot house and sick bay, disabling the radio equipment, the steaming fireroom, so that all power was lost and causing

leaks

-3-

leaks in the hull which resulted in the ship settling down by the head and listing to starboard thereby contributing fundamentally to the sinking of the ship.

14. That immediately thereafter a group of six single-engined biplanes attacked from ahead, diving singly and appearing to concentrate on the U.S.S. PANAY. A total of about twenty bombs was dropped, many striking close aboard and creating by fragments and concussion great damage to ship and personnel. These attacks lasted about twenty minutes during which time at least two of the planes attacked also with machine guns. One machine gun attack was directed against a ship's boat bearing wounded ashore, causing several further wounds and piercing the boat with bullets.

15. That during the entire attack the weather was clear, was with high visibility and little if any wind.

16. That the planes participating in the attacks on the U.S.S. PANAY and its convoy were unmistakably identified by their markings as being Japanese.

17. That immediately after the first bomb struck air defense stations were manned, the 30 caliber machine gun battery opened fire and engaged the attacking planes throughout the remainder of the attack. The three-inch battery was not manned nor were any three-inch shells fired at any time. This was in accordance with the ships air defense bill.

18. That during the bombing many were injured by flying fragments and concussion and all suffered shock on the first bomb. The Captain suffered a broken hip and severe shock. Soon thereafter Lieutenant Anders, Executive Officer, was wounded by fragments in throat and hands, losing power

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power of speech; Lieutenant (j.g.) Geist, Engineer Officer, received fragments in the leg; Ensign Biwerse had clothing blown off and was severely shocked. This includes all the line officers of the ship. The Captain being disabled, the Executive Officer carried on his duties giving orders in writing. He issued instructions to secure confidential publications; to get under way and to beach the ship. Extensive damage prevented getting under way.

19. That at about 1400, believing it impossible to save the ship and considering the number of wounded and the length of time necessary to transfer them ashore in two small boats, the Captain considered the ship to be abandoned. This was completed by about 1500. By this time the main deck was awash and the PANAY appeared to be sinking.

20. All severely wounded were transferred ashore in the first trips. The Captain protested in his own case. The Executive Officer, when no longer able to carry on due to wounds, left the ship on the next to the last trip, and Ensign Biwerse remained until the last trip.

21. That after the PANAY had been abandoned, Mahlmann, C. B. M., and Weimers, M. M. First, returned to the PANAY in one of the ship's boats to obtain stores and medical supplies. While they were returning to the beach a Japanese power boat filled with armed Japanese soldiers approached close to the PANAY, opened fire with a machine gun, went along side, boarded and left within five minutes.

22. That at 1554 the U.S.S. PANAY, shortly after the Japanese boarding party had left rolled over to starboard and sank in from seven to ten fathoms of water, approximate latitude 30-44-30 north, longitude 117-27 east. Practically no
valuable

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valuable Government property was salvaged.

23. That after the PANAY survivors had reached the left bank of the river the Captain, in view of his own injuries and the injuries and shock sustained by his remaining line officers and the general feeling that attempts would be made to exterminate the survivors, requested Captain F. N. Roberts, U. S. Army, who was not injured and who was familiar with land operations and the Chinese language, to act under his direction as his immediate representative. Captain Roberts functioned in this capacity until the return of the party on board the U.S.S. OAHU on 15 December, 1937, performing outstanding service.

24. That Messrs. Atcheson and Paxton of the U. S. Embassy staff rendered highly valuable services on shore where their knowledge of the country and language, coupled with their resourcefulness and sound advice, contributed largely to the safety of the party.

25. That after some fifty hours ashore, during which time the entire party suffered much hardship and exposure somewhat mitigated by the kindly assistance of the Chinese, they returned and boarded the U.S.S. OAHU and H.M.S. LADY-BIRD.

26. That from the beginning of an unprecedented and unlooked for attack of great violence until their final return the ship's company and passengers of the U.S.S. PANAY were subjected to grave danger and continuous hardship. Their conduct under these conditions was in keeping with the best traditions of the naval service.

27. That among the PANAY passengers Mr. Sandro Sandri
died

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died of his injuries at 1330, 13 December. Messrs. J. Hall Paxton, Emile Gassie and Roy Squires were wounded.

28. That early in the bombing attacks the Standard Oil vessels got under way. MEIPING and MEIHSIA secured to a pontoon at the Kaiyuan wharf. The MEIAN was disabled and beached further down river on the left bank. All these ships received injuries. During the first phases of the bombing serious fires on the MEIPING were extinguished by the PANAY visiting party of eight men who were unable to return to their ship.

29. That after attacks on the PANAY had ceased, the MEIPING and MEIHSIA were further attacked by Japanese bombing planes, set on fire and destroyed. Just previous to this bombing Japanese Army units on shore near the wharf attempted to avert this bombing by waving Japanese flags. They were not successful and received several casualties. It is known that Captain Carlson of the MEIAN was killed and that Messrs. Marshall, Vines, Pickering and Squires were wounded. Casualties among the Chinese crews of these vessels were numerous but cannot be fully determined.

30. That the following members of the PANAY crew landed on shore from the MEIPING after vainly attempting to extinguish oil and gasoline fires on board: V. F. Puckett, C. M. M., J. A. Granes, G. M. First, J. A. Dirnhoffer, Seaman First, T. A. Coleman, C. Ph. M., J. A. Bonkowski, G. M. Third, R. L. Browning, E. M. Third, J. L. Hodge, Fireman First, and W. T. Hoyle, M. M. Second. These men encountered Japanese soldiers on shore who were not hostile, on learning they were Americans.

31. That all of the PANAY crew from the MEIPING except

J.

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J. L. Hodge, Fireman First, remained in one group ashore until the following day when they were rescued by H.M.S. BEE. Hodge made his way to Wuhu and returned to Shanghai via Japanese naval plane on 14 December.

32. That in searching for and rescuing the survivors Rear Admiral Holt, R. N., and the officers and men of H.M.S. BEE and H.M.S. LADYBIRD rendered most valuable assistance under trying and difficult conditions, thereby showing a fine spirit of helpfulness and cooperation.

33. That Charles L. Ensminger, S. K. First, died at 1330, 13 December at Hohsien, China, from wounds received during the bombing of the U.S.S. PANAY and that his death occurred in line of duty, not the result of his own misconduct.

34. That Edgar C. Hulsebus, Coxswain, died at 0630, 19 December, at Shanghai, China, from wounds received during the bombing of the U.S.S. PANAY and that his death occurred in line of duty, not the result of his own misconduct.

35. That Lieutenant Commander James J. Hughes, Lieutenant Arthur F. Anders, Lieutenant (j.g.) John W. Geist, John H. Lang, C.Q.M., Robert R. Hebard, Fireman First, Kenneth J. Rice, E. M. Third, Carl H. Birk, E. M. First, Charles S. Ochroyer, Seaman First, Alex Kozak, M. M. Second, Peres D. Zigler, S. C. Third, and Newton L. Davis, Fireman First, were seriously injured in line of duty, not the result of their own misconduct.

36. That Lieutenant Clark G. Granzier, M. C., Ensign Denis H. Biwerse, Charles S. Adams, R. M., Second, Tony Barba, S. C. Third, John A. Bonkoski, G. M. Third, Ernest C.

Branch

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Branch, Fireman First, Raymond L. Browning, E. M. Third, Walter Cheatham, Coxswain, Thomas A. Coleman, C. Ph. M., John A. Dirnhoffer, Seaman First, Yuan T. Erh, M. A. T. T. First, Fred G. Fichtenmayer, C. M. First, Emery F. Fisher, C. W. T., Michael Gerent, M. M. Second, Cecil B. Green, Seaman First, John L. Hodge, Fireman First, Don B. Huffman, W. T. Second, Karl H. Johnson, M. M. Second, Carl H. Kerske, Coxswain, Peter H. Klumpers, C. M. M., William P. Lander, Seaman First, Ernest R. Mahlmann, C. B. M., William A. McCabe, Fireman First, Stanley W. McEwen, Seaman First, James H. Peco, Q. M. Second, Reginald Peterson, R. M. Second, Vernon F. Puckett, C. M. M., King F. Sung, M. A. T. T. First, Harry B. Tuck, Seaman First, Leo E. Waxler, B. M. Second, John T. Weber, Yeoman First, and Far Z. Jong, M. A. T. T. First, were slightly injured in line of duty, not the result of their own misconduct.

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. 13 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

Tokyo, December 25, 1937.

My dear Craigie:

I am sending you herewith, for your confidential
information, a copy of a note which I delivered today to
the Minister for Foreign Affairs on the findings of the
United States Naval Court of Inquiry on the PANAY incident.

Sincerely yours,

JOSEPH C. GREW.

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 O. Gustafson NARS, Date 12-18-75

Enclosure No. 14 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British Ambassador,
Sir Robert L. Craigie.

Tokyo, December 25, 1937

My dear Craigie:

In accordance with your request I am very glad
to send you herewith for your confidential information
a copy of the unofficial translation of the note on
the PANAY incident which was delivered to me last
evening by the Minister for Foreign Affairs.

Sincerely yours,

JOSEPH C. GREW.

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. Quisenberry NARS, Date 12-18-75

Enclosure No. 15 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

Conversation

December 26, 1937.

The American Ambassador, Mr. Grew, with the
Minister for Foreign Affairs, Mr. Hirota.

Subject: U.S.S. PANAY incident.

I called on the Minister for Foreign Affairs today at 11:30 a.m., and told him that I had good news. I then read to him the American Government's note of December 26, which may be regarded as an acceptance of the Japanese Government's note of December 24, towards the settlement of the incident. After I had read the note aloud, Mr. Hirota said to me, "I heartily thank your Government and you yourself for this decision. I am very, very happy. You have brought me a splendid Christmas present." The Minister added that the Japanese Government has taken and will continue to take all possible measures to prevent the recurrence of such an incident.

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. 16 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the Minister for
Foreign Affairs, Mr. Hirota.

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 852.

Tokyo, December 26, 1937.

Excellency:

I have the honor, by the direction of my Government,
to address to Your Excellency the following note:

"The Government of the United States refers to its
note of December 14, the Japanese Government's note of
December 14 and the Japanese Government's note of December
24 in regard to the attack by Japanese armed forces upon
the U.S.S. PANAY and three American merchant ships.

"In this Government's note of December 14 it was
stated that 'The Government of the United States requests
and expects of the Japanese Government a formally recorded
expression of regret, an undertaking to make complete and
comprehensive indemnifications, and an assurance that definite
and specific steps have been taken which will ensure that
hereafter American nationals, interests and property in China
will not be subjected to attack by Japanese armed forces or
unlawful interference by any Japanese authorities or forces
whatsoever.'

"In regard to the first two items of the request made
by the Government of the United States, the Japanese Govern-
ment's note of December 24 reaffirms statements made in the
Japanese Government's note of December 14 which read 'The
Japanese Government regret most profoundly that it (the present
incident) has caused damages to the United States' man-of-war
and ships and casualties among those on board, and desire to present
hereby sincere apologies. The Japanese Government will make
indemnifications for all the losses and will deal appropriately
with those responsible for the incident'. In regard to the
third

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third item of the request made by the Government of the United States, the Japanese Government's note of December 24 recites certain definite and specific steps which the Japanese Government has taken to ensure, in words of that note, 'against infringement of, or unwarranted interference with, the rights and interests of the United States and other third Powers' and states that 'The Japanese Government are thus endeavoring to preclude absolutely all possibility of the recurrence of incidents of a similar character'.

"The Government of the United States observed with satisfaction the promptness with which the Japanese Government in its note of December 14 admitted responsibility, expressed regret, and offered amends.

"The Government of the United States regards the Japanese Government's account, as set forth in the Japanese Government's note of December 24, of action taken by it as responsive to the request made by the Government of the United States in this Government's note of December 14.

"With regard to the facts of the origins, causes and circumstances of the incident, the Japanese Government indicates in its note of December 24 the conclusion at which the Japanese Government, as a result of its investigation, has arrived. With regard to these same matters, the Government of the United States relies on the report of findings of the court of inquiry of the United States Navy, a copy of which has been communicated officially to the Japanese Government.

"It is the earnest hope of the Government of the United States that the steps which the Japanese Government has taken will prove effective toward preventing any further attacks or unlawful interference by Japanese authorities or forces with American nationals, interests or property in China."

I avail myself of this opportunity to renew to Your

Excellency the assurances of my highest consideration.

His Excellency

Mr. Koki Hirota,

His Imperial Japanese Majesty's

Minister for Foreign Affairs. etc.etc..etc.

JOSEPH C. GREW

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

Enclosure No. 17 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

Tokyo, December 26, 1937.

My dear Craigie:

With reference to my letter of December 25,
1937, regarding the PANAY incident, I am sending you
herewith a copy of a note on the same subject which
I am delivering to the Minister for Foreign Affairs
today.

Sincerely yours,

JOSEPH C. GREW

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. 18 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

AMERICAN EMBASSY.

Office of the Naval Attaché,
Tokyo, Japan.

28 December 1937

Memorandum for the Ambassador:

Enclosures are translations of communications between
Tokyo Naval Authorities and the Commander in Chief of
the China Area Fleet.

Very respectfully,

H. M. Bemis

H. M. Bemis,
Captain, U.S. Navy,
Naval Attache.

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

Cable message from Naval Minister and Chief of General
Staff to Commander-in-Chief of the Fleet in China

It is most gratifying, from the point of view of the friendly relations between the U.S. and Japan, that the PANAY incident has been amicably settled because of the appropriate measures taken by the Imperial Government and the Headquarters at the front, and of the calm attitude on the part of the American authorities.

In view of the fact, however, that the true settlement of the said incident lies in that whether or not the Imperial Government should abide by its guarantee to respect in the future the American lives, properties, and interests, and also that since it is a serious matter, upon our ability or inability of fulfillment of which depend the dignity of the Imperial Navy and even the prestige of the Empire, Your Excellency is expected to further urge your subordinates to take thorough precautions for the prevention of a similar incident.

DECLASSIFIED: E.O. 11652, 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 Commander-in-Chief of the Fleet in China
to Naval Minister and Chief of General Staff

In receiving His Highness' and His Excellency's kind message informing us the amicable settlement of the PANAY Incident, our trepidation is deepened for giving anxiety to His Majesty and aggravating the concern of the Government and the People with the incident caused by our blunder.

As for the Imperial Government's guarantee to respect in future American lives, properties, and interests, the officers and men of the Fleet are determined to engage in operations with greater caution so as not to repeat similar blunders.

DECLASSIFIED: E.O. 11652, 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. 19 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to the
American Ambassador, Mr. Grew.

No. (88/70^P/37

BRITISH EMBASSY
TOKYO
28th December, 1937

My dear Grew,

Many thanks for your kindness in
sending me, under cover of your letters of the
25th and 26th December respectively, a translation
of the Japanese Government's note of the 24th
December and a copy of your reply regarding the
"Panay" incident.

Yours very sincerely,

(Sd) 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. 20 to
despatch No 2717 of JAN 6 1938
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA.

Memorandum.

The American Embassy refers to its memorandum of December 22, 1937 relating to a special train which it was planned would leave Hankow for Hong Kong on December 29 or December 30 to convey American and other foreign nationals. Information has now been received that this special train will leave Hankow for Hong Kong December 30 at 9 a.m. Further details will be communicated to the Foreign Office when received.

The American Embassy requests that the foregoing information be conveyed to the appropriate authorities with a view to obtaining assurances for the safety of this train.

Tokyo, December 28, 1937.

Enclosure No. 21 to despatch
No 2717 of JAN 6 1938
from the Embassy at Tokyo.

Conversation

December 28, 1937.

The American Ambassador, Mr. Grew,
with the Vice Minister for Foreign
Affairs, Mr. Horinouchi.

Subject: Special train from Hankow to Hong Kong.

I called on the Vice Minister for Foreign Affairs
at his official residence at 9 o'clock this evening, and
informed him that the special train carrying Americans
and other foreigners from Hankow to Hong Kong would leave
Hankow at 9 a.m. on December 30, and asked that appropriate
measures be taken to ensure its safety. Mr. Horinouchi
read our memorandum of December 28 and said that he would
have to take action very quickly.

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. 22 to despatch
No. 2717 of 1937
from the Embassy at Tokyo.

Conversation

December 28, 1937.

The American Ambassador, Mr. Grew,
with the Vice Minister for Foreign
Affairs, Mr. Horinouchi.

Subject: Safety area at Hankow.

I called on the Vice Minister for Foreign Affairs
at his official residence at 9 o'clock this evening,
and left with him our memorandum of December 28 concerning
the safety of a certain area at Hankow and said that while
the American Government claims absolute freedom for its
ships to move and trade on the Yangtze River, the American
Government looks to the Japanese authorities to give prior
warning in the event of any area on the Yangtze becoming,
through steps taken by the Japanese authorities, a danger
area.

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. 23 to
despatch No. 2717 of
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA.

Memorandum.

The American Embassy refers to its memorandum dated December 15, 1937 requesting the Foreign Office to take appropriate action in support of a proposal of the American Ambassador at Hankow to insure the safety of a certain area at Hankow.

The American Embassy now desires to remind the Japanese Government that while the American Government claims absolute freedom for its ships to move and trade on the Yangtze River, the American Government looks to the Japanese authorities to give prior warning in the event of any area on the Yangtze becoming, through steps taken by the Japanese authorities, a danger area.

Tokyo, December 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

Enclosure No 24 to despatch
No. 2717 of JAN 2 1938
from the Embassy at Tokyo.

Conversation

December 28, 1937.

The American Ambassador, Mr. Grew,
with the Vice Minister for Foreign
Affairs, Mr. Horinouchi.

Subject: Consul Allison and Staff Proceeding
to Nanking.

I called on the Vice Minister for Foreign Affairs
at his official residence at 9 o'clock this evening,
and left our memorandum of December 28 regarding the
departure of Consul Allison and his staff from Shanghai
for Nanking on the U.S.S. OAHU today and said that it
would not be possible for them to comply with the sug-
gestion of the Japanese authorities in Shanghai that
they delay their departure until after January first.

I however told Mr. Horinouchi, informally and
orally and off the record, that Consul Allison and his
staff would probably not debark at Nanking until
January first.

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. 25 to
despatch No. 2717 of 1934
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA.

Memorandum.

Referring to the suggestion of the Japanese authorities at Shanghai that certain American Foreign Service officers who were scheduled to proceed from Shanghai to Nanking on the U.S.S. OAHU postpone their departure for Nanking until after the first of January, the American Embassy is now informed that Consul Allison and staff are proceeding as scheduled on the OAHU which is leaving Shanghai on December 28 for Nanking to reoccupy the American Embassy property, to protect and be of assistance to American nationals and their interests and to handle other official business.

The American Embassy accordingly requests that instructions be issued to the appropriate Japanese authorities to the end that when Consul Allison and his staff arrive at Nanking there may be no interference in connection with their landing or functioning at Nanking.

Tokyo, December 28, 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

Enclosure No. 26 to despatch
No. 2717 of
from the Embassy at Tokyo.

The American Embassy to the Ministry
for Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA

Memorandum

The American Embassy has received the following information through the American officials at Hankow from a letter dated December 22 from the Southern Presbyterian Mission, Hsuehchow, Kiangsu, at the junction of the Tientsin Pukow and Lunghai railways:

"Several philanthropical societies as well as local Chamber of Commerce have approached American missionaries residing here asking us to entreat you to use your good influence for the protection of refugees in case hostilities break out in this vicinity. Highest military authorities here are glad to cooperate to the extent of having given us their promise in person not to use the proposed refugee centers for any military purpose whatsoever. They promise that no soldiers will enter the limits defined and that no munitions will be stored there. We ask you to communicate with the Japanese authorities and try to secure their recognition of this arrangement so that their military forces will not fire on or bomb these places. We will demark these buildings and yards in any way the Japanese authorities may suggest. We would suggest using white flags with a blue cross in the center. I am enclosing a list of the buildings proposed as refugee centers, also a plot of the city showing the location of same."

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A sketch map accompanying the foregoing letter, but not yet received by the Embassy, shows four proposed areas as follows:

Inside the Chinese city wall:

1. Cheng Hsin School for Girls, 2973 1800 1166 1331. This is located inside west gate near southwest corner of city wall.
2. Pei Cheng Middle School, 1014 2973 0022 1331. This is located at Yen Tze Lou 3601 1311 2869 near southwest corner of city wall.

South of the Chinese city wall:

3. Yo Min Chung Miao, 1636 0388 6988 1680. This is located at corner of Yingshih Street 5391 1102 5894 and Kuei Creek 1145 3109.
4. Bible School for Women, 1244 1166 1331 2699. This is located at Hsi Tsai Yuan 6007 5475 0954.

It is understood that the maps are being forwarded by airmail and will be furnished to the Foreign Office immediately upon receipt.

The American Embassy requests that the appropriate Japanese authorities be informed of the foregoing in order that the necessary steps may be taken to safeguard the refugees and properties above referred to.

Tokyo, December 29, 1937.

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. 27 to despatch
No. 2717 of Jan 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the American Ambassador, Mr. Grew.

BRITISH EMBASSY
TOKYO.

29th December, 1937.

My dear Grew,

I send you herewith for your confidential information
a translation of the Note which was handed to me yesterday
by the Minister for Foreign Affairs regarding the attacks
on British vessels on the Yangtze on the 12th December.

Believe me,

Yours very sincerely,

R. L. Craigie.

P.S. It has not yet been decided when the note is to be
published.

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

(The Minister for Foreign Affairs, Mr. Hirota, to the)
(British Ambassador, Sir Robert L. Craigie.)

No. 234
Confidential
From Mr. Hirota
H.I.J.M. M.F.A.

28th December, 1937.

Sir,

I have already had the honour in my Note of December 14th on the subject of the attacks made by mistake by the Japanese forces upon British men-of-war and merchant vessels at Wuhu and Nanking on December 12th to tender the profound apology of the Japanese Government and to state that they had taken the necessary steps to prevent the recurrence of such incidents and that they would deal properly with those responsible and also pay the necessary compensation. In reply Your Excellency, in your Note of December 16th, after describing the circumstances of the incident, stated (1) that His Majesty's Government were glad to receive my above-mentioned Note of December 14th, (2) that they requested an assurance that the contents of my Note applied equally to the attacks made upon British merchant vessels, (3) that they took particular note of the statement that those responsible would be suitably dealt with, and (4) that they desired to be informed that measures had actually been taken of a character which would put a definite stop to incidents of this kind. I hastened to assure Your Excellency in my Note of December 17th that the statements contained in my Note of December 14th of course applied also to the British merchant vessels which had been attacked in similar circumstances.

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2. Upon the occurrence of the incidents in question the Japanese Government at once did their best to ascertain the facts; but most unfortunately the completion of the investigation has been delayed owing to the dispersion of the units concerned in the course of military operations, the inadequacy of communications, or for other reasons. A full report has now at last been received, the principal points of which have been explained to you by the Japanese military and naval authorities. As Your Excellency will know from the above explanations the incidents in question were in each case due to the fact that the units concerned had taken it for granted that under such circumstances as prevailed at the time all foreign men-of-war and merchants vessels had sought refuge from the scene of fighting and its vicinity and that there could be no vessels left in those localities other than those of an enemy character, and also to the fact that owing to thick fog or haze visibility was poor; and there is no room for doubt that they did not intentionally attack the vessels knowing them to be British. This point may be well understood from the facts that as soon as the two Japanese naval bombing squadrons and the military unit discovered that the vessels were British they ceased firing and that Japanese military unit afforded assistance in taking care of the dead and wounded on H.M.S. "Ladybird".

3. As regards the assertion that the Commander of the Japanese military unit involved spoke of his having received orders to fire upon all vessels on the Yangtze the Japanese Government, being especially concerned, have made

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- 3 -

a searching investigation and it has been established that the orders referred to all vessels used for military purposes by the enemy and were not to the effect that vessels belonging to third Powers should be attacked.

4. I should add that the misunderstandings of this nature which arose in connexion with the conversations between Rear-Admiral Holt and the Commander of the Japanese unit at the time at Wuhu are considered to have been the result of the language difficulty.

5. As regards the apology of the Japanese Government in connexion with this incident and the matter of compensation nothing need be added to what I have said in my above-mentioned Note; while as regards the disposition of those responsible, although it has been established that the incidents were entirely due to a mistake, the Japanese Government, in order to ensure against the possibility of similar mistakes have dealt properly according to law with the commanding and other military officers concerned and with the commanding and other naval officers of the air squadrons responsible on the ground that they failed to take full precautions.

6. As regards the guarantees for the future referred to in the final paragraph of Your Excellency's Note of December 16th the higher Japanese military commanding officer concerned issued, immediately after the incidents, strict orders to all the forces under his command that thereafter they were not to attack any vessels on the Yangtze unless they had determined that they were vessels used for military

purposes

- 4 -

purposes by the Chinese forces. The naval authorities also at once gave strict orders to guard against a repetition of such mistakes by the exercise of the greatest caution in areas where there are vessels of third Powers even in circumstances where such caution involves the loss of an opportunity of attacking the Chinese forces. In addition, although instructions have repeatedly been given to the military, naval and diplomatic authorities on the spot, in view of the recent unfortunate incidents, strict instructions have once again been issued to them to take the greatest possible care that attacks are not made upon the lives and property of British and other nationals. The Japanese Government, too, are studying and expect to give effect to all possible means of realising the above aims. For instance, after further full investigation, in conjunction with the British authorities, of the whereabouts of British residents and interests they intend at the appropriate moment to communicate information thereof to the authorities on the spot and to subordinate units, while as regards the method of making such communications they have given special consideration to their speedy and effective transmission.

7. The Japanese Government have taken all the measures enumerated above solely out of a sincere desire to render more effective and valid their guarantee of the rights and interests of Great Britain and other third Powers. I trust, therefore, that this fact will be fully appreciated by His Majesty's Government.

I avail etc.,

(SGD) KOKI HIROTA (LS)
H.I.J.M. Minister for Foreign Affairs

His Excellency
Sir R. Craigie etc.,

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. 28 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie,
to the American Ambassador, Mr. Grew.

BRITISH EMBASSY,
TOKYO.

31st December, 1937.

My dear Grew,

I enclose a copy of a letter which I have today
addressed to the Vice-Minister for Foreign Affairs
requesting that in the event of hostilities at Tsingtao
Edgewater Peninsula may be regarded as a safety-zone
and to express the hope, in which my Government concur,
that Your Excellency may be prepared to support this
request.

I have sent a similar letter to our French and
German colleagues.

Believe me,

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

(The British Ambassador, Sir Robert L. Craigie, to the)
(Vice Minister for Foreign Affairs, Mr. Horinouchi.)

No. (1497/70/37)

31st December, 1937.

Immediate

My dear Vice-Minister,

I am informed that as a result of representations made to the Chinese authorities at Tsingtao, following a consular meeting there on December 19th, these authorities have agreed not to make use of Edgewater Peninsula at Tsingtao provided that Japanese forces do not attempt to make a landing there or in the neighbourhood.

I understand that the proposal is that in the event of an attack on Tsingtao foreign residents should be concentrated as far as possible in the Edgewater Peninsula.

My Government have authorised me to bring this assurance of the Chinese authorities to Your Excellency's notice and to express the hope that the Edgewater Peninsula may be regarded as a safety zone. This proposal is of course subject to the understanding that Japanese responsibility to respect foreign lives and property outside any such safety zone remains unimpaired.

I shall be grateful if Your Excellency will be so good as to inform me of the reply which I may telegraph to London.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(Sd) R. L. CRAIGIE.

His Excellency
Mr. Kensuki Horinouchi,
H.I.J.M. Vice-Minister for Foreign Affairs.

2717
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. 29 to despatch
No. 2717 of JAN 6 1938
from the Embassy at Tokyo.

The British Ambassador, Sir Robert L. Craigie, to
the American Ambassador, Mr. Grew.

BRITISH EMBASSY
TOKYO
31st December 1937

With the compliments
of
His Britannic Majesty's Embassy.

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 O. Gustafson NARS, Date 12-18-75

(The British Ambassador, Sir Robert L. Craigie, to the
Minister for Foreign Affairs, Mr. Hirota.)

No. 208

British Embassy,
Tokyo,
31st December, 1937.

Your Excellency,

I have the honour on instructions from His Majesty's Government in the United Kingdom to inform Your Excellency that they have noted with appreciation the assurances contained in Your Excellency's note of December 28th in connexion with the attacks on British war ships and Merchant shipping on December 12th, and have learnt with satisfaction that the statements contained in your note of December 14th apply to merchant vessels concerned as well as to warships.

His Majesty's Government are bound to observe that their information in regard to the circumstances in which the attacks took place - notably, for instance, on points of visibility - is at variance with that of the Japanese Government.

His Majesty's Government note however with satisfaction that the Japanese Government have taken or are prepared to take the necessary measures to deal suitably with the officers responsible for these incidents and to prevent any repetition. As regards the latter His Majesty's Government consider that the details of these measures and their effective application may suitably form the subject of further conversations in the course of which they do not doubt that they will be informed of actual steps decided upon.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Sd) R.L.Craigie.

His Excellency
Mr. Koki Hirota
H.I.J.M. 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. Quate NARS, Date 12-18-75

Enclosure No. 30 to despatch
No. 2717 of 1938
from the Embassy at Tokyo.

The Minister for Foreign Affairs, Mr. Hirota, to the
American Ambassador, Mr. Grew.
(Translation)

No. 1 American I

Department of Foreign Affairs

Tokyo, January 1, 1938.

Excellency:

With reference to Your Excellency's note No. 851 of
December 24 I have the honor to state that the contents
of the report therewith enclosed of the findings of the
United States Naval Court of Inquiry with regard to the
PANAY incident have been duly noted. I have the further
honor to inform Your Excellency that copies of the report
will be made and transmitted to the Japanese authorities
concerned.

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.

Enclosure No. 31 to despatch
No 2717 of 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the Vice Minister
for Foreign Affairs, Mr. Horinouchi.

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, January 2, 1938.

My dear Vice Minister:

I have been informed that the foreign consular officers
in Tsingtao have obtained the agreement of the Chinese au-
thorities at that port not to make use of Edgewater Peninsula
at Tsingtao provided that the Japanese forces do not attempt
to make a landing there or in the neighborhood.

My understanding of the proposal is that foreign resi-
dents would be concentrated as far as possible in the
Edgewater Peninsula in the event of an attack on Tsingtao
by Japanese forces.

I have been authorized by my Government to bring to the
attention of Your Excellency's Government the assurance given
the foreign consuls by the Chinese authorities and to request
that the Edgewater Peninsula be regarded by the Japanese
forces as a safety zone. It is of course understood that the
establishment of a safety zone under this proposal would not
impair the responsibility of the Japanese forces to respect
the lives and property of foreigners outside such safety zone.

I shall appreciate it if Your Excellency will please
inform me of the action taken on the foregoing proposal in
order that I may promptly inform my Government.

Believe me, my dear Vice Minister,

Yours very sincerely,

JOSEPH C. GREW

His Excellency
Mr. Kensuke Horinouchi
His Imperial Japanese Majesty's
Vice Minister for Foreign Affairs

(Copy to British Ambassador, Tokyo)
(Copy to French Ambassador, Tokyo)
(Copy to German Ambassador, 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. 32 to despatch
No. 2717 of 1400 1938
from the Embassy at Tokyo.

The American Ambassador, Mr. Grew, to the British
Ambassador, Sir Robert L. Craigie.

Tokyo, January 2, 1938.

My dear Craigie:

With reference to your letter of December 31,
1937 regarding the Tsingtao safety zone, I am
enclosing herewith a copy of a letter which I am
addressing today to the Vice Minister for Foreign
Affairs on the same subject.

Yours very sincerely,

JOSEPH C. GREW

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. Quisenberry NARS, Date 12-18-75

Enclosure No. 33 to despatch
No. 2717 of
from the Embassy at Tokyo.

The British Embassy to the American Ambassador, Mr. Grew.

BRITISH EMBASSY,
TOKYO.

4th January 1938.

WITH THE COMPLIMENTS
OF
HIS BRITANNIC MAJESTY'S EMBASSY

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. Gustafson NARS, Date 12-18-75

(The British Ambassador, Sir Robert L. Craigie,)
(to the Vice Minister for Foreign Affairs, Mr.)
(Horinouchi.)

4th January, 1938.

My dear Vice-Minister,

In my letter No. 1465/70/37 of the 23rd December last I informed Your Excellency that my Government had approved my action in requesting your support for the proposal that a safety zone should be established at Hankow.

My Government understand that Chinese politicians have now left Kuling and that the residential area there is entirely undefended. There appears moreover to be no military objective on the mountain.

All foreign residents have left Kuling except those who are prevented from doing so by illness or from financial reasons. These number about 120, of whom 50 are British subjects.

I am therefore instructed by my Government to ask that Kuling may also be constituted a safety zone, in addition to the area at Hankow defined in my letter of the 23rd December.

Believe me,

My dear Vice-Minister,

Yours very sincerely,

(Sd) R. L. CRAIGIE.

His Excellency
Mr. Kensuke Horinouchi,
H.I.J.M. Vice-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 O. Gustafson NARS, Date 12-18-75

Enclosure No. 34 to despatch
No. 2717 of JAN 6, 1938
from the Embassy at Tokyo.

The American Embassy to the Ministry of Foreign Affairs.

EMBASSY OF THE
UNITED STATES OF AMERICA.

No. 857.

The American Embassy presents its compliments to the Japanese Ministry of Foreign Affairs and has the honor to acknowledge with thanks the receipt of the latter's Note No. 172 of December 24, 1937, by which were transmitted to the American Embassy a list of contributors together with their contributions to the victims of the U.S.S. PANAY. As the latter are not in a position to receive these contributions, the American Embassy will temporarily hold the contributions with a view to transferring them to private Japanese individuals who are now formulating a plan to expend the monies toward furthering relations between the United States and Japan. Arrangements will be made for acknowledgment to the contributors.

Tokyo, January 4, 1938.

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

1938 JAN 24 PM 1 32

AMERICAN EMBASSY

DIVISION OF
COMMUNICATIONS
AND RECORDS

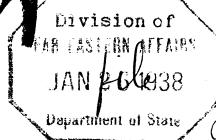
Tokyo, January 6, 1938.

No. 2721.

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.

793.94

For Distribution Check			
Grade	For	No.	No.



The Honorable

The Secretary of State,
Washington.

Sir:

With reference to my despatch No. 2708 of December
1/3 23, 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 December 22, 1937, to January 4,
1938, inclusive.

II.

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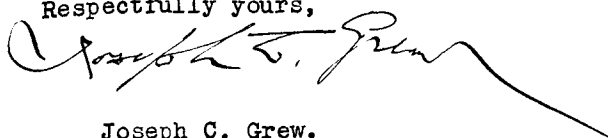
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- II. Steps taken by the British Embassy in Tokyo with respect to the Sino-Japanese conflict from December 22, 1937, to January 4, 1938.
- III. Steps taken by the French Embassy in Tokyo with respect to the Sino-Japanese conflict from December 22, 1937, to January 4, 1938.

In enclosure No. 1 there is only a brief outline of the steps taken in connection with the PANAY incident. For a more complete account of developments during the period under review, reference is made to my despatch No. 2720 of January 6, 1938.

Respectfully yours,



Joseph C. Grew.

✓ 3 Enclosures:

As listed.

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GDA:IMF

Enclosure No. 1 to despatch
No. 2721 dated January 6, 1938,
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 DECEMBER
22, 1937, TO JANUARY 4, 1938, INCLUSIVE.

On the evening of December 24 the Minister for Foreign Affairs handed to the Ambassador the Japanese Government's reply to the Embassy's note of protest dated December 14 on the subject of the sinking of the U.S.S. PANAY by Japanese airplanes. The substance of the Japanese Government's note is as follows:

(1) No word needs to be added to what Mr. Hirota stated in his note of December 14 in reply to the requests of the American Government for a recorded expression of regret and indemnifications, namely, that the Japanese Government regretted the occurrence most profoundly and desired to present sincere apologies, and that the Japanese Government would make indemnification for all the losses and would deal appropriately with those responsible for the incident; (2) the Japanese Navy issued without delay strict orders to "exercise the greatest caution in every area where warships and other vessels of America or any other third Power are present, in order to avoid a recurrence of a similar mistake, even at the sacrifice of a strategic advantage in attacking the Chinese troops"; and (3) rigid orders have been issued to the Japanese military, naval and civil authorities in China to pay "greater attention than hitherto" to observance of the instructions that have been repeatedly given against infringement of, or unwarranted interference with, the rights and interests of the United States, and other third Powers. The note added that although the incident was due to a mistake, the Commander of the Flying Force concerned had been immediately removed from his post and that the staff members of the Fleet and all others responsible had been duly dealt with according to law. (Embassy's telegram No. 679, December 24, 1937).

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In accordance with the Department's instructions, on December 25 the Embassy communicated to the Ministry of Foreign Affairs a copy of the report of findings of the United States Naval Court of Inquiry at Shanghai concerning the PANAY incident. (Department's telegram No. 371, December 23, Embassy's telegrams No. 677 December 24 and No. 680, December 25, 1937).

Pursuant to the Department's instructions, on December 26 the Ambassador delivered to the Minister for Foreign Affairs a note to the effect that the United States Government observed with satisfaction the promptness with which the Japanese Government in its note of December 14 had admitted responsibility, expressed regret, and offered amends and that the Government of the United States regarded the Japanese Government's account of action taken, as set forth in the Japanese Government's note of December 24, as responsive to the request made by the United States Government in its note of December 14. (Department's telegram No. 376, December 25 and Embassy's telegram No. 683, December 26, 1937).

Reference is made to the Embassy's despatch No. 2720, of January 6, 1938, for a more complete account of developments connected with the PANAY incident for the period December 23, 1937, to January 5, 1938, inclusive.

Acting under the Department's instructions, the Ambassador addressed to the Minister for Foreign Affairs a note dated December 23 reiterating to Mr. Hirota the continued and great concern entertained by the American Government in the preservation of the administrative integrity of the customs

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toms at Shanghai and in the safeguarding of the customs revenues, and stating that the American Government would welcome the following assurances from the Japanese Government: that there should be a prompt release of foreign loan and indemnity quotas and of customs expenses; that the release of foreign and indemnity quotas should neither now nor later be made contingent upon possible future developments, with the understanding that the Japanese Government would not countenance or support any subsequent arrangement which might render such an assurance ineffectual; that customs surpluses for the service of domestic loans should be held in the expense account of the Inspector General of Customs; that control of the existing tariffs and procedure should be continued; and that harbor craft should be returned to the custody and use of the Chinese Customs Administration. (Department's telegrams No. 339, December 12, and No. 366, December 21, and Embassy's telegram No. 675, December 23, 1937).

Acting under further instructions received from the Department, the Ambassador called on the Vice Minister for Foreign Affairs on December 28, renewed in detail and with emphasis the previous representations made to the Minister for Foreign Affairs on the customs issue, and delivered a signed note which urged upon the Japanese Government the importance of neither taking action nor countenancing action by the Japanese military or other authorities which would disrupt the Chinese Customs Service or impair the authority of the present Customs Administration. The Am-
bassador's

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bassador's note again emphasized the interest held by the American Government in the preserving of the integrity of the Chinese Customs and in the safeguarding of customs revenues, and expressed the hope that the assurances requested in the Ambassador's note of December 23 might be given by the Japanese Government. Without instructions from the Department, Mr. Grew said to the Vice Minister that in his own opinion the integrity of the Chinese customs certainly represented one of the American interests envisaged in the final paragraph of the Embassy's note of December 14 on the PANAY incident and that this interest should not be subjected to unlawful interference by any Japanese authorities or forces whatsoever, and that in the light of the American Government's acceptance of the Japanese note of December 24 as "responsive" to the American Government's desires, it would be deplorable if interference with that specific American interest should occur. The Vice Minister said that the matter was being carefully studied and he reiterated the previous general assurances of Mr. Hirota that American interests would be given full consideration. (Department's telegram No. 375, December 25, and Embassy's telegram No. 695, December 29, 1937).

As reported to the Department in the Embassy's telegram No. 672 of December 23, 1937, the Embassy left a memorandum with the Foreign Office on December 15, 1937, quoting a proposal from the American Ambassador in Hankow and requesting that the Foreign Office take appropriate action in support thereof. Mr. Johnson's proposal was that the

Japanese

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Japanese authorities should give assurances that the Japanese forces would attack neither a certain specified area in Hankow in which Consulates and Embassy staffs were located, nor the river front adjoining this area in which were concentrated naval vessels of British, American, French, and Italian nationality, as well as foreign merchant ships. (Telegram from the Embassy at Hankow No. 33, December 13, Department's telegram No. 367, December 21, and Embassy's telegram No. 672 of December 23, 1937.)

In reply to the Ambassador's request for instructions, by a telegram dated December 27 the Department instructed him to inform the Japanese Government that while the American Government claimed absolute freedom for its ships to move and trade on the Yangtze River, the American Government looked to the Japanese authorities to give prior warning in the event of any area on the Yangtze River becoming, through steps taken by the Japanese authorities, a danger area. After consulting with the British Ambassador and ascertaining that he would take similar action on the same day, the Ambassador carried out the Department's telegraphic instructions on December 28. (Embassy's telegrams No. 682, December 26, No. 690, December 28, and Department's telegram No. 380, December 27, 1937).

In reply to the Embassy's protest of October 8 against the Japanese aerial bombing on September 24 of the Ida Kahn Women and Children's Hospital belonging to the Women's Foreign Missionary Society of the Methodist Episcopal Mission at Nanchang, the Embassy received a communication from the Foreign Office on December 28 to the effect that the bombing was

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a mistake, that the Japanese Government expressed sincere regret, and that rigid instructions had been issued with a view to preventing the occurrence of such incidents. The Foreign Office's communication made no mention of indemnification, and concluded by requesting that American property in China be marked with flags and other markings of large size. (Embassy's telegrams No. 457, October 8, and No. 692, December 28, and Department's telegram No. 332, December 7, 1937).

Pursuant to the Department's instructions, on December 28 the Embassy addressed a memorandum to the Foreign Office referring to the suggestion of the Japanese authorities at Shanghai that certain American Foreign Service officers who were scheduled to proceed from Shanghai to Nanking on the U.S.S. OAHU postpone their departure for Nanking until after the first of January. The Embassy's memorandum stated that Consul Allison and his staff were proceeding as scheduled on the OAHU which was leaving Shanghai on December 28 for Nanking to reoccupy the American Embassy property, to protect and be of assistance to American nationals and their interests, and to handle other official business.

Finally, it was requested by the Embassy that instructions be issued to the appropriate Japanese authorities to the end that when Consul Allison and his staff arrived at Nanking there might be no interference in connection with their landing at or functioning in that city. (Department's telegram No. 379, December 27, and Embassy's telegram No. 689, December 28, 1937).

Acting upon information received through Shanghai from
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the Embassy at Hankow, the Embassy addressed a memorandum to the Foreign Office on December 29 requesting that the appropriate Japanese authorities take the necessary steps to safeguard the refugees in and properties of the Southern Presbyterian Mission at Hsuchow, Kiangsu Province, at the junction of the Tientsin-Pukow and Lunghai railways. It was stated in the Embassy's memorandum that the authorities of the Southern Presbyterian Mission had suggested that the buildings of the Mission be distinguished by white flags with a blue cross in the center. On December 30 the Foreign Office informed the Embassy that the Japanese military and naval authorities had agreed to respect such American property at Hsuchow as was marked with "white flags with a blue cross in the center".

In response to the Ambassador's request for instructions, the Department authorized him to make representations to the Foreign Office similar to those already made by the British Ambassador concerning a proposed safety zone at the Edgewater Peninsula in Tsingtao. Accordingly, on January 2 the Ambassador addressed to the Vice Minister for Foreign Affairs a letter bringing to the attention of the Japanese Government the assurance given to foreign consuls by the Chinese authorities in Tsingtao, and requesting that the Edgewater Peninsula there be regarded by the Japanese forces as a safety zone, subject to the understanding that the responsibility of the Japanese forces to respect the lives and property of foreigners outside such safety zone would not be impaired. (Embassy's telegrams No. 2 of January 1 and No. 5 of January 2, and Department's telegram No. 1 of January 1, 1938).

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

Enclosure No. 2 to despatch
No. 2721 dated January 6, 1938,
from the Embassy at Tokyo.

STRICTLY CONFIDENTIAL

SECTION II -- STEPS TAKEN BY THE BRITISH EMBASSY IN TOKYO
WITH RESPECT TO THE SINO-JAPANESE CONFLICT
FROM DECEMBER 22, 1937, TO JANUARY 4, 1938,
INCLUSIVE (SO FAR AS KNOWN TO THE AMERICAN
EMBASSY).

On December 28 the British Ambassador received the reply of the Minister for Foreign Affairs to his formal representations of December 16 concerning the attacks made on December 12 by Japanese airplanes and land forces on the British warships LADYBIRD and BEE, and British merchant shipping at Wu-hu and at a point near Nanking. The substance of the Japanese note was as follows: the attacks upon British vessels were a mistake; as soon as the vessels were known to be British, Japanese bombing and military units ceased fire and offered medical assistance; with reference to the reported assertion of a Japanese officer that he had received orders to fire on all vessels on the Yangtze River, the orders issued referred only to vessels used by the Chinese; in order to ensure against recurrence of similar incidents those responsible were being dealt with according to law; and further to guard against recurrence of such incidents, greater caution will be exercised in areas where there are vessels of third powers even if it should entail permitting Chinese forces to escape.

Pursuant to instructions received from his Government, on December 31 the British Ambassador addressed a note of reply to the Minister for Foreign Affairs, the gist of which was that the British Government noted with satisfaction that
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the Japanese Government had taken or was prepared to take the necessary measures to deal suitably with the officers responsible for the incidents and to prevent any repetition. The British note concluded by stating that the details of the Japanese Government's measures and their effective application might in the opinion of the British Government suitably form the subject of further conversations in the course of which the British Government did not doubt that it would be informed of actual steps decided upon. (Embassy's telegrams No. 697, December 30, and No. 700, December 31, 1937.)

On December 18 the British Embassy made representations to the Foreign Office requesting that the Japanese authorities give assurances that the Japanese forces would attack neither a certain specified area in Hankow in which Consulates and Embassy staffs were located, nor the river front adjoining this area in which were stationed naval vessels of British, American, French and Italian nationality, as well as foreign merchant ships. (Telegram from the American Embassy at Hankow No. 33, December 13, Department's telegram No. 367, December 21, and Embassy's telegram No. 672, December 23, 1937.)

Sir Robert L. Craigie addressed a formal note to Mr. Hirota on December 22 protesting against the alleged serious violation of the territorial waters and of the territory itself of Hong Kong by Japanese naval forces on December 11. According to the facts as reported to the British Embassy,

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a Chinese Customs vessel, when within British territorial waters, was fired at by a Japanese destroyer from a position just outside territorial waters, was shortly afterwards struck by a ricochet and was then beached on British territory and abandoned; the Japanese destroyer subsequently entered British territorial waters and towed the Customs vessel off; and a Japanese naval party landed without any permit from the authorities of the Colony of Hong Kong. After pointing out that the action of the Japanese destroyer was in all respects "wholly unjustified and illegal" and that the incident in question was not the first of its kind, the British note requested an assurance "at an early date" that the strictest instructions had been issued to ensure that the territories and territorial waters at Hong Kong were fully respected. The British note also stated that the British Government requested to be informed of the nature of the disciplinary action which had been taken against those responsible for the "deplorable occurrence". (Embassy's telegram No. 673, December 23, 1937).

On his own initiative the British Ambassador said to the Minister for Foreign Affairs on December 22 that he wished to acquaint him with certain facts regarding the attitude of the Japanese military and Japanese civil officials in China which were causing grave concern to the British Government and to him and which raised in the British Government's mind the same doubts as his own regarding the efficacy of Japanese official assurances. With reference to the assurances given by Mr. Hirota of the Japanese Government's determination to respect and safeguard

British

-4-

British rights and interests in China, Sir Robert L. Craigie asserted that present reports indicated that a contrary policy was being carried out by Japanese officials in China. He referred to the anomalous position in North China, where a provisional government not recognized by the Japanese Government had the declared support of the Japanese Army, and he also referred to the "piratical proceedings" of the Japanese officials in relation to the Tientsin customs. In reply to a question of Mr. Hirota as to what were the "foreign rights and interests in China" referred to, Sir Robert L. Craigie stated that such rights and interests included the safe-guarding and respect of foreign rights and property, preservation of the Open Door, and the preservation of the interests and rights of foreign powers in the Customs administration of China. In answer to a question from the British Ambassador, the Minister for Foreign Affairs stated categorically that the British Ambassador might inform his Government that the Japanese Government still adhered to these principles, adding, however, that since the question of the China Customs was still under discussion he could not now pledge the exact form in which foreign interests in the China Customs would be safe-guarded. (Embassy's telegram No. 674, December 23, 1937).

On December 28 the British Ambassador left with the Minister for Foreign Affairs a memorandum stating that the British Government looked to the Japanese Government to give prior warning in the event of any area on the Yangtze River becoming a danger area, and to indicate to the British Government

-5-

Government the zones in which British nationals and shipping could be concentrated under a guarantee of safety. At the same time the British note reminded the Japanese Government that the British Government claimed absolute freedom for its ships to move and trade freely on the river. (Embassy's telegrams No. 682, December 26, and No. 690, December 28, 1937).

The British Ambassador addressed a letter to the Vice Minister for Foreign Affairs on December 31 requesting that in the event of hostilities at Tsingtao, Edgewater Peninsula be regarded as a safety zone "subject to the understanding that Japanese responsibility to respect foreign lives and property outside such safety zone remains unimpaired". (Embassy's telegram No. 2, January 1, 1938).

Sir Robert Craigie addressed a letter to the Vice Minister for Foreign Affairs on January 4 stating that there remained at Kuling about 120 foreigners, of whom 50 were British subjects, and requesting that Kuling be constituted a safety zone.

DECLASSIFIED: E.O. 11652, 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. 2721 dated January 6, 1938,
from the Embassy at Tokyo.

STRICTLY CONFIDENTIAL

SECTION III -- STEPS TAKEN BY THE FRENCH EMBASSY IN
TOKYO WITH RESPECT TO THE SINO-JAPA-
NESE CONFLICT FROM DECEMBER 22, 1937,
TO JANUARY 4, 1938, INCLUSIVE (SO FAR
AS KNOWN TO THE AMERICAN EMBASSY).

As reported to the Department in the Embassy's tele-
gram No. 672 of December 23, on December 18 the French
Ambassador made representations to the Foreign Office
requesting assurance that the French Concession in Han-
kow and French shipping in the Hankow area would be free
of attack by Japanese forces.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 21, 1938.

Shanghai's despatch No. 1124, December 22, 1937, transmits a "Draft Plan for the Future of Shanghai" prepared by a group of Americans and Britons. Sections which describe outstanding features of the plan have been marked.

It is interesting to note that the plan envisages the elimination of official foreign influence in the administration and policing of the City (International Settlement, Municipality of Greater Shanghai, and possibly the French Concession). The Chinese Government is by Charter to grant "to the inhabitants of the City the right of self-government" for a minimum period of fifty years. The plan provides for a Governing Board presided over by a Chinese Governor General and having in addition one American, one British, one French, and one Japanese member. A Municipal Council, consisting of 8 Chinese, 5 British, 3 American, 3 French, 3 Japanese, and 2 persons of other nationality, is also provided for. Significant in this connection is the provision for the addition of one Chinese member every five years until the number of Chinese members is raised to fifteen. The Governing Board is accorded the right to veto action by the Council but the Council can override a veto by a three-fourths vote.

It

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-2-

It is to be noted that the plan as outlined above conforms in most respects with the ideas set forth by Consul General Gauss in his despatch No. 1070 of November 7, 1937.

There is also enclosed with the despatch a short memorandum which purports to set forth the views of Japanese civil officials in Shanghai in regard to the future of Shanghai. It is suggested that this memorandum be read in its entirety.

Mr. Gauss comments with regard to the Japanese plan that it calls for less change in the present status of the International Settlement and the French Concession than the "Draft Plan" and might, if properly worked out, provide a basis for a satisfactory permanent solution to the Shanghai problem. He expresses, however, a fear that the Japanese military authorities will not be content to let the Japanese Foreign Office work out a solution on the basis of the plan outlined by the two Japanese Consuls General. He states that "it now appears likely that the Japanese military authorities will at the very least insist on the cession to Japan of a large exclusive concession on the banks of the Whangpoo".

In


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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

-3-

In conclusion Mr. Gauss observes that "in view of the uncertain political situation there seems little point in making more detailed observations on the future status of Shanghai until Japan's desiderata with regard to the area are more clearly indicated".


FE Vincent:NN

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

NO. 1124



AMERICAN CONSULATE GENERAL
Shanghai, China, December 22, 1937.

CONFIDENTIAL

For	Grade	For	Grade
	T.G.		
H.H. Smith		ONI-MID	

793.94
note
893.1

SUBJECT: THE FUTURE STATUS OF SHANGHAI.

RECEIVED
DEPARTMENT OF STATE
JAN 4 PM 12 00
1938
COMMUNICATIONS
AND RECORDS

THE HONORABLE
THE SECRETARY OF STATE,

WASHINGTON.

SIR:

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Division of
Far Eastern Affairs
JAN 26 1938
Department of State

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AUG 23 1938

- I have the honor to refer to my despatch No. 1070 of
- 1/ November 7, 1937, on the above subject, and to enclose a copy of the rough-draft outline mentioned therein as under preparation by a small group of Americans and Britons. This "Draft Plan for the Future of Shanghai" has now been mimeographed and distributed very confidentially to a number of interested Shanghai residents and officials by the committee which drafted it.
 - 2/ A translation of the Chinese Organic Law Governing
 - 3/ Municipalities and two charts prepared by this office indicating the form and powers of a municipality as outlined by the Chinese laws now in force are also submitted as of possible interest to the Department in connection with Section 8 of Enclosure No. 1 and with suggestion No. 4 of my rough outline on page 4 of the despatch under reference above.

While this office has questioned briefly in foot notes to the "Draft Plan for the Future of Shanghai" a few points

which

- 2 -

4/ which obviously need clarification, the alteration in the military and political situation since the date of my despatch No. 1070 makes it appear likely that more attention will be given to Japanese plans for the future of Shanghai, such as the plan outlined in the enclosed confidential memorandum covering a conversation between the Secretary of the Consular Body and Japanese Consuls General Okamoto and Okazaki, than will be accorded to the "Draft Plan."

The reported proposals of the Japanese Consuls General appear to call for less change in the present status of the International Settlement and the French Concession than the "Draft Plan" and might, if properly worked out, provide a basis for a satisfactory permanent solution of the Shanghai problem. The technical obstacles to the completion and implementation of such a plan would appear to be fewer in number and simpler than under the "Anglo-American Plan." Provided Japan does not insist on too much dominance it should not be impossible, under this Japanese plan, to provide for sufficient local autonomy and adequate cooperation between all areas involved to permit a recommencement within the Settlement of the traditional effective protection against external violence and the continuation of the prevention of internal disorders and the adequate safeguarding of personal rights, including property rights, so vital to all vested interests in Shanghai, on a basis more clear cut and less subject to friction than that heretofore existing.

It is feared, however, that the Japanese military authorities who have gained control of Shanghai and its hinterland for the second time within six years at a heavy

cost

- 3 -

cost of life and treasure, will not be content to let the Japanese Foreign Office work out a solution on the basis outlined by the two Consuls General. It now appears likely that the Japanese military authorities will at the very least insist on the cession to Japan of a large exclusive concession on the banks of the Whangpoo.

"In view of the uncertain political situation there seems little point in making more detailed observations on the future status of Shanghai until Japan's desiderata with regard to the area are more clearly indicated."/>

Respectfully yours,


C. E. Gauss,
American Consul General.

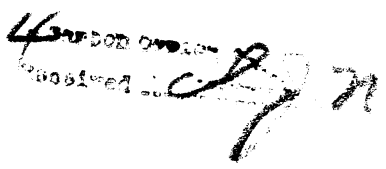
Enclosures:

- 1/- Copy of rough draft outline of "Draft Plan for the Future of Shanghai."
- 2/- Translation of Chinese Organic Law Governing Municipalities.
- 3/- Two Charts indicating Form and Powers of a Municipality.
- 4/- Copy of Confidential Memorandum.

IN QUINTUPLICATE

Copy to Embassy at Peiping.
Copy to Embassy at Hankow.

800.
HHS:RN



Enclosure No. 1 to despatch No. 1144 of C. E. Gauss,
American Consul General at Shanghai, China, dated December
22, 1937, on the subject: "The Future Status of Shanghai."

(COPY)

DRAFT PLAN FOR THE FUTURE OF SHANGHAI. *

(1) ** City Area.

The City area shall comprise the International Settlement, the Municipality of Greater Shanghai and the French Concession should the authorities of the French Concession so desire. ***

(2) Demilitarised Zone

The City shall be surrounded by a demilitarised zone **** the boundaries of which will be determined upon military advice.

- (a) The demilitarised zone will not be part of the City area and will not be governed by the City authorities.

* All Footnotes Consist of Comments by the American Consulate General:

** Would it not be helpful under the plan to have a preamble state clearly that the purpose of the plan is to outline a government for the Shanghai area during the necessary period of transition before rendition to complete Chinese control which will ensure due consideration for all legitimate interests involved ?

*** Should not the reasons for inclusion of the area of the Greater Municipality outside the Settlement and the Concession be explained as clearly and cogently as possible in order to avoid a natural Chinese reaction to the effect that even the Powers who have remained neutral in this Conflict have utilized it to extend their domination over more Chinese territory ?

Have the reasons given by Justice Feetham (Vol. 2, Part 5, Chapter 4, Paragraphs 56 to 63, of his REPORT TO THE SHANGHAI MUNICIPAL COUNCIL) in favor of organized cooperation or loose federation among the areas now separately administered as an alternative to closely centralized control been carefully enough considered in connection with this plan ?

**** To be established by treaty between China and Japan or by treaties involving additional powers ?

(3) City Charter

- 2 -

(3) City Charter.

The Chinese Government * shall by charter grant to the inhabitants of the City area the right of self-government. The term of the Charter shall be subject to the provisions of Clause 24 hereof.

(4) Military Police.

The City authorities shall have the right to maintain a force of Military Police in addition to Volunteers.

(5) Withdrawal of Foreign Military Forces.

(a) No foreign military force shall remain in the City area for a longer period than three years from the granting of the Charter, and any such forces shall be sooner withdrawn on receipt at any time of a request from the City authorities so to withdraw. **

(b) Until the withdrawal of such foreign military forces no one nationality shall retain in the City area more than 3,000 troops at any one time except upon the request of the City authorities.

(6) City Authorities.

The City shall be governed by a Board of Governors and a Council.

(a) Governing Board.

1. The Governing Board shall consist of a Chinese Governor-General appointed by the Chinese Government and paid from the City funds, and in addition of four unpaid Governors as follows:

American	1
British	1
French	1
Japanese	1

Should the authorities of the French Concession decide not to participate in the Plan, the constitution of the Governing Board shall be as follows, in addition to the Governor-General:

American 1

* Might not the Charter need to be put on a treaty basis including at least one major neutral power in order to avoid a claim by a later Chinese national government of the right to revoke or alter the charter before termination ?

** "..... any such force shall sooner be withdrawn on receipt at any time from the city authorities to so withdraw...." - would this clause be acceptable to the Japanese, and if so, should it not be made clear how long a period of prior notification would be allowed, or at least how much sooner than three years might be meant by "sooner" ?

- 3 -

American	1
British	1
Japanese	1
Other nationalities	1

The representative of other nationalities shall be a representative of the nation whose average annual gross trade with Shanghai during the previous three years, as determined by the published reports of the Chinese Maritime Customs, shall exceed that of nations other than those permanently represented upon the Governing Board. *

2. Members of the Governing Board shall be elected triennially by the Committees of those national organizations which may be nominated for the purpose by the Consuls General of the nationalities concerned.
3. No person shall be eligible to be a member of the Governing Board other than a rate-payer of the City who has resided in the city for more than three years during the five-year period immediately prior to his nomination.
4. In the event of the death or resignation of a member of the Governing Board the vacancy shall be filled by election by the same national organizations that elected the member in question.
5. In the event of the absence from Shanghai of a member of the Governing Board for a period of over one month a substitute shall be nominated to serve during such absence by the same national organizations that elected the member concerned.

- * If the French Concession remains outside the arrangement would the balance set here prevent the domination of the municipal government by a Sino-Japanese group if it also happens that the "other" power represented happens to be a European power closely allied with Japan ?

Why should not the governors as well as the Chinese governor-general be paid from city funds ?

(b) Council

- 4 -

(b) Council

1. The membership of the Council shall be apportioned as follows:

Chinese	8
British	5
Americans	3
French	3
Japanese	3
Other nationalities	2

Every five years there shall be added one Chinese member until the number of Chinese members is raised to fifteen.

Should the authorities of the French Concession decide not to participate in the Plan, the membership of the Council shall be apportioned as follows:

Chinese	8
British	5
Americans	3
Japanese	3
Other nationalities	2

Every five years one Chinese member shall be added until the number of Chinese members is raised to twelve.

2. The representatives of other nationalities shall be representatives of the two nations whose average annual gross trade with Shanghai during the previous three years, as determined by the published reports of the Chinese Maritime Customs, shall exceed that of nations other than those permanently represented upon the Council.
3. Members of Council shall be elected annually by the ratepayers of the City who possess the voting qualification prescribed by the present Land Regulations. Ratepayers of each nationality shall elect their own representatives. There shall be no plural voting.
4. No person shall be eligible for membership of the Council other than a ratepayer of the City who has resided in the City for a period of more than one year during the three-year period immediately prior to his election.
5. In the event of the death or resignation of a member of Council, the vacancy shall be filled by nomination by the other Members of Council of the nationality concerned. Where there is only one Member of Council of the nationality concerned there shall be a fresh election.

6. In the

- 5 -

6. In the event of the absence from Shanghai of a Member of Council for a period of over one month the other Members of Council of the same nationality shall nominate a substitute for him to serve during such absence. Where there is only one Member of Council of the nationality concerned a substitute shall be nominated by the absent member, or, failing such nomination, by the Council.
7. The Council shall elect its own Chairman who shall have, in addition to his vote as a Member, a second or casting vote in the event of an equal division of votes cast. *

(7) Relations between Council and Governing Board.

The transactions of the Council shall be reported to the Governing Board. The Governing Board shall conduct all negotiations between the Chinese Government and the City authorities. The Governing Board shall have the right to veto any action taken by the Council, but the Council shall be able to override such veto by a vote of three-fourths of its members. No decision of the Governing Board shall be valid unless concurred in by three members of the Board. * *

(8) Powers of the Council.

The Council shall have full administrative and legislative authority over the City area and may enact and promulgate any rules and regulations for the peace, order and good government of the area and prescribe penalties for the breach thereof. Without prejudice to the generality of the foregoing, the Council shall have and independently exercise all such powers as are conferred upon a Chinese municipality in accordance with law. The Council shall annually publish a report and budget for the information of the Ratepayers.

* Should not the potential importance of the casting vote to be exercised by the Chairman elected by a bare majority be carefully considered in setting the balance of representation on the Council?

** Is it realized that the failure to obtain the approval of three-fifths of the governing board on one side or the other on any problem throws the decision to a bare majority of the Council ?

With the certainty of a changed national complexion in the Council once every five years and possible change each year due to changes in nations winning the right to representation for each particular year as one of the two "other" nations, should this possibility also not be most carefully considered in setting the balance of representation on the Council ?

(9) Taxation

- 6 -

(9) Taxation.

(a) The Council shall promulgate, levy and collect any rates, taxes, license fees or other dues that it may deem necessary for the purposes of the City.

(b) Such provisional taxes the proceeds of which are at present apportioned between the Chinese Government and Chinese provincial authorities shall be similarly apportioned between the Chinese Government and the City so long as such taxes are levied in China. *

(10) Assumption of Obligations.

All obligations on the debentures, bonds or other borrowings of a temporary nature of the authorities mentioned in Clause 1 hereof and which are outstanding on the date of the Charter shall be assumed by the City as successor to the authorities mentioned in Clause 1 hereof. * *

(11) Borrowing Powers.

Subject to the provisions of an annual budget the Council may at any time raise necessary funds by the issue of Bonds, Debentures, temporary loans or other agreements of indebtedness as may be decided upon to provide for the cost of its programme of capital development and for such other purpose the cost of which is not directly chargeable to the ordinary or special revenues of the City. The authority and the conditions in respect to the raising of funds as set out herein shall remain in force until the expiration of the ninth year of the period of notice referred to in Clause 24 hereof.

(12) Enforcement of Laws.

Judicial laws shall only be enforced in the City area through the courts, and administrative laws through the officials of the Council. * * *

(13) Suits against the City.

The Council shall only be sued in a special court constituted by a Chinese President nominated by the Chinese Government and two foreign judges nominated by the Consuls General of those countries for the time being represented on the Governing Board. * * * *

* Why should a separate municipal area such as that proposed receive the same treatment in the division of national tax receipts as a province receives ?

** What about obligations to employees ?

*** What body is to make or select the judicial laws or administrative laws that are to be so enforced ?

**** Should not non-extraterritorial officers and employees of the city government be specifically ensured against attempts to enforce upon them as persons subject to Chinese laws undue responsibility for their official acts ?

(14) Non-discrimination

- 7 -

(14) Non-discrimination.

The Chinese Government shall in no way discriminate against the City by legislation, taxation or in any other way, and shall treat the City as favorably in all respects as any municipality in China.

(15) National Services.

The Chinese Government shall maintain in the City the following offices for the purposes named and adequate for such needs:

1. Chinese Maritime Customs - for the collection of import and export duties on merchandise.
2. Chinese Post Office - for the administration of postal communications.
3. Wireless Telephone and Cable Offices and Terminals
to provide intercommunication between the City and Chinese cities and foreign countries.
4. An office for the issuance of passports to residents of the Port who are Chinese citizens or who are not recognized by foreign governments. This office shall provide all required visas to holders of foreign passports. *

The Chinese Government shall similarly establish and maintain any other offices necessary from time to time for the purposes of such national services as are necessary for the well-being of the City and are mutually agreed upon between the Chinese Government and the City authorities.

(16) Communications.

The Chinese Government shall establish and maintain within the area adequate and reasonable facilities for inter-communication between the City and the rest of China and shall provide such adequate and reasonable facilities for communication between the City and places abroad as the Chinese Government provides in other places in China. Such services shall embrace but shall not be limited to:

Railways,
Steam ships and other vessels,
Road transport,
Air transport.

* Would it not be better to make the last sentence of this Section read "This office shall be empowered to provide all Chinese visas legitimately required by the holders of foreign passports ?

The Chinese

- 8 -

The Chinese Government shall further provide at the request of the City authorities interconnection of the above services with any trunk railway, highway, port or commercial air port which the Government may authorize, build, develop, or control within a radius of 500 kilometers of the City.

(17) Airfields.

Any airfields within the City area shall be municipal air ports.

(18) Right to Import.

The City authorities may on payment of duties lawfully imposed import without restriction any goods, material or merchandise required for the purposes of the City.

(19) Land Tenure.

The Council shall determine all questions in regard to land tenure in the City area and shall enact and promulgate all necessary rules and regulations in regard thereto. *

(20) Whangpoo Conservancy.

(Note: This clause is still under consideration.)

(21) Public Utilities.

(a) All franchises granted to Public Utility Companies within the City area prior to January 1, 1936, shall be honoured and respected. All royalties or taxes payable to the grantor under such franchises shall as from the date of the Charter be paid by such Companies to the Council.

- * Would it not be advisable to express at this point an intention to work toward the early transformation of the system of consular land tenure into an equally safe system divorced from consular custodianship ?

(b) The Council

- 9 -

(b) The Council may grant new franchises or extend existing franchise periods provided that such grants or extensions are terminable upon the expiration of the Charter. Should the Council desire to make any grant or extension not so terminable such grant or extension shall first be submitted to the Chinese Government for approval, but such approval shall not be unreasonably withheld. Any revision or modification of franchises not affecting their duration or basis of acquisition by the controlling authority shall not require the approval of the Chinese Government. *

(c) The Council may cancel franchises in whole or in part in respect to any services or in respect to any area in regard to which grantees of franchises fail to provide reasonable service within 1½ years from the date of the Charter or, in the case of franchises subsequently granted, from the granting of the franchise.

(d) The Chinese Government and the City authorities shall use their best efforts to encourage the interconnection of public utilities within the area to those without the area provided any utility company so requests.

(22) Undeveloped Government Land.

Any undeveloped land or land and buildings used solely for agricultural purposes the property of the Chinese Government in the City area shall upon the request of the City authorities be assigned to the City. Any such property so acquired by the City and no longer required for the purposes of the City may be sold by the City but any such sale shall be by public auction advertised not less than thirty days in advance, and the nett proceeds from such sale shall be applied to reduce the fixed capital of the City.

(23) Treaties with Foreign Powers.

The City authorities shall not enter into any treaty with any foreign power except with the approval of the Chinese Government.

(24) Notice of Termination of Charter.

(a) Notice of intention to terminate the Charter must be given ten years prior to such termination and such notice cannot be given by either party until the Charter has been in effect for forty years. Such notice, when given, will be irrevocable.

* The last sentence of this Section is not clear but is probably intended to provide that any revision or modification of franchises not affecting their duration beyond the charter period or their basis of acquisition by the Chinese national government on the termination of the charter shall not require the approval of that government.

(b) In the event

- 10 -

(b) In the event that notice is given to terminate the Charter then the Chinese Government shall at the same time make and publish provisions for the repayment in cash at face value together with accrued interest one year before the termination of the Charter of all capital indebtedness of the City which may be outstanding at the termination of the Charter whether such indebtedness be in the form of Bonds, Debentures, Mortgages, Temporary Loans, Deposits or other forms of recognized financing for the purpose of capital outlay. *

(25) Interpretation.

Any difference of opinion between the Chinese Government and the City authorities as to the interpretation of the Charter shall be referred to arbitration. The arbitrators shall be: one appointed by the Chinese Government, one appointed by the City authorities and a President chosen by agreement between the Chinese Government and the City authorities. In the event of failure to reach agreement upon the choice of a President, a President shall be nominated by the Council of the League of Nations.

* For the protection of the Chinese national government against the presentation of a bill of staggering proportions at the time of rendition, should it not be made quite clear that all indebtedness in any form to be incurred by the city which may run beyond the termination of the charter must have the Chinese national government's approval prior to the engagement of the indebtedness by the municipal government.

Copied by RN
Compared with:

Enclosure No. 2 to despatch No. 1124 of C. E. Gauss,
American Consul General at Shanghai, China, dated December
22, 1937, on the subject: "The Future Status of Shanghai."

((TRANSLATION))

ORGANIC LAW OF MUNICIPALITY

-Promulgated by the National Government
on May 20, 1930. (Put into force on the
same day)-

CHAPTER I. GENERAL PROVISIONS

Article 1. The designation of a municipality shall consist of the word "municipality" after the name of the place where it is located, and shall read: "某某市" (such and such municipality).

Article 2. If one of the following circumstances exists at any place in which people congregate and inhabit the municipality established therein may be placed under the immediate control of the Executive Yuan:

1. Where it is the National Capital;
2. Where the population is one million or more;
3. Where special political or economic conditions exist.

Any municipality in which item 2 or 3 mentioned above exists and in which the Provincial Government is located shall be placed under the control of the Provincial Government.

Article 3. If one of the following circumstances exists in any place in which people congregate and inhabit, the municipality established therein may be placed under the control of the Provincial Government:

1. Where the population is three hundred thousand or more;
2. Where the population is two hundred thousand or more and the annual income from the business tax, license fee and land tax amounts to one half or more of the total revenue of that place.

Article 4. The demarcation of municipal areas or any change therein shall be in accordance with the following provisions:

1. A municipality under the control of the Executive Yuan shall be determined by the National Government upon request of the Executive Yuan.
2. A municipality under the control of the Provincial Government shall be determined by the National Government upon request of the Provincial Government through the Executive Yuan.

Article 5. A

- 2 -

Article 5. A municipality is divided into areas (ch'ü 區), parishes (fang 坊), hamlets (lu 里), and neighborhoods (lin 鄰). Except where special circumstances exist, a neighborhood is limited to five families (hu 戶), a hamlet is limited to five neighborhoods, a parish is limited to twenty hamlets, and an area is limited to ten parishes.

The above-mentioned areas, parishes, hamlets and neighborhoods shall be named in numerical order.

Article 6. Any Chinese national, male or female, who has continuously resided in a municipal area for a year or more or who has maintained a domicile therein for two years or more, and who is at least twenty years of age shall be a citizen of that municipality, after he or she is sworn and registered. Such a citizen may attend the Ch'ü Min Ta Hui (Area Citizens' Congress) and Fang Min Ta Hui (Parish Citizens' Congress) and may enjoy the rights of election, recall, initiative and referendum.

No one may enjoy the rights provided for above if he falls within any of the following categories:

1. Having been finally convicted of a counter-revolutionary act;
2. Having been finally convicted as a corrupt official, local rowdy or an unprincipled member of the gentry;
3. Having been deprived of civil rights which have not been restored;
4. Being known to be incompetent to administer property;
5. Being known to be addicted to the smoking or use of opium or its substitutes.

No matter to which area or parish a citizen may remove within the same municipal area, he may have civic rights in the new area or parish from the date of registration of his removal.

Article 7. In swearing, one shall personally sign the oath and proceed to the Parish Office (Fang Kung So) to perform his oath-taking ceremony under the supervision of an officer deputed by the Parish Office. The oath shall read as follows:

"I sincerely and faithfully swear before the public that I will hereafter begin a new life as an independent citizen, and that I will loyally do all in my power to support the Republic of China in the execution of the Three Principles of the People and in the adoption of a Constitution of Five Powers so that a good government may exist and the people may live happily while the foundation of the state is laid on a permanently solid basis and world peace is maintained.

"Of the Chinese Republic, the.....year, the
.....month, and the.....day.

"Sworn

- 3 -

"Sworn to by _____"
(signature)

Prior to the establishment of a Parish Office, the above-mentioned oath-taking ceremony shall be held at an Area Office.

CHAPTER II. MUNICIPAL FUNCTIONS.

Article 8. A municipality shall attend to the following matters in so far as they do not conflict with the laws and ordinances of the Central Government and those of the authorities supervising the municipality:

1. Census taking and vital statistics.
2. Maintenance of institutions to foster infants, to take care of aged persons, to help the poor, and to relieve calamity-stricken people.
3. Storage and regulation of foodstuffs.
4. Improvement and protection of agricultural, industrial and commercial enterprises.
5. Administrative affairs relating to labor.
6. Protection and control of forestry, pastorage, fishery and hunting.
7. Supervision of private enterprises engaging in business connected with public utilities.
8. Organization and direction of co-operative societies and enterprises of mutual help.
9. Improvement of public morals.
10. Educational and other cultural matters.
11. Public safety.
12. Matters pertaining to the fire brigade.
13. Public health.
14. Establishment and control of hospitals, vegetable markets, butcheries and public places of amusement.
15. Financial receipts and disbursements, and preparation of estimates and final budgets.
16. Administration and disposition of public property.
17. Operation and administration of public enterprises.
18. Land Administration affairs.
19. Construction and repairs of public buildings, parks, public recreation grounds, and public cemeteries.

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cemeteries.

20. Direction and control of construction work undertaken by citizens.
21. Roads, bridges, drainages, embankments and other public civil engineering works.
22. Waterways, harbor works and management of navigational affairs.
23. Matters referred to the municipality for action by the supervising authorities (National or Provincial).
24. Other matters prescribed by laws and ordinances for action by a municipality.

CHAPTER III. MUNICIPAL FINANCIAL ADMINISTRATION.

Article 9. The following items are decided upon as sources of municipal revenue:

1. Land tax.
2. House tax.
3. Business tax.
4. License tax.
5. Advertising tax.
6. Income from public property.
7. Income from public enterprises.
8. Other taxes and imposts specially authorized by laws and regulations.

In cases where other distribution of income from items 1 and 2 above (the Land Tax or the House Tax) is provided by law, such provisions shall be conformed with.

Article 10. A municipality may, in accordance with the law, raise public loans for reconstruction purposes.

CHAPTER IV. MUNICIPAL GOVERNMENT.

Article 11. A municipal government shall be established in a municipality and shall, in accordance with laws and ordinances, take charge of administrative affairs of the municipality and supervise its subordinate offices and self-governing organizations.

Article 12. A municipality may issue municipal orders and enact local rules and regulations especially for the said municipality in so far as they do not conflict with

laws

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laws and ordinances (enacted by the supervising authority, i.e. provincial or national).

Article 13. A municipal government shall have a mayor who shall direct and supervise his subordinates.

The mayor of a municipality under the control of the Executive Yuan shall have "chien jen 簡任" (selected appointment) rank. The mayor of a municipality under the control of the Provincial Government shall have "chien jen 簡任" (selected appointment) or "tsien jen 荐任" (recommended appointment) rank.

Article 14. A municipal government shall have the following bureaus:

1. Bureau of Social Affairs: It shall take charge of matters prescribed in items one to ten of Article 8.
2. Bureau of Public Safety: It shall take charge of matters prescribed in items 11 to 14 of Article 8.
3. Bureau of Finance: It shall take charge of matters prescribed in items 15 to 18 of Article 8.
4. Bureau of Public Works: It shall take charge of matters prescribed in items 19 to 22 of Article 8.

Article 15. A municipal government may, in case of necessity and with approval of its supervising (national or provincial) authorities, have the following additional bureaus:

1. Bureau of Education: It shall take charge of matters prescribed in item ten of Article 8.
2. Bureau of Public Health: It shall take charge of matters prescribed in items 13 and 14 of Article 8.
3. Land Bureau: It shall take charge of matters prescribed in item 18 of Article 8.
4. Bureau of Public Utilities: It shall take charge of matters prescribed in items 7 and 17 of Article 8.
5. Bureau of Harbor Works: It shall take charge of matters prescribed in item 22 of Article 8.

Article 16. In a municipality where the National Capital or a provincial government is located, no Bureau of Public Safety will be established. The affairs under the control of a Bureau of Public Safety shall separately be handled by the Metropolitan Police Headquarters or a police organization of the Provincial Capital.

Article 17. When it is necessary to curtail the scope of any of these bureaus which should be established

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in a municipality under the control of a provincial government, such bureaus, with the exception of the Bureau of Public Safety, may be changed into sections.

Article 18. Each bureau of a municipality under the control of the Executive Yuan shall have a commissioner of "chien jen 簡任" (selected appointment) or "tsien jen 荐任" (recommended appointment) rank.

Each bureau or each section of a municipality under the control of a provincial government shall have a commissioner or sectional chief of "tsien jen 荐任" (recommended appointment) or "wei jen 委任" (nominated appointment) rank.

Article 19. A municipal government shall have a secretariat which shall take charge of correspondence, miscellaneous affairs and other matters which do not belong to any of the bureaus or sections.

A municipality of which the mayor holds "chien jen 簡任" (selected appointment) rank shall have a secretary-general of "chien jen 簡任" (selected appointment) or "tsien jen 荐任" (recommended appointment) rank. A municipality of which the mayor holds "tsien jen 荐任" (recommended appointment) rank shall have a secretary of "tsien jen 荐任" (recommended appointment) or "wei jen 委任" (nominated appointment) rank.

Article 20. A municipal government may have two counselors of "chien jen 簡任" (selected appointment) or "tsien jen 荐任" (recommended appointment) rank who shall take charge of compilation and examination of local rules and regulations or orders especially for the said municipality.

Article 21. Except as already provided for in this law, the number of the personnel of the various bureaus or sections and of the secretariat shall be prescribed in the organic rules of the municipal government concerned. The organic rules shall be examined and decided upon by its supervising authorities.

Article 22. If required by the nature of its business, the service of specialists and technicians may be engaged by a municipal government.

Article 23. A municipal government may hire contingent employees at its discretion.

CHAPTER V. MUNICIPAL COUNCIL.

Article 24. A municipal government shall have a municipal council which shall consist of the following officials:

1. Mayor.
2. Counselors.

3. Commissioners

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3. Commissioners of Bureaus or Sectional Chiefs.

Subsequent to the inauguration of a municipal advisory council, three to five representatives may be elected from among the members of the municipal advisory council to attend meetings of the municipal council.

The secretary-general or secretary shall attend as an observer at meetings of the municipal council.

Article 25. The following matters shall be decided upon in meetings of the municipal council:

1. Matters pertaining to the detailed rules governing the operation of the Secretariat and the various bureaus or of the various sections.
2. Matters pertaining to local rules and regulations especially for the municipality concerned.
3. Matters concerning the estimates and final budgets of the municipality.
4. Matters concerning the adjustment of financial receipts of the municipality and the raising of municipal public loans.
5. Matters concerning the management of public properties and public enterprises of the municipality.
6. Matters concerning disputes arising from their duties and authority among the various departments, bureaus and sections.
7. Matters referred by the Mayor for deliberation.
8. Other important matters.

Article 26. The municipal council shall meet at least once every month and shall be convened by the mayor who shall act as its chairman.

Article 27. The detailed rules of debate of the municipal council shall be determined by the council concerned.

CHAPTER VI. MUNICIPAL ADVISORY COUNCIL.

Article 28. A municipality shall have a municipal advisory council to be composed of members elected by citizens of the municipality. Their term of office shall be three years. One third of its members shall be replaced by new members to be elected every year.

The posts of members of the municipal advisory council shall be without pay.

The Organic Law of the Municipal Advisory Council and the Law for the Election of Members of the Municipal Advisory Council shall be separately determined.

Article 29. A

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Article 29. A municipal advisory council shall be established at the time when area chiefs are elected by citizens.

Article 30. Matters prescribed in items two to five and item 8 of Article 25 shall be decided upon by a Municipal Advisory Council. During the adjournment of the Municipal Advisory Council, with the exception of local rules and regulations especially for the municipality concerned, estimates, final budgets and raising of municipal public loans, all other matters may be decided upon and carried out by the Municipal Council and may later be referred to the Municipal Advisory Council for confirmation.

Article 31. A municipal government may refer matters regarding the inauguration or abolition of municipal administrative practices to a municipal advisory council for deliberation while a municipal advisory council may also submit proposals to a municipal government.

Article 32. A municipal advisory council shall have one chairman and one vice-chairman who shall be elected from among the members of the municipal advisory council. Their term of office shall be one year, and they may be re-elected.

Article 33. A municipal advisory council shall hold regular meetings twice a year. However, emergency meetings may be convened upon request of one-fifth of the members of the municipal advisory council or when the chairman deems it necessary.

Article 34. The rules of debate of a municipal advisory council shall be determined by the municipal advisory council itself.

CHAPTER VII. AREA CITIZENS' CONGRESS.

Article 35. An area shall have an area citizens' congress which will be held after the election of the area chief by citizens has been approved by the Ministry of the Interior.

Article 36. Citizens of the respective area shall attend their own area citizens' congress to cast ballots and to exercise their rights of election, recall, initiative and referendum.

The procedure regarding the exercise of the powers of election, recall, initiative and referendum mentioned above shall be determined by law.

Article 37. Meetings of an area citizens' congress shall be separately held at the various parishes on the same day.

Article 38. An area citizens' congress shall be held once a year and shall be convened by the area chief.

Should

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Should any extraordinary matter occur, an emergency congress may be convoked.

In case it is necessary for the area chief to withdraw from the emergency congress mentioned above, the congress may be convoked by the chairman of the assembly of area citizens' representatives.

Article 39. The rules governing the area citizens' congress shall be fixed by the municipal government.

Article 40. The seal of an area citizens' congress shall be issued by the authority supervising the municipal government.

CHAPTER VIII. AREA OFFICE.

Article 41. An area office shall be established in an area and shall have an area chief to take charge of self-government affairs of that area.

Article 42. An area office shall handle the following affairs:

1. Matters decided upon by the area citizens' congress for action.
2. Matters passed by the Assembly of Area Citizens' Representatives and referred to the office for action.
3. Compilation of estimates and final budgets of the area.
4. Financial receipts and disbursements of the area, and management of its public funds, public properties and public enterprises.
5. Matters entrusted to the office for action by the municipal government.
6. Other matters prescribed by laws and ordinances to be attended to by the office.

Article 43. The following items are decided upon as the sources of income of an area:

1. Income yielded by public funds and public properties of an area.
2. Net profits from public enterprises of an area.
3. Funds granted by the law for self-government purposes.
4. Subsidies from the municipality.
5. Other income voted by the Assembly of Area Citizens' Representatives.

Article 44. Financial

- 10 -

Article 44. Financial receipts and disbursements shall be published at the end of each month.

Article 45. An area chief shall be elected by the Area Citizens' Congress. His term of office shall be one year, and he may be re-elected. When one is elected to fill a vacancy in the middle of another's term, the former's term of office shall only last until the remainder of the original term expires.

After the area chiefs have been finally elected, reports shall be submitted to the municipal government which will in turn forward them collectively to the supervising (national or provincial) authorities for record.

In case an area chief commits a violation of the law or is delinquent, he shall be dismissed by the area citizens' congress.

Article 46. Any citizen who is at least twenty-five years of age and who possesses one of the following qualifications is eligible as candidate for election as area chief:

1. Having passed examinations of candidates for appointments as a public functionary or ordinary and high-class (civil official) examinations.
2. Having served for one full year as a member of the Executive or Supervisory Committee of the Area Party Office of the Kuomintang of China or having been an important member of the staff of any higher Party offices.
3. Having served for one full year as an official of "wei jen 委任" (nominated appointment) rank or having served as an official of "tsien jen 荐任" (recommended appointment) or higher rank in any organization under the control of the National Government.
4. Having served as a teacher or a staff member of a primary school or higher school, or having been graduated from a middle school or higher school.
5. Having passed the training course in the study of self-government.
6. Having made a good record in work connected with local public welfare enterprises sufficiently prominent to have been cited by the municipal government to the higher authorities for consideration.
7. Having served for one year or more as a representative of the Assembly of Area Citizens' Representatives, a parish chief or a member of the parish supervisory committee.

Persons who are subject to the restrictions imposed under Article 9 of the Nationality Law which have not as yet

been

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been removed shall not be eligible as candidates mentioned above.

Article 47. An area office shall from time to time investigate and register the candidates mentioned in the preceding Article and shall three months before each election prepare a roster of candidates and submit the same to the municipal government. After its being approved by the municipal government the roster shall be immediately published. The date of its publication shall not be later than one month before the election.

In the roster of candidates shall be clearly recorded the names, ages, qualifications and domiciles of the candidates and the dates when they were registered as citizens of the municipality.

Article 48. Persons who fall within any of the following categories, even though they possess the qualifications enumerated in the various items of paragraph one of Article 46 above, shall not be eligible for election:

1. Military men or policemen in active service.
2. Present incumbents in the government service.
3. Monks, taoists and priests of other religions.

Article 49. Prior to the election of area chiefs by citizens, the area chiefs of a municipality under the control of the Executive Yuan shall be appointed by the Ministry of the Interior, and the area chiefs of a municipality under the control of a provincial government shall be appointed by the provincial government.

The provisions of Article 46 shall apply to appointments of the area chiefs mentioned above, and they shall be nominated by the mayor.

Article 50. In case an area chief appointed under the preceding Article commits a violation of law or is delinquent, the municipal government may petition the original appointing office to dismiss him.

If the municipal government fails to petition for the dismissal of the appointed area chief who has committed a violation of the law or who has been delinquent, more than one half of the parish chiefs of the area concerned may submit a joint petition to the municipal government as well as to the original appointing office, setting forth the reasons why he must be dismissed.

Article 51. An area chief thus appointed shall within one year convene a Parish Citizens' Congress and inaugurate parish offices.

After six months from the time of complete inauguration of all parish offices within that area, the Ministry of the Interior shall depute officials to inspect the conditions and shall consider and approve the election of an area chief by citizens.

Article 52. When

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Article 52. When an area chief elected by citizens is unable to perform his duties for some reasons, and if the period of his absence is two months or less, a person shall be elected from among the various parish chiefs to act on his behalf. If the period is longer than two months, aside from electing a person to act on his behalf a new area chief shall be elected.

Article 53. After a new area chief has been elected, the former area chief shall turn over the seals, documents, files, monies, properties, deeds, contracts and all other things, together with tabulated statements therefor, to the new chief who, after having received them, shall prepare a register of things received and an affidavit therefor and submit them to the municipal government for transmission to its supervising (national or provincial) authorities for record.

Article 54. The posts of area chiefs shall be without pay, but an appropriation may be granted to defray office expenses.

The amount of the office expenses mentioned above shall be determined by the Assembly of Area Citizens' Representatives.

Article 55. An area office may employ assistants to assist the area chief in handling area affairs.

The above-mentioned assistants shall be selected and recommended by the area chief to the municipal government for appointment.

Article 56. Citizens who possess one of the following qualifications may be selected and appointed as assistants:

1. Having passed an examination of candidates for appointment as a public functionary or an ordinary (civil official) examination.
2. Having passed the training course for the study of self-government.
3. Having graduated from a middle school or higher school, or having met an equivalent standard.
4. Having studied law exclusively for one year or more and having obtained a certificate therefor.
5. Having handled self-government affairs for one year or more and having a bona fide good record and having acquired knowledge of the Party principles.

Article 57. The number of area assistants and their living allowances shall be determined by a municipal government upon recommendation of the area chiefs. However, after an assembly of area citizens' representatives has been inaugurated, such recommendations shall be based upon decisions made by the assembly of area citizens' representatives.

Article 58. For

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Article 58. For the purposes of copying documents and transacting other business, an area office may hire contingent employees at its discretion.

Article 59. An area office shall at the end of each month submit to the municipal government a tabulated report showing the business transacted by it during that month.

Article 60. The rules governing the operation of area offices shall be determined by the municipal government.

Article 61. The seals of area offices shall be issued by the authority supervising the municipal government.

CHAPTER IX. ASSEMBLY OF AREA CITIZENS' REPRESENTATIVES.

Article 62. At the time the area chief is elected by citizens, such an area shall establish an assembly of area citizens' representatives, which will be composed of the representatives elected by the Area Citizens' Congress.

The posts of the above-mentioned representatives shall be without pay. Each parish shall elect two persons. One half of the representatives shall be replaced by new representatives to be elected every year. In case a representative commits breach of the law or is delinquent, the respective parish concerned may dismiss him.

Article 63. An assembly of area citizens' representatives shall have one chairman who shall be elected from among the representatives.

Article 64. The provisions governing the qualifications of candidates for area chiefs shall apply to the qualifications of candidates for representatives of an assembly of area citizens' representatives.

Article 65. The duties and rights of an assembly of area citizens' representatives shall be as follows:

1. To examine estimates and final budgets of the area.
2. To consider the matters referred by the municipal government or by the area office to the assembly for discussion.
3. To consider proposals submitted by the parish offices under the assembly's control.
4. To consider proposals made by the representatives.
5. Other matters which should be considered.

Article 66. When

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Article 66. When an assembly of area citizens' representatives is in session, the following persons shall be notified to attend as observers:

1. Area chief.
2. Area supervisory delegates.
3. The various parish chiefs under the assembly's control.

Article 67. An assembly of area citizens' representatives shall hold its regular meetings once every three months. An emergency meeting shall be convened upon request of one-third or more of the representatives or if the area chief or the chairman deems it necessary.

The above-mentioned regular meetings and emergency meetings shall be convened by the chairman. The period of each meeting shall not exceed ten days.

Article 68. The rules of debate of an assembly of area citizens' representatives shall be determined by the respective assembly concerned.

Article 69. The seals of an assembly of area citizens' representatives shall be issued by the authority supervising the municipal government.

CHAPTER X. AREA SUPERVISORY DELEGATES.

Article 70. An area shall have two area supervisory delegates who shall execute supervisory duties during the adjournment of the assembly of area citizens' representatives. Their term of office shall be one year, and they may be re-elected. Area supervisory delegates shall be elected by the assembly of area citizens' representatives at its first meeting every year. In the case of commission of breach of the law, they may be dismissed by the assembly of area citizens' representatives.

Article 71. In case any of the following matters occurs, the area supervisory delegates shall notify the chairman of the assembly of area citizens' representatives to call a meeting of the assembly:

1. In case the financial receipts of the area office do not agree with the budget or other malpractices are discovered.
2. In case the area office fails to carry out the resolutions of the Area Citizens' Congress or the Assembly of Area Citizens' Representatives energetically.
3. In case the area chief or area assistants commit violation of the law or are delinquent.

Article 72. The

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Article 72. The area supervisory delegates may at any time investigate the accounts, funds and properties of the area office.

CHAPTER XI. PARISH CITIZENS' CONGRESS.

Article 73. A parish shall have a parish citizens' congress whose duties and rights shall be as follows:

1. To elect and dismiss the parish chief and other members of the personnel.
2. To discuss and decide upon local rules and regulations especially for the parish.
3. To discuss and decide upon estimates and final budgets of the parish.
4. To discuss and decide upon matters referred by the parish office to the congress for deliberation.
5. To discuss and decide upon proposals submitted by the various hamlets and neighborhoods or by (individual) citizens.

Article 74. The matters prescribed in the preceding Article shall be passed by a parish citizens' congress with consent of a majority of the citizens present at the congress.

Article 75. The parish chief shall be the chairman of the parish citizens' congress. However, if it is necessary for the parish chief to withdraw in connection with a certain matter, the chairman shall be elected by the citizens present at the congress.

Article 76. A parish citizens' congress shall be convened by the parish chief and shall meet twice a year. The first meeting shall be held one month before expiration of the term of office of the area chief. Should any extraordinary matter occur, an emergency meeting may be convened.

If it is necessary for the parish chief to withdraw from the above-mentioned emergency meeting, such a meeting may be called by the parish supervisory committee. In case it is necessary for the members of the Supervisory Committee to withdraw and if the area chief fails to call the meeting, the emergency meeting may be convened in the joint name of a majority of the hamlet chiefs of the parish concerned.

Article 77. The rules of debate of a parish citizens' congress shall be determined by the municipal government.

Article 78. The seals of the parish citizens' congress shall be issued by the municipal government.

CHAPTER XII.

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CHAPTER XII. PARISH OFFICE.

Article 79. A parish shall have a parish office which shall have a parish chief to take charge of self-government affairs.

Article 80. A parish office shall handle the following affairs:

1. Matters decided upon by the Parish Citizens' Congress and referred to the Parish Office for action.
2. Compilation of estimates and final budgets of a parish.
3. Financial receipts and disbursements of a parish, and management of public funds, public properties, and public enterprises.
4. Matters entrusted by the municipal government or by the area office to the parish office for action.
5. Other matters which should be handled according to laws and ordinances.

Article 81. A mediation committee shall be established in and attached to a parish office, and shall handle the following affairs:

1. Mediation in civil cases.
2. Mediation in criminal cases in which the complaints may be withdrawn in accordance with the law.

Article 82. The mediation committee prescribed in the preceding Article shall be composed of a number of mediators elected by the parish citizens' congress from among citizens of the parish concerned. However, no parish chief may be elected (as mediator).

The rules governing the organization of the Mediation Committee and the rules governing the election of Mediators shall be determined by the municipal government.

In case a mediator commits a breach of the law or is delinquent, the parish supervisory committee may first request the parish office to terminate his duties and may then propose his dismissal to the parish citizens' congress.

Article 83. A parish office shall establish the following educational institutions:

1. Primary schools and citizens' secondary education classes.
2. Lecture classes for citizens' training.

The above-mentioned educational institutions may be established jointly by the various parishes.

Article 84. A

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Article 84. A parish office shall cause all males and females having attained their school age to receive primary school education. All uneducated males and females who are twelve years old or older shall within four years receive education for one year and a half in a citizens' secondary education class or in a lecture class of citizens' training.

The above-mentioned citizens' secondary education classes shall have a curriculum of at least ten hours a week. Lecture classes of citizens' training shall have at least four hours of lecture every week. The principal courses in their curriculums and lectures shall be as follows:

1. Party principles of the Kuomintang of China.
2. Self-governing laws and regulations.
3. General conditions of the world and China.
4. Detailed circumstances surrounding the municipality concerned.

Article 85. After a person has performed his/her oath-taking ceremony in accordance with the provisions of Article 7, the Parish Office shall register him/her as a citizen of the municipality and shall, in addition, submit his/her oath and the roll of citizens to the municipal government for record.

Prior to the establishment of the Parish Office, the above-mentioned registration shall be handled by the area office.

If a citizen is found by the registration office to have fallen within any of the categories enumerated in the various items under paragraph two of Article 6 after he has been registered as a citizen of the municipality, it may request the municipal government to cancel his qualification.

Article 86. The following items are decided upon as the sources of the parish revenue:

1. Income yielded by public funds and public properties of a parish.
2. Net profits of public enterprises of a parish.

3. Funds

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3. Funds granted by the law for self-government purposes.
4. Subsidies from the municipality.
5. Other income voted by the Parish Citizens' Congress.

Article 87. Estimates and final budgets of a parish shall be submitted to the area office for transmission to the municipal government for record after they have been passed by the Parish Citizens' Congress.

Article 88. Financial receipts and disbursements of a parish shall be published once at the end of every three months.

Article 89. Any citizen who is at least twenty-five years of age and who possesses one of the following qualifications is eligible as candidate for the parish chief:

1. Having passed the examinations set candidates for appointment as public functionaries or ordinary or high-class (civil official) examinations.
2. Having served as a member of a sub-committee of the area party office of the Kuomintang of China, or having been a member of its staff.
3. Having served as an official of "wei jen 委任" (nominated appointment) or higher rank in any organization under the control of the National Government.
4. Having served as a teacher or staff member of a primary school, or having graduated from a middle school or higher.
5. Having passed the training course in the study of self-government.
6. Having made a good record in work connected with local public welfare enterprises which has been submitted by the area office to the municipal government for consideration.

Persons who are subject to the restrictions imposed under Article 9 of the Nationality Law which have not as yet been removed shall not be eligible as candidates for the position of Parish Chief.

Article 90. A parish office shall from time to time investigate and register the candidates mentioned in the preceding Article and shall, two months before each election, prepare a roster of candidates and submit the same to the area office for transmission to the municipal government. After its being approved by the municipal government, the roster shall be immediately published. The date of its publication shall not be later than one month before the election.

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In the roster of candidates shall be clearly recorded the names, ages, qualifications and domiciles of the candidates and the dates when they were registered as citizens of the municipality.

Article 91. Persons who fall within any of the categories enumerated in the various items of Article 46, although they possess the qualifications prescribed under paragraph one of Article 89 above, still shall not be eligible for election.

Article 92. The term of office of a parish chief shall be one year, and he may be re-elected. When one is elected to fill a vacancy in the middle of another's term, the former's term of office shall only last until the remainder of the original term expires.

Article 93. When a parish chief is unable to perform his duties for some reasons, and if the period of his absence is two months or less, a person shall be elected from among the various hamlet chiefs to act on his behalf. If the period is longer than two months, aside from electing a person to act temporarily on his behalf a new parish chief shall be elected.

Article 94. A parish chief shall submit a report to the parish citizens' congress setting forth the past circumstances during his term of office.

Article 95. A parish chief may appoint hamlet chiefs to assist him in handling affairs of a parish office.

Article 96. In case a mediation committee fails to bring about an amicable settlement of any of the matters mentioned in Article 81, the parish chief shall, on the basis of a report from the mediation committee, submit a report to the area office for transmission to the municipal government and forward a written report to the appropriate judiciary.

Article 97. After a new parish chief has been elected, the former parish chief shall turn over the seals, documents, files, monies, properties, deeds, contracts and all other things, together with separate tabulated statements therefor, to the new chief who, after having received them, shall prepare a register of things received and an affidavit therefor and submit them to the area office for transmission to the municipal government for record.

Article 98. The posts of parish chiefs shall be without pay, but if required by the circumstances he may draw money to defray his office expenses.

The amount of the office expenses mentioned above shall be determined by the parish citizens' congress.

Article 99. For the purposes of copying documents or transacting other business, a parish office may hire contingent employees at its discretion.

Article 100. The Detailed Rules Governing the Operation of Parish Offices shall be determined by the area office.

Article 101. The

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Article 101. The seals of a parish office shall be issued by the municipal government.

CHAPTER XIII. PARISH SUPERVISORY COMMITTEE.

Article 102. A parish shall have a parish supervisory committee to be composed of either three or five members elected by the Parish Citizens' Congress.

In case a member of the above-mentioned supervisory committee commits breach of the law or is delinquent, he shall be dismissed by the Parish Citizens' Congress.

Article 103. A parish supervisory committee may have the same number of reserve members as substantive members, and the reserve members shall be those who in the election follow immediately after the substantive members in the number of votes received.

The above-mentioned reserve members shall attend meetings of the supervisory committee as observers. In case of any vacancy in the membership of the supervisory committee, it shall be filled by a reserve member.

Article 104. The provisions of Articles 89 to 91 shall apply to the candidates for members of a parish supervisory committee.

Article 105. The duties and rights of a parish supervisory committee shall be as follows:

1. To supervise the finances of a parish.
2. To impeach the parish chief and other members of the staff for any breach of the law or delinquency.

Article 106. A parish supervisory committee shall meet once every month. Should any extraordinary matter occur, an emergency meeting may be called. All meetings shall be convened by the chairman.

Article 107. When a parish supervisory committee is in session, the various members shall preside at the meetings by turns in the order of their priority in the number of votes received in the election.

Article 108. A parish supervisory committee may at any time investigate the accounts, monies and properties of a parish office.

Article 109. Should there be found anything improper in connection with financial receipts and disbursements of a parish or the execution of the parish business, the parish supervisory committee may at any time request the area office to effect rectification.

Article 110. A

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Article 110. A parish supervisory committee, when it decides to impeach a parish chief for a breach of the law or on other delinquency, may itself convene a parish citizens' congress.

Article 111. A parish supervisory committee shall be established at the place where a parish office is located.

Article 112. Expenditures of a parish supervisory committee shall be paid by the parish office.

Article 113. The term of office of members and reserve members of a supervisory committee shall be one year, and they may be re-elected.

Article 114. In case the number of members of a parish supervisory committee is insufficient to form a quorum and there is no one to fill the vacancies, additional members shall be elected by a parish citizens' congress to fill the vacancies.

Article 115. The term of office of the reserve members of the supervisory committee who fill vacancies or substantive members who are elected to fill vacancies shall only last until the remainder of the original term expires.

Article 116. Persons who are now serving as members of the staff in self-government organizations in a parish shall not be elected as members or reserve members of the supervisory committee.

Article 117. The posts of members of a supervisory committee shall be without pay.

Article 118. The rules of debate and the regulations governing the operation of a parish supervisory committee shall be determined by the committee concerned.

Article 119. The seals of a parish supervisory committee shall be issued by the municipal government.

CHAPTER XIV. HAMLETS AND NEIGHBORHOODS.

Article 120. After the first census of the hamlets and neighborhoods has been completely taken, if the population in a hamlet is increased to over thirty-five families or reduced to less than fifteen families or if the population in a neighborhood is increased to over seven families or reduced to less than three families, the census shall be re-arranged by the parish office one month before the expiration of the term of office of hamlet or neighborhood chiefs every year.

After the census of the hamlets or neighborhoods has been re-arranged, the parish office shall submit a report to the area office for transmission to the municipal government for record.

Article 121. Hamlets

- 22 -

Article 121. Hamlets and neighborhoods shall each have inhabitants' meetings.

All inhabitants in the hamlets and neighborhoods, either male or female, who have continuously resided within the area of the municipality for six months or longer, or who have maintained domiciles therein for one year or more, and who are at least twenty years of age, shall be entitled to attend the above-mentioned inhabitants' meetings, with the exception of those who fall within any of the categories enumerated under paragraph two of Article 6.

Article 122. Inhabitants' meetings of a hamlet or neighborhood must be attended by a majority of the inhabitants, and an approval of a majority of the inhabitants, present must be obtained before its resolutions may be passed.

The respective hamlet chief or neighborhood chief shall be the chairman of the above-mentioned inhabitants' meeting of the hamlet or neighborhood concerned. However, in case it is necessary for the hamlet chief or neighborhood chief to withdraw in connection with a certain matter, the chairman shall be elected by the inhabitants present at the meeting.

Article 123. Inhabitants' meetings of a hamlet or neighborhood shall be convened by the hamlet chief or neighborhood chief concerned. The hamlet chief shall convene a meeting of inhabitants of his hamlet upon request of fifteen families or more, and the neighborhood chief shall convene a meeting of inhabitants of his neighborhood upon request of three families or more.

Subsequent to the enforcement of this Law, the first inhabitants' meetings of the various hamlets shall be convened by parish chiefs who shall act as chairmen of such meetings. The first inhabitants' meetings of the various neighborhoods shall be convoked by hamlet chiefs who shall act as chairmen of those meetings.

Article 124. In case a hamlet chief is unable to convene an inhabitants' meeting, it shall be called by the parish chief. If a neighborhood chief is unable to call an inhabitants' meeting, it shall be convened by the hamlet chief.

The above-mentioned inhabitants' meetings of hamlets or neighborhoods shall be presided over by the conveners.

Article 125. When a hamlet or neighborhood finds it necessary to have a fund to meet its expenditure, the matter shall be decided upon by the hamlet or neighborhood inhabitants' meeting and the fund raised accordingly.

Article 126. A hamlet shall have one hamlet chief who shall, in compliance with the instructions of the parish chief, handle self-government affairs of the hamlet. A neighborhood shall have a neighborhood chief who shall, in compliance with the instructions of the hamlet chief, handle self-government affairs of the neighborhood.

Article 127. Hamlet

- 23 -

Article 127. Hamlet chiefs or neighborhood chiefs shall be elected by the hamlet or neighborhood inhabitants' meetings, respectively.

Article 128. The election of hamlet chiefs shall be supervised by the parish chief, and the election of neighborhood chiefs shall be supervised by the hamlet chief in compliance with the instructions of the parish chief.

Article 129. The date for the election of hamlet chiefs shall be fixed by the parish chief, and the date for the election of neighborhood chiefs shall be fixed by the parish chief upon request of the hamlet chief.

Aside from announcing the date of election mentioned above five days in advance, the parish chief shall submit a report to the area office for transmission to the municipal government for consideration.

Article 130. When a hamlet or neighborhood inhabitants' meeting is in session, an enrollment book of the inhabitants shall be provided. The inhabitants present shall write the word "present" or make their marks under their names.

Article 131. After a hamlet chief has been elected, the chairman of the inhabitants' meeting of the hamlet concerned shall submit a report to the parish office. After a neighborhood chief has been elected, the chairman of the inhabitants' meeting of the neighborhood concerned shall submit a report to the hamlet chief for transmission to the parish office. The parish office shall forward a collective report to the area office for transmission to the municipal government for record.

Article 132. The duties of the hamlet chiefs and neighborhood chiefs shall be as follows:

1. To handle all self-government affairs within the limits allowed by laws and ordinances.
2. To handle affairs referred to them for action by the municipal government, area office and parish office.

The affairs mentioned in item one of the preceding paragraph shall be separately submitted by the hamlet chief or neighborhood chief to the hamlet or neighborhood inhabitants' meeting for decision.

Article 133. The hamlet chief shall submit a report on the business transacted by him to the inhabitants' meeting of his hamlet and the parish office.

Article 134. The hamlet chief shall report the hamlet's income and expenditure to the inhabitants' meeting of his hamlet and the parish office. The neighborhood chief shall report the neighborhood's income and expenditure to the meeting of his neighborhood and the hamlet chief.

Besides making such reports, the above-mentioned income and expenditure shall be published once every half year.

Article 135. The

- 24 -

Article 135. The term of office of a hamlet chief or a neighborhood chief shall be one year, and he may be re-elected.

Article 136. When a hamlet chief commits a breach of the law or is delinquent, he shall be dismissed upon impeachment by one-third of the inhabitants of the hamlet concerned and with the consent of a majority of the citizens present at the inhabitants' meeting. When a neighborhood chief commits a breach of the law or is delinquent, he shall be dismissed upon impeachment by one-third of the inhabitants of the neighborhood concerned and with the consent of a majority of the people present at the inhabitants' meeting.

Article 137. The detailed rules governing the hamlet and neighborhood inhabitants' meetings shall be determined by the municipal government.

Article 138. The seals of a hamlet or a neighborhood shall be issued by the parish office.

CHAPTER XV. SUPPLEMENTARY RULES.

Article 139. A municipal government shall within three months after the enforcement of the present Law divide its municipality into a number of areas, parishes, hamlets and neighborhoods in accordance with the provisions of Article 5, and shall submit separate reports to the supervising (national or provincial) authorities.

The (government) office in charge of appointment of area chiefs shall within one month after receipt of the above-mentioned reports appoint area chiefs of the municipality concerned in accordance with the provisions of Article 49.

Article 140. After their assumption of office the area chiefs of the various municipalities shall within three months institute people's oath-taking, census-taking and the recording of vital statistics by each parish.

The procedure and tabulated forms in connection with the above-mentioned census-taking and vital statistics shall be fixed by the Ministry of the Interior.

Article 141. One year after the election of area chiefs by citizens of the various municipalities, the Ministry of the Interior shall, on the basis of tabulated reports from the authorities supervising the respective municipalities, investigate whether their population, land, police defense, roads and the circumstances surrounding the exercise of the four powers by the people agree with the standard of a completely self-governing district (Hsien) as provided for in Article 8 of the General Outline for National Reconstruction. In case a municipality does correspond to the standard, it may be authorized to function as a completely self-governing municipality.

Article 142. In

- 25 -

Article 142. In case the financial receipts of an area and its parishes are insufficient to meet their disbursements, a collective estimate may be prepared and submitted to the municipal government for subsidies.

Article 143. The inscriptions, qualities, forms and sizes of the seals of the Area Citizens' Congress, Area Office, Assembly of Area Citizens' Representatives, Parish Citizens' Congress, Parish Office, Parish Supervisory Committee, Hamlets and Neighborhoods shall be fixed by the Ministry of the Interior.

Article 144. The period of enforcement of the present Law to any municipality shall extend only until that municipality is completely self-governing.

Article 145. The present Law shall be put into force from the date of promulgation.

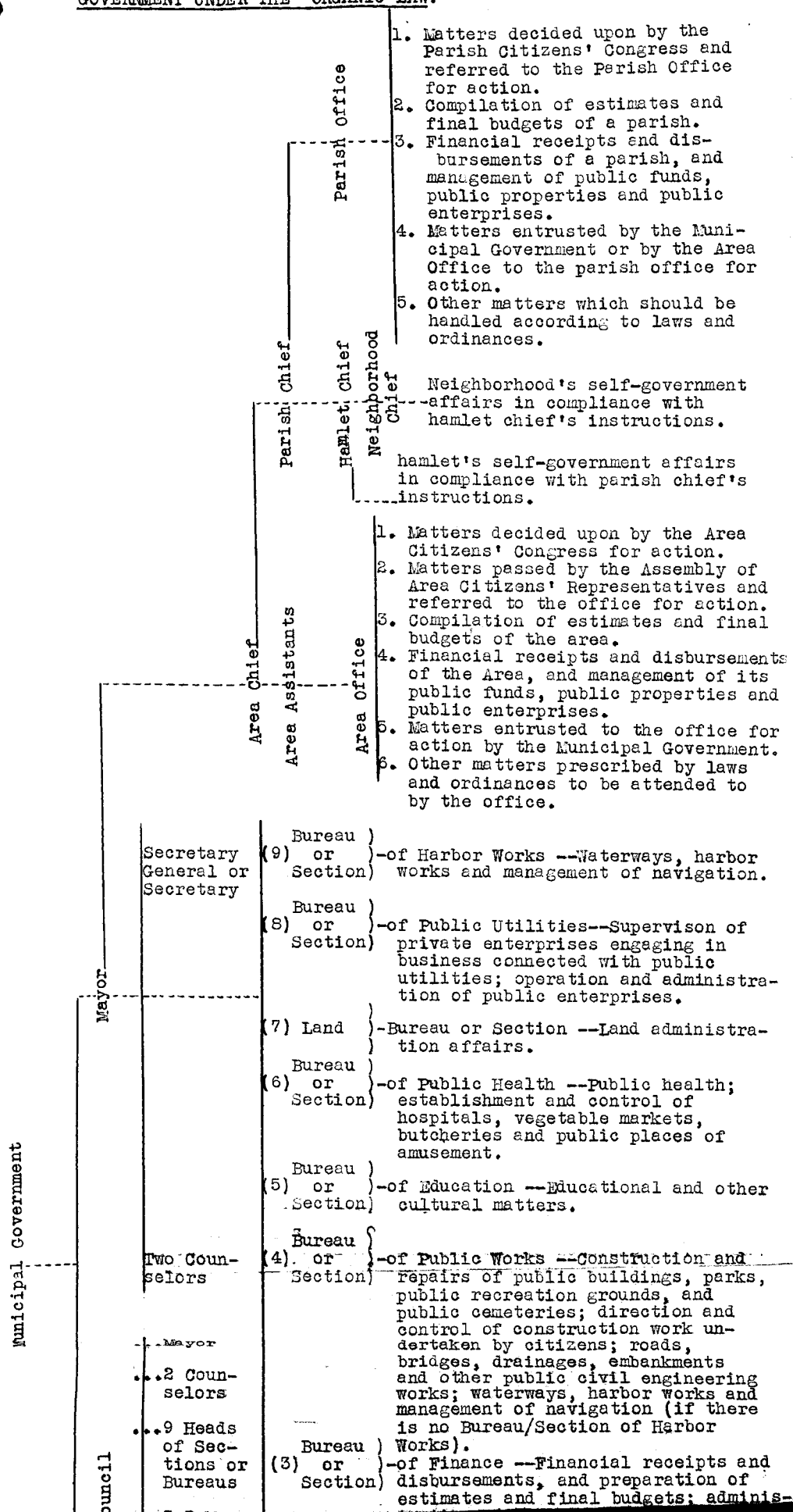
Trans: Ght/Syz
Checked: HHS

DECLASSIFIED: E.O. 11652, 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. 1174 of C. E.
Gauss, American Consul General, Shanghai, China,
dated December 22, 1937, on the subject: "The
Future Status of Shanghai."

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

OUTLINE SHOWING ORGANIZATION AND FUNCTIONS OF A MUNICIPAL GOVERNMENT UNDER THE ORGANIC LAW.



Municipal

Municipal Council

- ...Mayor
- ...2 Coun-
sellers
- ...9 Heads
of Sec-
tions or
Bureaus
- ...3-5 Mem-
bers of
Municipal
Advisory
Council
- ...Secretary
General or
Secretary
as observer

Bureau)
(3) or
Section)

...of public buildings, parks,
public recreation grounds, and
public cemeteries; direction and
control of construction work un-
dertaken by citizens; roads,
bridges, drainages, embankments
and other public civil engineering
works; waterways, harbor works and
management of navigation (if there
is no Bureau/Section of Harbor
Works).
--of Finance --Financial receipts and
disbursements, and preparation of
estimates and final budgets; adminis-
tration and disposition of public
property; operation and administra-
tion of public enterprises; land
administration affairs (if there
is no Land Bureau/Section)

Bureau)
(1) or
Section)

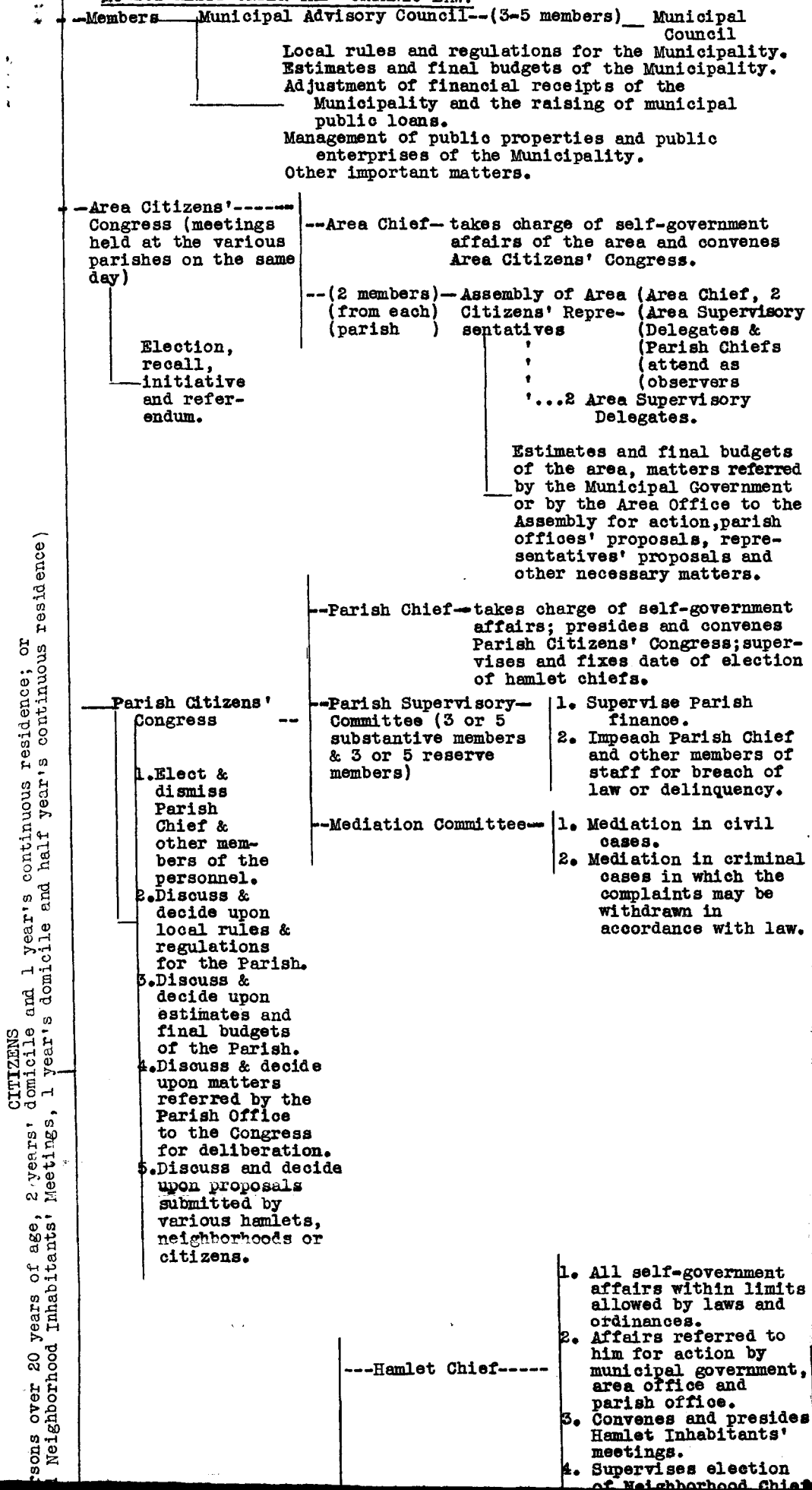
(2) Bureau of Public Safety --Public safety,
matters pertaining to the fire
brigade; public health, establish-
ment and control of hospitals,
vegetable markets, butcheries and
public places of amusement (if
there is no Bureau/Section of
Public Health).
--of Social Affairs --Census taking;
vital statistics; maintenance of
institutions to foster infants, to
take care of aged persons, to help
the poor, and to relieve calamity-
stricken people; storage and re-
gulation of foodstuffs, improve-
ment and protection of agricultur-
al, industrial and commercial en-
terprises, administrative affairs
pertaining to labor, protection
and control of forestry, pastorage,
fishery and hunting, supervision
of private enterprises engaging in
business connected with public
utilities; organization and direc-
tion of co-operative societies and
enterprises of mutual help; improve-
ment of public morals; educational
and other cultural matters (if
there is no Bureau/Section of
Education).

cht/Syz

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

Enclosure No. 3 to despatch No. _____ of C. E.
Gauss, American Consul General at Shanghai, China,
dated December 22, 1937, on the subject: "The
Future Status of Shanghai."

OUTLINE SHOWING ORGANIZATION OF THE SELF GOVERNING BODIES OF A
 MUNICIPALITY UNDER THE ORGANIC LAW.



CITIZENS
 Persons over 20 years of age, 2 years' domicile and 1 year's continuous residence; or
 Neighborhood Inhabitants' Meetings, 1 year's domicile and half year's continuous residence)

(All moral persons over 20 years
in Hamlet and Neighborhood)

---Hamlet Inhabitants'---
Meeting (convened
upon request of 15
families or more)

---Hamlet Chief-----

2. Affairs referred to him for action by municipal government, area office and parish office.
3. Convenes and presides Hamlet Inhabitants' meetings.
4. Supervises election of Neighborhood Chiefs in compliance with Parish Chiefs instructions; proposes date of election of Neighborhood Chiefs to Parish Chief.

---To decide and raise funds to meet Hamlet expenditure.

---To dismiss Hamlet Chief.

---Neighborhood Inhabitants'---
Meeting (convened
upon request of 3
families or more)

---Neighborhood Chief ---

1. All self-government affairs within limits allowed by laws and ordinances.
2. Affairs referred to him for action by municipal government, area office and parish office.
3. Convenes and presides Neighborhood Inhabitants' meetings.

---To decide and raise funds to meet Neighborhood expenditure.

---To dismiss Neighborhood Chief.

Cht/Jw

Enclosure No. 4 to despatch No. 1124 of C. E. Gauss,
American Consul General at Shanghai, China, dated December
22, 1937, on the subject: "THE FUTURE STATUS OF SHANGHAI."

(COPY)

MEMORANDUM SUBMITTED BY CONSUL E. F. STANTON
TO CONSUL GENERAL GAUSS.

Dated: November 16, 1937.

STRICTLY CONFIDENTIAL

Mr. E. A. Long, Secretary of the Consular Body, called and reported that he had had a long talk this morning, first with Mr. Katsuo Okazaki, Japanese Consul General at-large, and then with Mr. Suemasa Okamoto, Japanese Consul General at Shanghai. The conversation centered on the future status of Shanghai. Mr. Long reported that Japanese ideas on this subject as expounded by Mr. Okazaki and Mr. Okamoto appear to be somewhat as follows:

(1) An extensive demilitarized zone probably extending as far as Soochow, would be created around Shanghai. Within the zone there would be an area administered by one or more Chinese regional committees.

(2) A second zone would be created bordering the Greater Municipality of Shanghai. This area would be policed by Chinese police under foreign control and supervision.

(3) A Greater Municipality of Shanghai would be set up which would probably consist of four districts:

1. The area from Woosung to the borders of the present International Settlement and including Kiangwan and Chapei;
2. The International Settlement and Extra-Settlement roads area;
3. The French Concession (the Japanese are apparently hopeful of inducing the French authorities to merge the Concession with the Greater Municipality) and;
4. The native city (Nantao and Lunghwa.)

(4) Each of the above four sections of the Greater Municipality would be run by an administrative Body which would be answerable to a Grand Council. According to Mr. Long the Grand Council would be composed of the consular representatives of the powers signatory to the agreement defining the status of Shanghai. The Council would also include a Chinese representative if China agrees to the proposed scheme and becomes a signatory.

5. The Chinese

- 2 -

(5) No Chinese government organs would be permitted to function in this special area except the Customs, Posts, Railway Bureaus and Communication offices; such offices would be subject to the laws and regulations set up in the special area.

(6) Special district courts would be set up for the area with one or more appeal courts and a supreme court. The law applied would probably be Chinese based on the modern Chinese civil and criminal codes with some modification. Purely Chinese cases would be tried by Chinese judges and mixed cases by a mixed bench. A number of foreign jurists would be attached to the appeal and supreme courts. After this system functioned smoothly and to the general satisfaction of the foreign powers for two or three years, extra-territoriality would be given up.

(7) The majority of the taxes collected in the special demilitarized area and the Greater Municipality would be retained locally and used to cover administrative expenses and to carry out municipal and other improvements. However, the revenues derived from the Customs would be paid over to the Chinese Government.

(8) Payment of the land tax and the type of cadastral system which would be made effective was not discussed.

Copied by RN
Compared with: T.G.S.

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

LMS

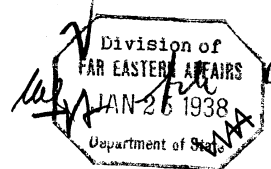
COMSOPAT

FROM January 24, 1938

Rec'd 6:47 p. m.

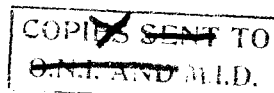
ACTION: OPNAV, WASHINGTON

INFO: CINCAF
CONSUBRON 5
COMDESRON 5
COMYANGPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793 94
0024 Air raid on railroads vicinity Canton. Other
South China ports quiet 2000

SMS:NPL



793.94/12191

FILED
JAN 27 1938

F/FG

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

TELEGRAM RECEIVED

JR

COPIES SENT TO
HONOLULU AND M.I.D.

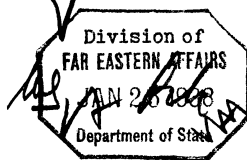
FROM SECOND BRIGADE USMC

January 25, 1938

Rec'd 8:30 a.m.

ACTION: CINCAF (ADMIN)
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



7625. No reports change military situation. 1825.

HPD

793.94/12192

FILED

F/FG

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

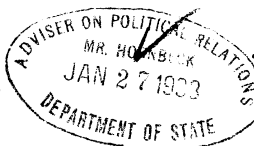
DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

~~RAH~~

The enclosure to this despatch
is adequate summarized in the
last sentence on page 1 of the
despatch.

JLH

'938 JAN 24 PM 1 31



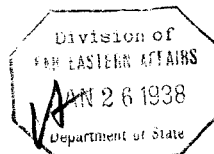
No. 2715

Tokyo, January 4, 1938.

SUBJECT: DISCIPLINE OF THE JAPANESE ARMY.

Grade	For	in U.S.A.	ON 1 MID
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COPIES SENT TO
O.N.I. AND M.I.D.



The Honorable

The Secretary of State,
Washington.

Sir:

1/ I have the honor to enclose a copy of a memorandum dated December 31, 1937, addressed to me by the Military Attache, commenting on reports referred to in the Department's 193.94/1169/a 364, December 20, 5 p.m., to the effect that evidences have been noticed of a resurgence among the Japanese forces in China of the spirit which led to the military revolt in Tokyo on February 26, 1936.

It is Major Creswell's opinion "that there is little likelihood that there will be any rebirth of the February 26th element to the extent of striking at constituted authority or to seriously influence its conduct of operations"

There

793.94/12193

THE

F/EG

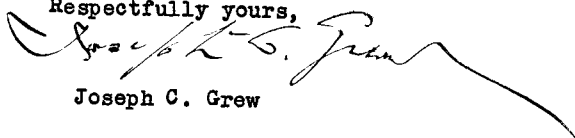
12173

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

-2-

There has come under my notice no evidence tending
to controvert that opinion.

Respectfully yours,


Joseph C. Grew

✓
Enclosure:

As stated.

800
ERD:v

Copies to Peiping and Hankow.

DECLASSIFIED: E.O. 11652, 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. 2715 of Jan 4, 1938
from the Embassy at Tokyo.

From the American Military Attaché, Major
Creswell, to the American Ambassador, Mr. Grew.

AMERICAN EMBASSY

Office of the Military Attache
Tokyo, Japan
31st December 1937.

MEMORANDUM: To the Ambassador.

1. Cable No.364 from Washington, dated the 20th December, reported statements made in the press to the effect that there is a resurgence in the Japanese Army of the spirit of the February 26th Incident, and that the question of punishment or non-punishment of a Colonel Hashimoto for his connection with the Bee and Ladybird incident is being made the foundation for a rallying of sympathizers with the February 26th affair to the extent of having a great influence on General Matsui and the higher echelons of the Army in their handling of the Bee and Ladybird cases.

2. Investigations of the above statements indicate that they are more alarmist and sensational than otherwise. While it is true that there is a certain sympathy in the Army for those who were punished for the parts they played in the February 26th affair, as indeed there is always sympathy in this country for the perpetrators of whatever crimes may have been committed in the name of patriotism, it is not felt that this sympathy is as strong, nor that it has taken as active a form as indicated in the above cable.

3.

-2-

3. The main ideas in the minds of the February 26th element were such things as better conditions for the poorer classes, a firmer foreign policy particularly toward China, a return to the old ideas, etc, etc, all of which they are now getting in large measure. In this respect therefore, there is no reason for dissention in the Army for, as a matter of fact, the above ideas were exactly in line with the sentiments of the bulk of the personnel in the service.

However, the bulk of service sentiment differed with the February 26th element in the matter of the methods they chose in order to carry out their ideas. The direct affront to the Throne to say nothing of higher Army authority, with its evidence of a dangerous state of indiscipline, were things which could not be countenanced no matter what the motive, and were therefor punished with a severity which goes a long way toward precluding the possibility of any such uprising under any but the most unusual conditions.

4. For the above reasons therefor, it is the opinion of this office that the statements made in the press reports upon which the above cable was based are not founded on fact, and that there is little likelihood that there will be any rebirth of the February 26th element to the extent of striking at constituted authority or to seriously influence its conduct of operations.

H.T. Creswell
Major, General Staff
Military Attaché

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

January 26

~~Cov~~
MSM

Chefoo's
Translation of/ telegraphic protest to Chinese military re their proposed destruction of mole wharf in Chefoo. Based on fact that Americans have paid surtax for construction of mole.

No action necessary

JKP 

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. 1474

Peiping, December 2, 1937.

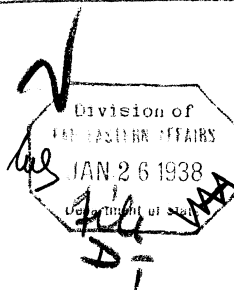
Subject: Proposed Destruction of Mole Wharf
at Chefoo.

RECEIVED
DEPARTMENT OF STATE

1938 JAN 24 PM 1 28

DIVISION OF
COMMUNICATIONS
AND RECORDS

For Distribution Check	Yes	No
Grade	X	
For		X



793.94
note
93.156 ch

793.94/12194

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

I have the honor to enclose a copy of despatch
1/ No. 34 ¹¹²³⁴ of November 23, 1937, addressed to the Embassy
by the Consulate at Chefoo, under cover of which is
a copy in translation of a telegram which Mr. Allen
sent to General Ku Liang-min, requesting General Ku
to refrain from destroying the mole wharf at Chefoo
or other property involving American interests.

Respectfully yours,

For the Ambassador:

Frank P. Lockhart
Frank P. Lockhart
Counselor of Embassy

u

FILED

F/FG

12/94

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

- 2 -

Enclosure:

Chefoo's No. 34,
November 23, 1937.

Original and 1 copy to Department.
Copy to Hankow, for Embassy files.

800

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3, 1938.

~~JWB~~

Peiping's 1488, December 15, 1937 -
"Economic Development of North China".

It is of interest that there has been a serious split in the Directorate of the South Manchuria Railway Company over the question of whether or not the Company should undertake the general economic development of North China. The strongly affirmative position of Mr. Matsuoka, President, is ~~strongly~~ opposed, according to the Peiping press, by Mr. Omura, Vice President, and at least two directors, who favor restricting the Company's activity in North China to railway enterprises.

Incidentally, Mr. Matsuoka's statement that S.M.R. has 500 million yen for investment in North China appears to be entirely false. The Company has been borrowing to pay dividends and has been unable to raise funds required for modest expansion projects in Manchuria.

Jmg
FE:JMS:NN

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1488.

Peiping, December 15, 1937.

Subject: Economic Development of North China.

NOT TO BE PUBLISHED AS
OFFICIAL INFORMATION.

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
FEB 11 1938
DEPARTMENT OF STATE

Commerce
FEB 8 - 1938

DEPARTMENT OF STATE

JAN 24 PM 1 37

DIVISION OF
COMMUNICATIONS
AND RECORDS

The Honorable

The Secretary of State,
Washington, D. C.

Division of
FAR EASTERN AFFAIRS
JAN 20 1938
Department of State

793.94/12195

Sir:

I have the honor to refer to the Embassy's despatch
793.94/11829 No. 1465 of November 27, 1937, regarding Japanese Recon-

struction Policy for North China and to enclose a copy of

1/ a clipping from the Peking and Tientsin Times (British
owned and edited) of December 12 which purports to outline
the recommendations for North China development which have
been made by the Osaka Chamber of Commerce and Industry to
Japanese Government officials. It is stated that the Chamber
believes that foreign investments should be welcomed in such
development. The recommendations also envisage a revision
of Chinese tariffs, looking towards increased trade between
Japan

FILE
F/FG

- 2 -

Japan, "Manchukuo" and China; promotion of industry and agriculture equally; and the development of public utilities, (such as harbors, highways, railways, aviation communications, electric and gas plants), by public investment under the supervision of national planning boards.

However, judging from numerous articles which have appeared in the local press, plans for the development of North China do not appear to be going smoothly and according to a Domei despatch to the Hochi Shimbun which was reprinted in the Peking and Tientsin Times of December 2, the directorate of the South Manchuria Railway Company has split over a fundamental difference of opinion concerning the company's plan for developments in North China. It appears that the plan of the President of the South Manchuria Railway, Mr. Matsuoka, for the development of all industries in North China by the South Manchuria Railway is strongly opposed by Mr. Takuji Omura, Vice President of the Railway, and at least two directors, Mr. Kanji Usami and Mr. Ojiro Sato, who favor a plan for concentration by the South Manchuria Railway Company on the development of railways exclusively in North China while other industries are left to other interests. (See clipping from Peking and Tientsin Times, December 2). Mr. Matsuoka in a statement published by Reuters said that the South Manchuria Railway possessed five hundred million yen for the economic development of North China and he hoped to raise another hundred million yen in North China. According to the Nippon Kogyo the Kochu Koshi (North China Development Company), a firm closely affiliated with the South Manchuria Railway, by which corporation

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it was established two years ago, has decided to increase its capitalization from ten to fifty million yen, apparently in prospect of improved Sino-Japanese trade in North China. According to a report in the

- 3/ Peking and Tientsin Times of December 1, 1937 (enclosed) "the mission" of Kochu Koshi "is to promote Sino-Japanese trade, act as an agency or broker, engage directly or indirectly in business in China, or make investments incidental to this work".

- 4/ Turning from the more general subject of North China development to the specific, I have the honor to report that on December 2 a celebration was held in Peiping inaugurating the round-the-city highway mentioned in the Embassy's above quoted despatch. I enclose a map on which the new round-the-city highway is indicated in red. While the Mayor of Peiping, General Chiang Ch'ao-tsung extended an invitation to all the members of the diplomatic corps to participate in the inaugural drive around the city, the inclement weather proved an excellent reason for all the diplomatic representatives in Peiping (except Italians and Japanese) excusing themselves from participating in what some feared might turn into a political celebration under Japanese sponsorship. The participants were escorted by lorries filled with Japanese soldiers armed with rifles.

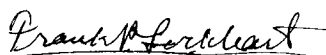
The Embassy has been informed that the local populace, which was impressed for building these roads, was paid not in currency but by one large bowl of rice a day. This statement has not been confirmed, but as most of those employed on the roads were farmers, who would otherwise have been unemployed

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unemployed at this season of the year any payment
must have been considered welcome by them.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart,
Counselor of Embassy.

Enclosures:

- / 1/ Clipping from Peking and Tientsin Times, December 12.
- / 2/ Clipping from Peking and Tientsin Times, December 2.
- / 3/ Clipping from Peking and Tientsin Times, December 1.
- / 4/ Map showing round-the-city highway.

Original and four copies to Department.
Copy to Hankow for Embassy files.
Copy to Embassy, Tokyo.

710
CBL/es

ENCLOSURE NO. 1

TO DESPATCH NO. 1488-Peking

PEKING & TIENTSIN SUNDAY TIMES, SUNDAY, DECEMBER 12, 1937

ECONOMIC DEVELOPMENT OF CHINA.

AMBITIOUS RECOMMENDATIONS BY OSAKA CHAMBER OF COMMERCE.

Tariff Revisions in Favour of Japan and
Manchoukuo.

PROTECTION AND RESPECT OF "FAIR FOREIGN
INTERESTS."

Osaka, Dec. 11.

Recommendations for wide-spread economic developments in China, with special reference to the programme for North China, including an increase of production capacity, encouragement of investments and tariff revisions, have been made by the Osaka Chamber of Commerce and Industry to Government officials, it has been disclosed here.

The development plan is based on investigations conducted by the China Problem Investigation Committee of the Chamber, submitted to the Army and Navy authorities and to the National Planning Board.

Some suggestions embodied in the programme are hailed as the most sweeping ever advanced in Osaka financial circles.

The salient points of the programme are as follows:—

1. The economic development of North China, in conjunction with the five-year plan for Japan and Manchoukuo, should form part of the Japanese scheme for increasing her productive capacity;

2. Excepting those enterprises connected with national defence, which should be placed under a license system, investments, in general, for the industrial development of China, according to a definite plan and principle of control, should be encouraged as much as possible;

3. Without giving preponderance to either agriculture or industry, enterprises for both should be promoted side by side in districts where they are needed most;

4. A financial system should be established so that foreign investments, as well as Sino-Japanese joint projects, may be encouraged;

5. The development of public utilities, such as harbours, highways, railways, aviation communications, electric and gas plants, should be undertaken by national planning boards and industrial projects, in general, should invite public investments;

6. Prevention of illegal competition by the protection of mining rights;

7. Revision of such current Chinese tariffs as may be restrictive on trade and co-operation between Japan, Manchoukuo and China, and creation of a special tariff system in order to bring about closer trade relations between the three countries;

8. Protection and respect for "fair foreign interests," but elimination of those rights and interests which "may hinder maintenance of peace in the Far East and co-existence and co-prosperity of Japan, Manchoukuo and China."—*Reuters*

ENCLOSURE 2
TO DESPATCH NO. 1488-Teking

~~BEIJING~~ & TIENTSIN TIMES, THURSDAY, DECEMBER 2, 1937

DEVELOPMENT OF NORTH CHINA.

S.M.R. Directorate Splits.

"FUNDAMENTAL DIFFERENCE OF OPINION."

Tokio, Nov. 23.

The South Manchuria Railway Company directorate has split on a fundamental difference of opinion concerning the company's proposal for development of North China, according to a Dairen dispatch to the *Hochi*.

Mr. Kanji Usami, a director, has drafted a plan calling for concentration of the company on railways exclusively in North China, with other industries left to other interests.

The plan is also supported by Mr. Takuji Omura, Vice-President, and Mr. Ojiro Sato, another director. The Usami-Omura-Sato bloc is said to be gaining strength among the Company's employees while Mr. Yosuke Matsuoka, president, and Mr. Kiichi Sakatani, director who is responsible for formulation of the so-called Matsuoka plan of undertaking all industries in North China, are losing their support.

The company's industrial department, which is sponsoring the Matsuoka plan, is highly dissatisfied with the present situation. Mr. Sakatani, the dispatch says, is reported to have assumed responsibility and tendered his resignation to Mr. Matsuoka. He is said to be now in North China, engaged in other enterprises. Mr. Matsuoka is trying to persuade Mr. Sakatani to withdraw his resignation.

Mr. Usami also is said to have offered his resignation, assuming responsibility for the confusion. What is said to have disturbed the situation more than anything else is the betrayal of the expectation of 1,000 employees by the vice-director of the industrial department in swinging over to support the Usami plan. —*Japan Advertiser*

ENCLOSURE NO. 3

TO DESPATCH NO. 1488-Peking

PEKING & TIENSIN TIMES, WEDNESDAY, DECEMBER 1, 1937.

NORTH CHINA DEVELOPMENT.

Kochu Koshi to Boost Capital.

GOAL MAY BE Y50,000,000.

Clash of Interests with S.M.R. Becoming Serious.

Tokio, Nov. 25.

The Kochu Koshi, the key-stone of Japan's plans for economic development in North China, has decided to increase its capitalization from Y.10,000,000 to about Y.50,000,000, according to the Nikkan Kogyo. The present capital is too small to meet present and future demands. At the same time, the company is likely to be authorized by the Government to issue debentures several times its paid-up capitalization to raise funds.

This company is generally considered a close affiliate of the South Manchuria Railway, but, according to the *Asahi*, it now threatens to become an influential rival of the S.M.R., which was responsible for its establishment two years ago. The rapid developments in North China are causing the Kochu Koshi to work independently, or even against the interests, of the railway.

The Kochu Koshi "mission" is to promote Sino-Japanese trade, act as an agency or broker, engage directly or indirectly in business in China, or make investments incidental to this work, but now wields great influence over Japanese activities in North China, the paper continues.

A serious situation confronted the Kochu Koshi about six months ago. Mr. Yunosuke Yasukawa, the new president of the Oriental Development Company, sought to take all interests of the Kochu Koshi in North China.

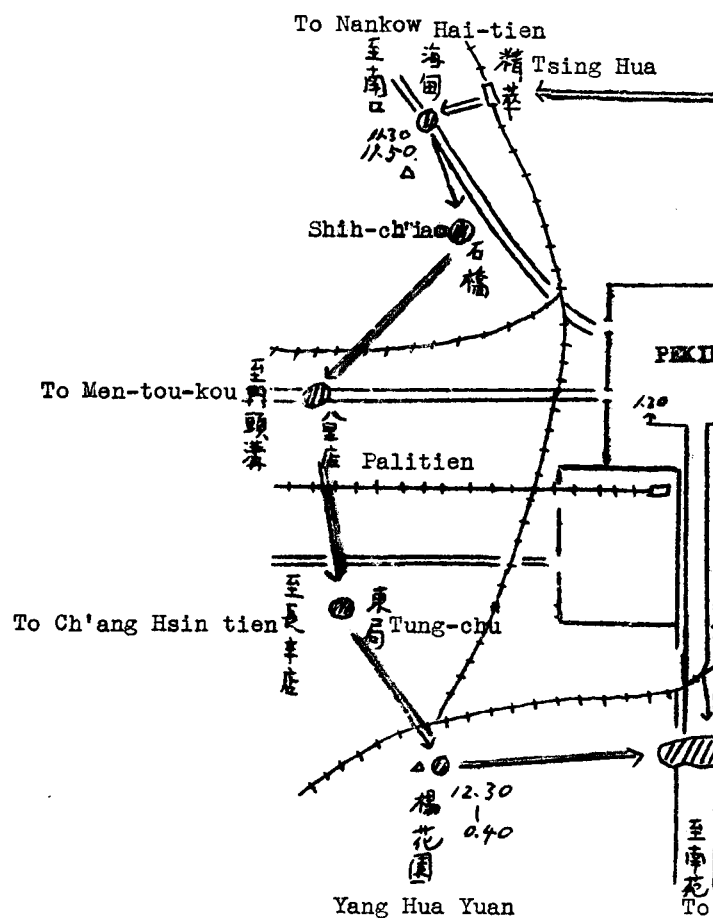
Mr. Shinji Sogo, president of the Kochu interests, learned of the attempt and was greatly upset. For a while it appeared that the railway, coal mining, raw cotton and salt enterprises in North China developed by the Kochu Koshi might be taken wholly by the ambitious Mr. Yasukawa.

Mr. Yosuke Matsuoka, president of the S.M.R., came to the rescue and saved the Kochu Koshi from being absorbed by Oriental Development. Mr. Matsuoka, consequently, is considered a great benefactor of the Kochu interests.

Now, the situation almost reversed. Since the outbreak of the China incident, the railway has sought to carry on its economic activity in North China without considering the Kochu interests.

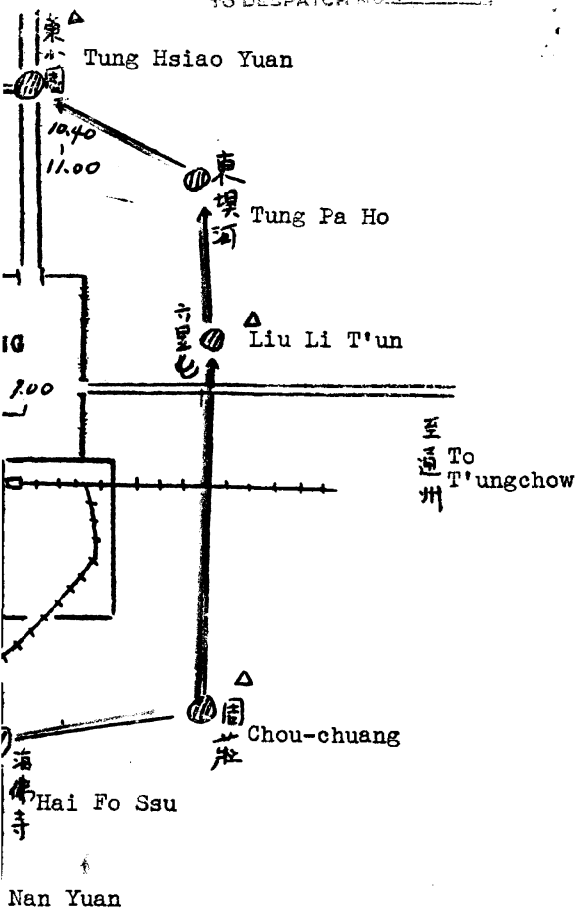
However, Mr. Sogo is firm. According to the *Asahi* he has strong political backing and even Mr. Matsuoka, now a member of the Cabinet Advisory Council as well as president of the railway, cannot step him. —*Japan Advertiser*.

MAP (A)



ENCLOSURE NO. 4

TO DESPATCH NO. 1488



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

ROUND THE CITY ROAD

No. 1408.

Peking, December 18, 1937.

Subject: Economic Development of North China.

NOT TO BE PUBLISHED AS
OFFICIAL INFORMATION

The Honorable

The Secretary of State,
Washington, D. C.

Sir:

1/ I have the honor to refer to the (Ambassador's despatch
No. 1453 of November 27, 1937, regarding) Japanese Recon-
struction Policy for North China and to enclose a copy of
a clipping from the Peking and Tientsin Times (British
owned and edited) of December 12 which purports to outline
the recommendations for North China development which have
been made by the Osaka Chamber of Commerce and Industry to
Japanese Government officials. It is stated that the Chamber
believes that foreign investments should be welcomed in such
development. The recommendations also envisage a revision
of Chinese tariffs, looking towards increased trade between
Japan

- 2 -

Japan, "Manchukuo" and China; promotion of industry and agriculture equally; and the development of public utilities, (such as harbors, highways, railways, aviation communications, electric and gas plants), by public investment under the supervision of national planning boards.

However, judging from numerous articles which have appeared in the local press, plans for the development of North China do not appear to be going smoothly and according to a wang despatch to the Hochi Shinbun which was reprinted in the Peking and Tientsin Times of December 8, the directorate of the South Manchuria Railway Company has split over a fundamental difference of opinion concerning the company's plan for developments in North China. It appears that the plan of the President of the South Manchuria Railway, Mr. Matsuo, for the development of all industries in North China by the South Manchuria Railway is strongly opposed by Mr. Takuji Saura, Vice President of the Railway, and at least two directors, Mr. Yanji Tsui and Mr. Ojima Sato, who favor a plan for concentration by the South Manchuria Railway Company on the development of railways exclusively in North China while other industries are left to other interests. (See clipping from Peking and Tientsin Times, December 8). Mr. Matsuo in a statement published by Hankow said that the South Manchuria Railway possessed five hundred million yen for the economic development of North China and he hoped to raise another hundred million yen in North China. According to the Hankow Express the Kechu Koshi (North China Development Company), a firm closely affiliated with the South Manchuria Railway, by which corporation

- 3 -

it was established two years ago, has decided to increase its capitalization from ten to fifty million yen, apparently in prospect of improved Sino-Japanese trade in North China. According to a report in the 3/ Peking and Tientsin Times of December 1, 1937 (enclosed) "the mission" of Fochu Kooki "is to promote Sino-Japanese trade, act as an agency or broker, engage directly or indirectly in business in China, or make investments incidental to this work".

Turning from the more general subject of North China development to the specific, I have the honor to report that on December 2 a celebration was held in Peiping inaugurating the round-the-city highway mentioned in the 4/ Embassy's above quoted despatch. I enclose a map on which the new round-the-city highway is indicated in red. While the Mayor of Peiping, General Chiang Ch'ao-tsung extended an invitation to all the members of the diplomatic corps to participate in the inaugural drive around the city, the inclement weather proved an excellent reason for all the diplomatic representatives in Peiping (except Italians and Japanese) excusing themselves from participating in what some feared might turn into a political celebration under Japanese sponsorship. The participants were escorted by lorries filled with Japanese soldiers armed with rifles.

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For the Ambassador:

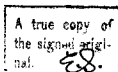
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- 4/ Map showing round-the-city highway.

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1488-Peking

PEKING & TIENTSIN SUNDAY TIMES, SUNDAY, DECEMBER 12, 1937.

ECONOMIC DEVELOPMENT OF CHINA.

AMBITIOUS RECOMMENDATIONS BY OSAKA CHAMBER OF COMMERCE.

Tariff Revisions in Favour of Japan and
Manchoukuo.

PROTECTION AND RESPECT OF "FAIR FOREIGN INTERESTS."

Osaka, Dec. 11.

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The development plan is based on investigations conducted by the China Problem Investigation Committee of the Chamber, submitted to the Army and Navy authorities and to the National Planning Board.

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The salient points of the programme are as follows:—

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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. 2

TO DESPATCH NO. 1488-Teking

PEKING & TIENTSIN TIMES, THURSDAY, DECEMBER 2, 1937.

DEVELOPMENT OF NORTH CHINA.

S.M.R. Directorate Splits.

"FUNDAMENTAL DIFFERENCE OF OPINION."

Tokio, Nov. 23.

The South Manchuria Railway Company Directorate has split on a fundamental difference of opinion concerning the company's proposal for development of North China, according to a Dairen dispatch to the *Hochi*.

Mr. Kanji Usami, a director, has drafted a plan calling for concentration of the company on railways exclusively in North China, with other industries left to other interests.

The plan is also supported by Mr. Takuji Omura, Vice-President, and Mr. Ojiro Sato, another director. The Usami-Omura-Sato bloc is said to be gaining strength among the Company's employees, while Mr. Yosuke Matsuoka, president, and Mr. Kiichi Sakatani, director who is responsible for formulation of the so-called Matsuoka plan of undertaking all industries in North China, are losing their support.

The company's industrial department, which is sponsoring the Matsuoka plan, is highly dissatisfied with the present situation. Mr. Sakatani, the dispatch says, is reported to have assumed responsibility and tendered his resignation to Mr. Matsuoka. He is said to be now in North China, engaged in other enterprises. Mr. Matsuoka is trying to persuade Mr. Sakatani to withdraw his resignation.

Mr. Usami also is said to have offered his resignation, assuming responsibility for the confusion. What is said to have disturbed the situation more than anything else is the betrayal of the expectation of 1,000 employees by the vice-director of the industrial department in swinging over to support the Usami plan.—*Japan Advertiser*.

3 1488
Peking
TO DESPATCH

PEKING & TIENTSIN TIMES, WEDNESDAY, DECEMBER 1, 1937.

NORTH CHINA DEVELOPMENT.

Kochu Koshi to Boost Capital.

GOAL MAY BE Y50,000,000.

Clash of Interests with S.M.R. Becoming Serious.

Tokio, Nov. 25.

The Kochu Koshi, the key-stone of Japan's plans for economic development in North China, has decided to increase its capitalization from Y10,000,000 to about Y50,000,000, according to the Nikkan Kogyo. The present capital is too small to meet present and future demands. At the same time, the company is likely to be authorized by the Government to issue debentures several times its paid-up capitalization to raise funds.

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The Kochu Koshi "mission" is to promote Sino-Japanese trade, act as an agency or broker, engage directly or indirectly in business in China, or make investments incidental to this work, but now wields great influence over Japanese activities in North China, the paper continues.

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Mr. Shinji Sogo, president of the Kochu interests, learned of the attempt and was greatly upset. For a while it appeared that the railway, coal mining, raw cotton and salt enterprises in North China developed by the Kochu Koshi might be taken wholly by the ambitious Mr. Yasukawa.

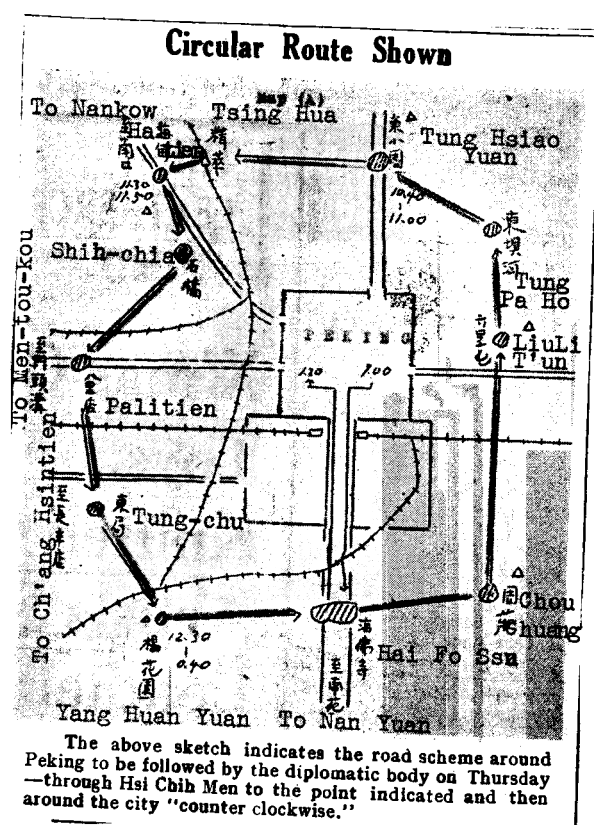
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Now, the situation almost reversed. Since the outbreak of the China incident, the railway has sought to carry on its economic activity in North China without considering the Kochu interests.

However, Mr. Sogo is firm. According to the *Asahi* he has strong political backing and even Mr. Matsuoka, now a member of the Cabinet Advisory Council as well as president of the railway, cannot stop him.—*Japan Advertiser*.

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ENCLOSURE NO. 4
 TO DESPATCH NO. 1488

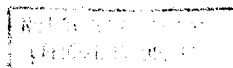


DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 1468.

Peiping, December 18, 1937.

Subject: Economic Development of North China.



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

Sir:

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Japan, "Manchukuo" and China; promotion of industry and agriculture equally; and the development of public utilities, (such as harbors, highways, railways, aviation communications, electric and gas plants), by public investment under the supervision of national planning boards.

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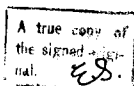
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1488-Tekung

PEKING & TIENTSIN SUNDAY TIMES, SUNDAY, DECEMBER 12, 1937.

ECONOMIC DEVELOPMENT OF CHINA.

AMBITIOUS RECOMMENDATIONS BY OSAKA CHAMBER OF COMMERCE.

Tariff Revisions in Favour of Japan and
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

ENCLOSURE FOR 2
TO DESPATCH NO. 1488-Peking

PEKING & TIENTSIN TIMES, THURSDAY, DECEMBER 2, 1937.

DEVELOPMENT OF NORTH
CHINA.

S.M.R. Directorate
Splits.

"FUNDAMENTAL DIFFERENCE
OF OPINION."

Tokio, Nov. 23.

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The plan is also supported by Mr. Takuji Omura, Vice-President, and Mr. Ojiro Sato, another director. The Usami-Omura-Sato bloc is said to be gaining strength among the Company's employees, while Mr. Yosuke Matsuoka, president, and Mr. Kiichi Sakatani, director, who is responsible for formulation of the so-called Matsuoka plan of undertaking all industries in North China, are losing their support.

The company's industrial department, which is sponsoring the Matsuoka plan, is highly dissatisfied with the present situation. Mr. Sakatani, the dispatch says, is reported to have assumed responsibility and tendered his resignation to Mr. Matsuoka. He is said to be now in North China, engaged in other enterprises. Mr. Matsuoka is trying to persuade Mr. Sakatani to withdraw his resignation.

Mr. Usami also is said to have offered his resignation, assuming responsibility for the confusion. What is said to have disturbed the situation more than anything else is the betrayal of the expectation of 1,000 employees by the vice-director of the industrial department in swinging over to support the Usami plan.—*Japan Advertiser*.

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

ENCLOSURE NO. 3
TO DESPATCH NO. 1488-Peking

PEKING & TIENTSIN TIMES, WEDNESDAY, DECEMBER 1, 1937

NORTH CHINA DEVELOPMENT.

Kochu Koshi to Boost Capital.

GOAL MAY BE Y50,000,000.

Clash of Interests with S.M.R. Becoming Serious.

Tokio, Nov. 25.

The Kochu Koshi, the key-stone of Japan's plans for economic development in North China, has decided to increase its capitalization from Y10,000,000 to about Y50,000,000, according to the Nikkan Kogyo. The present capital is too small to meet present and future demands. At the same time, the company is likely to be authorized by the Government to issue debentures several times its paid-up capitalization to raise funds.

This company is generally considered a close affiliate of the South Manchuria Railway, but, according to the *Asahi*, it now threatens to become an influential rival of the S.M.R., which was responsible for its establishment two years ago. The rapid developments in North China are causing the Kochu Koshi to work independently, or even against the interests, of the railway.

The Kochu Koshi "mission" is to promote Sino-Japanese trade, act as an agency or broker, engage directly or indirectly in business in China, or make investments incidental to this work, but now wields great influence over Japanese activities in North China, the paper continues.

A serious situation confronted the Kochu Koshi about six months ago. Mr. Yunosuke Yasukawa, the new president of the Oriental Development Company, sought to take all interests of the Kochu Koshi in North China.

Mr. Shinji Sogo, president of the Kochu interests, learned of the attempt and was greatly upset. For a while it appeared that the railway, coal mining, raw cotton and salt enterprises in North China developed by the Kochu Koshi might be taken wholly by the ambitious Mr. Yasukawa.

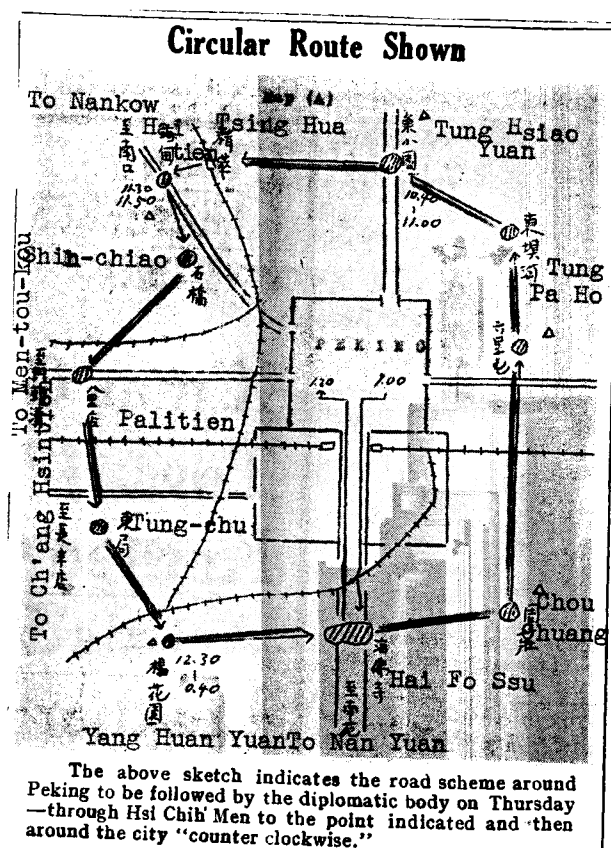
Mr. Yosuke Matsuoka, president of the S.M.R., came to the rescue and saved the Kochu Koshi from being absorbed by Oriental Development. Mr. Matsuoka, consequently, is considered a great benefactor of the Kochu interests.

Now, the situation almost reversed. Since the outbreak of the China incident, the railway has sought to carry on its economic activity in North China without considering the Kochu interests.

However, Mr. Sogo is firm. According to the *Asahi* he has strong political backing and even Mr. Matsuoka, now a member of the Cabinet Advisory Council as well as president of the railway, cannot stop him. —*Japan Advertiser*

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

FIGURE NO. 4
 DOCUMENT NO. 1486



TELEGRAM RECEIVED

JR

GRAY

FROM

Peiping via N. R.

Dated January 25, 1938

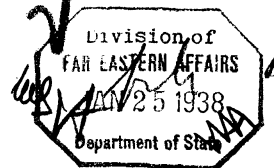
Rec'd 8 a.m.

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

Secretary of State,
Washington.

55, January 25, 1 p.m.

Embassy's 45, January 21, 3 p.m.



One. According to a report originating in Hsinking General Terauchi is to be made commander of the Kwangtung Army and is to be succeeded at Peiping by General Matsui now at Shanghai. A Chinese closely associated with the local regime states that Terauchi and Major General Kita may soon be transferred because of an allegedly too lenient attitude toward the local regime. These reports have not (repeat not) been confirmed.

Two. With regard to the reportedly impending Japanese drive south through Honan toward the Lunghai railway (Embassy's 36, January 18, 7 p.m.) local Japanese military admit that tracks of the Peiping Hankow Railway have been torn up for from 30 to 50 miles south of Changteh in North Honan and trenches dug across at hundred foot intervals. A foreigner from Changteh substantiates this report, adding that railway ties were also removed. There is no motor road along that part of the railway.

Three

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

JR #55, January 25, 1 p.m., from Peiping via N. R.

Three. Reports indicate an increase of guerrilla activities along the lines of communication in Hopei and Shansi.

Repeated to the Ambassador and to Tokyo.

LOCKHART

RR:WWC

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Febr. 8, 1938.

~~MSM~~

Sokobin's account of the conflicting opinions of, and instructions to, the American, French and British consular officers in Tsingtao at the time of threatened disorders there late in November is of interest. See marked passages on Pages 2 & 3.

The British and French consuls were instructed to urge the mayor to do nothing to aggravate the situation, while Sokobin himself had been told to remain aloof. The British consul unofficially would have preferred to remain aloof.

ARR *ARR*

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



TWB
EMBASSY OF THE
UNITED STATES OF AMERICA

FE
9/21/c

No. 1490

Peiping, December 16, 1937.

Subject: Consular Representations in regard to
Japanese Property in Tsingtao.

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Classified by <i>g</i>	Declassify on	VA	No
<i>for robin</i>		In U.S.A.	<i>X</i>

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RECEIVED
DEPARTMENT OF STATE

JAN 24 PM 1 41

DIVISION OF
COMMUNICATIONS
AND RECORDS

leg
Division of
FAR EASTERN AFFAIRS
JAN 26 1938
Department of State

Honorable

DEPARTMENT OF STATE
A-M/C
JAN 26 1938
ASSISTANT SECRETARY
OF STATE

The Secretary of State,
Washington, D. C.

I have the honor to refer to the telegram of the
Embassy at Nanking of November 29, 4 p.m., addressed to
the Consulate at Tsingtao, a copy of which is enclosed,
2/ and to forward a copy of despatch No. 239 of December 1,
1937, addressed to the Embassy by the Consulate at Tsing-
tao, which describes in detail the question of consular
representations to the Chinese authorities with regard
to the threat of destruction of Japanese property and
which also describes the causes of the tense situation
existing

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FILED
JAN 26 1938

12/177

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


-2-

existing in Tsingtao at the close of November.

Respectfully yours,

For the Ambassador:

Frank P. Lockhart
Frank P. Lockhart
Counselor of Embassy

Enclosures: 

- 1/ Telegram from Tsingtao,
~~November 29, 4 p.m.?~~
- 2/ Despatch No. 239 from
Tsingtao, December 1.

Original and 4 copies to the Department.
Copy to Embassy, Hankow.
Copy to Embassy, Tokyo.

710/800

LES/kt

No. 239

2
1490

AMERICAN CONSULATE

Tsingtao, China, December 1, 1937.

Subject: Consular Representations in Regard to Threat
of Destruction of Japanese Property in Tsingtao.

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

Sir:

I have the honor to acknowledge the receipt of the Embassy's telegram of November 29, 1937, 4 P.M., with reference to a movement to have the foreign consular officers in Tsingtao instructed by their respective missions to urge the local Chinese authorities to refrain from carrying out an alleged threat to destroy Japanese property in this city.

About the middle of November and following the approach of the Japanese forces to the north bank of the Yellow River considerable uneasiness was aroused by the Mayor's attitude and his announced policy of destroying valuable Japanese property, particularly the cotton mills, in Tsingtao. The fact that an important Chinese official of the Tsingtao-Tainan Railway had requested this consulate to endeavor to dissuade the Mayor was reported in this consulate's telegram of November 16, 5 P.M. This consulate took no action in respect to the request from the aforementioned railway official, and on November 18 there was received from the Department of State its telegram of November 17, 8 P.M. in which the consulate was cautioned against such interviews with the Mayor for the purpose

- 2 -

purpose of dissuading him from carrying out his threat of destroying Japanese property. As it does not appear that the Department's telegram was repeated to the Embassy, it is here quoted:

"November 17, 8 P.M. Your November 16, 5 P.M. The Department assumes that you are bearing in mind the Department's August 7, 4 P.M. Do not repeat not interview the Mayor as and for the purpose requested."

Three months earlier the Department's August 7, 4 P.M. was sent to this office following the receipt of this consulate's telegram of August 7, 11 A.M. reporting the call made on the Mayor by Admiral Yarnell, Admiral Little, the British Consul General and myself, and also reporting that the Mayor had "reiterated that if the Japanese landed in Tsingtao he could not give up the city without such resistance as he could make". The Department's telegraphic instruction in reply reads:

"August 7, 5 P.M. Your August 7, 11 A.M. and previous on same subject, by way of caution Department feels that American official agencies should be on guard against giving any impression of attempting to influence Chinese authorities in relation to questions of military operations."

On Saturday evening, November 27, I was shown a telegram which the local French Consular Agent had received from his embassy at Peiping; in translation the telegram reads as follows:

"It is advisable that you join in representations with the British Consul General to persuade the Chinese authorities to avoid all measures which might aggravate the local situation."

This consulate understands that the French Consular Agent had reported to the French Embassy with no little anxiety the Mayor's attitude, although the value of French property in Tsingtao is not great. The French Consular Agent inquired

- 3 -

quired whether this consulate had received similar instructions, to which I replied that this office had been instructed to take no action in the matter. It also appeared from the French Consular Agent's observations that the British Consul General had indicated that he was not disposed to associate himself with his colleagues in representations to the Chinese authorities; the British Consul General had unofficially taken the view that a policy of destruction of Japanese property under the existing state of hostilities would serve China since any measure which injured Japan ipso facto benefited China. However, on Monday morning, November 29, when calling on the British Consul General I learned that he had received a telegraphic instruction from his embassy to make representations to the Mayor; referring to the telegram which the French Consular Agent had received, the British Consul General stated that his instructions were considerably "emasculated". In reply to his inquiry as to what if any instructions this consulate had received, the British Consul General was informed that I had been definitely instructed not to see the Mayor in the matter.✓

The abortive results of the calls of the local British and French consular officers on the Mayor were reported in this consulate's telegram of November 29, 5 P.M.

Atmosphere in Tsingtao

There has been considerable tension and anxiety in Tsingtao for the past two weeks, due not only to the reports of the Mayor's intention of destroying Japanese property but due also to the:

1. Notification to merchant vessels to be prepared to leave (Consulate's telegram of November 18, 9 A.M.)

2.

- 4 -

2. Destruction of Japanese property at Wehsien and other points in the interior (Consulate's telegram of November 20, 9 A.M. and November 22, 5 P.M.)
3. Burning of Japanese cotton mill warehouse and declaration of martial law (Consulate's telegram of November 24, 12 noon)
4. Discovery of explosives in Japanese refrigerating plant and the confirmation of orders for destruction of Japanese property (Consulate's telegram of November 24, 4 P.M.)
5. Explosion in Street Cleaning Department Headquarters (Consulate's telegram of November 26, 8 P.M.)
6. Order to close banks (Consulate's telegram of November 30, 12 noon).

There has been great confusion and tension in the city. Sunday night Japanese warships were reported off Tsingtao and the next day it was rumored that the Tsingtao Municipal Administration had received an ultimatum from the Japanese Government to surrender the city. Heavy guards were placed at the two railway stations in the industrial districts, and the residents were ordered to evacuate the region surrounding the mills. Instructions as to where to move were indefinite and resulted in confusion and uneasiness. Since so many mill workers and shopkeepers had long ago left for their homes in the interior the total number affected was probably not great, but in any case with the advent of cold weather, and with a total lack of facilities and accommodations for a transfer of population, the official evacuation order caused real hardship and general dismay and confusion. To add to the tension on November 29, the Mayor addressed an audience of municipal employees, prominent industrialists, bankers and merchants. These, he advised should leave Tsingtao:

"All those persons and materials not important in military operations should be moved to safer places It is with the utmost love for the people that I am giving you this piece of frank advice for the last time and at the last moment; it

is

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

- 5 -

is with suppressed sorrowfulness and feelings of indignation that I am doing this. However, so long as I am in my post I shall continue to exert all that is my power to protect the safety of the lives and property of Chinese and foreigners."

While the uneasiness approached its peak on November 30, and while the words "Japanese property" were on every tongue, it remains a fact that no threat from the Japanese forces was apparent, even at Tainan, 250 miles to the west of Tsingtao, and probably the point nearest Tsingtao where Japanese military forces are to be found. So far as this office has been able to ascertain, the cause of the tension lies (1) in the Mayor's inability to keep in hand his subordinates, to some of whom he had entrusted arms and ammunition and (2) widening differences of opinion as to policy in Shantung and Tsingtao of the Mayor, General Han Fu-chu and General Yu Hsueh-chung.

Respectfully yours,

Samuel Sokobin,
American Consul.

File 800
SS/AD

Original and five copies to Embassy, Peking,
Copy to Embassy, Hankow,
Copy to Embassy, Tokyo,
Copy to Captain Carter, U.S.S. MARBLEHEAD.

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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

SOURCE: THE TSINGTAO TIMES
November 26, 1937.
Tsingtao, China.

SENSATIONAL DISCOVERY OF EXPLOSIVES IN LOCAL JAPANESE
PLANT

On Wednesday, during an inspection of the plant of the Dairen Ice Manufacturing Company, a Japanese plant, a considerable quantity of explosives was found in the engine room. One Keg containing about three hundred weight of T.N.T. was found to be so wired that the starting of the motor would explode it, and the connection wire was so arranged as to enable the keg to explode by contact with one of the wires of the Electric Power Company. In addition to the T.N.T. a number of sticks of dynamite were found. The quantity of explosive, neither type of which is easily obtainable locally by non-official agencies, and the careful provision made for detonating it is taken as indicating that the explosives were not placed in position by amateurs. The discovery following on rumours frequently repeated, and as frequently denied of plans for the wholesale destruction of Japanese properties in Tsingtao has caused considerable perturbation among all sections of the community. A large well-known British firm of egg packers has used part of the plant for many years, and is understood to be financially interested.

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

(TRANSLATION)

Dear Consul General:

Your country has had commercial relations with China for a good number of years and your commercial interests are spread over a large area of this land. Churches supported by your country stand like trees in a forest and Chinese believers are counted by the millions.

Your country being a peaceful nation, its cordiality toward China has increased. Since the outbreak of the Sino-Japanese hostilities three months have already elapsed. Of all places in North China, Tsingtao has so far alone remained a land of peace and orderliness. Since the incident, the Japanese Government has evacuated all its nationals in Tsingtao and all Japanese properties were turned over to the protection of the Chinese municipal authorities, an agreement having been concluded between the Chinese and Japanese authorities with all the foreign consuls as witnesses thereof. It is reported that the contents of the agreement are such as to provide that so long as Japanese do not bomb Tsingtao and so long as Japanese do not attempt to land here, the Chinese authorities are responsible for the complete protection of Japanese properties. For this reason the 500,000 people in Tsingtao were saved from disaster so far, a matter for which we offer you and the other consuls our sincere thanks.

The tension at Tsinan a few days ago has affected Tsingtao greatly and we have heard that Mayor Shen and General Yü (Hsueh-chung) have formulated a plan for the destruction of Japanese properties in Tsingtao; also when it is necessary, the destruction will include that of the electric power plant, the municipal water works. Naturally this could not be carried out unless the Japanese should come, but reports are to the effect that if and when the military activities in Tsinan do not look too bright, the Mayor also will set.... on fire before he walks away, leaving the lives and properties of the 500,000 people to their fate. The truth or falsity of the report is yet to be proved.

Tsingtao is not a military zone and we do not believe such things would actually happen. But should the Japanese come to Tsingtao, without doubt Mayor Shen will destroy all Japanese properties. Now is the time for you honorable consuls to step forward to save the city from trouble and war, that measures be taken so that the Chinese authorities will not destroy Japanese properties in Tsingtao and that Japanese will not land here.

The 500,000 inhabitants of Tsingtao will be indebted to your action and the properties and lives of foreign nationals will also be saved thereby.

By the whole body of members of the
 Church of Christ in China, Tsingtao.

Translated by: CML

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

NO. 59

THE FOREIGN SERVICE
OF
UNITED STATES OF AMERICA

1938 JAN 24 PM 2 17

AMERICAN CONSULATE GENERAL

Hong Kong, December 29, 1937.

SUBJECT: Hong Kong Opinion Compares Japanese
Invasion of China With the Napoleonic
Wars.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose herewith, as representative of widely expressed opinion in Hong Kong, an editorial from the HONG KONG DAILY PRESS of December 28th, 1937, proposing that "History Will Repeat", in the present Japanese invasion of China, the experience of the Napoleonic Wars in Europe.

It is interesting to note that current Japanese Anglophobia is compared with French anti-British feeling in the days of Napoleon Bonaparte. Local British appear to regard more or less calmly the various evidences of Japanese feeling against Great Britain. They appear to think of this development of Anglophobia as one to be expected in line with history and average human behavior, and to be confident that history will repeat itself by bringing retribution, in one way or another, to the Japanese. There does not seem to be any particular desire that Britain immediately smite the "impudent Jap" by force of arms. By letting time get in its work they

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

- 2 -

they think more may be accomplished.

Respectfully yours,


Addison E. Southard
American Consul General

Enclosure:

1. Clipping from the HONG KONG DAILY PRESS of December 28th, 1937.

800
AES:em

Distribution:

In quintuplicate to the Department
Copy to Embassy, London

Enclosure No. 1 to despatch No. 59 dated December 29th, 1937, from Mr. Addison E. Southard, American Consul General at Hong Kong, on subject of "Hong Kong Opinion Compares Japanese Invasion of China With the Napoleonic Wars".

HONG KONG DAILY PRESS

December 28, 1937.

**HISTORY WILL
REPEAT**

On Friday we quoted a Japanese journalist who said: "The real war is not against China but against Great Britain," and we expressed the opinion that was not merely a piece of Oriental journalistic rhetoric but the plain truth in so far as public opinion in Japan is concerned at the present time. Despite all that Britain has done for Japan during the 37 years of the present century, despite the respect and esteem she earned among the world's nations as the result of the Anglo-Japanese Alliance, the Japanese people to-day are as rabidly anti-British as were the French during the days of Napoleon Bonaparte. How the great Napoleon gazed with longing eyes at the white cliffs of Dover and yearned to get across that narrow strip of water! The dimensions of the world have narrowed down a good deal since as the result of faster modes of travel, and so it is that in the same way as did Napoleon, the war lords of the Mikado, running rampant on the fertile plains of China, cast covetous eyes on Singapore, India and even Australia. Indeed, a broad view of Japan's campaign in China convinces one of an extraordinary similarity with portions of the Napoleonic wars.

Recall to mind the numerous hidings which the Germans under Marshal Blucher took from Bonaparte. An unsatisfactory peace was reached, but the virile Germans proceeded to arm secretly, forming various volunteer units called "Freicorps" and so successful were they that the movement culminated in a splendid victory for Blucher at Leipzig in 1812.

As far as one can judge, the Chinese irregulars in the north appear little different to the German "Freicorps" and just as determined. Then again, isn't Japan's scheme for dismembering China by the setting up of puppet governments, almost on all fours with what Napoleon attempted in Europe? Another striking parallel is Napoleon's Moscow campaign. On the way back to France after leaving his army, Napoleon, at Moscow, said: "I have lost my army. I'm going back to get another." General Itagaki's mobile force in North China melted away and he is now probably picking up another one at Tokyo. Again, the Russians drew Napoleon on into the heart of their country, harassing the French flanks and destroying their army. The Japanese have taken Shanghai and Nanking, and on they go westwards to Hankow. And then what? Are not the Japanese playing steadily into the hands of the astute Chinese strategists? As long as Matsui is willing to follow, Chiang Kai-shek will lead him on, further and further until there will be no chance of turning back. The Japanese line from Peiping to the Yellow River is long enough for any general to handle. Their banks are continually harassed by Chinese irregulars. Yet, the invaders are proceeding with a fresh movement on Hangchow and are talking volubly of landing another huge army in Kwangtung. Where is all this going to end? In order to maintain the front lines, more and more troops must be present in the lines of communications and the proportion appears to be becoming greater. In the Great War it took five men to keep one bayonet in the front line, with negligible lines of com-

munication. What must the proportion be for Japan?

And so China can take heart from the fact that history has often repeated itself and there is no reason why it should not again.

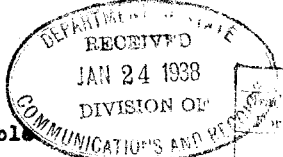
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 Department of State letter, August 10, 1972
 By Milton D. Quisenberry NARS, Date 12-18-75

DUPLICATE

Department of State

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, December 30, 1937.



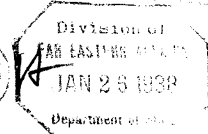
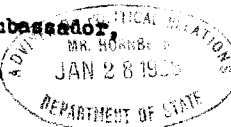
COPIES SENT TO
O.N.I. AND M.I.D.

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo.



Sir:

I have the honor to report the following recent developments in Taiwan connected with the present Sino-Japanese hostilities.

Meeting of Chinese residents of Taiwan

On December 26th 207 Chinese residents of Taiwan whose homes are reported to be mainly in Canton and Fukien held a meeting at the Horai Kaku at which they passed the following resolution which was telegraphed to the newly established Peking Government: "Be it resolved that we approve of the policy of the Provisional Government of China and pledge it absolute support, and at the same time we declare our immediate secession from the political power of Chiang Kai Shek's Nationalist Government." The hall was decorated with Japanese flags and the five colored flags of the new North China Government all of which were saluted by the Chinese residents and also the numerous prominent Japanese and Formosan Chinese guests present. Mr. Yo Ken Rin made the following report concerning the visit of representatives of the group to the Chinese Consulate General: "On the 26th at 11:10 A.M.

we

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

-2-

we called at the Chinese Consulate General but both Consul General Kwo and Vice Consul Chang were absent. We saw Vice Consul Shuku Mu Ko and told him of the circumstances leading up to the holding of the meeting and requested his understanding in the matter. He replied that he approved of the meeting and would transmit the message to the Consul General." It is reported that the attitude of Consul General Kwo, who has not left town, as rumored, will be watched with extreme interest. The following report was made at the meeting regarding the circumstances which led to its convocation: "In our China a provisional government has been organized, and we are now about to be saved from the crimes of Chiang Kai Sek's administration. The establishment of the provisional government is a matter for congratulation for China and the Orient. The Nationalist Government has cheated the people for over ten years, and by shaking hands with communists it finally provoked a neighbor country with which it should be on most friendly terms. The Nationalist Government shouts aloud of resistance at all cost, but it has lost every battle. It immediately lost one-half of its land. Under the pretext of national defense it spent several billions of yuan, the greater part of which it embezzled. It is a well known fact that under the pretext of sending money abroad the Nationalist Government appropriated it.

Now the Nationalist Government has lost its
capital

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

-3-

capital city, and is unable to cope with the situation. On December 14, of the 26th year of the Chinese Republic, a provisional government was established in Peking in order to restore popular government, to devote itself to administration, to absolutely exclude communism, to advance Oriental morality, to promote complete friendship with Japan and Manchukuo, to develop industries, and to increase the welfare of the people. This means that the hopes of the Chinese people, cherished for more than ten years, have been realized, and this is the reason that we Chinese residents in Taiwan have decided to respond to and absolutely support the provisional government.

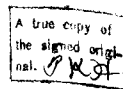
We hereby hold this mass meeting in order to clarify our attitude." The meeting ended with "banzais" for Japan and the new Government.

Return of Wounded Japanese Soldiers

It was reported in the press that on the 14th 100 and on the 27th 232 sick and wounded Japanese soldiers of the Sato, Nakashima, and Takahashi units landed at Keelung, were met with the usual fanfare and taken to hospitals here for treatment.

Respectfully yours,

Gerald Warner
American Consul.



File No. 820.02
GW/tkh

3 copies to Department of State.
1 copy to Consulate General, Tokyo.

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

793.94

DOCUMENT FILE

NOTE

SEE 894.00/770 FOR #2722

FROM Japan (Grew) DATED Jan 6, 1938
TO NAME 1-1127 ***

REGARDING: Trends in Japanese party politics; effect of Sino-Japanese conflict.

Comments on-

FRG.

793.94/ 12200

DECLASSIFIED: E.O. 11652, 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 700.00/182 Confidential File FOR memorandum

FROM State Dept. Secretary(..... Hull) DATED Jan.17, 1938
TO NAME 1-1127 epe

REGARDING: Relations between China and Japan

Extent to which Japan would capitalize
the recognition by the British of the
Italian Conquest in Ethiopia at this
time. Repercussions in the Pacific area
might be very serious in many ways.

dg

79394 / 12201

/ 2201

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

DOCUMENT FILE

NOTE

SEE 393.1163/787 FOR Letter

FROM Missions, American () DATED Jan. 21, 1938
TO Board of Commissioners NAME 1-1127 000
for Foreign-.

REGARDING: Encloses copies of eye-witness accounts of conditions at
points of conflict in North China as compiled by Miss-
ionaries.

mr

793.94 / 12202

/ 1202

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

793.94

DOCUMENT FILE
NOTE

SEE 865d.01/364 FOR Tel.56, 7 p.m.
FROM Gt. Britain (Johnson) DATED Jan.24, 1938
TO NAME 1-1127 gpo

REGARDING: Far Eastern war.

Quotes excerpts from editorial in the YORKSHIRE POST concerning
League failure in matter of - and discussing question of whether
common diplomatic action with American participation would be
successful.

W1

793.94/12203

12203

129

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

N. N. I. 96

ISSUED BY THE INTELLIGENCE DIVISION, OFFICE OF CHIEF OF
NAVAL OPERATIONS, NAVY DEPARTMENT

ATTACHÉ'S REPORT

Forward seven copies (original and six carbons); this number is necessary because of the limited personnel in O. N. I. and because of the urgency for quickly disseminating information from attachés. These copies will be distributed by O. N. I. as per footnote or elsewhere, according to subject matter.

Division N.A. Date 2 January, 1938 Serial No. 3 File No. 102-100
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Press

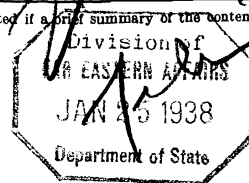
Subject COSTA RICA
(Nation reported on)

Editor foreign.
(Under which index should be entered) (Subtitle)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Editorial on Japanese invasion of China.



The "Diario de Costa Rica" of San Jose, Costa Rica, for 11 December, 1937 contained an editorial relative to the brutal invasion of China by the Japanese. This editorial states that this invasion is not alone a very touching one because it is a negation of all the proclaimed theories of international rights in favor of equal jurisdiction of states and the reestablishment of the right of force and wars of conquest, but also because it is offensive to the elementary sentiments of humanity.

The editorial continues to state that one can not talk of this war without indignation and a feeling of repulsion. The editorial continues to state the the Chinese are evidencing bravery in their defense of their rights not to be a nation of enslaved people and deplors the necessity of such action being necessary in the 20th century. However, the editorial continues, their bravery is not sufficient against a superior foe. The editorial further states that there is no glory, nobility or gallantry in the successes of the Japanese in the eyes of the world.

The editorial states that the world has attended, indifferent and cynical, to this eclipse of civilization. It continues to state that the League of Nations in this case again showed its incapacity to uphold the noble and high attributes given to its charge. It also remarks that the Consultative Committee of the Assembly of Geneva also failed to take any action and that the Committee of the Nine Powers merely condemned Japan. Meanwhile the Japanese have continued to bombard the interior cities of China, the civil population causing undue misery to millions of non-combatants,-- women and children being assassinated in mass.

793 94/12204

793.94

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

1224

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Tech. Dev.	C. in U. S.	Com. Bat. For.	Com. Soc. For.	C. in C. Asia	C. S. S.	Com. Air	Attaché at		Operations Cen. Div. W. P. Com. Fl. Tr.					State	Commerce	Return to Room No. _____							

U. S. GOVERNMENT PRINTING OFFICE 4-5292

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Supplement (to be completed only)

FROM _____ DATE _____ 1961

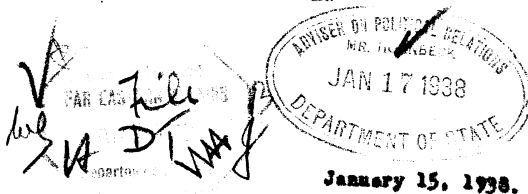
NAVY OBSERVATIONS, NAVY DEPARTMENT
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129

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

CONFIDENTIAL

9-2/2657-R-439



January 15, 1938.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation. JAN 17 1938

793.94

1. Herewith are Summary and Situation Map covering events in China for the week ending January 15.
2. The outstanding developments for the past week have been:
 - a. The Imperial Conference held at Tokyo, January 11, 1938, and its implications.
 - b. Continued determination of the Chinese Government to resist and its lack of response to Japanese peace terms.
 - c. Slow Japanese advance on the Tsin-Pu toward the Lunghai railway.

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

OSD letter, May 3, 1972
By [signature], NARS Date 3/19/73

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

2 encls.

CONFIDENTIAL

793.94/12205

F/P/G

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

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3-2 Summary of Information Sino-Japanese Situation, January 9-16, 1938.

GENERAL

An imperial conference consisting of members of the Cabinet, the Imperial GHQ, and the Privy Council, met in Tokyo on January 11, in the presence of Emperor Hirohito. This meeting, lasting only an hour, was the culmination of several weeks of negotiations and conferences between the Government and the Imperial GHQ. The nature of the discussions and the decisions reached have not been published so far. This secrecy has resulted in much speculation. It is reliably reported that the prime purpose for holding the imperial conference was to lay down definite minimum terms on which a China peace would be acceptable, and by securing the Emperor's public approval, make these terms irrevocable and so end all further deliberations on this subject. These minimum peace terms will be adhered to regardless whether they are negotiated with the present Chinese Government or any new regime. It is further reliably reported that future action such as a declaration of war or the recognition of a definite puppet regime was not discussed at the meeting.

The conference agenda undoubtedly covered other important matters. The lengthy discussions preceding the imperial conference clearly indicate the wide divergence on ideas between the military and civil groups. It is probable that domestic problems both for continuing the war and for internal reorganization to meet the problems of the eventual peace were also discussed. It has been stated that even though the present conflict is not complicated by other embroilments, Japan's greatest difficulties would begin after the fighting is over. A well informed Japanese stated that Japan faced a 30 per cent cut in her standard of living after the end of the war.

It is reported that the new minimum peace terms have been furnished to the Chinese Government probably through the good offices of the German Ambassador, and that a reply from Chiang Kai-shek is awaited. The Japanese public has not been informed of any peace negotiations because of fear of impairing the national war spirit in case of a rejection of the terms by China. Instead, the Japanese people are being educated to expect protracted hostilities. When China's reply is received it is expected that the Government will publish the policies decided upon in the imperial conference.

The Tokyo War Office announced on January 11 that a revised conscription bill would be submitted to the Diet soon. 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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bill will provide for the extension of the present 18 months' term of service to 24 months. It is believed also that the bill will provide for lowering some of the physical standards heretofore set for army service.

The Japanese Ministry of Finance announced that the national debt at the end of 1937 was Y 11,892,000, an increase of Y 1,497,000 or 14.4 per cent over the national debt at the end of 1936. It is reported that the estimates for the "China Incident" for F.Y. 1938 will total 4 billion yen.

Effective February 1 all Japanese processors of cotton will be required to use 30 per cent of synthetic fibers in their yarns in order to conserve cotton imports. These fibers are produced from wood pulp by a process similar to that used in the manufacture of rayon. This action will materially reduce United States cotton sales to Japan.

Late reliable reports indicate that Japan is rapidly expanding and improving her air force. Most of the air units sent to China are equipped with older types of aircraft, while those stationed in Japan proper and other points are now receiving the latest equipment. Italy is reported to have sold Japan 80 Fiat twin-engined bombers, some of which are due to arrive next week. Inquiries for prices on quantity purchases of late type United States transports and commercial seaplanes similar to our navy patrol bombers, are also reported.

Reliable reports from Peiping state that the Japanese plan to have a force of 800,000 troops in Manchuria by May 1938. Four complete headquarter staffs are reported at Taonan, Jehol, Mukden, and Hsinking. One hundred thousand Japanese troops are reported to have passed through Peianshen (north of Harbin), toward Heiho (opposite Blagoveshensk) during November. This informant states that Russia, by continuing to furnish China with military materiel, will force Japan to take the offensive in Siberia. Other reliable sources state that the internal situation in Russia is such that she will avoid an embroilment with Japan at any cost.

The Chinese Government at Hankow on January 11 declared Outer Mongolia as a war zone and named the head of the Outer Mongolian Government as commander-in-chief of the war zone. Unconfirmed reports bring news of both Soviet and Mongol military activity in Outer Mongolia.

Chinese reports state that 40,000 Outer Mongolian troops have moved into positions along the Suiyuan border. The reported objective of these forces is to prevent Japan from cutting communication between Outer Mongolia and China.

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Foreign munitions from British, French, German, Italian and Russian sources continue to reach China. Most of the material enters via Hongkong. The French railway to Yunnanfu is also reported to be carrying large shipments into China. The British railway in Burma is reported to be completed to within 2 miles of the Chinese border. Old caravan routes from that point to Yunnanfu are being converted into motor roads. The overland route from Russia through Chinese Turkestan, while feasible, is reported to take 18 days, and to present difficulties in supply of gasoline.

The largest shipment of German munitions to China so far is reported to have arrived at Changsha via Hongkong on January 6. This shipment contains many antiaircraft guns and ammunition. Two German instructors are reported to have accompanied the shipment. The Tokyo Foreign Office spokesman on January 7 stated that Japan had made some formal representations to Berlin concerning these shipments and Germany had agreed to take steps to check the flow.

London dispatches confirm earlier reports from Italy regarding the Japanese naval building program. Two battleships of about 43,000 tons were laid down last year and two more will be started this year. These vessels will mount ten or twelve 16" guns. Several 10,000 ton cruisers carrying 8" guns have also been laid down recently. It is reported that the Japanese naval program may cause a revision of the London Naval Treaty of 1936.

Premier and Finance Minister H. H. Kung at Hankow January 13 announced that China would continue to meet promptly the service on her foreign and internal loans.

NORTH CHINA

Three thousand Japanese sailors from warships landed at Tsingtao on January 10 and 11 and peacefully occupied the city. Two thousand army troops were landed on January 12 and these are now proceeding west along the Tsingtao-Tsinan railway to effect a junction with Japanese detachments moving east from Weihai. All organized Chinese troops have long since withdrawn to the southwest toward Suchow.

On their drive south the Japanese have captured Tsining after sanguinary fighting in which Chinese claim 2,000 Japanese were killed and 3,000 wounded. The town was reported to have changed hands several times during the fighting. Fenghsien on the Tsia-Pu line is reported in Japanese hands and they are meeting stiff resistance north of Lincheng. A Japanese column moving southeast from Taian is reported at Mengyin.

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The Japanese objective is to drive north and south on the Tsin-Pu Railway and dislodge or destroy the Chinese forces on the eastern part of the Lunghai Railway. Their progress on both drives appears to have slowed somewhat during the week.

Chiang Kai-shek flew to the Lunghai front from Hankow on January 11. He is reported to have ordered the arrest of Han Fu-chu and the removal of Feng Yu-hsiang and Yen Hsi-shan. Han is being sent to Hankow for trial. Feng was relieved for incompetency and is to be replaced by Cheng Chien, while Yen Hsi-shan will be replaced by Chu Teh. Chiang is said to have ordered a last-man defense of the Lunghai Railway line; however, the destruction of the harbor facilities at the eastern terminus of the line indicates that the Chinese are preparing to withdraw west when pushed.

A new Tsingtao Municipal Government under Japanese control, headed by Chang Chi, who was mayor of the city from 1925 to 1929, will be established soon.

The Japanese Embassy spokesman at Shanghai estimated that one billion yen worth of Japanese property had been destroyed in Chantung as a result of the war.

Activities of Chinese irregulars and Red units in the Japanese occupied territories in North China are on the increase. Foreign estimates place the total strength of these forces at 100,000 while the Japanese admit at least 30,000, 8,000 of which are in North China. Nightly raids are reported on the Chengtai Railway. A five hour battle between Red units and Japanese was fought near Mantoukoo, 20 miles west of Peiping, on January 11.

At Peiping General Kita is reported to be still exerting great pressure on Ku Pei-fu to induce him to head the new regime in North China. The present puppet government is weak. Most of the Chinese holding important posts are in constant fear of assassination and the Japanese advisers are taking over all government functions. The anxiety of the Japanese to stabilize the North China Government is ascribed to their desire to be free to act against Russia in the spring.

General Terauchi will move his North China District headquarters to Peiping on January 18.

Dispatches from Tsingtao state that the South Manchurian Railway will take over the operation of the Tsinan-Tsingtao railway line.

CENTRAL CHINA

The Japanese drive north from Nanking on the Tsin-Pu railway

1300

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

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has reached a point 15 miles southeast of Fengpu at Liahwaikwan. Their progress north has not been very rapid. A Japanese effort to cross the Chientang River south of Hangchow for an advance toward Ningpo was repulsed by the Chinese on January 12. Large movements of Japanese troops and heavy artillery from the interior are reported. Shanghai observers believe these units are intended for action in the Hangchow area.

Japanese air activity continues unabated. Hankow was bombed heavily on January 11, and 12. Nanchang was raided on January 12. Chinese claim that 10 Japanese planes were destroyed in an air raid on Kwangteh, southeast of Nanking, on January 11 and that two Japanese warships had been sunk by airplane bombs upriver from Huku on January 12.

The British and German Embassies at Nanking were reopened on January 9. So far only Embassy or consular officials have been permitted into Nanking. Naval and military officers who are not attached to the Embassies are not allowed to land. Japanese soldiers continue to force their way in American-owned property in Nanking. American authorities have protested these actions.

Important papers and valuables have been recovered from the Panay by the salvage crews. An inspection of the vessel shows that it will be impracticable to salvage it.

In Shanghai a clash between French police and Japanese troops at the French Concession boundary near Wantao on January 8 was finally settled amicably. Minor cases of Japanese-British friction continue. The Japanese forces show a marked antipathy to the British but profess friendly feelings to the United States. The Italian Consul General appears in complete agreement with the Japanese point of view regarding the Settlement administration. The British Government on January 10 made it clear that it would not approve any permanent changes in the International Settlement, but that it would agree to some of the Japanese demands for increased power. The British stand was stated in notes to the American and French Governments and to the British authorities at Shanghai.

The London Admiralty reports that the British naval authorities at Shanghai had been notified by the Japanese authorities that only Japanese merchant ships will be permitted up the Yangtze River at this time.

The Chinese Government is rushing to completion improvements on communication lines between Yunnan, Kweichow, Kwangsi, and Szechuan. Labor armies are working continuously improving the Kweilin-Hanoi highway and in building the Hunan-Kweilin railway.

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SOUTH CHINA

Reports from Chinese sources indicate that the daily Japanese bombings have assumed greater intensity. Nanning, in Kwangai province, was raided twice each day on January 8 and 9 by planes from an aircraft carrier off Weichow Island, between Hainan and Hainan Island. A French Catholic Mission at Nanning was bombed. One priest was killed and another wounded. Chinese report that one Japanese plane was shot down over Lushow, Kwangai. Three Japanese aircraft carriers with a total capacity of 98 airplanes are reported to be off the South China coast.

It is reliably reported that of 80,000 Japanese troops assembled in Formosa for an expedition in South China last month, 80,000 have been moved north, probably to Manchoukuo. Thirty thousand still remain in Formosa. The proposed landing in the vicinity of Canton has been postponed indefinitely.

COMMENT

The Chinese front in Central China has practically melted away. Except for the Chinese defending the Lungai Railway, there are no large forces for the Japanese to get their grip on without further extension or new landing operations. They have no immediate objective the capture of which would insure that the Chinese would sue for peace. The determination of the Chinese Government to continue to resist until the Japanese are broken by economic strain, does not appear to have been seriously weakened as yet. All Japanese efforts to secure responsible Chinese leaders to take office in the puppet governments have failed so far. The Japanese have a real problem on their hands. To denounce the Central Government and recognize a puppet regime will not be a solution. Japan would still have to maintain large armed forces in China and the occupied territories would be subject to continual harassment from Chinese irregulars. Unless there is a decided change in the Chinese Central Government, Japan's chances of getting her forces out of China with face and profit in time for a rumored offensive against Russia this spring, appear to be small.

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

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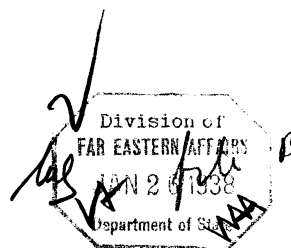
COMYANGPAT

FROM January 25, 1938

Rec'd 4:54 p.m.

ACTION: OPNAV

INFO: CINCAF (ADMIN)
SECOND BRIGADE USMC
YANGTZE PATROL
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

0025. Yangtze River ports quiet. 2306.

WWC:KLP

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793.94/12206

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JAN 26 1938

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

CA

TELEGRAM RECEIVED

Gray

SHANGHAI VIA N.R.

Dated Jan. 25, 1938

FROM

Recd 9:06 p.m.

Secretary of State,
Washington.

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O.N.I. AND W.L.D.

Division of
FAR EASTERN AFFAIRS
JAN 27 1938
Department of State

135, January 25, 3 p.m.

Ambassador's January 21, 5 p.m. to the Consulate
General; Tokyo's 39, January 19, noon concerning actions of
Japanese troops. With reference to behavior of Japanese
troops in immediate vicinity of Shanghai and such cities
as Soochow and Hangchow, the following information is offer-
ed based on written reports on file here and oral statements
made by American missionaries:

One. Shanghai and environs: As result of heavy and pro-
tracted hostilities in immediate vicinity of Shanghai almost
the entire Chinese population of these areas fled, some seek-
ing refuge in the interior and others fleeing to the Inter-
national Settlement and French Concession. In consequence the
Japanese found the areas around Shanghai practically uninhab-
ited with the exception of Pootung and Nantao. With refer-
ence to Pootung few if any foreigners have penetrated in the
hinterland and no reports have been received from foreign
sources regarding the behavior of Japanese troops in that
area. Chinese reports some of which are undoubtedly credible
indicate that there has been some killing of Chinese civil-
ians, raping of women, and looting and burning of private
property.

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

CA --2--135 from Shanghai..

property. With reference to Nantao, American doctors and missionaries report a number of cases of rape, the shooting of approximately 80 Chinese civilians, and the burning and looting of much Chinese private property shortly after the Japanese occupied that area. Conditions in Nantao are slowly improving but cases of rape are still reported from time to time.

Two. Hangchow: Reports from American missionaries at Hangchow indicate that between December 24 and January 5 there was much raping of women and looting and destruction of Chinese private property by Japanese troops and that in a number of instances women who had taken refuge in American and other foreign mission property were dragged away and raped by Japanese soldiers. A considerable force of Japanese military police is now functioning in the city and conditions are reported to have improved.

Three: Soochow: Detailed reports just received from American missionaries who remained to care for refugees at Kwangfoh, some ten miles southwest of Soochow, and who visited Soochow several times between November 21 and December 21 indicated that Japanese troops indulged in an appalling orgy of raping and looting. One report states that "In our visits to the different mission compounds of Soochow, it was necessary for us to pass through the most important business and residential sections of the city. Every shop, bank, and residence that came under our review had been

broken

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

CA --3--135 from Shanghai..

(uniformed)
broken into and uninformed Japanese soldiers were seen going in and coming out of these buildings, coming out loaded down with bales of silk, eiderdown quilts, pillows, clothing et cetera. That this looting was not something done for the sole benefit of the individual soldiers who were doing the work but for the benefit of the Japanese army and with the knowledge and consent of the officers is proved by the fact that we saw some of this loot being loaded on army trucks. We saw one big truck standing in front of the military headquarters loaded to the top with fine blackwood Chinese furniture. All this robbing by Japanese in Soochow was terrible but the worst remains to be told x x x the violation of Chinese women of all classes by the Nipponese marauders. The number of victims was great." Similar depredations undoubtedly occurred in many other cities and towns but authenticated reports are not likely to be received until the missionaries are allowed to return to their stations.

Sent to Hankow. Repeated to Tokyo.

GAUSS

SMS RGC

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

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LMS

FROM GRAY

Hankow via N. R.

Dated January 25, 1938

Rec'd 3 p. m.

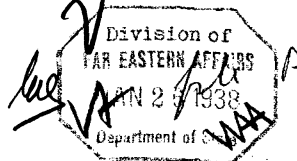
Secretary of State,
Washington.

59, January 25, 2 p. m.

The official Central News Agency has published a statement that General Han Fu Chu, Provincial Chairman of Shantung and Commander of the Third Route Army in Shantung, was executed in Wuchang January 24, 7 p. m., after trial and conviction by a military tribunal on a charge of disobeying military orders and evacuating area entrusted to him for defense. (?) believed locally in well-informed quarters that Han had given some sort of assurance to the Japanese that he would not oppose any genuine resistance to occupation of Shantung by them and that this policy of nonresistance brought him into sharp conflict with the Kwangsi leader General Li Tsung Jen and with General Feng Yu Hsiang both of whom demanded that he be tried and punished. It is reported also that his own troops likewise strongly resented Han's refusal to defend Shantung and that they have been placed under the command of his General Sun Tung Hsuan who is loyal both

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

LMS 2-No. 59, January 25, 2 p. m., from Hankow.

both to the National (?) and to General Chiang Kai Shek personally. These troops remain in Southern Shantung. Among other (?) of which Han is currently accused are those of connivance at the sale of opium and of extorting money from Chamber of Commerce which he is said to have deposited to his personal account in Hong Kong. The opinion has been expressed to me by a well-informed Chinese that this unprecedented execution of an official of such high rank will have the effect of strengthening the morale of the fighting forces. Informant pointed out that this act of justice marked the end of the old "war lord" regime and that even in Szechuan the recent death of Provincial Chairman Liu Hsiang has not precipitated any struggle of local leaders for succession to power such as would probably have occurred even two years ago.

Repeated to Peiping.

JOHNSON

WWC:KLP

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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. Tsingtao/114 FOR #240 to Embassy

FROM Tsingtao (Sokobin) DATED Dec. 7, 1937
TO NAME 1-1127 470

REGARDING: Conditions in Tsingtao consular district as result
of present Sino-Japanese hostilities: report on same.

wb

793.94 / 12209

793.94 / 12209

7631 94
B. Relations with Japan

Happily, Tsingtao continued to be immune from Sino-Japanese hostilities, and while the conflict was brought closer home to the populace of Tsingtao by the appearance of the Japanese forces on the north bank of the Yellow River at Tsinan, with some sporadic artillery fire across the river from both sides, the hysteria with which the people were seized in August was altogether absent.

No attack of any kind was made by the Japanese in that part of Shantung east of the Tientsin-Pukow railway and south of the Yellow River. On November 28,

Japanese...

*Tsingtao's telegram of November 16, 5 p. m.

- 5 -

Japanese men-of-war are alleged to have approached Tsingtao, and while this may have been so, among many the report is believed to have been unfounded, and in any case no hostile action was taken by the Japanese. The Chinese authorities in Tsingtao made it appear that they expected the Japanese to attempt without loss of time to cross the Yellow River east of Tsinan, after which the siege of Tsingtao could be expected.* Up to the end of the month the expectation of the crossing had not been fulfilled, nor did any siege of Tsingtao appear imminent. There is good reason to believe that the local Chinese authorities had their own motives in endeavoring to create an atmosphere of expectancy of a Japanese attack. The Japanese activities here and at Tsinan, and their obvious precise desire to avert any danger to their property in Tsingtao, while taking no special notice of the damage of their property elsewhere in Shantung, appeared mystifying. But at least their policy of abstention from hostilities anywhere near Tsingtao was consistently carried out in November, and perhaps when once more Sino-Japanese relations will have been established on a basis of the conventional amity at least, the Japanese may yet be able to say that having announced their desire to avoid any possibility of a clash in Tsingtao and to preserve peace in Shantung, they had honorably maintained their word. Their

* Tsingtao's telegram of November 17, 11 a. m.

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

— 6 —

Their successes in the Yangtze valley may enable them to proclaim to the world at a fairly early date their adherence to the announcements which they made at a critical time.

A Summary of the General Information 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

TELEGRAM RECEIVED

JR

COMSOPAT

FROM

January 26, 1938

COPIES SENT TO
~~COMNAV~~

Rec'd 6:45 a.m.

ACTION: OPNAV

INFO: CINCAF (FLAG AND ADMN)
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
ANAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
JAN 26 1938
Department of State

793.94

0025. BSP dropped bombs over South Amoy, other South
China ports quiet. 1000.

RR

793.94/12210

FILED

JAN 28 1938

F/FG

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

1587

DUR

DEPARTMENT OF STATE

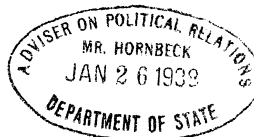
Memorandum of Conversation

DATE:

January 20, 1938.

SUBJECT: FAR EASTERN SITUATION
CONDITIONS IN EUROPE

PARTICIPANTS: SECRETARY OF STATE HULL AND THE BRITISH AMBASSADOR,
SIR RONALD LINDSAY.



COPIES TO:

743.96
not
840.00

The British Ambassador called at my request. I said to him that, as he was aware, the situation in the Far East was becoming increasingly dangerous and desperate, calling for the closest observation and analysis and the most careful planning; that these conditions in the Pacific area were closely tied in, especially with the German and Italian situation in Europe; that any improvement in the European situation would correspondingly affect the Far Eastern situation; that naturally we here feel the vital importance of the closest possible observation of every fact, circumstance and development which might be useful and important, especially to countries

793.94/12211

JAN 26 1938

F/FG

12211

1588

-2-

tries like Great Britain and the United States in dealing with the situation to the best advantage and without the risk of unfortunate delay.

I then asked the Ambassador a number of confidential questions not for the record. The Ambassador concurred in the observations I offered and indicated a disposition to collaborate and cooperate at all times to the fullest extent. He did not know anything about any plans of his Government with respect to the removal of their troops out of China or any movements of their Navy.

The Ambassador thought that the bad economic and other domestic repercussions in Rumania, following the change of government, might mean an early solution of acute conditions. He thought there was no danger whatever in any dissolution or weakening of the Franco-Russian Alliance. I urged his Government to give every consistent attention to the question of how the reciprocal trade program and the kindred policies such as further exchange stabilization and others might be carried forward by any possible means, including definite steps to loosen up exchange conditions here and there and otherwise to urge and encourage other nations to proceed to take an affirmative interest in this general movement which has for its chief purpose peace by economic appeasement.

He

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

4589

-3-

He agreed to this view and added that he would be glad to keep in touch with his Government in this connection. I further remarked that, if and when he or his Government had any special or important facts pertaining to Germany or Italy in particular in relation to the proposed program which our two Governments are sponsoring, including that of general rehabilitation in Europe, we here would be most interested to have the benefit of them. He said he would be glad to bring this matter to the attention of his Government.

C.H.

S CH:MA

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

TELEGRAM RECEIVED

JR

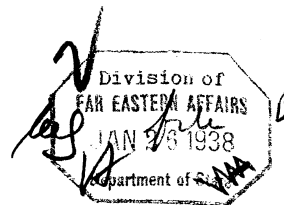
SECOND BRIGADE USMC

FROM January 26, 1938

Rec'd 9:24 a.m.

ACTION: CINCAF
(ADMINISTRATION CINCAF)
OPNAV

INFO: AMN CONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



8626. No reports Tsinpu front, Chinese continue
attack Japanese positions vicinity Wuhu Hangchow, admit
making little progress. 13 Chinese planes raided Nanking
0830 today. Chinese claim 20 Nipponese planes destroyed
on ground, Japanese claim three Chinese planes shot down.
1850.

HPD

793.94/12212

F/FG

0318

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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

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

1938 JAN 22 PM 2 04

Washington,

"A-1"

January 22, 1938.

AMEMBASSY,

DIVISION OF
COMMUNICATIONS
AMEMBASSY

HANKOW (CHINA).

34
Paraphrase and transmit to Colonel Stilwell a
message from the War Department reading substantially
as follows:

13th, 15th, 17th, and 18th Divisions have not yet
been reconstituted as such. It is probable that a
post-war increase in the standing army will include
these divisions.

Hull
(m.m.s.)

793.94

793.94/12212A

FE:RCM:NN

FE

DCR,
agf.

JAN 22 1938

Enciphered by _____

Sent by operator _____ M., _____ 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

F/FG

13 - 15 - 17 - 18 - 1.

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

~~For Hankson in Secret Code~~

Following from WD for
Col Stilwell

— 13th, 15th, 17th and 18th

Divisions have not yet
been reconstituted as
such. It is probable that
a post-war increase in
the ~~the~~ standing army will
include these divisions.

This message was handed to
me by Major Mayer of MID and
request made for its transmission
to Hankson in confidential code
R. C. Mackay

DECLASSIFIED: E.O. 11652, 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

SEE762.00/156..... FOR#3783.....

FROMGreat Britain..... (.....Johnson.....) DATEDJan. 14, 1938.....
TO NAME 1-1127 GPO

REGARDING: Statement by German Foreign Minister that Germany
would always be prepared to cooperate in an
attempt at mediation between Japan and China,
provided that the indispensable pre-requisites
for such an attempt were present.

mb

793.94 / 12213

1/22/3

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

UNITED STATES INFORMATION
SERVICE

COMMERCIAL NATIONAL BANK BLDG.,
14TH AND G STREETS, NW.
WASHINGTON, D.C.

January 20, 1938

The attached communication, under date of
Jan. 7, 1938, from

Mr. Edgar W. Quillin,
140 Duryeas Point,
Michigan Center, Michigan.

requesting information concerning
conditions existing in China

is referred to
State Department

for such action as may be necessary.

has
The writer been notified of this
~~XXXXXX~~
reference.

Remarks:

Harriet Root,

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

3
RECEIVED
DEPARTMENT OF STATE

1938 JAN 21 *Comp'd*

RECEIVED

JAN 18 1938

1408. *Ch*
Dunroas Point
COMMUNICATIONS
AND *Ch* ~~Signal~~ Center, Michigan

January 7, 1938

JANUARY 24 1938

Superintendent of Documents
Washington D. C.



Dear Sir:

Will you please send me information concerning
the conditions existing in China, and the latest
bulletins concerning the late war.

Yours very truly,

Edgar W. Quillen

793.94
REFERRED BY
SUPERINTENDENT OF DOCUMENTS
GOVERNMENT PRINTING OFFICE

FILED
JAN 27 1938

793.94/12214
F/F/G

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

JANUARY 24 1938

In reply refer to
 FE

My dear Mr. Quillin:

In response to the request contained in your letter of January 7, 1938, addressed to the Superintendent of Documents, for information in regard to the situation in China, there are enclosed herewith copies of various documents, as listed below, on this subject.

Sincerely yours,

For the Secretary of State:

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

Enclosures:

Press releases of the
 Department of State,
 July 16, August 17 and
 23, September 22 and 30,
 October 6 (3) and 27,
 November 13, 15, 22, and
 27, December 6, 13 (4),
 14 (2), 21, 24, and 25,
 1937, January 10 and 14, 1938.
 Press releases of the White House,
 September 14 and October 19, 1937.
 Address by the President,
 October 5, 1937.
 Addresses by the Secretary of State,
 September 15, 18, and October 22, 1937.

OR *W. H. C.* Mr. Edgar W. Quillin,
 140 Duryea Point,
 Michigan Center, Michigan.
 JAN 24 1938 PM
 FE:EC:HES
 1-22



793.94/12214

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 124.932/568 FOR Tel. #37 4pm

FROM China (Nanking) (Allison) DATED Jan. 25, 1938
TO _____ NAME _____ 1-1127 GPO

REGARDING:

Naval personnel of Japanese Navy at Nanking prohibited from coming within the city walls; Naval Attache assures there will be no further incidents involving the navy. Few complaints have been made as to actions of the Japanese Navy. Naval Attache of Japanese Embassy, Captain Nakahara, called to express regrets for unlawful entrance of Embassy garage. emc

793.94 / 12215

793.94 12215

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

JR

GRAY

Nanking via N. R.

Dated January 25, 1938

Rec'd 6:45 a.m., 26th.

Secretary of State,
Washington.

37, January 25, 4 p.m.

My 34, January 23, noon.

Captain Nakahara, Naval Attache to the Japanese Embassy, called on me this afternoon to express regrets for the unlawful entrance of an Embassy garage by a member of the navy. He said a thorough investigation was being made and that strict rule had been issued prohibiting naval personnel from coming within the walls of the city any more on official business or on regularly conducted tours. From a description of the uniform worn by the man seen by me Captain Nakahara was able to determine that he was probably a member of the Navy Labor Corps and not a regular sailor. Assurances were given that there would be no further incidents involving the navy. It should be pointed out that there have been but few complaints of the actions of the Japanese navy in Nanking and in those sections of the city along the river front under navy control; conditions are much better than elsewhere.

Repeated

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- #37, January 25, 4 p.m., from Nanking via N. R.

Repeated to Embassy Hankow, Peiping and Shanghai.
Shanghai please repeat to Tokyo.

ALLISON

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

DOCUMENT FILE

NOTE

SEE 893.00 P, R. Tientsin/115 FOR #569 to Embassy

FROM Tientsin (Caldwell) DATED Dec. 7, 1937
TO NAME 1-1127 ***

REGARDING: Sino-Japanese hostilities; military activities in
Tientsin consular district during November, 1937:
report on same.

793.94/12216

wb

793.94/
12216

B. Relations with Other Countries.

Japan.

1. Military Activities. Along the

Tsinpu railway the Japanese advanced to the Yellow River during November and apparently were successful in clearing out all large Chinese troop concentrations east of the railway. No major military actions were reported, however. The Chinese troops were reported to have destroyed the railway bridges across the Tuhai and Yellow Rivers by dynamiting. These are both important bridges and will undoubtedly require some time for reconstruction.

793.94
pp 2-4

Numerous encounters between Japanese and Chinese troops in Southern Hopei were reported. The Japanese troops, operating eastward from the Pinghan line, were apparently endeavoring to drive the Chinese troops out of the Province but their success seemed problematical as the Chinese adopted guerilla tactics and the Japanese found it difficult to strike a decisive blow. Many towns were reported to have changed hands several times, and the Chinese were reported to have cut the Pinghan railway in a number of places and to have captured the Japanese airfield at Hantan and destroyed a considerable number of Japanese airplanes.

The Japanese reported the capture of Taiyuanfu, Shensi, on November 9. Various reports were issued later of further successes in that Province but at the
end

end of the month the Japanese appeared to have occupied only thin lines into Central Shansi from Shihchiachuang to Taiyuan and from Tatung to Taiyuan and a portion of the Taiyuanfu plain, advancing only a few miles south of Taiyuanfu city. According to the local Japanese military spokesman, the railway from Shihchiachuang to Taiyuanfu was not operating at the end of November, the Japanese troops in Central Shansi being supplied from Tatung. While the same spokesman stated that these supplies were being forwarded from Tatung to Taiyuanfu by rail, he was obviously misinformed in this respect since there is no railway between these points. There is, however, a fairly good highway and it is presumed that supplies are being transported by motor truck along this line.

No Japanese military activity was reported in Suiyuan during the month.

According to the best information available to the Consulate General, the Japanese were, at the end of November, in possession of the Tsingpu railway as far south as the Yellow River; the Pinghan railway as far south as Northern Honan; a small section of Central Shansi around Taiyuanfu, with communication lines between Tatung and Taiyuan, and the whole of the Pingsui railway from Fenlai to Paoan. Japanese control was

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

793.94

DOCUMENT FILE

NOTE

SEE 890.00/76 FOR Memorandum
State Department
Far Eastern Division
FROM (Jones) DATED Jan 8, 1938
TO NAME 1-1127 ***

REGARDING: The situation in the Far East: review of past week.

FRG.

793.94/ 12217

DUPLICATE

Department of State

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, December 10, 1937.



The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo, Japan.

Classified	Yes	No
Declassify on		
Authority		
ONI MID		

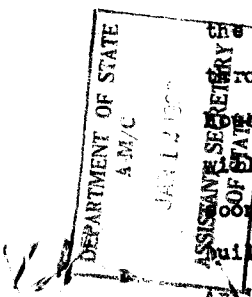
100
RECORDS
B

Sir:

I have the honor to report the following recent developments in Taiwan connected with the conflict in China.

Preparations for Nanking Victory

It has been announced that the day following the fall of Nanking victory will be celebrated throughout the island by hoisting of flags in all houses and that lantern parades and flag processions likewise take place. In preparation for this expected victory huge floats are now being built in this city.



Arrival of New Chief of Mako Naval Station

Rear Admiral Mito, newly appointed Commander-in-Chief of the Mako Naval Station arrived in Keelung on the Takasago Maru on December 7th. In an interview upon arrival he is quoted as saying:

"I was once in Mako as a staff officer of that Naval Station, and am pleased to say that I have many friends there. In being appointed at this critical time to this important office in the first line of defense in the south, I am prepared to do my best in the discharge of my duties, and request the assistance of officials and the people. As the incident is complicated, it is difficult to foresee what will change the situation. However,

as

793.94/12218

JAN 27 1938

E/FG

12218

-2-

as China wants long period resistance, we must be prepared to meet that. Punishment must be complete and we are acting with that determination in mind."

The Taiwan Shimbun comments briefly that he thus expressed the feelings of the Imperial Navy.
Change of Formosans into Japanese.

Taking advantage of the present situation, the campaign for the change of Formosans into Japanese Imperial subjects has progressed a pace with the announcement by the committee of the Taihoku branch of the National Spiritual General Mobilization Organization that change should begin with clothes. It goes on to state that this means the gradual abolition of Shanghai style clothes and Chinese style clothes, the distinction being that women wear the former and men the latter. In place of these it is suggested that European style clothes be worn. The announced decision further includes the absolute abolition of Chinese clothes on official occasions, abolition of the lunar calendar in favor of the Gregorian or Japanese adaptation of that calendar, christening with Japanese style names, adoption of New Year decorations of pine and bamboo at the gate, and further encouragement in the daily use of the Japanese language. This last is a continuation of the campaign which began with the abolition of the teaching of Chinese in the schools, and since June 1 of this year the termination of the page in Chinese which until that time had appeared

-3-

appeared daily in the Japanese press here.

The committee's resolution on clothes was interpreted by local cloth merchants as meaning immediate abolition of Formosan Chinese clothes and adoption of European or Japanese style clothes. Sixty of the leading cotton merchants of Taihoku dared to let it be known that they were shocked by this resolution which would affect their vital interests, conferred among themselves and announced that they had invented 30 patterns and styles of improved clothes which they were ready to display for discussion in connection with this "great and drastic" problem of the improvement of Formosan clothes. The committee expressed itself as surprised over this unexpected reverberation, and announced that a round table conference would be held at the Taihoku Public Hall on December 6. Those attending were 60 cotton cloth merchants, authorities of the Taihoku Provincial and Municipal Governments and the committee of the Taihoku branch of the National General Mobilization Organization.

Mayor Ishii of Taihoku made an opening address followed by Mr. Taniguchi, Chief of the Social Education Section of the Taihoku City Office who explained that the proposed improvement does not mean immediate abolition of Taiwan clothes, and stressed that this point be not misunderstood by the cotton cloth merchants. As a personal opinion he said that as far as practicable it is desired to
abolish

-4-

abolish clothes of extreme Chinese fashion and frivolous clothes. The following were suggested as concrete measures: (1) abolition of women's clothes of the Shanghai style with short sleeves and long skirts. (2) Change in men's clothes from Chinese style to foreign style buttons. (3) Non-use of Chinese clothes on official occasions. (4) Abolition of high heel shoes and footbinding.

School principals in attendance suggested that dresses, uniforms and clothes for daily wear should be gradually improved. Cotton cloth merchants proposed that Formosan clothes should be retained from the standpoint of national economy as Japan's rayon exports would be adversely affected. Finally Mayor Ishii proposed that the improvement of clothes be considered from everyone's standpoint but in compliance with the great principle the change of Formosan into Imperial Japanese subjects, and requested cooperation in the gradual change to suitable clothes. Thus no concrete conclusions were reached and the matter was left to voluntary improvement.

About 6 months ago instructions were issued by this organization that the Chinese Buddhist style family house shrines should contain the Shinto deities Ama Terasu O Mi Kami and Kita Shirakawa Miya Denka (younger brother of Meiji Tenno and chief deity of Taiwan Jinja), which indicates the extent to which nationalistic feeling is expressing itself. At
funeral

-5-

funeral services it is advocated that Shinto rites be held first to be followed by Buddhist, and where the government is concerned this is being carried out.

Assimilation of Savages

The Savage Administration Division of the Taiwan Government General acted as host in Taihoku for 3 days from November 28 to fifty leading young men of the Takasago tribe of savages, for the announced purpose of inculcating into them the atmosphere of the critical times in the capital and to promote enlightenment and the idea of their assimilation as Japanese Imperial subjects. Their visit started with the customary paying of homage at Taiwan Jinja, the Ise Shrine of Taiwan, located at Maruyama, Taihoku. They then visited the wounded and sick soldiers who are crowding the hospitals of the city, presenting savage souvenirs. Lectures were delivered to them on culture, military affairs and proper management of youth organizations, motion pictures of the China Incident shown, visits paid to factories, offices and schools where exercise drills were watched, and the Governor General received them. They broadcast from JFAK under the direction of Education Inspector Yokoo and listened to an address by the Chief of Police at the Police Club after which they returned to their savage homes.

Youth Mobilization

As a first step in the planned mobilization (勤員)
of

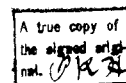
35
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Department of State letter, August 10, 1972
By Milton D. Hueston NARS, Date 12-18-75

-6-

of the youth of Taiwan the mobilization of the young men and women of Taihoku who are graduates of public schools, residents of this city, and below 25 years of age was called for the week beginning November 25. The 5,556 young men and 3,241 young women of Taihoku included in this group were divided into units and meetings were held at 13 public schools, the liquor factory, tobacco factory, newspaper offices, Bank of Taiwan, Ramie Spinning Company and the Taihoku Telegraph Office. The course included lectures of the national spirit, the current situation, emergency medical attention, national etiquette, clean living, public duty and related subjects. Drills and gymnastic exercises were also practiced. These youths likewise paid the usual visit to Taiwan Jinja, and in addition units of fully equipped men with their new uniforms march up Chokushi Gaido to take their leave, and school children of all ages carrying flags form a daily stream of visitors passing this office on their way to the shrine.

Respectfully yours,

Gerald Warner
American Consul.



File No. 820.02
GN/tkh

Original to Embassy, Tokyo.
3 copies to Department of State.
1 copy to Consulate General, Tokyo.

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

793.94

DOCUMENT FILE

NOTE

SEE 711.008 North Pacific/273 FOR Memorandum

FROM State Department FE (Hamilton) DATED Jan. 15, 1938
TO NAME 1-1127 670

REGARDING: Report that a Chinese plane shot down on which was found the body of an American aviator who was buried in the International burying ground on January 8, 1938. Statement by Mr. Suma of Japanese Embassy that Chiang might be willing to negotiate peace terms with Japan if he could indicate that he had been advised to do so by some strong power such as the United States.
mb

793.94 / 12219

12219

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

793.94

DOCUMENT FILE

NOTE

SEE 393.1163 L 97/25 FOR Tel #53, 5pm

FROM China (Johnson) DATED Jan 24, 1938
TO NAME I-1127 ***

REGARDING: Japanese air raid in the vicinity of Ichang, Jan 24, 1938,
causing damage to American Lutheran Mission residence property

FRG.

793.94/
12220

/2220

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

JR

GRAY

Hankow via N. R.

Dated January 24, 1938

Rec'd 12:43 p.m.

Secretary of State,
Washington.

53, January 24, 5 p.m.

American naval report states that Japanese planes
dropped about 80 bombs in the vicinity of Ichang
January 24, 10 a.m., and some fragments broke windows
and destroyed property in American Lutheran Mission
residence. No foreign casualties.

Sent to Tokyo, repeated to Shanghai, Peiping.

JOHNSON

KLP:CSB

NOTE
793.94

~~29-1163 Kuthan~~
~~Barthman~~
~~Murphy~~

393.1163 197/25
~~793.94~~
~~12/18/6~~

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

DOCUMENT FILE

NOTE

SEE 124,932/565 FOR Tel. #34 noon

FROM China (Nanking) (Allison) DATED Jan. 23, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING:

Incident involving Japanese civilians in Nanking --
Report on Embassy garage being broken into by Japanese
and refusal of military authorities to permit the University of Nanking Hospital to bring two American doctors to Nanking on grounds that the city is still unsafe for civilians. Japanese authorities advise measures being taken to prevent similar incidents.

emc

793.94 / 12221

793.94 / 12221

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

JR

GRAY

Nanking via N. R.

Dated January 23, 1938

Rec'd 2:15 p.m.

Secretary of State,

Washington.

34, January 23, noon.

Last night at about 8:30 p.m., three Japanese broke into one of the Embassy garages now being occupied by families of some Japanese Embassy police and while one of them made off with the sister of one of the policemen the other two remained behind and endeavored to prevent the Chinese from giving the alarm. However I was informed that something was wrong and with Vice Consul Espy I went to the police and found the two Japanese there. At the time we did not know that a girl had been taken and Department was informed two Japanese left when foreigners were sighted no attempt was made to hold them. One of the men had on naval uniform and carried a large pistol while the other was a civilian dressed in the type of uniform usually worn by young men's associations in Japan. While we were preparing to go in search of the girl she returned saying that the two Japanese we had seen had caught up with her just as she was about to be placed in a car and driven away, and they had persuaded the first man to release her because she

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

-2- #34, January 23, noon, from Nanking via N. R.

she worked for foreigners. It was obvious that these Japanese did not know they were on Embassy property but this is no excuse. While fortunately this incident did not result in any serious damage to persons of Japan proper it would have done so if foreigners had not been on the spot and it is typical of what is going on in Nanking despite the assurances of the Japanese authorities that efforts are being made to prevent such occurrences it should be pointed out that the Embassy is well within the so-called safety zone into which none but authorized Japanese soldiers are supposed to enter and that the garage which was entered is within 200 yards of a gendarme station. It is several miles from the bund district controlled by the navy thus there is no understandable reason to think an armed naval enlisted man should be in the vicinity. Japanese civilians have been observed occasionally on the streets but this is the first time I have heard of one being engaged in illegal activities. However, it is perhaps significant that certain Japanese civilians are allowed to come to Nanking allegedly because needed by the army as laborers or small shopkeepers, while the military authorities have just refused the request of the

University

-3- #34, January 23, noon, from Nanking via N. R.

University of Nanking Hospital to bring to this city two American doctors, who are urgently needed, on the ground that it is not yet safe for civilians to be here.

I called this morning on Mr. Fukui and made the strong oral protest about the matter and told him I intended to report the matter at once to Washington to Tokyo. Fukui pleaded with me not to report the matter for a few days because he was afraid it would aggravate American Japanese relations. He again referred to the special measures being taken by the military authorities to prevent such incidents, (see my 31, January 23, 4 p.m.) and assured me that if I would but wait a few days I would see a great improvement in the situation. I told Fukui it would be necessary to report the matter but I was willing that it be given no publicity for the time being. It is therefore requested that this case not be made public until a few days have elapsed and it can be seen whether or not the special measures referred to above are really effective. Prompt report will be made of any noticeable change for the better.

Sent to the Department. Repeated to Embassy Hankow, Peiping and Shanghai. Shanghai please repeat to Tokyo.

ALLISON

JS

DECLASSIFIED: E.O. 11652, 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

FROM COMSOPAT

January 26, 1938

Rec'd 9:05 P. M.

OPNAV, WASHINGTON
INFO: CINCAF
2nd BRIGADE USMC
COMSUBRON 5
COMDESRON 5
COMYANGPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
JAN 27 1938
Department of State

0026 South China ports quiet 2000

SMS

793.94/12222

F/F G

FILED
JAN 31 1938

793.94

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

TELEGRAM RECEIVED

LMS
200

FROM GOMYANGPAT

January 26, 1938

Rec'd 9:12 p.m.

ACTION: OPNAV, WASHINGTON
INFO: CINCAF
2nd BRIGADE USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
GOMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
JAN 27 1938
Department of State

0026 Yangtze River ports quiet 2100

SMS

793.94/12223

FILED
JAN 31 1938

F/FG

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

TELEGRAM RECEIVED

JR ops

FROM GRAY

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

Nanking via N. R.

Dated January 27, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

39, January 27, 10 a.m.

It has been reported that Chinese airplanes dropped bombs in the vicinity of the air field yesterday morning which set on fire some buildings. No airplanes were seen by members of Embassy staff nor was any anti-aircraft fire audible.

Sent to Embassy, Hankow, repeated to Peiping and Shanghai. Shanghai please repeat to Tokyo.

ALLISON

HPD

FILED

JAN 28 1938

793.94/12224

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

ONI
AMID

JR ... FROM Peiping via N. R.
This telegram must be closely paraphrased before being communicated to anyone. (A)
Dated January 27, 1938
Rec'd 8 a.m.

Secretary of State
Washington.
64, January 27, 4 p.m.
Ambassador's 47, January 22, 11 a.m.

Division of
FAR EASTERN AFFAIRS
JAN 27 1938
Department of State

CONFIDENTIAL.

It is reliably reported that the British Consul at Kashgar has informed London that a missionary near ~~URUMCHI~~ (2) ~~mehi~~ had informed him that 1500 Soviet armored cars and 250 Soviet planes, mostly fast fighting planes with some bombers, had passed eastward toward Lanchow.

LOCKHART

KLP:JLS

FILED
JAN 27 1938

793.94/12225

F/FG

1348

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]

P A R A P H R A S E

A confidential telegram (no. 84) of January 27, 1938, from the American Embassy at Peiping reads substantially as follows:

According to reliable reports the British Government has been informed by the British Consul at Kashgar that he has received information from a missionary near Urumchi to the effect that there had passed eastward toward Lanchow 250 Soviet airplanes, mostly of the fast fighting type with some bombers, and 1,500 Soviet armored cars.

793.94/12225

egc.
FE:EGC:HES
1-28

AMH
FE

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

TELEGRAM RECEIVED

2236

3 Copies hereof to be sent to Commerce
Copy also to not for publication

JR

GRAY and

FROM

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

Tsingtao via N. R.

Dated January 26, 1938

Rec'd 6 a.m. 27th.

Secretary of State
Washington.

January 26, 2 p.m.

Japanese are making energetic efforts to revive
economic life of port. Civilians returning and small
Japanese shops are reopening. Two hundred freight cars
and fifty passenger cars in addition to locomotives are
being brought in by Japanese. Railway service will be
resumed by February 15th according to present plans.

Leading tobacco manufacturer making stamp tax
arrangements with local Consolidated Tax Bureau which
agrees to refund such taxes as may be collected in any
area now under control of the Peiping Provisional
Government.

It is reported that all Occidental employees of
China customs at Tsingtao will be transferred immediately
by order of the Inspector General of Customs at Shanghai.

Repeated to Hankow, Peiping.

SOKOBIN

KLP:WWC

793.94 / 12226

F/FG

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

TELEGRAM RECEIVED

GRAY

FROM Tsingtao via N. R.

Undated

Rec'd. 9 a.m. January 27, 1938

CORRECTED COPY FROM CONFIRMATION

Secretary of State,
Washington.



FOR WAR DEPARTMENT FROM DORN

Peiping and Hankow please transmit to Military
Attaches No. 22, January 26, 4 p.m. Foreign customs
officers officially notified that they would be transferred
from Tsingtao. Japanese authorities state that railway to
Tsingtao should be in operation for passengers and freight
after February 15th. Locomotives and rolling stock for
Japan are being landed at Tsingtao. Japanese reports
indicate very severe damage to railway tracks for 25 miles
near Weihsien. Inner harbor expected to be cleared for
ships of 300 tons by February 1st.

SOKOELN

JLS:HFD

FW 793.94/12227

FILED
APR 13 1938
F/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

TELEGRAM RECEIVED

JR

GRAY

FROM Tsingtao via N. R.

Undated

Rec'd 9 a.m.

COPIES SENT TO
CIVIL AND MIL.

January 27, 1938

Secretary of State, *DT*

Washington.

FOR WAR DEPARTMENT FROM DORN.

793.94

1

Peiping and Hankow please will be transferred from
Tsingtao. Japanese authorities state that railway to
Tsingtao should be in operation for passengers and
freight after February 15th. Locomotives and rolling
stock for Japan are being landed at Tsingtao. Japanese
reports indicate very severe damage to railway tracks for
25 miles near Weihsen. Inner harbor expected to be
cleared for ships of 300 tons by February 1st.

793.94 / 12 227

SOKOBIN

JLS:HPD

FILED
JAN 2 - 1938

F/F G

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

TELEGRAM RECEIVED

JR

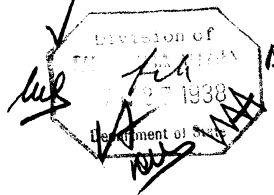
This telegram must be **FROM** ALUSNA PEIPING
closely paraphrased be-
fore being communicated
to anyone.

January 27, 1938

Rec'd 10:30 a.m.

ACTION: NAVY DEPARTMENT

INFO: CINCAF
SECOND BRIGADE USMC
ASTALUSNA SHANGHAI
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD



793.94/12228

0027. Commercial traveller considered reliable just
returned from Kelgan, Kweisue, Paotow states economic
conditions that areas bad no sign improvement near future.
Japanese forcing Chinese merchants sell wool, hides, furs
reduced prices. Refuse latter permission ship any wool
out of first named place impede shipments foreign concerns.
Nipponese pay for purchases with worthless resurrected
South Chahar Bank currency and convert all Central
Government notes obtainable to gold sterling making bad
money plentiful. Good exchange scarce. 1400.

FILED
JAN 27 1938

KLP:HPD

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

TELEGRAM RECEIVED

MBc

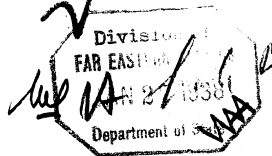
FROM

2ND BRIGADE, USMC

January 27, 1938

Rec'd 1:00 p.m.

ACTION: CINCAF (ADMN)
INFO: AMCON AT SHANGHAI
CCMEUBRON 5
CCMEDESRON 5
COMYANGPAT
COMSOPAT
AMEMBASSADOR CHINA
USE MARBLEHEAD
ALUSNA PEIPING



8627. Japanese reinforcing their drive on northern section Tsingpu Railway. Fighting continues between Layang, Esintien and Langhsien with frequent small Chinese counter attacks. Japanese air raids today on An-chang, Hankow. 1837.

KLP:WVC

793.94/12229

F/FG

FILED
JAN 31 1938

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

DOCUMENT FILE

NOTE

SEE 894.032/180 FOR Tel #145, 6pm

FROM Shanghai (Gauss) DATED Jan. 26, 1938
TO NAME 1-1127 670

REGARDING: Hirota's speech of Jan. 22 to Japanese Diet: NORTH CHINA
DAILY NEWS comments on-, and reports rumor of an agreement
between Great Britain and Japan.

mr

793.94/12230

/2230

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. (A)

FROM

Hankow via N. R.

Dated January 27, 1938

Rec'd 1:25 p.m.

Secretary of State
COPIES SENT TO
Washington, O.N.I. AND M.I.D.

61, January 27, 2 p.m.

It is learned from unofficial but apparently reliable
source that during Chinese air raid on Nanking January 26
one plane was shot down and one made forced landing and
was captured by the Japanese. Aviators in both were
Russians and since this is the first time the Japanese
have obtained positive proof of Chinese employment of
Russian personnel there is some speculation here whether
relations between Japan and the Soviet Union will be
affected. Report believed reliable is that in a Japanese
plane shot down by Chinese at Nanchang recently the aviator
who was killed was found to be Italian. This information
has been released by the Chinese.

Repeated to Peiping.

JOHNSON

RR:WVC

1530

ONI

MID

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note
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793.94/12231

F/FG

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

b

[CONFIDENTIAL]

P A R A P H R A S E

A telegram (no. 61) of January 27, 1938, from the American Ambassador at Hankow reads substantially as follows:

From an apparently reliable although unofficial source the Embassy has learned that one airplane made a forced landing and was captured by the Japanese and one plane was shot down during the Chinese air raid on Nanking on January 26. The aviators in both of these airplanes were Russians and there is some speculation in Hankow whether relations between the Soviet Union and Japan will be affected, as this is the first time the Japanese have obtained positive proof of the employment by the Chinese of Russian personnel. In a Japanese airplane shot down recently at Nanchang by the Chinese it was found that the aviator who was killed was an Italian, according to a report thought to be reliable. The Chinese have released this information.

793.94/12231

793.94/12231

290.
 FE:ECC:HES
 1-28

AKH
 FE

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

DOCUMENT FILE

NOTE

SEE 124.9318/221 conclusion file FOR memorandum

FROM State Department (Hull) DATED Jan. 17, 1938
TO S NAME 1-1127 GPO

REGARDING:

Withdrawal of troops from Tientsin and Peiping, and
possible removal of embassies from Peiping: Conversation
with British Ambassador in this regard.

enc

793.94 / 12232

793.94 / 12232

DECLASSIFIED: E.O. 11652, 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 890.00/77 FOR Memorandum

FROM State Department (Jones) DATED Jan. 22, 1938
TO Far Eastern Division NAME 1-1127 670

REGARDING: Principal developments in Far Eastern situation for week
ending Jan. 22: Reports concerning-.

mr

793.94/12233

12233

1355

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

January 25 1938

793.94

CONFIDENTIAL - FOR STAFF USE ONLY

No. 1427
The Honorable

Joseph C. Grew,
American Ambassador,
Tokyo.

Sir:

Referring to the Department's instruction no. 1413
of January 10, 1938, there are enclosed for your confi-
dential information copies of certain documents, as listed
below, relating to the Chinese-Japanese situation.

Sincerely yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation,
January 5, 1938, between the
British Ambassador and the
Under Secretary.
2. Memorandum of conversation,
January 8, 1938, between Dr.
Ing and the Under Secretary.
3. Memorandum of conversation,
January 10, 1938, between
Mr. Mallet, Mr. Hamilton, and
Mr. Ballantine.
4. Memorandum of conversation,
January 12, 1938, between Dr.
Ing and Mr. Hornbeck.
5. Telegram no. 14, January 14,
1938, from Berlin (paraphrase).
6. Memorandum of conversation,
January 15, 1938, between Mr.
Suma, Mr. Hamilton, and Mr.
Ballantine.



JAN 24 1938
JAN 25 1938
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[Handwritten signature]

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793.94/12233 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

January 25 1938

CONFIDENTIAL - FOR STAFF USE ONLY

No. 529
The Honorable

Nelson T. Johnson,
American Ambassador,
Peiping.

Sir:

Referring to the Department's instruction no. 525
of January 10, 1938, there are enclosed for your confi-
dential information copies of certain documents, as listed
below, relating to the Chinese-Japanese situation.

Sincerely yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation, January 5, 1938, between the British Ambassador and the Under Secretary.
2. Memorandum of conversation, January 8, 1938, between Dr. Ing and the Under Secretary.
3. Memorandum of conversation, January 10, 1938, between Mr. Mallet, Mr. Hamilton, and Mr. Ballantine.
4. Memorandum of conversation, January 12, 1938, between Dr. Ing and Mr. Hornbeck.
5. Telegram no. 14, January 14, 1938, from Berlin (paraphrase).
6. Memorandum of conversation, January 15, 1938, between Mr. Suma, Mr. Hamilton, and Mr. Ballantine.



793.94/12233B

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12233B

JAN 24 1938
JAN 25 1938

Routing

Copy to Ambassador, Hankow.

1-29.C.

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21 M 14

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

JANUARY 25 1938.

CONFIDENTIAL - FOR STAFF USE ONLY

No. 648

The Honorable

William C. Bullitt,
 American Ambassador,
 Paris.

Sir:

Referring to the Department's instruction no. 618
 of January 10, 1938, there are enclosed for your confi-
 dential information copies of certain documents, as listed
 below, relating to the Chinese-Japanese situation.

Sincerely yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation,
 January 5, 1938, between the
 British Ambassador and the
 Under Secretary.
2. Memorandum of conversation,
 January 8, 1938, between
 Dr. Ing and the Under
 Secretary.
3. Memorandum of conversation,
 January 12, 1938, between
 Dr. Ing and Mr. Hornbeck.
4. Telegram no. 14, January 14,
 1938, from Berlin (paraphrase).
5. Memorandum of conversation,
 January 15, 1938, between
 Mr. Suma, Mr. Hamilton, and
 Mr. Ballantine.



64 1938
 JAN 25 1938
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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

January 25 1938

CONFIDENTIAL - FOR STAFF USE ONLY

No. 2126

Herschel V. Johnson, Esquire,

American Chargé d'Affaires ad interim,
 London.

Sir:

Referring to the Department's instruction no. 2096
 of January 10, 1938, there are enclosed for your confi-
 dential information copies of certain documents, as listed
 below, relating to the Chinese-Japanese situation.

Sincerely yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation,
 January 5, 1938, between the
 British Ambassador and the
 Under Secretary.
2. Memorandum of conversation,
 January 8, 1938, between
 Dr. Ing and the Under
 Secretary.
3. Memorandum of conversation,
 January 12, 1938, between
 Dr. Ing and Mr. Hornbeck.
4. Telegram no. 14, January 14,
 1938, from Berlin (paraphrase).
5. Memorandum of conversation,
 January 16, 1938, between
 Mr. Suma, Mr. Hamilton, and
 Mr. Ballantine.



793.94/12233D

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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

January 25 1938

CONFIDENTIAL - FOR STAFF USE ONLY

No. 245

The Honorable

William Phillips,

American Ambassador,

Rome.

Sir:

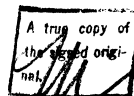
Referring to the Department's instruction no. 235 of January 10, 1938, there are enclosed for your confidential information copies of certain documents, as listed below, relating to the Chinese-Japanese situation.

Sincerely yours,

Cordell Hull

Enclosures:

1. Memorandum of conversation, January 5, 1938, between the British Ambassador and the Under Secretary.
2. Memorandum of conversation, January 8, 1938, between Dr. Ing and the Under Secretary.
3. Memorandum of conversation, January 12, 1938, between Dr. Ing and Mr. Hornbeck.
4. Telegram no. 14, January 14, 1938, from Berlin (paraphrase).
5. Memorandum of conversation, January 16, 1938, between Mr. Suma, Mr. Hamilton, and Mr. Ballantine.



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JAN 24 1938
 JAN 25 1938

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JAN 25 1938
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113 N.W. 14th St.

Railway
Highway
Pipeline
Tank Farm
Excavation
Dredging
Airports

A. V. Boswell
DEPARTMENT OF STATE ENGINEER
RECEIVED
GENERAL CONTRACTOR

JAN 10 1938

Oklahoma City, Oklahoma

OFFICE OF THE SECRETARY

Hon. Cordell Hull
Washington, D.C.

RECEIVED
POLITICAL RELATIONS
MR. ROBERT H. JACKSON
JAN 26 1938
DEPARTMENT OF STATE

Division of
EASTERN AFFAIRS
JAN 19 1938
Department of State

My Dear Hull. - A wave of criticism
will start against your attitude on
war and it will be heard around
the world. I've been in Europe eleven
trips, twice around the world on bus-
iness for my Company.

If you delay raising your bris-
tles longer, I warn you of the im-
pending anger.

You have allowed the Japs to brow-
beat your department untill coward-
dice is aparant. The U.S. will suf-
fer as have the Chinese, within the com-
ing 25 years, unless something is done
at once. I desire an ex fression from

793.94/12234

FILED E/F/G
JAN 21 1938
12234

Seeq Huel A. V. Boswell
Okeechobee City.

You personally or some one who represents you directly for I am getting fed-up on "Form Letters" from our government representatives.

We are closely approaching a day when a wave of indignation, will start in unison, from every handlet in this nation.

I will thank you for an expression of hope that, our citizens will be protected, no matter where they go on legitimate missions from now on to the end of our term of office for, we have shown that we are cowards and political tricksters. Thanking you in advance for an early reply. I am

Sincerely yours

A. V. Boswell

one-
enclosure

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

DMA CITY, SATURDAY, JANUARY 8, 1938

Here's Picture
 For Album of
 Japanese Airman

TWO MAJOR 60,000 MEN



They were just an humble family of Nanchang. Around them roared the battling armies of China and Japan. Food was hard to get. Luxuries were a myth. Then over the horizon darted Japanese bombers. Across Nanchang the planes roared. Plume after plume of dust and smoke marked the trail of their screeching bombs. It's too bad the bombers didn't have time to stop and view their handiwork at first hand . . . the little scene of domestic tragedy enacted by the humble family of Nanchang, for instance. They would have seen the group crouched among the ruins of their bomb-demolished home, mourning the aged grandmother whose body has been extricated from the debris.

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

JANUARY 27 1938

In reply refer to
 FE

My dear Mr. Boswell:

The receipt is acknowledged of your letter of January 15, 1938, in regard to the Far Eastern situation.

The comments contained in your letter have received careful consideration and the spirit which prompted you to bring to the Department's attention your views in regard to this Government's course of action is appreciated. With the thought in mind, however, that some of the basic facts of the situation may not have been entirely clear to you, we wish to point out that American official agencies are assisting in every feasible way American individuals and firms in China in their efforts to safeguard their interests. The American Government maintains troops and warships at several places in China to assist in providing protection to American citizens, principally in respect of mob violence.

The

Mr. A. V. Boswell,

2413 Northwest Fourteenth Street,
 Oklahoma City, Oklahoma.

793.94/12234

F/FG

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

-2-

The American Government has informed the Governments of China and of Japan that it reserves all rights on its own behalf and on behalf of American citizens in respect of damages which might result from military operations. Furthermore, this Government has informed the Japanese Government that it objects to the jeopardizing of the lives of American citizens and of noncombatants in general by the bombing operations of Japanese planes.

We feel that this Government, confronted by an emergency situation which is attended by unusual hazards to everyone in the affected areas, has accorded all appropriate and practicable protection to American nationals, as this Government always has done. The American Government has also continued to uphold the principles of international law and of the sanctity of treaties, as it has always done. While it has shown that it demands respect for the rights and safety of our people it has, on the other hand, never lost sight of the fact that a cardinal principle of our foreign relations is to avoid being entangled in hostilities. Furthermore, the Government is endeavoring to follow an unbiased course in connection with the Far Eastern situation and is giving close attention to every phase of that situation toward making effective the policies, especially the policy of peace, in which

1364

DECLASSIFIED: E.O. 11652, 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-

which this country believes and to which it is committed.

The foregoing comment is in no way to be construed as a criticism of your viewpoint, and it is hoped that you will appreciate and understand that we welcome at all times views from all sources on any phase of our foreign relations.

As of interest in this connection, there are enclosed copies of statements given to the press by the Department of State on July 16 and August 23, 1937, outlining the policy on which this Government is proceeding with reference to the situation in the Far East, together with a copy, as given to the press, of a letter of January 8, 1938, addressed to the Vice President on this subject.

Sincerely yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton
Chief

Division of Far Eastern Affairs.

Enclosures:

Press releases of
July 16, August 23,
1937, and January 10,
1938.

CR *guy*

JAN 27 1938

A true copy of
the signed original
is

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FE:EC:VCI
1/26/38

FE
W. H.

PA/H.
OKA

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

A NON-SECTARIAN, NON-PARTISAN, NON-PROFIT PUBLICATION



RECEIVED
DEPARTMENT OF STATE

The Christian American

REV. J. EARNEST STACK, Editor

1938 JAN 14 PM 2 47 POST OFFICE BOX 405
HOUSTON, TEXAS



DIVISION OF
COMMUNICATIONS
AND RECORDS

December 22, 1937

Hon. Franklin D. Roosevelt
The White House
Washington, D. C.

My dear Mr. President:

Last August I addressed a letter to you in a sincere effort to gain an understanding of the executive attitude towards forces threatening the freedom of religious worship.

I shall not repeat the contents of that communication. It had reference to spiritual matters affecting the Christian masses and undoubtedly failed to find an interested recipient in the White House. But there is another matter, more worldly, now weighing heavily upon the hearts of the people. I mean war, and the attitude of the administration towards it.

Today's papers contain an Associated Press dispatch from Washington, in which it is said that it is your intention not only to cooperate in adjusting old world affairs but that if necessary, you will take the leading part "regardless of the cost."

I gather from that statement and your exchange of opinion with ex-Governor Landon, that it is your belief that we have a right to put the strength of the American Government back of private investments in Asia and if need be sacrifice the blood of the young manhood of the country to protect the property of those engaged there for private gain.

In a government of the people, the governed should have a voice where so serious a matter is involved. "Uncle Sam" hasn't a dollar of his own or a fighting man of his own. These essentials for carrying forward such a program as you seem to be committed to must be supplied by the citizenry.

I concede that the President and Congress have the right to marshal the nation's force for defense. But I do not believe one drop of our boy's blood should be shed to protect private property in China. Do you think it is consistent to send our youth abroad to defend privately owned industries established there for individual profit, when there has been such an effort on the part of the present administration to impair private industry at home? Inimical legislation has been demanded, and fireside chats have attacked in the United States, what you propose to go to the other side of the world to defend.

793.94/12235

F/FG 12235

Hon. Franklin D. Roosevelt

-2-

12/22/37

The economic royalists have been the targets at which all guns have been fired.

I have had occasion to hear from thousands of mothers on the question of war. They are disposed to make any sacrifice for the defense of liberty and our firesides within our borders. But they are not willing for their boys to be torn from their homes and sent to an Asiatic battlefield to fight for either American or British dollars.

A candid study of the economic situation in the United States places a large share of the blame for the breakdown upon waste resulting from the last world war. Many millions have suffered because of our participation in that conflict. Experts say it would cost fifty billion dollars and many lives to whip Japan, and when it was all over, there would be nothing to show for it but Gold Star mothers.

I represent the Christian American movement which embraces hundreds of ministers of the gospel, and I want to say to you that it is the conception of all of us that there is no call, earthly or Divine, which justifies you in assuming leadership over the old world, and sacrificing hundreds of thousands of the flower of our manhood to enforce good behavior or protect bad investments over there.

I note where you pledge yourself to this expedition regardless of the cost. But, my dear sir, the cost will not fall upon you but upon the mothers, whose boys are taken away, and upon the children who will be under-nourished by the necessary conservation of food for such a far-flung adventure.

There are millions of protests which have been made to our Congressmen and Senators in Washington, against the course you propose.

I am not a pacifist. I am not for peace at any price. My protest is against invading the Far East, and raking chestnuts, that belong to private individuals, out of the fire. The first, and perhaps the wisest of all our Presidents, warned us against leaving the home shores on such an ill-advised mission. I believe you could do no better than to follow that advice.

There is much to do at home. It can be carried on in peace. It may bless instead of curse our people.

Why, at this particular season, when all Christians of all nations are thinking in terms of Peace and Good Will, should the most pronounced Christian nation drag a million of her fair sons into the horrors of war to defend industries and individuals engaged in private enterprises in a far off pagan land? They were there of their own choice and refused to leave when warned that it was dangerous to stay.

Yours very truly,

Ernest Stack

137

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

JANUARY 27 1968

In reply refer to
FE 793.94 Stack, J. Earnest

My dear Mr. Stack:

The receipt is acknowledged, by reference from the White House, of your letter of December 22, 1957, addressed to the President, relating in part to the situation in the Far East, with special reference to the protection of American citizens and American property in China.

The question of the types and degrees of protection which this Government should afford to its citizens abroad presents many difficulties and is one in regard to which opinions may very readily differ. In a situation such as has prevailed in the Far East there have been developed during more than a century certain rights, certain interests, certain obligations, and certain practices. In the light of peculiar features inherent in the situation, all of the major powers have developed and employed, with authorization by the Chinese Government,

methods

The Reverend
J. Earnest Stack,
Editor, The Christian American,
Post Office Box 405,
Houston, Texas.

793.94/12235

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

-2-

methods for safeguarding the lives and interests and property of their nationals believed to be appropriate to the situation and warranted by the peculiarities thereof. Thus, for instance, there came about and there is still in existence the system of extraterritorial jurisdiction and various of its concomitants. Concurrently, many nationals of this and other countries have, during several generations, gone to China, established themselves there in various occupations and activities, and subjected themselves both to the advantages and to the disadvantages of the conditions prevailing there; and the American Government has, along with other governments, accepted various rights and incurred various obligations. In a situation such as now prevails, many of our nationals cannot suddenly cut themselves off from the past nor can the American Government suddenly disavow its obligations and responsibilities. The American naval vessels and the small contingents of American landed forces which have been maintained in China were placed and have been kept there solely for the purpose of assisting in the maintenance of order and security as affecting the lives, the property, and the legitimate activities of American nationals, especially in regard to conditions of local disorder and unauthorized violence. These vessels and troops have never had in any sense any mission of aggression.

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

-3-

aggression. It has long been the desire and expectation of the American Government that they shall be withdrawn when their appropriate function is no longer called for.

Officers of the American Government have repeatedly and earnestly advised American citizens, in face of dangers incident to residence in China, to withdraw and are making every effort to provide safe means whereby they may depart. During the current situation in China the American military and naval forces have rendered important service in protecting the lives of American nationals, in assisting in evacuating Americans from areas of special danger, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

It may be stated also that a cardinal principle of our foreign relations and one which is never lost sight of is to avoid being entangled in hostilities and that the Administration is endeavoring to follow an unbiased course in connection with the Far Eastern situation and is giving close attention to every phase of that situation toward making effective the policies, especially the policy of peace, in which this country believes and to which it is committed.

As
the signed copy

037

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

-4-

As of interest in this connection, there is enclosed a copy of a statement given to the press by the Department of State on August 23, 1937, outlining the policy on which this Government is proceeding with reference to the situation in the Far East, together with a copy, as given to the press, of a letter of January 8, 1938, addressed to the Vice President on this subject.

Sincerely yours,

For the Secretary of State:

M. M. H.
Maxwell M. Hamilton
Chief

Division of Far Eastern Affairs

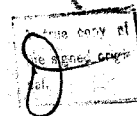
Enclosures:

Press releases of
August 23, 1937, and
January 10, 1938.

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JAN 26 1938.PH

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

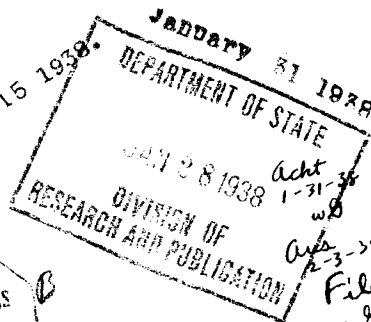
PHIL FERGUSON
8TH DIST. OKLAHOMA

COMMITTEES:
FLOOD CONTROL
IRRIGATION AND RECLAMATION
ELECTION OF PRESIDENT, VICE PRES-
IDENT, AND REPRESENTATIVES IN
CONGRESS

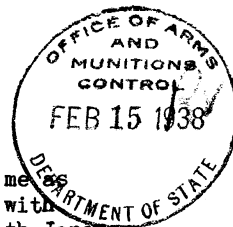
RECEIVED
DEPARTMENT OF STATE
Congress of the United States
House of Representatives

Washington, D. C.
1938 JAN 28 AM 9 25
January 27, 1938

DIVISION OF
COMMUNICATIONS
AND RECORDS



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



My dear Mr. Secretary:

I would be pleased if you would refer me to where I can find a copy of our latest treaty with Japan and China, copies of our correspondence with Japan when we were protesting the penetration and annexation of Manchuria, the correspondence with Italy concerning the Ethiopian conquest and the action taken by the President on the Neutrality Act in regard to the Civil War in Spain.

I would also appreciate any available references and any official action taken by the President and the State Department in regard to the present Sino-Japanese affair, and a statement of any official action under the Neutrality Act by this country in this affair.

Sincerely yours,

Phil Ferguson

F/t

793.94/12236

FEB 23 1938
F/FG 12236
FILED

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

JAN 27 1938

In reply refer to
 RP

My dear Mr. Ferguson:

I have received your letter of January 27, 1938
 in which you request certain information and material.

The information and material desired are being
 assembled so far as available. I shall communicate
 with you again on the subject in the near future.

Sincerely yours,

Cordell Hull

793.94/12236

793.94/12236

A true copy of
 the signed original
 1/11/38

The Honorable
 Phil Ferguson,
 House of Representatives.

Handing

RECEIVED
 12-18-75

RP:WG:FEF *[Signature]*

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[Signature]

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

February 15 1938.

In reply refer to
RP 793.94/12236

My dear Mr. Ferguson:

I refer to your letter of January 27, 1938 and to my acknowledgment of January 31 regarding your desire to obtain (1) copies of "our latest treaty with Japan and China" and of certain correspondence with Japan in regard to Manchuria and with Italy in regard to Ethiopia and (2) information concerning "the action taken by the President on the Neutrality Act in regard to the Civil War in Spain" and "official action taken by the President and the State Department in regard to the present Sino-Japanese affair, and ... official action under the Neutrality Act by this country in this affair".

The most recently concluded treaty, convention, or Executive agreement to which the United States, China, and Japan are parties is the Universal Postal Convention of Cairo and Final Protocol signed at Cairo March 20, 1934. The Treaty of Arbitration signed at Washington June 27, 1930 and the Agreement for the Reduction of

Visa

The Honorable

Phil Ferguson,

House of Representatives.

793.94/12236

F/FG

0379

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

-2-

Visa Fees signed at Hanking April 9, 1935 are respectively the most recently concluded bilateral treaty or convention concluded between the United States and China and the most recently concluded Executive agreement between the two countries. The Convention to Prevent the Smuggling of Intoxicating Liquors into the United States signed at Washington May 31, 1928 and the Arrangement concerning the Importation of Japanese Cotton Piece Goods into the Philippine Islands concluded by an exchange of notes dated at Washington July 2 and 27, 1937 are respectively the most recently concluded bilateral treaty or convention between the United States and Japan and the most recently concluded bilateral Executive agreement between the two countries.

There are enclosed copies of the first, second, and fourth of the documents mentioned. The complete texts of the agreement of 1935 with China concerning visa fees and the arrangement of 1937 with Japan concerning cotton piece goods have not been published by the Department. Information concerning the agreement and arrangement referred to will be found in the enclosed copies of the issues of the weekly Press Releases for April 20, 1935 and July 31, 1937. As of possible service in connection with your interest in treaties of the United States with China and Japan, I am enclosing typewritten lists of treaties and other international acts in

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

-3-

in force between the United States and China and between the United States and Japan.

There is also enclosed a copy of Senate Document No. 55, 72d Congress, 1st Session, Conditions in Manchuria, containing the text of a communication of January 26, 1932 from Secretary of State Stimson to the President together with the texts of the appended copies of "(A) The written communications, whether formal or informal, including memoranda, which have passed between the Government of the United States and the Governments of China and Japan since September 18, 1931, relating to the controversy between China and Japan in Manchuria since that date", "(B) The written communications, whether formal or informal, including memoranda, which have been sent or have passed between the Government of the United States or its representatives and the League of Nations or representatives of the league in reference to the said controversy between China and Japan in Manchuria", and "various other documents transmitted to the Government of the United States for its information by the Council of the League of Nations, such as resolutions adopted by the council of the league and certain of the more formal communications which have passed between the council of the league and the Chinese and the Japanese Governments".

The Department has not published any correspondence of this Government with the Italian Government in regard to

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

-4-

to the Ethiopian conflict. You may, however, be interested in the statement which I made to the Italian Ambassador on July 10, 1935 during his call made at my request; in the references to communications between the American Legation at Addis Ababa and the Italian authorities in that city which are contained in the Legation's telegrams of May 5, 1936, 11 p.m., May 6, 1936, 1 a.m., and May 10, 1936, 10 a.m., to the Department; and in the references to instructions to the American Ambassador at Rome in paragraphs numbered 3, 4, and 5 of my letter of May 11, 1936 to the Honorable Sam D. McReynolds, House of Representatives. The statement, telegrams, and letter mentioned are printed in the enclosed copies of the issues of the weekly Press Releases for September 14, 1935, May 9, 1936, and May 16, 1936.

The text of the President's proclamation of May 1, 1937 referring to the state of civil strife in Spain, issued pursuant to the provisions of subsections (c) and (d) of section 1 of the joint resolution of May 1, 1937 known as the Neutrality Act of 1937, together with the texts of the joint resolution approved by the President January 8, 1937 "To prohibit the exportation of arms, ammunition, and implements of war from the United States to Spain" and of certain relevant regulations, will be found

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

-5-

found on pages 24-30 of the enclosed copy of the pamphlet
 entitled International Traffic in Arms.

With reference to the current situation in the Far
 East there are enclosed copies of Senate Document No. 131,
 75th Congress, 3d Session, entitled American Nationals,
 Troops, and Capital in China, and of several mimeographed
 press releases and issues of the printed Press Releases
 which contain the texts of statements, letters, et cetera,
 concerning the policy of the United States in relation
 to that situation. The Neutrality Act is mentioned on
 page 416 of the issue of Press Releases for December 11,
 1937.

Sincerely yours,

Cordell Hull

Enclosures:

1. Universal Postal Union
Convention of Cairo.
2. Treaty Series, Nos. 807
and 857.
3. Publications of the
Department of State.
4. Price list 65.
5. Senate Document No. 55,
72d Congress, 1st Session.
6. Senate Document No. 131,
75th Congress, 3d Session.
7. Press Releases of January 27
(nos. 39 and 40), 28 (no. 44),
and 31 (no. 48), 1938.
8. Press Releases (Publications Nos.
783, 784, 874, 879, 1048, 1066, 1067,
1076, 1080, 1091, 1093, and 1099).
9. International Traffic in Arms.
10. Two typewritten lists.

Routine
CR

FEB 5 1938.

FEB 14 1938.

RP:WG:TMT:SS/MG
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J.H. K.H.

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J.H.

CUg
CA P.H.

[Handwritten signatures and initials]

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

TELEGRAM RECEIVED

MB0

COPIES SENT TO FROM
DT

COMSOPAT

January 28, 1938

Rec'd 3:45 a.m.

ACTION: OPNAV
INFO: CINCAP (ADM)
2ND BRIG (USMC)
COMDESRON FIVE
COMSUBRON FIVE
CINCAP
COMYANGPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

✓
Div
FM EAST
JAN 28 1938
YMA

0027 South China ports quiet 2000.

JS

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FILED
JAN 28 1938

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

COMYANGPAT

FROM

January 28, 1938

Rec'd 3:45 a.m.

COPIES SENT TO
ONLAND AID

ACTION: OPNAV
INFO: CINCPAC
2ND BRIGADE USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
CINCPAC (ADMINISTRATIVE)
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0027. Twelve Japanese medium bombers raided Hankow during forenoon today and bombed vicinity military aerodrome. 2355

JS:

FILED
JAN 31 1938

793.94/12238

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

MBo

TELEGRAM RECEIVED

Peiping via N.R.

FROM

Dated January 28, 1938

Rec'd 9:03 a.m.

Secretary of State, AND MR.

Washington.

68, January 28, 3 p.m.

Advised American military observers at Tientsin estimate that 60 trucks and 18 narrow-gauge locomotives arrived in North China between January 19 and 25, that, according to French military observers at Tientsin, 10,000 effectives arrived in North China and 3000 departed during first two weeks in January, and that an undetermined number of Japanese troops passed through Tientsin during recent week by rail from the direction of Peiping toward Shantung.

Two. The trucks and locomotives may be intended for use on the Shinkichuan and Taiyuan narrow-gauge railway in preparation for further military advance in Shantung. This equipment may possibly be in every particular intended for use in railway construction. Some local observers are of the opinion that the allegedly imminent arrival at Peiping of 20,000 Japanese troops, reported in the Embassy's 63, January 27, 3 p.m., is also a preparatory step for a drive in Shantung.

Repeated to the Ambassador, by mail to Tokyo.

KLP:WNC

LOCKHART

793.94/12239

F/FG

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SAVAGE

68

TELEGRAM from Lockhart, PEIPING, dated January 28, 1938:
Trucks and Locomotives Arriving in North China

<u>Office Title</u>	<u>Chief, or Head of Office</u>
Secretary	Cordell Hull
Under Secretary	Sumner Welles
Counselor	R. Walton Moore
Assistant Secretary	George S. Messersmith
Assistant Secretary	Francis B. Sayre
Special Asst. to the Secretary of State	Leo Pasvolksy
Legal Adviser	Green H. Hackworth
Adviser on Political Relations	Stanley K. Hornbeck
Adviser on Political Relations	James C. Dunn
Adviser on International Economic Affairs	Herbert Feis
Division of Far Eastern Affairs	Maxwell M. Hamilton
Division of Current Information	Michael J. McDermott
Chief Clerk and Administrative Assistant	Edward Yardley
Office of Arms and Munitions Control	Joseph C. Green
Office of the Historical Adviser	Hunter Miller, Chief Carlton Savage, Asst. Historical Adviser

(over, please)

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

DISTRIBUTION:

Office Symbol

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- 2 -

TELEGRAM from Lockhart, PEIPING, dated January 28, 1938:
Trucks and Locomotives Arriving in North China (Cont'd)

<u>Office Title</u>	<u>Chief, or Head of Office</u>
Division of European Affairs	Jay Pierrepont Moffat
Division of American Republics	Laurence Duggan
Division of Near Eastern Affairs	Wallace Murray

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Department of State Letter, August 10, 1972
By Nathan O. Chivers NAB, Date 12-18-75

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

Jan. 28. Lockhart cabled from Peiping that American military observers at Peiping estimate that 60 trucks and 18 narrow gauge locomotives arrived in North China between Jan. 19 and Jan. 25. According to French observers 10,000 effectives arrived in North China and 3,000 departed during first two weeks in January.

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

MBo

2ND BRIG USMC

TELEGRAM RECEIVED, 1938

Rec'd 11:00 a.m.

SEC
ACTION: CINGAF

FROM

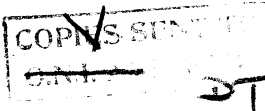
INFO:

OPNAV
CINCAF (ADM)
AMCONSUL SHANGHAI
COMSUBRON 5
COMDESRON 5
COMYANGPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING
COMSOPAT

Division of
FAR EASTERN AFFAIRS
JAN 2 1938
Department of State

8628 Japanese efforts north and south sections
Tsinpu having little success. Chinese irregulars men-
acing Japanese garrisons vicinity Wutaishan, Shansi.
Five Chinese division formerly stationed vicinity Haichow
transferred to Pengpu region 1811.

KLP:



793.94/12240

FILED
JAN 2 1938

F/FG

TELEGRAM RECEIVED

JR
AMEMBASSY PEIPING
AMEMBASSY HANKOW
AMCONSUL SHANGHAI

PLAIN AND GRAY

Canton via N. R.

FROM
Dated January 27, 1938

REC'd 7 a.m.
January 28.

Secretary of State,
Washington.

January 27, noon.

Operating in groups of from one to thirteen planes
(mostly medium and large seaplane bombers), Japanese
have continued average of four or five daily flights over
Kwangtung. Southern section Hankow Railway raided
fourteen times from twenty-second to twenty-sixth
inclusive including attack on local passenger train
25th with reported 30 casualties. No important damage
to tracks reported. Planes have flown over Canton several
times past few days meeting vigorous improved ground
fire. Spur line and two military airdromes were during
the day bombed. Other raiding practically confined to
two small attacks on Hong Kong and Samshui Railways,
and numerous minor raids along water routes and main
highways in general vicinity of Canton presumably directed
mainly at troop and supply movements but reported resulting
in heavy noncombatant casualties and property losses.
Official source states 100 civilians killed in sinking

on

793.94/12241

F/FG

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

2- January 27, noon, from Canton via N.R.

of one junk on East River. Extensive scouting operations also reported.

Japanese cruisers twenty fifth shelled lower delta coastal village near Nantou about twenty five miles north of Hong Kong and put out boats which shortly returned to ship reportedly repelled by Chinese fire. Evidently a defense testing operation.

Mailed Swatow, Hong Kong.

LINNELL

KLP:

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

793.94

DOCUMENT FILE

NOTE

SEE 393.1163 L 97/26 FOR Tel #0024-2112

FROM Navy Department () DATED Jan 24, 1938
TO NAME 1-1127 ***

REGARDING: Japanese air raid in the vicinity of Ichang, today, causing
damage to American Lutheran Mission residence property.
No neutral casualties.

FRG.

793.94 / 12242

12242

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

LMS

COMYANGPAT

January 24, 1938

Rec'd 6:50 p. m.

ACTION: OPNAV, WASHINGTON.

INFO: CINCAF
2nd BRIGADE USMC
YANGTZE PATROL
COMSUBRON 5
COMDESRON 5
COMSOPAT
ANAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

0024 For first time since beginning Sino-Japanese
hostilities eight Japanese navy bombers attacked Ichang
1000 today dropping approximately 80 bombs vicinity air-
field and on waterfront. Property Lutheran Church Mission
damaged. No foreign casualties 2112

SMS:NPL

393.1163 & 97/26

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



DEPARTMENT OF STATE
RECEIVED
EMBASSY OF THE
UNITED STATES OF AMERICA
DIVISION OF
COMMUNICATIONS
Tokyo, December 11, 1937

ADVISER ON POLITICAL RELATIONS
MR. HON. BECK
JAN 3 - 1938
DEPARTMENT OF STATE

Strictly Confidential DEPARTMENT OF STATE
FAR EASTERN AFFAIRS
JAN 23 1938
DEC 31 1937

Dear Mr. Secretary:

It occurs to me that it may interest you

the enclosed copy of a letter dated October 27, from the
Archbishop of Canterbury, to the Right Reverend Samuel
Heaslett, D. D., Bishop of South Tokyo and Presiding
Bishop of the Holy Catholic Church of Japan, himself a
Canadian. The letter, as you will see, is in reply to
a recommendation by Bishop Heaslett to the Archbishop of
Canterbury that he should refrain from presiding at the
meeting in Albert Hall for the purpose of expressing
condemnation of Japan's actions in China. I think that
there is no objection to your placing this letter on
the confidential files of the Department, if you so desire.

With high respect, I am

Faithfully yours,

Enclosure

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

Division of
FAR EASTERN AFFAIRS
JAN 21 1938
Department of State

JAN 31 1938

FILED

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

Lambeth Palace, S.E.

27th October 1937.

My dear Bishop,

I must apologise for delay in fulfilling the promise I made in my telegram of October 7th that I would write fully. But I have been quite exceptionally pressed by constant work, and I had some hope that possibly I might have had some letter from you telling me more than you could in your telegram to me of the reasons which impelled you to ask me to refrain from presiding at the meeting in the Albert Hall, London.

Let me say at once and with the utmost sincerity that I have the deepest sympathy with you and with the Bishops, clergy, and people of your Church at this present time. Most naturally all the instincts of patriotism must be aroused among your people; and I know well how specially strong in Japan are the impulses of national sentiment. I am indeed distressed to think that any action or words of mine should have increased the troubles and anxieties of the Church in Japan which must already be most grievous.

I. But I cannot help wondering how far you and your people have been at all aware of the news which reach this and other countries as to the way in which at the time of the Albert Hall meeting naval and military commanders in China seemed to be conducting this distressing war; for I am well aware of the very strict censorship of the Press imposed

-2-

imposed upon Japan and of the vigour, natural and indeed inevitable, in a time of war, of nationalist propaganda. Doubtless there may have been some exaggerations on the side of China. I fully admitted this in what I said at that meeting. But I could not refrain from adding some words which in case you may not have read any full report of my speech I may here quote:-

"After making all allowances for exaggerations inevitable in the dire circumstances of war, there remains only too much cause for our sense of dismay and horror. And, after all, estimated in terms of human suffering hundreds are as eloquent as thousands. I submit that we are entitled to base our protest on the verdict of the Committee of twenty-three nations at Geneva given on September 27th and endorsed without question by the whole of the assembly of the League of Nations. Let me remind you of it. 'The Advisory Committee taking into consideration the question of aerial bombardment of open towns in China by Japanese aircraft expresses its profound distress at the loss of life caused to innocent civilians ... solemnly condemns such acts, and declares that they have aroused horror and indignation throughout the world'".

Surely there must have been some justification for a protest so unanimous and so widespread especially as in this and

many

-3-

many other countries it has not arisen from any kind of enmity against the Japanese nation. I cannot help thinking that if you and your people had been permitted to know what we knew you would at least have understood the motives which compelled the people of this country and the representatives of all these nations at Geneva to make a solemn protest and appeal to the Japanese Government and Nation.

II. As to my own part in giving some expression to this protest and appeal, the occasion was not one of my own seeking. The invitation to preside at the Albert Hall reached me by telegram a few days before the date of the meeting. I accepted it because that meeting seemed to afford the first opportunity when a large gathering of my fellow citizens could give witness to the depth of the feelings which were stirring their hearts. But when I reached London two days before the meeting I found that it was proposed to submit a Resolution which would have been an attack upon the whole policy of Japan in China. I said that I could not preside at a meeting which did not confine itself to the immediate point of the alleged case of ruthless warfare, and I induced the promoters of the meeting to acquiesce. I venture to quote again some sentences from my speech as they may show the spirit in which I spoke:-

"Even between friends the voice of conscience cannot be silenced, and conscience forbids us to maintain a silence which might be taken to mean acquiescence. We

make

-4-

make our appeal to the Government and people of Japan to restrain the action of their naval and military commanders in China, and thus to vindicate their place among civilised nations."

I had already joined with other religious leaders in this country in a letter to "The Times" of which I send you a copy. It may show that I had with me the chief representatives of the religious life of this country and that our protest was not due to any sort of antagonism to the nation of Japan.

Let me add quite simply that the position which my office gives me in this country as that of a leading spokesman of its conscience made it impossible for me to be silent on a matter which on the basis of the facts as we saw them affected the principles alike of Christianity and of humanity.

III. Lastly, rumours have reached me which I can scarcely credit that as a result of these protests the Nippon Sei Kokwai may be moved to dissociate itself from its long and close association with the Church in this country and in America, even from communion with the See of Canterbury. I know not what truth there may be in such rumours. But I am sure that you and your fellow Bishops can have no sympathy with any such short-sighted impulse: indeed that you will do your utmost to dissuade your people from any association with it. After

all

-5-

all, even if they may resent my own words, they will remember that the Archbishop of Canterbury for the time being is not himself the Anglican Church. This war with all its tragic circumstances and all the misunderstandings which it creates is only an episode in the history of the Nippon Sei Kokwai. It will pass. Let nothing be said or done which may prevent the continuance, during it, and still more when it is over, of the relations so specially close and by us certainly so deeply valued which have united that Church and the Anglican Communion. Rather in spite of - nay indeed through - these present difficulties and differences let the truth remain unshaken that we are "One Body in Christ".

Meanwhile I am preparing for the Service in Westminster Abbey on the 29th instant to celebrate the Jubilee of the Church in Japan and the Silver Jubilee of the Church in China. I trust that it will strengthen the ties between these Churches and the Church of England. We shall commit both these Churches to God's care at this anxious time and pray most fervently that peace may be restored. I like to think that, as I have been told, you yourself wrote about this Service in a letter last August "Thank God there is one place where China and Japan can unite in prayer".

Pray forgive the length of this letter. I was most anxious both to express my sympathy with you and to endeavour to remove any misunderstandings. May God bless
and

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

-6-

and guide you at this time of tension and strain.

Yours very sincerely,

COSMO CANTUAR

The Right Rev.

Bishop Heaslett, D.D.

P.S. I will write again about the matters to which you
referred in a letter written so long ago as
June 24th and about which I have been making
enquiries.

TIMES October 2, 1937

BOMBING IN THE FAR EAST

SPIRIT OF AGGRESSIVE WARFARE

CHURCH LEADERS' PROTEST

TO THE EDITOR OF THE TIMES

Sir,- As representatives of the Christian Church in Britain we wish to express our shame and sorrow at the action of the Japanese Air Force in its several recent bombing raids on civilian centres of population in China. We cannot believe that such systematic brutality inflicted upon crowded areas of helpless civilians can possibly represent the spirit and desire of the Japanese people, much less of the Christian Church in Japan. We know that the conditions which prevail in a State organized on a war basis must result in a lack of opportunity to ascertain the facts, as also a lack of freedom to discuss them, and we believe that many citizens of Japan who desire the good will of the world and friendly cooperation with China would not condone the present policy of their country.

We have long admired the discipline, the heroism, and the self-sacrifice of the Japanese nation, and it is with an unspeakable shock of horror that we learn of the dreadful lengths to which the military authorities of Japan have been driven in their efforts to force a victory. Never before has aerial bombardment been carried out on such a scale

-2-

scale even on the battlefield, and we think with abhorrence of the depths of bitterness and brutality to which modern warfare inevitably leads.

The events of recent weeks ought to draw forth from men of good will throughout the world a general and emphatic protest against such appalling and useless suffering, and still more against the spirit of aggressive warfare by which it has been brought about. We refuse to believe that Japan is insensitive to the opinion of the civilized world, and we appeal to her to reconsider her policy and to renounce such measures, which not only fail to achieve the purpose for which they are designed, but only succeed in strengthening antagonism and alienating the respect and regard of other nations.

We are yours truly,

Cosmo Cantuar;; Dugald Macfarlane, Moderator, Church of Scotland; M. E. Aubrey, Moderator, Federal Council of the Free Churches; Sidney M. Berry, Secretary, Congregational Union of England and Wales; Robert Bond, President, Methodist Conference; W. T. Elmslie, General Secretary, Presbyterian Church of England.

Conference of Missionary Societies, Edinburgh House,
2, Eaton Gate, S.W.1, Sept. 30.

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

January 20, 1938.

My dear Mr. Ambassador:

I wish to thank you for your letter of December 11, 1937, enclosing a copy of a letter from the Archbishop of Canterbury to the Bishop of South Tokyo and Presiding Bishop of the Holy Catholic Church of Japan.

I appreciate your having brought the Archbishop's letter to my attention. I have read it with interest, and, in the light of the last sentence of your letter under acknowledgment, I am placing it, together with your letter, in the Department's files.

With cordial best wishes to you, Mrs. Grew and the members of your staff,

Sincerely yours,

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo.

S GWR:MA

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

DEPARTMENT OF STATE *PAH*

DIVISION OF FAR EASTERN AFFAIRS

Jan 20, 1938

MMH:

The name of Mr. Kleinman
does not appear in the current
Hong list as a resident of
Japan, and I have never heard
of him.

JMB

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

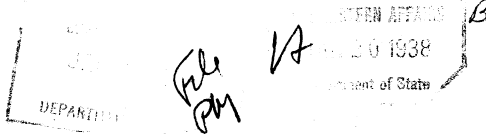
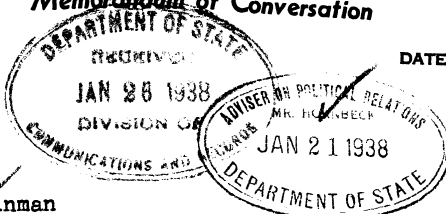
Memorandum of Conversation

DATE: January 19, 1938.

SUBJECT:

PARTICIPANTS: Mr. Kleinman
Mr. Pierrepont Moffat

COPIES TO:



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Mr. John Wattawa, a lawyer in Washington with whom I had been associated in our Legation at The Hague in 1918, telephoned and asked if I would receive a friend of his, a Mr. Kleinman, who had recently returned from Japan and had some information he wished to impart. I told Mr. Wattawa that I would be glad to put Mr. Kleinman in touch with people in our Far Eastern Division if and when he called.

Sometime later Mr. Kleinman telephoned me that he would not be able to come. Later he appeared without appointment, and said that he did not wish to see anyone in the Far Eastern Division. He said that I must be aware of the disagreements which existed between commercial

793.94/12244

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12244

-2-

mercial elements and the military, and even between certain factions of the military, as to the prosecution of hostilities in China. He had been asked to come to Washington to sound out whether President Roosevelt would not "save Japan from the folly of her own victory" by offering to mediate.

I remarked that I thought the attitude of the United States toward good offices was clear. He asked me if I would look into the matter further and telephone him. I told him that I should do no such thing, that I had nothing to do with Far Eastern matters, and would "stick to my mittens". I then asked him on whose behalf he was acting. He said frankly that he didn't know. I replied that governments dealt through regular channels, and that my experience had been that when efforts were made to short circuit these channels somebody's fingers usually got burned. My advice was that he leave matters where they belonged.

He told me that he thought the advice was good, and that anyway he considered Ambassador Salto a very clever man.

He left no card, and although I could get his full name and antecedents by telephoning Mr. Wattawa I have
not

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

-3-

not done so as I did not wish Wattawa to think that we
were interested.

PM

Pierrepoint Moffat

Eu:PM:CMS

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

TELEGRAM RECEIVED

NG

FROM

COMSOPAT

January 29, 1938

Rec'd 7:55 a.m.

ACTION: OPNAV
INFO: CINCAF (FLAG & ADMN)
2ND BRIG USMC
COMSUBRON 5
COMDESRON 5
COMYANGPAT
AMBASS CHINA
USS MARBLEHEAD
ALUSNA PEIPING

DT

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0028. South China ports quiet. 2000.

DDM

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

TELEGRAM RECEIVED

NC

FROM

COMYANGPAT

January 29, 1938

Rec'd 7:55 a.m.

ACTION: OPNAV
INFO: GINCAF (FLAG & ADMN)
2ND BRIG USMC
YANGPAT
COMSUBRON 5
COMDESRON 5
COMSOPAT
AMEASS CHINA
USS MARBLEHEAD
ALUSNA PEIPING

0028. Yangtze River ports quiet. 2330.

DDM

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

TELEGRAM RECEIVED

JR

GRAY

FROM

Shanghai via N. R.

Dated January 28, 1938

Rec'd 8:35 p.m.

Secretary of State,
Washington.

163, January 28, 5 p.m.

My No. 124, January 22, noon.

Japanese appear to have made little progress in their attacks upon Fengyang and elsewhere on the southern section of the Tsinpu Railway. In consequence considerable reinforcements are reported to have been despatched to this front. Reinforcements many of which have passed through Shanghai recently are being sent to Wuhu and Hangchow where Chinese guerrilla bands continue their attacks. Chinese bandits and plain-clothes men are reported active in the Wusih Soochow area.

The Chinese Ambassador to Japan who passed through Shanghai recently en route to Hong Kong informed a foreign press representative that he was not carrying a new set of peace proposals to the National Government. Japanese Ambassador to China sailed today for Japan.

Repeated to Hankow and Peiping.

GAUSS

SMS:NPL

793.94/12247

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

TELEGRAM RECEIVED

NC

FROM

GRAY
(Milan) at Chiasso

Undated

Rec'd 4:19 a.m.

January 29, 1938

Secretary of State
Washington

Eighty Italian aircraft and fifty Italian airmen,
some recently returned from Spanish front, it would
appear, have been ordered to Japan. Embassy was inform-
ed aircraft shipments January 25 last. My British
colleague called upon me today. His figures place air-
craft sent at 50. This telegram from Swiss boundary.

SHOLES

KLP

HPD

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793.94/12248

TELEGRAM from Sholes, MILAN, dated January 29, 1938:
Italian Aircraft and Italian Airmen

<u>Office Title</u>	<u>Chief, or Head of Office</u>
Secretary	Cordell Hull
Under Secretary	Sumner Welles
Counselor	R. Walton Moore
Assistant Secretary	George S. Messersmith
Assistant Secretary	Francis B. Sayre
Special Asst. to the Secretary of State	Leo Pasvolsky
Legal Adviser	Green H. Hackworth
Adviser on Political Relations	Stanley K. Hornbeck
Adviser on Political Relations	James C. Dunn
Adviser on International Economic Affairs	Herbert Feis
Division of European Affairs	Jay Pierrepont Moffat
Division of Far Eastern Affairs	Maxwell M. Hamilton
Division of Current Information	Michael J. McDermott
Chief Clerk and Administrative Assistant	Edward Yardley
Office of the Historical Adviser	Hunter Miller, Chief Carlton Savage, Asst. Historical Adviser

(over, please)

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

- 2 -

TELEGRAM from Sholes. MILAN, dated January 29, 1938:
Italian Aircraft and Italian Airmen - (Cont'd)

DISTRIBUTION:

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Office Title

Office of Arms and Munitions Control

Division of American Republics

Division of Near Eastern Affairs

Chief, or Head of Office

Joseph C. Green

Laurence Duggan

Wallace Murray

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

7412
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

Jan. 29. Sholes, U.S. consul at Milan cabled that ~~the~~ "80 Italian
air craft and 50 Italian airmen, some recently returned from
Spanish front, it would appear, have been ordered to Japan. Embassy
was informed aircraft shipments January 25 last. My British colleague
called upon me today. His figures place aircraft sent at 50."

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

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TELEGRAM SENT

Department of State

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NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Washington,

January 31, 1938
7pm

AMEMBASSY

793.94/12248

ROME (ITALY)

7 Consul General Sholes in an undated telegram sent from Chiasso and received here January 29 reports that eighty Italian aircraft and fifty Italian airmen have been ordered to Japan. You are requested discreetly to investigate the accuracy of this report and to cable the Department the results of your investigation as promptly as possible. The President is greatly disturbed by the possibility that a large number of Italian aircraft and especially Italian aviators belonging either to the regular or reserve forces, have been ordered to Japan and if you find that there is even a slight basis in fact for Sholes's report we shall probably wish to instruct you to make an inquiry of the Italian Government regarding this matter.

F.W.
793.94/12248

NHT

Eu:HHT:LF

PM

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Enciphered by

Sent by operator M., 19

D. O. R.-No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

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47

TELEGRAM to Phillips, ROME, dated January 31, 1938:
Investigate Report on Italian Aircraft and Airmen

<u>Office Title</u>	<u>Chief, or Head of Office</u>
Secretary	Cordell Hull
Under Secretary	Sumner Welles
Counselor	R. Walton Moore
Assistant Secretary	George S. Messersmith
Assistant Secretary	Francis B. Sayre
Special Asst. to the Secretary of State	Leo Pasvolksy
Legal Adviser	Green H. Hackworth
Adviser on Political Relations	Stanley K. Hornbeck
Adviser on Political Relations	James C. Dunn
Adviser on International Economic Affairs	Herbert Feis
Division of European Affairs	Jay Pierrepont Loffat
Division of Far Eastern Affairs	Maxwell M. Hamilton
Office of Arms and Munitions Control	Joseph C. Green
Office of the Historical Adviser	Hunter Miller, Chief Carlton Savage, Asst. Historical Adviser
Division of American Republics	Laurence Duggan
Division of Near Eastern Affairs	Wallace Murray

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Department of State Letter, August 10, 1972
By Milton D. Silverman, NAB, Date 12-18-75

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

Jan. 31. Hull cabled Phillips, U.S. Ambassador to Rome, to investigate fully the report of the U.S. consul at Milan that 80 Italian aircraft and 50 airmen had been ordered to Japan. Hull said that President Roosevelt was disturbed that a number of Italian aircraft and especially aviators of the regular or reserve forces should be ordered to Japan. Hull added that if Phillip's investigation showed any basis for the report he would probably ask Phillips to make a direct inquiry of Italy.

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



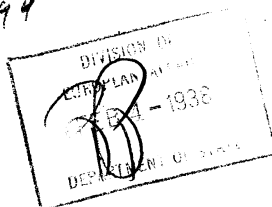
EMBASSY OF THE
RECEIVED
UNITED STATES OF AMERICA
DEPARTMENT OF STATE

London, January 18, 1938.

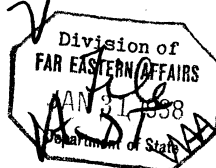
No. 3790.

SUBJECT: Press Comment on Japanese Announcement to
Cease Dealing with the National Govern-
ment of China.

793.94



For Distribution Check		Yes	No
Grade			
For			



The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to report that the announcement in Tokyo on January 16 that the Japanese Government would "cease henceforth to deal with the Government of Chiang Kai-Shek" has been the subject of editorials in several London papers.

The Times points out that this statement represents the fruits of nearly a week's continuous deliberation and

that/

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-2-

that while in normal circumstances the refusal of one state to recognize the government of a neighbor is a grave business, in this case it has "no meaning at all." This paper thinks that the fundamentally realistic Chinese will take Tokyo's formal gesture of repudiation coolly, and they may even find encouragement in its implications. The Times continues:

"Its practical significance is confined to the official termination of unofficial peace negotiations. These negotiations, which have been conducted through the good offices of German diplomatic representatives, had already broken down on the flat rejection by China of the exorbitant terms drafted by Japan; and, for the present, at any rate, their continuance would have had no possible effect on anything except the patience of the intermediaries. Its apparent intransigence can only strengthen the Chinese will to resist; and its somewhat lugubrious undertones reflect a growing consciousness of the invader's dilemma. Japan is slowly discovering that it takes more than ashes to make a Phoenix."

The Daily Telegraph and Morning Post thinks the announcement does not imply war, and that "the growth of a new Chinese régime" will be a slower process than is expected. In concluding this paper brings in the subject of sanctions as follows:

"But a prospect which is so serious for all Powers having rights and interests in China were better not darkened by irresponsible intervention, such as that of the Labour and Socialist International in joint sitting with the International Federation of Trade Unions. This body has passed a resolution proclaiming 'a detailed plan of sanctions' against Japan, with embargoes on exports and imports, and 'guarantees of mutual assistance.' This pretentious plan is to be recommended to the national Labour organisations, with the explanation that

it/

-3-

it is not directed against the Japanese people, 'itself the victim of its military caste and rapacious capitalism.' This mischievous intrusion could only embarrass diplomacy, without restraining aggression."

The Opposition Liberal Manchester Guardian published a longer and more analytical editorial. After sarcastic references to the wording of the announcement the Guardian says:

"In spite of this humbug, however, the statement reveals not only considerable disappointment but also a certain moderation of policy. There can be no doubt that the Japanese Government at least hoped that the fall of Nanking would provide an opportunity for peace negotiations, but all in vain. The Japanese forces have gone too far to expect a negotiated peace and not far enough to enforce a dictated peace. It is fairly clear from the number of emergency meetings and consultations between the Cabinet and Imperial Headquarters that these plans did not meet with the approval of the Cabinet and were even to some extent contradictory. One may say roughly that there are three main divisions of opinion. The civilian authorities, most strongly represented in the Cabinet and the Privy Council, are rightly nervous of the economic strain and the international situation; they desire peace (on advantageous terms) as soon as possible. The Army demands vigorous action in the North to improve its precarious position there and also to prepare against possible intervention by Soviet Russia. The Navy, on the other hand, dissatisfied with its meagre share of glory, demands further expansion southwards together with a declaration of war which would mean a blockade. *Just as the Army has one eye on Russia, the Navy has one on Britain. Of the three policies, that advocated by the Navy is far the most dangerous and for that reason is opposed by the Cabinet, which on this point may have the support of the Army. But as the Cabinet could hardly hope to carry through a policy of moderation in the face of combined military opposition, it may have decided

to/

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to support the Army's plan as the lesser of two evils. On the whole, the final decision seems to have been a compromise between the views of the Army and the civilian authorities with the Navy in disgruntled opposition. For the moment that amiable Anglophobe Admiral Suetsugu has been defeated, though this is not to say that he will not try again."

As regards South China, the Manchester Guardian thinks that if the attack on Canton is postponed it will more likely be due to the army's refusal to spare the number of men necessary for so serious an operation until the position in the North is more secure. This paper believes that the Japanese are in constant fear that Soviet Russia will encourage Outer Mongolia to join in the war on the side of the Chinese, which it describes as an ingenious means of giving aid to China without abandoning Russian neutrality, and adds:

"The situation is therefore serious enough to justify some caution. In spite of military successes Japan is not yet in sight of peace or victory. She is spending vast sums of money without hope of any immediate return. She has secured the Customs but destroyed the trade."

Respectfully yours,

Herschel V. Johnson

Herschel V. Johnson
Chargé d'Affaires ad interim.

HM/WJK

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

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COPIES SENT FROM

2ND BRIGADE (USMC)

January 29, 1938

Rec'd 1:25 p.m.

ACTION: CINCAF (ADMINISTRATIVE)

CINCAF

OPNAV

INFO: AMCON SHANGHAI CHINA

COMDESRON FIVE

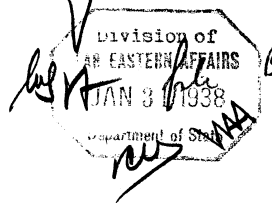
COMYANGPAT

COMSOPAT

AMAMBASSADOR CHINA

USS MARBLEHEAD

ALUSNA PEIPING



8629 No reports changes military situation 1830.

KLP:

793.94/12250

F/FG

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

TELEGRAM RECEIVED

EG

FROM COMSOPAT

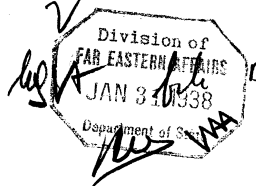
COPIES SENT TO
ONLAND M.I.D.

January 29, 1938

Rec'd 4:20 p.m.

ACTION: OPNAV

INFO: CINCAF FLAG AND ADMN
SECOND BRIGADE USMC
COMSUBRON FIVE
COLDESRON FIVE
COMXANGPAT
AMEMBASSY CHINA
USS MARBLEHEAD
ALUSNA PEI PING



0029. South China ports quiet. 2000.

SMS

793.94/12251

F/FG

EX-1-1938

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

TELEGRAM RECEIVED

EG

COMYANGPAT

FROM: January 29, 1938

COPIX SENT TO
ONLAND M.I.D.

Rec'd 4:22 p.m.

ACTION: CNAV

INFO: CHIEF FLAG AND ADMN
SECOND BRIGADE USMC
YANGPAT
COMBATTION FIVE
COMBATTION FIVE
COMBATTION
AMBASSADOR CHINA
USS LITTLEHEAD
ALUENA PEIPING

Division of
EASTERN AFFAIRS
JAN 30 1938
U.S. DEPARTMENT OF STATE

0029. Yangtze River ports quiet. 2138.

SMS

793.94/12252

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

TELEGRAM RECEIVED

EG

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

Canton via N. R.

Dated January 29, 1938

Rec'd 4:30 p.m.

AMCONSUL HONG KONG
AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL SHANGHAI

Secretary of State,

Washington.

January 29, 6 p.m.

Twenty-seventh and twenty-eighth Hankow railway
and
southern section/Lokchong raided four times average nine
planes about seventy bombs. Hong Kong Railway raided
once twenty-eighth near Canton. Neither line seriously
damaged. Central News reports two minor raids on Hoisow
twenty eighth.

Local papers report Kwangsi's "third war mobilization"
involving immediate despatch to front of 200,000 new troops
including student groups.

(BEGIN CONFIDENTIAL) Local Kwangsi military repre-
sentative confirms that "very large numbers" trained
militia reserves which have just completed several months
"advanced" second training course going north via Kweilin
Hengchow Hankow, some having left already. He believes
most going to Hsuechow front. Is uncertain what proportion
as replacements and what as new units. (END CONFIDENTIAL)

Local

793.94/12253

F/FG

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

-2- January 29, 6 p.m. from Canton via N. R.

Local government newspapers urge enforcement of
Article 16 by League of Nations.

Mailed Swatow.

LINNELL

SMS:JLS

0427

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

[CONFIDENTIAL]

P A R A P H R A S E

A telegram of January 29, 1938, from the American Consul General at Canton reads substantially as follows:

On January 27 and 28 the Hankow Railway, southern section and Lokohong, was raided four times, average nine planes about seventy bombs. Hong Kong Railway was raided once on January 28 near Canton. Neither line was seriously damaged. Central News reports two minor raids on Hoikow on January 28.

Local papers report Kwangsi's "third war mobilization" involving immediate despatch to front of 200,000 new troops, including student groups.

A representative of the Kwangsi military in Canton confirms a report to the effect that "very large numbers" of trained militia reserves which have just finished an "advanced" second training course of several months are proceeding north by way of Kweilin, Hengchow, and Hankow. Some of these reserves have already left. This informant is uncertain as to what proportion of these reserves are new units and what are replacements, but he is of the opinion that most of them are going to the Haichow front.

The government newspapers in Canton urge enforcement of Article 16 by the League of Nations.

795.94/12253

EJC
FE:EJC:HES
1-31

ADP
FE

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

TELEGRAM RECEIVED

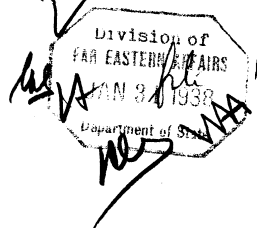
JR **COPIES SENT TO** FROM COMYANGPAT
CHINA AND M.I.D.

January 30, 1938

Rec'd 3:49 p.m.

ACTION: OPNAV

793.94
INFO: CINCAF (FLAG AND ADMN)
YANGPAT
COMSUBRON FIVE
COMDESRON FIVE
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0030. Yangtze River ports quiet, 2355.

WWC

793.94/12254

F/FG

7
E 1 - 1938

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

CA

Plain

FROM COMSOPAT

Dated Jan. 30, 1938

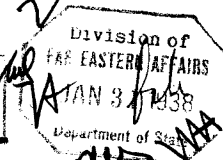
Recd 6:05 p.m.

Opnav,

Washington

Info: Cincaf,
Comsubron 5,
Comdesron 5,
Comyangpat,
Ambassador China,
USS MARBLEHEAD,
Alusna, Peiping.

COPIES SENT TO
CINAF AND M.I.D.



0030. South China ports quiet 2000.

CA

793.94/12255

F/FG

TELEGRAM RECEIVED
PLAIN

EG

Hankow via N. R.

FROM Dated January 29, 1938

Rec'd 2:21 p.m.

Secretary of State,
Washington.

68, January 29, noon.

Following are translations of excerpts from addresses made by representatives of Chinese women's organizations at public meetings at Hankow January twenty eight.

Miss Liu Ching Yang speaking for the North China Peoples Self-defense and Direction Committee said:

"At the present time when the Chinese race is being oppressed and invaded by its neighbor Japan the Chinese people have lost land, lives and property to an extent startling to everybody. But we feel gratified, however, to see that friendly countries upholding righteousness and humanitarianism have given China sympathy and help. Under the circumstances we are encouraged all the more to fight for racial emancipation and world peace".

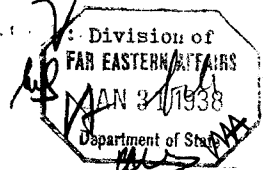
Miss Hiu Cai Sui speaking for the Hankow Women's Association for War Relief said:

"Under the leadership of Madam Chiang Kai Shek the Chinese women showed determination to fight for national independence and existence and world peace. As a consequence the National Chinese Women's Association for

War

47

Copy sent to
Mr. Swift
Red Cross



793.94/12256

F/FG

-2- #68, January 29, noon: from Hankow via N. R.

War Relief was inaugurated in Nanking on August one. The establishment of the Association was followed by the formation of branches throughout the length and breadth of the country. Such branches also sprang up in Burma, the Philippines, the United States of America and Europe. The work^{of} the War Relief Association is very complex. Representatives have been sent to console the Chinese troops fighting at the front and others are volunteering as nurses in hospitals for wounded soldiers. Educated women have gladly spent their leisure in writing letters for wounded soldiers or in reading newspapers to them. The present war has been sweeping through a wide expanse of territory. The Japanese invaders have brought death to a huge number of war refugees. Many children have been killed under Japanese gunfire or have died from cold or hunger through having been driven from their homes. We have spared no effort to help the Government in doing rescue work for all war refugees and we shall make even greater efforts to play our part in the nation's hour of need. Madam Chiang Kai Shek is paying particular attention to the aid of the war refugees, especially the unfortunate children. Led by her we are laboring hard to carry out different forms of refugee work. I beg sincerely
to

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

-3- #68, January 29, noon, from Hankow via N. R.

to inform all our foreign friends that the Chinese Government had indicated its firm determination to uphold world peace and to struggle for national independence and existence and that we the women of China will follow the decreed path with similar determination and fortitude".

JOHNSON

KLP

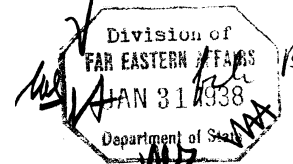
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR SENT TO
CIN. AND M.I.D. FROM SECOND BRIGADE USMC
January 31, 1938
Rec'd 7:30 a.m.

ACTION: CINCAF (FLAG & ADMN)
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.74

8631. Reliably reported Japanese drive southward on
Tsinning Kinsiang motor road halted by Chinese unit
attacking from westward. Activity of reinforced Chinese
units left bank Yangtze vicinity Wuhu has forced Japanese
evacuate several villages. Japanese reported reinforcing
that region with 5000 troops which left Tientsin 29
January. 1823.

HPD

793.94/12257

RECEIVED
JAN 31 - 1938

F/FG

TELEGRAM from Second Brigade, USMC (Presumably SHANGHAI) dated January 31, 1938:
Report of Japanese reinforcing Wuhu Region

733 86/12257
 1378
 1/21/46

DISTRIBUTION:

<u>Office Symbol</u>	<u>Office Title</u>	<u>Chief. or Head of Office</u>
S	Secretary	Cordell Hull
U	Under Secretary	Sumner Welles
C	Counselor	R. Walton Moore
A-M	Assistant Secretary	George S. Messersmith
A-S	Assistant Secretary	Francis B. Sayre
SA	Special Asst. to the Secretary of State	Leo Pasvolksy
LE	Legal Adviser	Green H. Hackworth
PA/H	Adviser on Political Relations	Stanley K. Hornbeck
PA/D	Adviser on Political Relations	James C. Dunn
FEIS	Adviser on International Economic Affairs	Herbert Feis
FE	Division of Far Eastern Affairs	Maxwell M. Hamilton
CI	Division of Current Information	Michael J. McDermott
CC	Chief Clerk and Administrative Assistant	Edward Yardley
CA	Office of Arms and Munitions Control	Joseph C. Green
SAVAGE	Office of the Historical Adviser	Hunter Miller, Chief Carlton Savage, Asst. Historical Adviser

(over, please)

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

TELEGRAM from Second Brigade, USMC (Presumably SHANGHAI) dated January 31, 1938:
Report of Japanese reinforcing Wuhu Region - (Cont'd)

DISTRIBUTION:

<u>Office Symbol</u>	<u>Office Title</u>	<u>Chief. or Head of Office</u>
EU	Division of European Affairs	Jay Pierrepont Moffat
RA	Division of American Republics	Laurence Duggan
NE	Division of Near Eastern Affairs	Wallace Murray

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State Letter, August 10, 1972
By William D. Chas. [unclear] NARS, Date 12-18-75

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

Jan. 31. U.S. marine commandant (presumably at Shanghai) radioed that the Japanese were reported to be reinforcing the Wuhu region with 5,000 troops which left Tientsin on January 29.

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

TELEGRAM RECEIVED

JR

SECOND BRIGADE USMC

FROM

January 31, 1938

Rec'd 6 a.m.

ACTION: CINCAF (ADMIN)
CINCAF
OPNAV

INFO: AMCONSUL SHANGHAI
COMSUBRON FIVE
COMDESRON FIVE
COMDR YANGTZE PATROL
COMSOUTH CHINA PATROL
AM AMBASSADOR CHINA
USS MARBLEHEAD
NAVATTACHE PEIPING

COPIES SENT TO
AND M.I.D.

Division of
FAR EASTERN AFFAIRS
JAN 31 1938
Department of State

1830. Steady fighting reported both sections Tsinpu
Railway. No evidence any Japanese gains. Chinese
continue concentrate additional forces on Tsinpu and
Grand Canal. Japanese forces to intensify operations
against guerillas Naihu Lake region. Thing reported
retaken by Chinese mobile unit.

DDM

793.94/12258

F/FG

TELEGRAM RECEIVED

JR

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

Dated January 30, 1938

FROM

Rec'd 9:15 a.m., 31st.

Secretary of State,

Washington.

61, January 30, 6 p.m.

The following is the substance of a memorandum

presented to me by the Military Attache.

One. An unusually large number of Japanese troops has been assembled in Formosa, one estimate from Warner at Taihoku running as high as 100,000. Great secrecy is being maintained regarding this force and it has been impossible to determine its strength, composition or location.

Two. HOWEVER, the presence on the Island of Formosa of anything beyond the normal garrison which is usually not greater than ten thousand men is significant at this time. Formosa is obviously in no danger of attack by the Chinese and it is an excellent jumping off position or base for any Japanese operation directed at such points as Foochow, Amoy or Canton.

Three. The fact of the presence of an unusual number of troops indicates that the idea of operations against Foochow, Amoy or Canton was in Japanese minds at the time of the assembly of this force. At present, operations may

be

793.94

793.94/12259

FILED

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

-2- #61, January 30, 6 p.m., from Tokyo.

be being delayed while preparations are under way or because the Japanese do not feel that the supplies entering China at those places are sufficient to warrant embarking on such an operation or finally that they do not care to run the risk of incurring any further international complications at the moment.

Four. Such an operation is thoroughly in accord with what is known as the "coastal policy" which has the support of considerable army opinion. This policy as its name implies advocates the holding of key points along the coast as a means of exerting pressure against China as compared to any other policy based upon further excursions inland.

GREW

WWC:KLP

7 4 4 1

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

[CONFIDENTIAL]

P A R A P H R A S E

A telegram (no. 61) of January 30, 1938, from the American Ambassador at Tokyo contains the substance of a memorandum presented by the American Military Attaché to the Ambassador as follows:

There has been assembled in Formosa an unusually large number of Japanese troops. One estimate of the number of these troops received from the American Consul at Taihoku runs as high as 100,000. It has been impossible to obtain information with regard to the location, strength, or composition of this force, as great secrecy is being maintained concerning it.

At this time, however, the presence of any number of troops in Formosa beyond the normal garrison, which generally is composed of not more than 10,000 men, is significant. Obviously, there is no danger of an attack by the Chinese on Formosa and it is a very good base or jumping-off position for any operation directed by the Japanese at such places as Canton, Amoy, or Foochow.

The fact that there is an unusual number of troops in Formosa indicates that at the time this force was assembled the Japanese had in mind the idea of operations against Canton, Foochow, or Amoy. It may be that operations are being delayed at the present time because
the

1 4 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

-2-

the Japanese feel that supplies are not entering China at those places in sufficient quantities to justify embarking on such an operation, because at the present time the Japanese do not wish to risk incurring any further international complications, or lastly while preparations are under way.

Such an operation is entirely in accord with the "coastal policy" which, as its name indicates, advocates, as a way of exerting pressure against China as compared to any other policy based upon further excursions into the interior of China, the holding of key points along the coast. This policy has the support of a large body of army opinion.

793.94/12259

FE:EC:CES
II-1

ACM
FE

DISTRIBUTION:

Office Symbol

S

U

C

A-M

A-S

SA

LE

PA/H

PA/D

FEIS

FE

CI

CC

CA

EU

RA

NE

461
TELEGRAM from Grew, TOKYO, dated January 30, 1938:
Assembling of Japanese Troops in Formosa

<u>Office Title</u>	<u>Chief, or Head of Office</u>
Secretary	Cordell Hull
Under Secretary	Sumner Welles
Counselor	R. Walton Moore
Assistant Secretary	George S. Messersmith
Assistant Secretary	Francis B. Sayre
Special Asst. to the Secretary of State	Leo Pasvolaky
Legal Adviser	Green H. Hackworth
Adviser on Political Relations	Stanley K. Hornbeck
Adviser on Political Relations	James C. Dunn
Adviser on International Economic Affairs	Herbert Feis
Division of Far Eastern Affairs	Maxwell M. Hamilton
Division of Current Information	Michael J. McDermott
Chief Clerk and Administrative Assistant	Edward Yardley
Office of Arms and Munitions Control	Joseph C. Green
Division of European Affairs	Jay Pierrepont Moffat
Division of American Republics	Laurence Duggan
Division of Near Eastern Affairs	Wallace Murray

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

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

Jan. 30. Grew cabled from Tokyo that the U.S. Military attache had supplied him with a memorandum stating substantially the following:

"An unusually large number of Japanese troops has been assembled in Formosa, one estimate from Warner at Taihoku running as high as 100,000. Great secrecy is being maintained regarding this force, and it has been impossible to determine its strength, composition or location.

"However, the presence on the island of Formosa of anything beyond the normal garrison which is usually not greater than 10,000 men is significant at this time." The memorandum added that Formosa is obviously in no danger of attack by the Chinese and is a good base for attacks on Amoy and other coastal cities.

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

JAMES A. FARRELL, Chairman

GRAEME K. HOWARD, Vice-Chairman

EUGENE P. THOMAS, President

ROBERT H. PATCHIN, Treasurer

LINDSAY CRAWFORD, Secretary

NATIONAL FOREIGN TRADE COUNCIL, INC.

FE 793.94/12165

26 BEAVER STREET. NEW YORK, N. Y. January 26, 1938

1938 JAN 31 AM 9 46
Dr. Stanley K. Hornbeck,
Adviser on Political Relations,
Department of State,
Washington, D. C.

DIVISION OF
COMMUNICATIONS
AND RECORDS

DIVISION OF
FAR EASTERN AFFAIRS

JAN 27 1938

Department of State

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
JAN 27 1938
DEPARTMENT OF STATE

Dear Dr. Hornbeck:

JANUARY 29 1938

Answering your letter of the 25th regarding the telegram from Mr. Kenji Kodama, President, Japan Foreign Trade Federation, I should like to place the construction on the message that it is merely a New Year's Greeting, but the context of the message definitely indicates that the greetings are a mere prelude to the propaganda which it contains.

I find it difficult, therefore, to ignore in any reply the context of the message without giving offense, but feel at the same time an opportunity is provided of making clear that our Council is unable to communicate with its members or foreign traders generally along the lines which Mr. Kodama advocates.

I have therefore drafted the attached suggested reply, and would appreciate your advice as to its propriety, as I am unwilling to make any reply which might not meet with your approval.

Yours very truly,

E. P. Thomas

President.

793.94/12260

EB 3 - 1938

FILED

F/FG 12260

Telephone: Whitehall 4-5780

Cable Address: NAFTRAC

COOPERATING ORGANIZATIONS:

INTER-AMERICAN ADVISORY COMMITTEE
PHILIPPINE-AMERICAN ADVISORY COMMITTEE

FOREIGN TRADE COMMITTEE OF THE BUSINESS ADVISORY COUNCIL, DEPARTMENT OF COMMERCE

EXPORTERS-IMPORTERS ADVISORY COMMITTEE FOR
EXPORT-IMPORT BANK OF WASHINGTON, D. C.

INTERNATIONAL COMMUNICATIONS COMMITTEE
SPANISH-AMERICAN ADVISORY COMMITTEE
AMERICAN EXPORTERS & IMPORTERS ASSOCIATION
JOINT COMMITTEE FOR FOREIGN TRADE ACTION

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

JAMES A. FARRELL, Chairman

GRAEME K. HOWARD, Vice-Chairman

EUGENE P. THOMAS, President

ROBERT H. PATCHIN, Treasurer

NATIONAL FOREIGN TRADE COUNCIL, INC.

26 BEAVER STREET • NEW YORK, N. Y. January 26, 1938

Mr. Kenji Kodama, President,
Japan Foreign Trade Federation,
Tokyo, Japan.

Dear Mr. Kodama:

I have pleasure in acknowledging the receipt, via Washington, D.C., of your cablegram of January 15, 1938, conveying Greetings for the New Year, which I cordially reciprocate.

We have also noted the views you express regarding the present Sino-Japanese conflict. You will appreciate the fact that our Council does not assume to advise its members - which consists not only of exporters, but banking, transportation and producing interests - in regard to their respective individual policies of trading with any foreign country.

Our Council is a cooperative institution for its members to use as a clearing house for the exchange of information bearing on foreign trade problems, such as blocked funds, exchange restrictions, quotas, reciprocal trade agreements, etc.

We earnestly share in your hope for the continuous development of prosperous economic relations between our two countries.

Thanking you for your greetings, and cordial expressions, I remain

Yours very truly,

President.

EPT/U

Telephone: Whitehall 4-5780

COOPERATING ORGANIZATIONS:

Cable Address: NAFTRAC

INTER-AMERICAN ADVISORY COMMITTEE
PHILIPPINE-AMERICAN ADVISORY COMMITTEE

SOUTH AFRICAN RECIPROCAL TRADE COMMITTEE
SPANISH-AMERICAN ADVISORY COMMITTEE

FOREIGN COMMERCE DEPARTMENT, CHAMBER OF COMMERCE OF THE UNITED STATES

FOREIGN TRADE COMMITTEE OF THE BUSINESS ADVISORY COUNCIL, DEPARTMENT OF COMMERCE

EXPORTERS-IMPORTERS ADVISORY COMMITTEE FOR
EXPORT-IMPORT BANK OF WASHINGTON, D. C.

AMERICAN EXPORTERS & IMPORTERS ASSOCIATION
JOINT COMMITTEE FOR FOREIGN TRADE ACTION

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

JANUARY 29 1938

In reply refer to
FE 793.94

Dear Mr. Thomas:

I have received your letter of January 26, 1938, in which you enclose a draft of your proposed reply to a cablegram received by you from Mr. Kenji Kodama, President, Japan Foreign Trade Federation, and referred to in previous correspondence with me, and request my advice as to the propriety of the proposed reply.

I have carefully examined the draft of your proposed reply and perceive no objection to its contents.

I appreciate the cooperative spirit which has prompted you to keep in close touch with the Department on this matter.

Yours sincerely,

SKH
Stanley K. Hornbeck
Adviser on Political Relations

Mr. Eugene P. Thomas,
President, National Foreign
Trade Council, Inc.
26 Beaver Street,
New York, New York.
JAN 29 1938. PM

kn
FE:JWB:NN

FE

1/28/38

793.94/12260

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

DOCUMENT FILE

NOTE

SEE 841.00 P. R./526 FOR Despatch #3789

FROM Great Britain (Johnson) DATED Jan. 17, 1938
TO NAME 1-1127 670

REGARDING: Far Eastern situation. British Labor's attitude toward
the, - Summary by the Council of Labor's policy towards
Far Eastern situation. Boycott measures.

fp

793.94/ 12261

12261

British Labor's Attitude toward Far Eastern Situation

Supplementing the remarks made in last week's report on this subject, the National Council of Labor decided at its meeting on January 10 to send representatives to Brussels on January 15 to discuss the Far Eastern crisis with leaders of the Labor and Socialist International and the International Federation of Trade Unions.

Labor's policy towards the Far Eastern situation was summarized by the Council as follows:

- (1) a consumers' boycott of Japanese goods;
- (2) no British war materials or loans for Japan; and
- (3) international economic action by Governments.

The Daily Herald (Labor) complimented the Brussels Conference on its decisions, stating that World Labor had struck another blow against international aggression.

Boycott Measures

The London Co-Operative Society which operates some 250 grocery and 60 drapery and hardware establishments in the metropolitan area has decided to instruct the Society's buyers that no purchase of goods known to be of Japanese origin shall be made where there is an alternative source of supply, except with the authority of the committee of management.

The

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

-11-

The International Peace Campaign announced on January 12 that a conference to organize a world boycott of Japan and aid for China will be held in London on February 11. It is contemplated that Viscount Cecil will preside at the meeting.

DECLASSIFIED: E.O. 11652, 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

COMYANGPAT

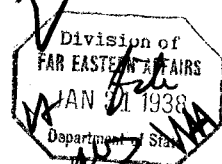
January 31, 1938

FROM

Rec'd 11:55 a.m.

ACTION: OPNAV

INFO: CINCAF ADMIN
SECOND BRIGADE USMC
COMSUBRON FIVE
COMDESRON FIVE
CINCAF
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0031. Yangtze River ports quiet. 2025.

KLP

793.94/12262

FILED

FEB 2 - 1938

F/FG

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

TELEGRAM RECEIVED

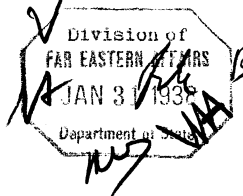
LMS

COMSOPAT

FROM January 31, 1938

Rec'd 3 p. m.

ACTION: OPNAV, WASHINGTON
INFO: COMDESRON 9
2nd BRIGADE USMC
COMSUBRON 5
CINCAF
COMYANGPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



0031 ~~Air Rats~~ railroads vicinity Canton sixteen
BSP sighted, other South China ports quiet 2000

KLP

X
—
15

793.94/12263

FILED
JAN 2 - 1938

F/FG

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

NOTE

SEE 811.001-Roosevelt, F. D./5784 FOR #.

FROM _____ (_____) DATED Jan. 24, 1938
TO Tokyo NAME _____ 1-1127 gpo

REGARDING: Statement made by Sohichi Ichida regarding the present conflict between China and Japan and some newly issued Japanese postage stamps. Incident of the PANAY involved.

793.94/ 12264

7

12264

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

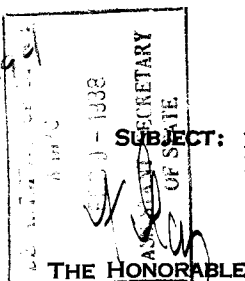
NO. 1136

RECEIVED
AMERICAN CONSULATE GENERAL,

1938 JAN 31 PM 5:30 Shanghai, China,

December 23, 1937.

DIVISION OF
COMMUNICATIONS
AND RECORDS



SUBJECT: Editorials from Local English Language
Newspapers during November, 1937.

COPIES SENT TO
UNIT AND MID.

THE SECRETARY OF STATE, DT
WASHINGTON.

SIR:

I have the honor, with reference to my despatch
No. 1083 November 15, 1937, "Editorials from English
Language Newspapers", to submit with this despatch a
representative selection of editorials that appeared in
the local English language newspapers during November
1937.

As in the preceding month the editorials in the
aggregate are very long. Consequently quotations from
and comment on them are included in this despatch in the
hope of briefly indicating their substances.

The opinion of the Consulate General on many of the
subjects covered by the editorials was submitted in this
office's monthly political report for November (Despatch
No. 1019 dated December 8, 1937) copies of which were sent
to the Department and in telegrams and other despatches.

A list of the titles of the editorials, dates of
publication and the newspapers in which they appeared is

also

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12265

- 2 -

also enclosed. One copy of each of the editorials is being sent to the Department only.

I. Military Situation

During the first twelve days of November there were many editorials in the local press on military developments. After the fall of Nantao on the twelfth and the consequent termination of hostilities in the immediate vicinity of Shanghai there were comparatively few editorials on military affairs.

1/ All the local English language papers at the beginning of the month carried editorials commending the courage of the Chinese detachment that held out in the Joint Savings Society's godown after Chapei had fallen to the Japanese. These editorials expressed relief when the surviving members of the detachment abandoned the godown and were interned in the Settlement after being disarmed by British troops. In an editorial on November 2 the SHANGHAI EVENING POST & MERCURY stated:

"Certainly the heroism of that last stand was far from futile, even though it had no direct military objective."

The same editorial also stated with reference to the stand of the Detachment:

"This has been most impressive to the outside world, while at the same time heating the patriotic feeling of many tens of thousands of other Chinese."

Several of the editorials mentioned a report of The CENTRAL NEWS AGENCY that the detachment withdrew only when ordered to do so directly by Chiang Kai-shek.

2/ In an editorial called "On the Perimeter" the NORTH CHINA DAILY NEWS pointed out on November 2 the danger of the foreign defence forces being led, by their sympathy for

China,

-- 3 --

China, from strict neutrality to covert assistance to the Chinese. After commending the neutral forces, especially the American and British for their assistance to Chinese refugees the editorial sounded a warning

"Against the unrestrained expression of feelings which, however spontaneous and creditable in themselves, may tend to obliterate the boundary of the mental perimeter of neutrality."

In conclusion the editorial stated in part:

"British Shanghaianders have a special obligation to temper their legitimate sympathy for China with observance of those qualities of courtesy, restraint and dispassionate judgment which their neutrality imposes on them."

3/ Under the heading of "Three Months" the NORTH CHINA DAILY NEWS on November 8 attempted a general review of military developments. The editorial stated that the capture of Taiyuanfu did not necessarily mean that the Japanese would have ". . . . even now an easy passage to the Yellow River" It then contended that:

"The question is how far the resistance which the Japanese have met has provided the necessary stimulus to the Government's (Chinese) declared intention to persevere in upholding China's independence. That can be answered only by the course of events as they now proceed to unfold themselves, although it appears that there is every indication that the Government has behind it a solid backing of national opinion and that the morale of its forces has been remarkably maintained."

Continuing, the editorial pointed out the importance of the landing effected by the Japanese near Chapu on Hangchow Bay and stated that it

". . . has rendered the position of the Chinese forces at Pootung untenable and it is probable that a withdrawal will now take place, as also generally from the Jessfield and Hungjao areas."

It summarized the military situation on November 8 by stating that the Japanese were within reach of two objectives, the physical control of the five northern provinces and the isolation of Shanghai from the rest of China.

The

- 4 -

4/ The SHANGHAI TIMES on November 12 in an editorial called "The Final Phase" produced a grim picture of the conclusion of hostilities in the immediate vicinity of Shanghai and the destruction and devastation left behind. It mentioned that one Chinese estimate, necessarily very rough, of the value of property destroyed in Greater Shanghai, was \$500,000,000. Chinese currency.

5/ Also on November 12 the NORTH CHINA DAILY NEWS published an editorial review of military developments in which it stated:

"Although they originally could not have expected to defend their lines round Shanghai for more than a fortnight or three weeks, Chinese cannot but feel despondent at the withdrawal now it has come. They may be heartened by the valour of their defence, by the knowledge that their soldiers have been steadfast enough to exact a high price for the invader's advance, even though their own losses have been terrible. . . ."

The editorial then commented on hostilities in North China in relation to the fighting in the Shanghai area, and stated in relation to the latter:

"Just now Shanghai has to steel itself to endurance of a period of great economic, political and social strain. Apprehension and pessimism are rife."

6/ In a review of military developments under the subject of "A New Chapter", the CHINA PRESS on November 14 stated:

"With the final withdrawal of Chinese troops from the vicinity of Shanghai, a new chapter in the history of the Sino-Japanese War will be written along a new front extending from Liuho in the north to Chapoo in the south. The local aspect of the hostilities during the past three months has revealed two significant points. On the one hand, the Chinese have demonstrated their ability to withstand a superiorly equipped force, to the surprise of the world as well as to the admiration of certain Japanese spokesmen. On the other hand, it has also proved that on the battlefield mechanised units stand a far better chance to overcome sheer man power."

The

- 5 -

7/ The SHANGHAI TIMES on November 16 carried a long editorial on the "Military Situation". After mentioning that the landing of Japanese troops above Liuho had caused another withdrawal of Chinese troops, this time from the Quinsan region, the editorial stated:

"Looking back over the past three months and taking note of successive Japanese moves it is clearly discernible that strategy has followed the line of devising a series of pincer movements, once the main Chinese line which had Dahzang as its center was broken."

Further on the editorial stated:

"From being a 'sideshow' the operations in this (Shanghai-Nanking) part of the country now loom as being the decisive factor by reason of the fact that it is here and in Nanking where the Central authorities have their bases."

In conclusion the editorial maintained:

"Three months' hostilities have proven beyond a doubt that in a military way China is not equal to winning in the field against the modernised Japanese army, and the speed at which resistance has shown its weak spots has been disappointing to those who first held such high hopes."

The rapidity of military developments may be illustrated by noting that to November 12 editorial writers were concerned with the situation in the immediate vicinity of Shanghai but at the end of month they were discussing the impending attack on Nanking. The SHANGHAI TIMES carried editorials on the latter subject on November 27 and 30. On November 27 it stated that "an obstinate defence of Nanking by the Chinese forces seems assured" but expressed doubts on the practicability of China's alleged policy of "determined resistance". On November 30 the same paper commented on General Tang Sheng-chih's warning to foreigners to leave Nanking because it might become a battlefield in the near future. The editorial indicated

that

- 6 -

that disorders might be expected from Chinese troops in the vicinity of Nanking because of the pressure of the Japanese advance.

2. Nine Power Conference

10/ There were twenty-one leading editorials on the Brussels conference in the local English language newspapers during November. In general they were pessimistic from the beginning over the prospects of the conference. On November 1 in an editorial called "A Refusal" the NORTH CHINA DAILY NEWS pointed out that it was particularly unfortunate that Japan had refused to attend the conference because Japanese spokesmen persistently maintain that its actions in China "are misunderstood". The editorial then stated:

"There must be an uneasy feeling among many Japanese that, in running away from Brussels, their Government is in effect exposing itself to the interpretation that it has a poor case or that it is doubtful of the ability of its diplomats to deal with the criticism lately evoked by their country's military actions in China."

11/ The CHINA PRESS in an editorial review on November 3 of the attitude of various Powers toward the conference made the following statement in regard to the United States:

"The policy of the United States has been made unmistakably clear. President Roosevelt has in no uncertain terms deprecated the isolationist traditions of a bygone age and Secretary Cordell Hull has likewise displayed sterling statesmanship by espousing the cause of international justice."

12/ In an editorial dated November 3 on the "Background of Brussels" the SHANGHAI EVENING POST & MERCURY found "Some interesting international shifts under way".

It then stated:

"More important than any other is the growing tendency for Great Britain and the United States to join hands in dealing with the China problem."

After

- 7 -

After affirming that the British Foreign Secretary was strongly in favor of cooperation with the United States, the editorial again referred to American policy:

"Up to very recently many untravelled Americans adhered to an isolationist policy, but events plus the guidance of President Roosevelt seem to have done a great deal to convince them that a united stand of the democratic countries was the only way to keep trouble from beating at the door."

13/ On November 5 the SHANGHAI TIMES in reviewing the opening speeches at the Nine Power Conference stated:

"The outstanding feature of the opening session of the Nine Power Conference was the close identity of views expressed by the American and British delegates and their insistence that the problems underlying Sino-Japanese relations must be solved on a basis fair and acceptable to each."

The editorial then assumed the pessimistic tone, that characterized most of the subsequent editorials on the conference, and stated:

"One comes instantly up against the fact that neither the Chinese nor Japanese Governments are to-day in any mood for peace on terms other than would be quite unsatisfactory to the other, for both view their requirements well beyond what the other would at present concede."

14/ The CHINA PRESS on November 14 carried an editorial on Japan's second refusal to attend the Brussels conference.

"It is also noteworthy" the editorial stated:

"That almost simultaneously with the rejection, the creation of the Imperial Headquarters has been announced not to mention the tri-partite agreement against communism which she so recently concluded with Italy and Germany."

In the next paragraph the article contended that:

"These events appear to confirm the decision of the Japanese Government not to restrict the areas of hostilities in China but to extend them on a major scale. The decision is indeed most unfortunate both for this country (China) and for Japan herself."

In regard to the United States the editorial remarked:

"It has consequently been suggested that, if the efforts at Brussels should fail, the most

eligible

- 8 -

eligible country to assist in the restoration of peace would be the United States. It is, in the first place, allied neither with Communism nor with Fascism, and secondly, it has little material conflict with the Japanese Empire. In even more realistic terms it may be added that both China and Japan will be desirous of courting American friendship, in view of the possible financial assistance which may be required in post-war days by the former to rehabilitate her devastated areas and by the latter to replenish her depleted national coffers."

15/ In an editorial on November 17, the SHANGHAI EVENING POST & MERCURY stated:

"The declaration of the Nine-Power Conference appears to us essentially conservative, an appeal to the realities of the Far Eastern situation. Particularly notable are such points as that there is no warrant in law for the use of armed force by any country for the purpose of intervening in the internal regime of another country."

The following quotation may indicate the substance of the editorial which, in general, praises the Declaration and criticizes Japan:

"This declaration properly expressing regret at Tokyo's refusal to co-operate and belief that the Sino-Japanese conflict is not a matter for direct settlement is far more realistic than Tokyo's assertion that battle alone can decide the issue."

16/ Also on November 17 the pro-Chinese CHINA PRESS in an editorial expressed its disappointment over the conference's declaration. The editorial states in part:

"What China needs today is not so much the condemnation of Japan's actions as the effective means by which the Sino-Japanese conflict may be brought to an end and peace in the Far East preserved, in order to avoid the spread of hostilities to other parts of the world."

17/ On November 26 the NORTH CHINA DAILY NEWS and the
18/ SHANGHAI TIMES both carried editorials maintaining that the Nine Power Conference had not been a success. The News stated that:

"The Brussels Conference has failed to do more than affirm the importance of an international code which it has been unable to enforce."

The

- 9 -

The SHANGHAI TIMES began its editorial with the following sentences:

"Many people will find it extremely difficult to agree with the opinion of Mr. Norman Davis that much has been gained by the holding of the Nine-Power Conference which has now gone into recess with the likelihood that it will not meet again.

"From the Chinese point of view it has been a failure, inasmuch as it has not resulted in concerted action against Japan and has produced only an 'ineffectual reaffirmation of principles.' "

3. Peace Negotiations

19/ On November 12 the SHANGHAI TIMES, which is frequently sympathetic to Japanese policy, carried a long editorial called "Can There Be Peace?" It began with the following sentences:

"By a great many people any suggestion for the early restoration of peace between China and Japan will be regarded as premature. They see the Nine-Power Conference at Brussels still striving to persuade Japan to come within the orbit of its deliberations and they also see China's determination to continue resistance as being little if any different from the day on which Nanking made its fateful decision. But there are others, genuinely concerned for the welfare of China and its people, who have difficulty in seeing anything other than further smash-up and tribulation if this war is a great deal further prolonged."

The editorial briefly reviewed certain aspects of developments unfavorable to China during the preceding three months and then inquired:

"Can China hope to get a better peace by fighting on than that which might be negotiated to-day? That, it seems to many, is the really vital question of the hour, and plain speaking demands the answer that, in the absence of active intervention by others, she has little likelihood of so doing."

The remainder of the editorial is largely a plea to China to sue for peace.

4. Japanese

- 10 -

4. Japanese Policy

During November there were more than twenty editorials in the local English language newspapers on Japan's policy and actions in China. Throughout the month the SHANGHAI TIMES maintained a sympathetic attitude to Japan's aims. The other papers became more guarded in their criticisms of Japan and in some cases fairly sympathetic to the Japanese point of view, after the Chinese forces had withdrawn from the vicinity of Shanghai and the Mayor and other Chinese officials had left.

20/ On November 1 the CHINA PRESS concluded an editorial review, praising a speech by Madame H. H. Kung in which she severely criticised Japan, with the following sentences:

"The great pity on Japan's side, is that it will be the great mass of down-trodden people in Japan who really do not want war with China or with any other nation-on whom the burden of the war with China will fall. It is against all laws of humanity that a military clique should force millions of innocent people, belonging to both the aggressor and the invaded nation, to suffer as people have suffered but few times before in world history."

21/ In an editorial called "Two Basic Psychologies" the CHINA PRESS stated that China had an advantage over Japan in that the Chinese people ". . have been told the truth about the present conflict. . ." while the Japanese people ". . are being constantly fooled in many and sundry ways." The article develops this theme and then stated in conclusion:

"It is not difficult to imagine what will occur when the Japanese people finally realize that they have been deluded on every score-that brothers, fathers and sons have died or been wounded in a cause in which they have no direct or indirect interest, that the reckoning economically will have to be paid in enormous taxes, that the costs of the bare necessities of life cannot be met because of inflated prices, that the exhilaration of war is followed by a relentless despair which will spread throughout the land."

The

- 11 -

22/ The SHANGHAI EVENING POST & MERCURY in a long editorial on November 8 discussed the probable effects a formal declaration of war would have on China and Japan. After remarking that the Japanese Navy was understood to be in favor of a declaration of war and the Army against it, the editorial stated:

"We have ventured far into the realm of Alice In Wonderland by the terrifying conduct of widespread hostilities in China while diplomatic relations were continued and the forms of friendship between Japan and China remain unbroken."

In general the editorial contended that neither side had much to gain from a declaration of war as Japan has already established a blockade and China could not establish one.

23/ In concluding an editorial criticizing the propaganda activities in Europe of Colonel Tan Takahashi, the CHINA PRESS stated on November 10:

"It cannot be too strongly emphasized that the nation-wide attitude toward Japan in respect to her aggression in China is not the result of Kuomintang propaganda but the inevitable outcome of that aggression itself. With or without the Kuomintang China and the Chinese will resist foreign invasion, Colonel Takahashi's fabrications notwithstanding."

24/ On November 15 the NORTH CHINA DAILY NEWS commented on the interview with General Matsui that aroused great interest and consternation in Shanghai. The editorial is considered interesting as illustrating an appreciable softening of the paper's former attitude toward Japan. In that connection the following quotation may be of interest:

"Activities and expressions of view which might have been proper before that (Japanese military) occupation can no longer be indulged without breaching the public peace."

In

- 12 -

In regard to the Matsui interview in which he is reported to have said that he was the master of Shanghai, the editorial stated:

"General Matsui is credited with certain statements which have been precipitately interpreted as if they were formal announcements of policy. So far as can be judged the substance of them can be regarded as the outcome of a soldier's desire to emphasize the extent of his recent victory."

25/ The CHINA PRESS on November 24 carried an editorial called "The Japanese Requests" in which it stated:

"The Shanghai Municipal Council has practically made up its mind to comply with the five requests of the Japanese in respect to the Chinese and their anti-Japanese activities."

The editorial then stated that the adoption of such an attitude by the Council was "perhaps inevitable" and in explanation pointed out that:

"Even if the Council were inclined to preserve its corporated integrity, it could take no effective measures in the face of a superior military force at its doorstep, unless the Powers to which it owes its existence were prepared to maintain its status against all odds."

The editorial remarked that the policies of the various Powers were made clear at the Brussels Conference. And it then stated:

"The decision of the Council, therefore, may be regarded as a reflection or echo of the more momentous decision at Brussels."

26/ On November 25 the SHANGHAI EVENING POST & MERCURY published an editorial in which it criticized in part the editorial in the CHINA PRESS quoted above, but supported the plea of the CHINA PRESS "For a hands off policy on non-political and essential Chinese organs such as the Land Office of the Chinese Municipal Government. . . ." and the Chinese courts.

"General Matsui's Opinion" was the subject of an
editorial

- 13 -

27/ editorial in the CHINA PRESS on November 28. The editorial contended that from General Matsui's press interviews "One may perhaps conclude that General Matsui is disposed to grant the Settlement and Concession each a status of qualified neutrality". In the next paragraph the article stated:

"The situation is indeed highly delicate, and present developments seem to show that the latter (the Shanghai Municipal Council) are prepared to avoid a crisis which may lead the Japanese to take what General Matsui has described as 'decisive actions'."

In the conclusion the editorial stated that "... The municipal authorities can do little except to make the best of a bad situation."

28/ The SHANGHAI EVENING POST & MERCURY on November 30 strongly criticized the policy of the Japanese in Shanghai with special reference to the "closed areas", and maintained that there are no signs of constructive efforts by the Japanese to begin reconstruction in Shanghai or toward assisting the city to resume its normal activities. In connection with the "closed areas" the editorial stated in part:

"With apparent good will, it was declared early in the hostilities that only the needs for 'defense' of the areas north of the creek kept these areas closed - - that and a desire to preserve from harm those who might have been willing to risk their lives if permitted. As a matter of fact these areas were less tight shut during a good share of the early fighting than they became after the fighting was finished.

"The same considerations were declared to hold true in the Jessfield, the Hungjao, the Nantao areas, yet they now remain locked long after hostilities have swept far off to the westward."

The editorial remarked that the troubles of the foreign community were bad enough but that it was even worse that "No apparent effort is being made to let industry resume in the closed areas."

In

- 14 -

In connection with the misery caused by the cessation of industry the editorial stated:

"The human suffering occasioned by this has been the subject of frequent comment in these columns yet nothing can even begin to picture what it means for 135,000 industrial workers to be deprived of their jobs, while at the same time countless thousands of farmers are huddled in refugee camps or roaming the streets instead of going back to their devastated farms to do at least what they can toward carrying on."

5. Policies of Other Foreign Countries

A. GERMANY

29/

The CHINA PRESS on November 2 carried an editorial on Germany's refusal to attend the Nine-Power Conference in Brussels. The editorial stated that from a legalistic point of view Germany's refusal may have been correct at that country was not a signatory of the Nine Power Treaty. It then continued as follows:

"Yet from a realistic angle, the situation which this treaty originally contemplated has come to pass, in which German interests are as much at stake as those of the other Powers which have sponsored the Conference."

The editorial expressed its regrets over the German decision and maintained that German and Italian interests in the Far East were quite different. In conclusion it stated:

"Although Japan may still strive to use the 'Red' scare to bring together Italy and Germany on her side, she is proceeding on the presumption that the statesmen of the two countries are grossly ignorant of the real state of affairs in the Far East. Such a presumption is a dangerous one; it is as likely that Japan will be disappointed as that she may succeed in fooling the world."

30/

On November 13 under the heading, "Through a Telescope" the SHANGHAI EVENING POST & MERCURY commented on rumors that Germany was endeavoring to act as mediator between China and Japan. It listed at length the alleged demands

that

- 15 -

that China must accept before Japan will negotiate peace and stated concerning them:

"However, they are so framed both as to make China completely subservient to Japan and to avoid technical violation of the pledge against territorial aggrandizement."

The demands included: recognition of "Manchukuo" and the formation of an economic bloc among China, Japan, and "Manchukuo"; the formation of anti-communist administrations; appointment of a Japanese Inspector General of Customs and of Japanese advisers in national and provincial departments; the replacement of Chiang Kai-shek by a pro-Japanese leader; and the practical demilitarization of China except for a special peace preservation corps. The editorial contended that China would not accept such terms and stated in conclusion:

"Certainly every friend of both countries would like beyond measure, to see peace but the barometer is not yet promising."

B. GREAT BRITAIN

31/

The NORTH CHINA DAILY NEWS on November 4 published an editorial praising the British Foreign Minister for his statement on Far Eastern policy in which he was reported to have said that Great Britain will go as far as the United States. It is believed that the following quotation illustrates the general tone of the editorial:

"Mr. Eden assures the House of Commons that he proposes to limit British policy by eschewing precipitate action and by keeping abreast with American decisions, he is putting a wise check on certain enthusiasms and he is giving President Roosevelt relief from possible embarrassment."

6. Evacuation of Nanking by the Chinese Government

In the latter part of November the SHANGHAI TIMES carried several editorials on the decision of the Chinese

Government

- 16 -

32/ Government to leave Nanking. The CHINA PRESS also carried an editorial on this subject on November 19 under the heading of "Timely Removal". It stated that the Government's decision had occasioned no surprise and that plans had apparently been made "... To continue China's resistance to the utmost of her ability ..."

33/ The SHANGHAI TIMES stated on November 18 in regard to the removal:

"The first thought that strikes one on reading of the Government's decision is that an administration carried on from three or four different centres cannot be well-coordinated and efficient, but no doubt the actual facts of the case are that during the period of the hostilities all decisions of importance will be taken where the Generalissimo is and that the ordinary duties of the Yuans will be greatly lightened."

The editorial stated further on that:

"It would seem that the only thing which can prevent the Japanese from eventually occupying the city (Nanking) is the decision of the Chinese Government to negotiate terms with Japan."

The preceding quotation is one example of frequent expressions of opinion by the SHANGHAI TIMES to the effect that it would be advisable for China to negotiate peace directly with Japan.

34/ On November 22 the SHANGHAI TIMES announced in its editorial column that the Chinese Government had officially moved from Nanking. And then, after a review of the military situation, stated that the removal appeared to indicate that the Chinese Government would continue to resist and to refuse to negotiate with Japan.

35/ The SHANGHAI TIMES on November 25 praised in an editorial the proposal to establish a neutral zone in Nanking similar to the Nantao safety zone in Shanghai.

7. Developments

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7. Developments in Shanghai

During November there were more than twenty editorials in the local English language newspapers on the Shanghai situation in general or some particular aspect of it, not including those on the refugee problem. Editorials on the refugee problem are reviewed in a subsequent section of this despatch. As the contents of several of the editorials are repeated from the same point of view in others, only a representative selection, is enclosed.

The general trend of editorial opinion on the situation in Shanghai was that now that the catastrophic hostilities have receded from the immediate vicinity of Shanghai every effort should be made to begin reconstruction and to return the industries and the life of the city to a state as nearly normal as possible. The encirclement of Shanghai by Japanese forces led to a softening of editorial criticism of Japan's actions and policies in this area. This was especially noticeable in the case of the British NORTH CHINA DAILY NEWS. It was not apparent to any great extent in the SHANGHAI EVENING POST & MERCURY or in the CHINA PRESS during November. The SHANGHAI TIMES continued to profess its friendship for China and to maintain its sympathetic understanding of the Japanese point of view. It emphasized the desirability of peace and indicated that in its opinion China would be wise to sue for peace.

36/

The SHANGHAI TIMES on November 3 in an editorial on the reopening of schools stated:

"The reopening of schools under the Municipal Council is further evidence of that spirit of 'carry on' which is getting Shanghai through this crisis."

However,

- 18 -

However, very few schools reopened and those that did were not functioning on a normal basis.

37/ On the occasion of the first meeting of the Shanghai Municipal Council as a full body since the outbreak of hostilities, the SHANGHAI TIMES on November 3 in its editorial columns commended the members of the Council, especially the American and British ". . . Who did continue active functioning and carried the burden of maintaining the administration of the Settlement in all its details during a time of unusual stress and difficulty. . ."

38/ On November 6 the SHANGHAI TIMES published a long editorial on "Shanghai's Shipping Difficulties". The editorial mentioned that "French, Italian and some other vessels" had made use of the anchorage at Woosung, and subsequently stated:

"The average man-in-the-street does, of course, ask why it is that if some non-British ships can give service to this port a similar service cannot be resumed by old-established British lines"

The editorial answers the question thus:

"And it needs to be understood quite plainly that the greatest handicap has been in the matter of insurance One fears that underwriting premiums have been all too high for this part of the world when assessed in relation to the real risks run."

39/ Under the heading of "Shanghai's Current Problems" the SHANGHAI TIMES on November 11 published a long editorial discussing in general the problems Shanghai would be confronted with upon the withdrawal of the Chinese forces from the vicinity of the city. In connection with the demands the Japanese would make, the editorial stated:

"It has been suggested that the Japanese will ask for greater representation on the Shanghai

Municipal

- 19 -

Municipal Council, that they will ask for the creation of a Japanese Concession in the northern district and that, in any event, they will insist upon the creation of a large and strictly controlled demilitarized zone to prevent any possible recurrence of the present tragedy."

The editorial contended subsequently that "The setting up of a Peace Preservation Committee will have to be undertaken . . ." And it indicated its sympathy for the Japanese point of view by stating in this connection:

" . . . It is to be hoped that any Chinese leaders who might see fit to co-operate in this matter (establishment of a Peace Preservation Committee) will be spared the charge of being 'puppets'."

40/

The CHINA PRESS on November 15 mentioned in its editorial Vice Admiral Sir Charles Little's statement that he saw no objection to British vessels coming up the Whangpoo and then stated:

"With this in mind, a similar question is bound to arise regarding principal American passenger and freight lines, which have with a single exception completely avoided Shanghai as a port of call since shortly after the hostilities in this area started."

The article pointed out that American and Canadian ships sailing to Shanghai from Pacific coast ports were faced with different problems from those of European lines:

"Under normal conditions when they (American and Canadian ships) arrive in Shanghai, travelling in either direction, they still have the bulk of their cargo aboard, either bound for southern ports or for the Pacific Coast. Should these ships call here under present regulations enforced by insurance companies, they would be forced to pay extra insurance on all cargo aboard, both that for Shanghai and that destined for ports beyond."

In its conclusion the editorial stated that notwithstanding the difficulties involved there will be few people who will not welcome the return of the regular trans-Pacific liners.

On

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41/ On November 18 the SHANGHAI EVENING POST & MERCURY published a strongly worded editorial called "Unlock the Closed Areas! " The opening sentence stated:

"It is impossible to detect either military necessity or any other present reason for denying foreign residents on the Western District 'outside roads' access to their homes and other properties."

The editorial also remarked that "While the 'north of the Creek' situation was more complex the same general principle applies, obviously. . ." In conclusion the article stated:

"If the Japanese have not yet given thoughts to rights and needs in these matters it is high time that they did."

42/ On November 20 the SHANGHAI EVENING POST & MERCURY carried an editorial similar to the one quoted above but confined to the Hungjao area. It also mentioned evidence of looting by Japanese soldiers of houses in that area including those belonging to foreigners.

43/ An editorial on "The Shanghai Land Regulations" appeared in the CHINA PRESS on November 25. It referred to a statement reported to have been made by the British Foreign Secretary in the House of Commons to the effect that Shanghai was administered under the Land Regulations ". . . which could not be modified without the consent of the Chinese Government." The editorial contained a description of the conditions under which a person becomes eligible to vote for the members of the Shanghai Municipal Council, and contended that the Land Regulations in effect permit unfair manipulation of the right to vote.

44/ On November 26 the CHINA PRESS published an editorial praising the Shanghai public utilities for their work in

maintaining

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maintaining facilities with remarkably few interruptions and under great difficulties during the hostilities. The waterworks, Power Company, Gas Company, the Telephone Company and the Fire Brigade all came in for particular praise.

45/ "Rationalizing China's Industries" was the title of an editorial appearing in the CHINA PRESS on November 27. The following quotation may indicate the theme of the article:

"Most Chinese factories are located in such cities as Shanghai, Tientsin, Canton and the principal Yangtze ports. As all these cities have been seriously affected by the war, practically all the industrial plants concerned have either been destroyed or so badly damaged as to make their resumption of operations almost next to impossible. As a result production is at a complete standstill and tens of thousands of workers are thrown out of employment.

"The present emergency affords China an excellent opportunity to readjust the uneven geographical distribution of her industrial establishments and to lay the foundation for a nation-wide planning of industrialization."

46/ The SHANGHAI TIMES on November 27 published an editorial on the rice shortage in Shanghai. The article stated that the authorities should take further steps to control the distribution of rice and thus decrease the jostling crowds in front of rice shops and the time wasted in waiting to buy rice. The editorial claimed that "rice supplies are coming in quite well, but there is fear psychology at work."

8. Customs and Other Organs of the Chinese Government.

47/ In an editorial on "A Customs Issue" The NORTH CHINA DAILY NEWS on November 23 mentioned the interest of foreign Powers in the customs and the hypothecation of customs revenue for the service of foreign loans and stated hopefully:

"They (the Japanese) desire to assert their

de facto

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de facto right through military control only
in respect of the surplus accruing after that
primary obligation has been fulfilled."

48/ The NORTH CHINA DAILY NEWS on November 27 began an editorial as follows:

"The closing of the Chinese Government offices in the International Settlement has led to the Departure of many Chinese citizens from Shanghai. Their number has been swelled by the exodus of other Chinese who, taking the cue from recent public pronouncements, consider that continued residence here may be embarrassing."

It then developed the theme that the Japanese should encourage Chinese technical and Governmental experts to remain in Shanghai to assist in the work of reconstruction. In conclusion the editorial stated that the Japanese will feel the lack of assistance in the difficult task of restoring Shanghai if,

". . . There is such a drain of capable Chinese citizenship that trustworthy and upright men cannot be secured to function in the provisional organizations which must be speedily set up for the practical solution of the day-to-day problem of municipal administration."

49/ The CHINA PRESS on November 28 published an interesting editorial on the reports that Japan was considering taking over the Chinese Maritime Customs. It mentioned the problem of customs revenues hypothecated to servicing foreign loans and then discussed the probable future of Shanghai if a Customs regime was functioning here that was not recognized in many other parts of China. It maintained that such a situation might lead to one duty being charged by the regime in Shanghai and another by the proper authorities of China when the goods came within the territory over which they have de facto as well as de jure control. The editorial stated that such a situation might lead to the rapid deterioration of Shanghai as a great commercial and shipping center as cargos would be diverted to Hongkong

or

- 23 -

or other ports.

9. Refugees

50-54/ There were fifteen major editorials on the refugee problem in the local English language newspapers during November. Five covering important phases of the refugee problem are enclosed with this despatch. There was no important divergence of views among local editors in regard to the refugee problem. All recognized the urgency and great importance of the problem. And on humanitarian grounds all sympathized with ^{the} terrible plight of the hundreds of thousands of refugees. The editors unanimously praised the safety zone established for refugees in Nantao and Father P. Jacquinot and his co-workers for their efforts in successfully negotiating for the establishment of the zone with the Chinese and Japanese authorities concerned. Editors agreed with other observers that wherever possible refugees should be returned to their homes, or, if that was impossible, to their native provinces. The problem was greatly complicated when hostilities spread to a much larger area and additional hordes of refugees streamed into the Settlement and the French Concession. As the Japanese army advanced refugees fled from the Hungjao area and Nantao. After the Safety Zone was established they poured into it. They gathered in crowds and waited with remarkable patience for admittance at the gates of the French Concession as others before had waited at posts along the British and other defense sectors. Editors were aware that the devastation of much of the country east of a line from Kiangyin on the Yangtze south almost to Hangchow had tremendously increased the

refugee

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refugee problem. One editor estimated, that excluding Shanghai eighty per cent of the population of the area mentioned was homeless.


Toward the end of November editors suggested that safety zones, similar to the one in Nantao, be established in Nanking and Hangchow. One of the enclosed editorials suggested that safety zones should be created wherever hostilities broke out in the world.

10. Wounded Soldiers

55-57/

The SHANGHAI EVENING POST & MERCURY published three editorials in November on the neglect of the Chinese Government to take proper care of many thousands of its wounded soldiers. One of these editorials pointed out that, in addition to the humanitarian reasons for caring for the wounded there was also a military necessity as although China's man power was loosely said to be inexhaustible, the country's supply of well-trained modern soldiers definitely was limited.

Respectfully yours,


C. E. Gauss,
American Consul General.

Enclosures:

1-57/- As stated in the "List of Editorials" attached hereto.

IN QUINTUPLICATE (one copy of each enclosure to Department only)
Copy to Embassy, Hankow
Copy to Embassy, Peiping
Copy to Embassy, Tokyo
Copy to Admiral Yarnell, Shanghai.

800
MBH/Jw

LIST OF EDITORIALS

<u>Encl.No.</u>	<u>Title of Editorials</u>	<u>Name of Newspapers</u>	<u>Date</u>
1.	The Lost Battalion	Shanghai Evening Post & Mercury	November 2, 1937.
2.	On the Perimeter	North China Daily News	November 2, 1937.
3.	Three Months	- - ditto - -	November 8, 1937.
4.	The Final Phase	Shanghai Times	November 12, 1937.
5.	Shanghai Rede	North China Daily News	November 12, 1937.
6.	A New Chapter	China Press	November 14, 1937.
7.	Military Situation	Shanghai Times	November 16, 1937.
8.	Defence of Nanking	- - ditto - -	November 27, 1937.
9.	An Ominous Warning	- - ditto - -	November 30, 1937.
10.	A Refusal	North China Daily News	November 1, 1937.
11.	The Nine-Power Conference	China Press	November 3, 1937.
12.	Background of Brussels	Shanghai Evening Post & Mercury	November 3, 1937.
13.	Brussels Conference	Shanghai Times	November 5, 1937.
14.	A Second Refusal	China Press	November 14, 1937.
15.	An Appeal To The Realities	Shanghai Evening Post & Mercury	November 17, 1937.
16.	The Brussels Declaration	China Press	November 17, 1937.
17.	A Clear Issue	North China Daily News	November 26, 1937.
18.	Brussels Conference Peters Out	Shanghai Times	November 26, 1937.
19.	Can There Be Peace?	- - ditto - -	November 12, 1937.
20.	Madame Kung's Address	China Press	November 1, 1937.
21.	Two Basic Psychologies	- - ditto - -	November 7, 1937.
22.	Formalizing Our War	Shanghai Evening Post & Mercury	November 8, 1937.
23.	Col. Takahashi's Fabrications	China Press	November 10, 1937.
24.	For Shanghai	North China Daily News	November 15, 1937.
25.	The Japanese Requests	China Press	November 24, 1937.
26.	Shifting Gears	Shanghai Evening Post & Mercury	November 25, 1937.
27.	General Matsui's Opinion	China Press	November 28, 1937.
28.	War Against Whom?	Shanghai Evening Post & Mercury	November 30, 1937.
29.	Berlin and Brussels	China Press	November 2, 1937.
30.	Through A Telescope	Shanghai Evening Post & Mercury	November 13, 1937.
31.	Keeping Step	North China Daily News	November 4, 1937.
32.	Timely Removal	China Press	November 19, 1937.
33.	Nanking Prepares	Shanghai Times	November 18, 1937.
34.	Change of Capital	Shanghai Times	November 22, 1937.
35.	Neutral Zone for Nanking	- - ditto - -	November 25, 1937.
36.	Re-opening of Schools in Shanghai	- - ditto - -	November 3, 1937.
37.	S. M. C. At Work	- - ditto - -	November 3, 1937.
38.	Shanghai's Shipping Difficulties	- - ditto - -	November 6, 1937.
39.	Shanghai's Current Problems	- - ditto - -	November 11, 1937.
40.	Trade Prospects	China Press	November 15, 1937.

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<u>Encl.No.</u>	<u>Title of Editorials</u>	<u>Name of Newspapers</u>	<u>Date</u>
41.	Unlock The Closed Areas!	Shanghai Evening Post & Mercury	November 18, 1937.
42.	The Hungjao Problem	- - ditto - -	November 20, 1937.
43.	The Shanghai Land Regulations	China Press	November 25, 1937.
44.	Shanghai Utilities	- - ditto - -	November 26, 1937.
45.	Rationalizing China's Industries	- - ditto - -	November 27, 1937.
46.	Rice Problem	Shanghai Times	November 27, 1937.
47.	A Customs Issue	North China Daily News	November 23, 1937.
48.	Modus Vivendi	- - ditto - -	November 27, 1937.
49.	The Maritime Customs	China Press	November 28, 1937.
50.	The Refugee District	- - ditto - -	November 8, 1937.
51.	A Brilliant Success	North China Daily News	November 13, 1937.
52.	An Obligation	Shanghai Evening Post & Mercury	November 23, 1937.
53.	Civilian Safety Zones	China Press	November 26, 1937.
54.	Distressful Conditions in Shanghai	Shanghai Times	November 26, 1937.
55.	New Deal For The Wounded	Shanghai Evening Post & Mercury	November 1, 1937.
56.	Foreign-Trained Doctors	- - ditto - -	November 4, 1937.
57.	The Plight Of China's Wounded	- - ditto - -	November 15, 1937.

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From The Shanghai Evening Post and Mercury,
dated November 2, 1937.

The Lost Battalion

SIGHS OF RELIEF might have been heard clear around the world as General Chiang Kai-shek's order sent remnants of the Chapel "Lost Battalion" out of its shattered godown north of the Creek and into Settlement shelter.

It is reported that more than 100 bodies were left behind. Three hundred and sixty were able to depart but only 339 were unwounded. There seems no reason to doubt that every man might have perished had not Nanking ordained that such sacrifice would be useless.

Certainly the heroism of that last stand was far from futile, even though it had no direct military objective.

China has been the butt of much cynicism for many years past, and the usually ultra-practical Chinese viewpoint on life and death has given ground for such a view. Unless the average Chinese can see a good reason for sacrifice, he is likely to take a canny view concerning the least risk to his skin. Sometimes this goes to such an extreme degree as to pass the understanding of the Westerner.

Such a gesture as that in Chapel helps redress the balance of comprehension. Dramatically it proves that when a Chinese can see good reason for sacrifice he can go the limit and beyond. This is a fact well known to Occidentals intimately familiar with China, but it takes long acquaintance with the country to drive the lesson home.

Conditions of Chinese life have not been such as to foster the social viewpoint of the Occidental from less close-packed lands. The family has been the major social unit in the past. The individual was swallowed up in the welfare of his family, and he would perform prodigies of unselfish devotion for his family. On the other hand he was not accustomed to think it at all his responsibility to care for those outside the sacred circle, and he was not trained to be conscious of country—"patriotic"—in the ordinary sense.

That implied no lack of Chinese character but the very opposite; it is Chinese character channelized in a way different from Western character, but still susceptible to being bent to any sound Western point of view. The sense of national unity and of patriotic devotion is something wherein China has had to follow the West, very willingly as the need for such an attitude became apparent. But few have been ready to credit China with very great progress.

The spirit of the "Lost Battalion" gave a sudden and startling demonstration that China's oft-maligned soldiers were capable of a complete devotion to the cause of their country. They were willing to shed the last drop of blood, if it were called for, in opposing encroachment by a foreign foe.

This has been most impressive to the outside world, while at the same time heating the patriotic feeling of many tens of thousands of other Chinese. Had the final sacrifice been demanded of all, we and every other unbiased but sympathetic observer must believe it would have been granted as freely by the survivors as by the hundred who perished. High command could not, of course, make such a demand when its fulfillment could by no possible chance achieve any military end; the massacre would have been too harrowing a thing to have on anyone's conscience save perhaps those who (their patience having become exhausted, as they explained) were quite willing to perpetrate it.

From The North China Daily News, dated November 2, 1937.

DN 11/2
ON THE PERIMETER

The duties of the international garrison on the sandbagged perimeter of Shanghai are symbolical of the position which should be mentally adopted by the foreign Shanghai-lander in relations with the two principals in the struggle raging outside and, unfortunately, spilling over into the Settlement or French Concession at times. The soldiers of countries directly unconcerned in the dispute have the job to prevent violation of the perimeter and generally to maintain the "neutrality" of the areas within its compass. This naturally brings them into contact with both sides of the undeclared war. According to the circumstances of the moment the contact may or may not be electric; it does not, however, alter the fundamental fact that the guardians of the perimeter are in a sense touch-line judges who run more risk than most of their kind from the inability of the contestants to keep their activities within the chalk rectangle. Although, therefore, the events of the last few days have naturally aroused certain emotions and produced a strain which has led to plain-speaking, resort to the local safety-valve must not be taken to go beyond its primary function of letting off steam. Opinions on the present issue between China and Japan may sharply differ, but it is not desirable—in fact it is highly improper—for any of the defence forces here to display or be led into actions which can be regarded by one side or the other as partizan. This, of course, does not traverse the military decisions essential to prevention of either Japanese or Chinese movements which might infringe the integrity of the perimeter. Nor does it apply to those admirable activities which are prompted by a humanitarian desire to spare civilians from some of the worst dangers of their present plight. American and British troops on the perimeter have been particularly conspicuous in ministering to the desperate needs of refugees—chiefly because most of the opportunities have emerged in front of those sectors. The same solicitude for suffering has been shown within a necessarily limited scope by French and Italian forces. As a matter of fact the regular and special police have found the greatest opportunities of all and have risen to the occasion with no less readiness and fearlessness for their personal safety.

These observations are made, not in any spirit of criticism or depreciation of worthy actions, but in the desire to sound a warning against the unrestrained expression of feelings which, however spontaneous and creditable in themselves, may tend to obliterate the boundary of the mental perimeter of neutrality. No doubt the responsible authorities have this principle well in mind. The question is whether they receive all the support which they should in ensuring its nice observance as the routine of a difficult and, at times, highly dangerous task is unfolded. This journal has been bluntly frank in condemnation of certain aspects of the anti-British campaign which some organs in Japan have seen fit to encourage in the present crisis. It has been no less frank in deploring the surrender of Japanese policy to a military ambition which has launched aggression on the soil of China and is consequently the primary cause of Shanghai's tragic plight. Now that the issue has been referred to the

arbitrament of arms it is not possible to do more than establish that point of view, although, as unhappily the inevitable excesses of warfare have involved unmerited attacks on civilians and the destruction of non-combatant life and property, appropriate censure has also to be added to the record.

Even if certain Japanese complaints against British actions are misguided and, to a great extent, unjustified, there should be care in observing a sense of proportion, in keeping issues to the right perspective. The British Government has properly refused to conceal its sympathy with China's resistance to what is held to be unwarranted aggression. It is however adhering to a strictly legal attitude of neutrality. It has to look to the time when China and Japan once more are able to discuss their relationships in terms of diplomatic assessment rather than of military force. When humane resentment finds it necessary to protest it is important that the grounds should be carefully defined. For example, Japanese critics have a real grievance when, as has happened in certain British journals, tragedies like the accidental bombings in Nanking Road and Avenue Edward VII are pictorially ascribed to Japanese and not to Chinese aeroplanes. As all too frequent lapses have shown, Japan's air force has enough to answer for without being saddled with such responsibilities. The indiscriminate bombing and machine-gunning reported from the country districts cannot be condoned, but, in common fairness, it must be conceded that considering the proximity of the battle-line to the Settlement and the French Concession, the Japanese airmen have a low percentage of error to their debit here—in contrast to the unfortunate miscalculations of their artillery or of Chinese airmen. In a good hour may that view be stated. Veterans of the Great War will be the first to admit that perfection of aim or choice of target cannot be rigidly guaranteed. The same caution applies to the destruction of foreign property by Chinese bombs as the result of periodical air-raids over Yangtze-poo and elsewhere. Chinese themselves will not thank their sympathisers for blindly indiscriminating partisanship. For one thing it evokes corresponding recklessness on the other side in the endeavour to make the process of whitewashing cover actions which otherwise deserve unhesitating condemnation. It tends to obscure the basic grievances on which China's case firmly rests. There is no doubt that an inveterate hostility to all Chinese claims has generated an unfairness in some British expositions of this crisis. Undue emphasis has been laid on defects of Chinese origin and too little on Japanese provocation. That does not excuse resort to the other extreme. British Shanghai-landers have a special obligation to temper their legitimate sympathy for China with observance of those qualities of courtesy, restraint and dispassionate judgment which their neutrality imposes on them. They have—or should have—friends in the Japanese as in the Chinese community here. It should be their object to permit that friendship to lose none of its power for co-operation in the all-important endeavour of limiting the scope of this distressing conflict so that the eventual processes of reconciliation may be stimulated rather than retarded by their influence.

From The North China Daily News, dated November 8, 1937.

THREE MONTHS ~~XX~~

The operations in China over a period of three months have severely tested Japan's military machine. The campaign in the North is still the main pre-occupation, although the unexpected strength of the Chinese effort round Shanghai has necessitated large-scale naval and military activities and the general situation has impelled the Japanese to declare a modified blockade of the China coast, demonstrations against Canton and intensive aerial offensives against fifty Chinese cities spread over a wide area. The capture of Taiyuan, the capital of Shansi, the provincial administration has moved its headquarters to Linfen—gives the Japanese a useful point of concentration for support of the advance on the Peking Hankow Railway where their progress has outstripped that made to the east and west. Japanese reports admit that the fighting in Shansi has been fierce and the resistance of the Chinese forces there has been overcome only by dint of the unsparing employment of the superior artillery and air-power at Japanese disposal. It is by no means certain that the advancing forces will have even now an easy passage to the Yellow River for obviously the Government here is not disposed to make specific announcement of its military plans. That the Japanese would eventually be able to occupy Taiyuan has been generally expected. The question is how far the resistance which the Japanese have met has provided the necessary stimulus to the Government's declared intention to persevere in upholding China's independence. That can be answered only by the course of events as they now proceed to unfold themselves, although it appears that there is every indication that the Government has behind it a solid backing of national opinion and that the morale of its forces has been remarkably maintained.

In the Shanghai area, the Japanese by feinting at Liuhoo and in the Whangpoo with transports and fishing craft, have managed to make a substantial landing on the Chekiang-Kiangsu coast near Chapoo. This strategic move has rendered the position of the Chinese forces at Pootung untenable and it is probable that a withdrawal will now take place, as also generally from the Jessfield and Hungjao areas. In contemplating this situation which suggests that the encirclement of Shanghai by Japanese forces may before long be effected, it is appropriate to bear in mind the underlying principle of Chinese operations here. It was not expected that the Japanese would have much difficulty in clearing the districts round Shanghai but when it was found that conditions lent themselves to more than a mere show of resistance—the weather was favourable to the Chinese—especially as the Chinese forces, despite heavy punishment and severe losses, were in good trim, the advantages of hanging on longer were perceived and seized. Few observers would have ventured to prophesy on Aug. 13 that for three months the fighting would persist within and on the edge of Shanghai. This outcome will give the Chinese Command a confidence which, if the retirement now indicated be carried out in good order, as was that from Kiangwan and Chapei, may prove invaluable as the defence of positions further west is now taken in

hand. It must, however, be realized that the region west of Shanghai has suffered severely from the operations of the Japanese airforce and it is not known what organization had been able to achieve in mitigating that difficulty for the purpose of continuing the defensive-offensive by which it is hoped to contain a large force of Japanese in this zone of operations. The Japanese have accomplished their first real surprise movement of the "War". The strength of the landing near Chapoo is not exactly known. Apparently reliable reports mention large figures. It is conceivable that the Japanese plan may be directed toward a wide-sweeping movement which by a rapid concentration west of the Tai Hu Lake might confront the Chinese General Staff with an unexpectedly difficult problem for the defence of Nanking. Much of course will depend on the line which the defence is designed to take and on the measures which have been put in train to check the deployment from the Chapoo area. It is significant that on hearing of the arrival of Japanese advance guards on the Whangpoo near Sungkiang Chinese troops were at once on the alert to deal with that threat.

The developments round Shanghai and the capture of Taiyuan indicate that the Japanese are within reach of two objectives—the physical control of the five northern provinces, for the creation of the autonomous régime of Inner Mongolia has automatically arisen from the invasion of Suiyuan, and the creation of a belt ringing off Shanghai from the rest of China. How far this carries Japan to the final settlement of her differences with China the event alone will determine. On the face of it the achievement looks more substantial than it really may turn out to be. For one thing the potentialities of Chinese guerrilla plans in the North have yet to be tested. Until the present crisis broke, Japan had considerable influence on affairs north of the Yellow River. She also was no negligible factor in Shanghai's destiny. The unknown quantity is now Nanking. Events in that capital have been shrouded in the mystery of war-time reticence. It is, however, believed that political co-ordination has been actively at work. There is a clearly-defined war policy to which all sectional differences have been subordinated. In other words it may well happen that Japan has still a long way to go before she can assert that she is within measurable distance of enforcing her will upon the Chinese Government. The effort which she is now making with the apparently whole-hearted support of her people may have to be continued. It will be interesting to see what are the developments which may arise from the Chinese Government's adjustment of its plans to the new phase now about to come into the picture. Japan can report successes to her people. The question is how far those successes will require further and more elaborate effort to establish their efficacy in opening the door to direct negotiations between the two countries. Both are unwilling combatants—up to a point. Both, however, have certain fixed principles which so far cannot be satisfied without continuance of the struggle. There is the tragedy of the situation.

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From The Shanghai Times, dated November 12, 1937.

THE FINAL PHASE

With the heavens darkened by a thick pall of smoke, with crowds thronging the Bund, with the noise of bombs and shells sounding an almost unbroken accompaniment, Shanghai yesterday witnessed what is generally regarded as part of the closing scenes of its 1937 hostilities. Operating against remnants of Chinese forces in Pootung and Nantao, Japanese operations were carried on with an intensity which inevitably had to spell the doom or surrender of those unfortunate men who were trapped in behind the Japanese line, swiftly completed from Sungkiang to Hungjao. Estimates have differed widely as to the number trapped but large numbers came unarmed into the Concession yesterday afternoon and evening. Completing the circle of destruction around the foreign-controlled areas, large portions of Pootung and Nantao went up in flames, and there can be nothing but sympathy for those upon whom such grievous losses will fall. One Chinese estimate a few days ago put the value of property destroyed here at the enormous figure of \$500,000,000, and to that has to be added much other destruction which has since taken place. Not a point of the compass around Shanghai has now been spared some degree of desolation, and the problem of rehousing the many thousands who have fled those areas and will one day wish to return to resume peaceful avocations is going to be a vast one. One fears that the overcrowded state of the Settlement and Concession must continue for many months to come, for even if there could be reoccupation of areas now under the control of the Japanese military what is there left in the way of housing? Over a million people have been displaced in Chapei alone, and when Hongkew, Wayside, Yangtzepoo, Nantao and the outside districts are added it is an enormous population which has been rendered homeless so far as its wonted places of residence and work are concerned. Yesterday was Armistice Day, but who could have missed the irony of that fact here when observance was made to the accompaniment of the sight and sounds of war. And who, in the light of all that has happened during the past three months, can fail to pray that Shanghai will never again have to pass through its 1937 nightmare, or that peaceful means shall not take the place of war for the settlement of human differences?

DECLASSIFIED: E.O. 11652, 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 The North China Daily News, dated November 12, 1937.

SHANGHAI REDE

The war sprite, having seared and harried the heart of Shanghai, recedes to continue his devil's tattoo further away. Shanghai has still to bear some of his importunities and cannot escape from the pressure of the iron embrace which keeps him off. Although they originally could not have expected to defend their lines round Shanghai for more than a fortnight or three weeks, Chinese cannot but feel despondent at the withdrawal now it has come. They may be heartened by the valour of their defence, by the knowledge that their soldiers have been steadfast enough to exact a high price for the invader's advance, even though their own losses have been terrible, but with the prospect of having to wait as the clash beyond unfolds itself, to revert to a drab sort of neutral reticence, they are experiencing emotions which should have the sympathy and respect of their fellow-citizens of all nationalities. Sympathy can do little in such a case. Yet it is fitting that at this difficult moment the Chinese people should know that a large section of the foreign population here and elsewhere in China is acutely distressed by their travail and sympathizes deeply in the sacrifices now being made for resistance to foreign aggression. When over 3,000,000 Chinese in the sixth city in the world are now temporarily cut off from direct and unrestrained contact with their government and country in a great national crisis, it is no moment to be critical, to hold political *post mortems*; an ounce of genuine sympathy and appreciation is worth a ton of counsel and admonition. Spiritual encouragement to the adoption of the stoical restraint which the national dignity demands may find therein its proper scope.

Shanghai, as a whole, naturally regards the present turn of events as marking a phase in its own difficulties. They are not likely to decrease even though the intensity of war's alarms may be disappearing. They will require development of a civic co-operation which, at times, will pose awkward dilemmas personal and communal. In such a situation it is important that foreigners should recognize the obligations which they themselves incur in adjusting the daily routine to realities. A good deal of pains is being taken by some to justify the contention that Shanghai's woe is the direct outcome of the Chinese Government's decision to make this city the point of a main resistance to Japanese aggression. Ingenious manipulation of theories and facts is invoked to that end. Much play is made with ostensible legal assessments of the course of events. Japanese arguments that this Shanghai "side-show" has sprung from Chinese perversity and breach of agreements find facile credence. Lest this line of thought should be allowed to lead foreign opinion astray it is well here to reiterate certain broad considerations. Having by her actions in the North presented the Government and people of China with the choice of either acquiescing in further erosion of soil, to the peril of national integrity, or plunging into a resistance to overwhelming military force, Japan cannot validly pretend that she has the right to criticize the consequences of the choice. That is the crux of the Shanghai problem as it stands to-day. Foreign emotion

is necessarily all the more gravely stirred because the clash between the two principals has unfortunately, if undesignedly, damaged vast neutral interests on which much of Shanghai's economic security rests. This point cannot be overlooked even if at the moment it cannot receive precise definition. In due time the misfortunes of the *tertius non gaudens* here—the non-Japanese foreign community which has helplessly been forced to incur much risk to its life and property—must come up for consideration if there be any equity in the eventual solution of this momentous crisis in Shanghai's affairs—incidental though it be to the larger issue of Sino-Japanese relationships.

The view that hostilities should have been confined to the North actually seeks to establish the theory that, having taken up the Japanese challenge, China was wrong to choose a battleground other than that suitable to Japan. Shanghai, it is true, seemed to be covered by the agreement of May 1932, but, apart from the fact that that agreement was not ratified, it was not intended to be more than a provisional arrangement. Without accepting charges that the Chinese authorities breached the agreement by preparing means of defence against the evident possibilities of Japanese policy here and elsewhere—charges which are based on an almost unravellable tangle of facts, exaggerations and fantasy—and without expounding in detail the frequently developed thesis that the breaches were not the monopoly of either side, it is sufficient to point out that, faced with an armed attack on her sovereignty, China was fully justified in striking where, having regard to all the circumstances, she felt she could inflict an effective and, it might even be, a shattering blow to the invader. Whether into those calculations entered due consideration of the material losses invited by staging hostilities in this huge city the critic of the future must determine. Judgment on that point cannot be attempted until the final issue of the whole struggle from Canton to Peiping is ascertained. Just now, Shanghai has to steel itself to endurance of a period of great economic, political and social strain. Apprehension and pessimism are rife. As the encirclement of this city by an invading army is being completed let it be remembered that beyond that ring of steel, beyond Nanking itself, lies the great, pulsating mass of Chinese humanity and Chinese virility. Whatever woes may now seem so devastating that concrete fact remains. It is the earnest of China's ultimate recovery and release from alien domination. It is the guarantee to Shanghai that the essential needs of China must in due course again invest this city and port with the responsibilities which go to furnish its prosperity and justify faith in its destiny as the commercial and financial adjunct to China's progress. Spiritually, too, the tale is the same: slaughter and destruction cannot destroy the soul of this great people; rather will they find it anew in the stress of a common affliction and so exorcise the errors which may have weighed upon them. Specially appropriate, on this day hallowed to the memory of the Republic's Founder, is that definition of foreign sympathy as it ministers to China's solace in a grim hour.

From The China Press, dated November 14, 1937.

A NEW CHAPTER

WITH the final withdrawal of the Chinese troops from the vicinity of Shanghai, a new chapter in the history of the Sino-Japanese War will be written along a new front extending from Liuho in the north to Chapoo in the south. The local aspect of the hostilities during the past three months has revealed two significant points. On the one hand, the Chinese have demonstrated their ability to withstand a superiorly equipped force, to the surprise of the world as well as to the admiration of certain Japanese spokesmen. On the other hand, it has also proved that on the battlefield mechanised units stand a far better chance to overcome sheer man power. The one thing which the protracted struggle has not settled either for China or for Japan is the Sino-Japanese controversy itself.

The shift in the scene of hostilities, therefore, has opened another angle to the Sino-Japanese War. The future developments depend more on the Japanese military command than on the Chinese defence. If the Japanese are determined to push further into the interior, then it may be truthfully said that the war has just begun, after the Shanghai conflict has warmed both sides, as it were, for a prolonged combat. If the Japanese should confine themselves to a temporary military occupation of Greater Shanghai till ultimate peace is restored between the two belligerents, then extended operations may be expected north of the Yellow River. The Chinese are on the defensive, and they are in no position to dictate the course of events.

While one may indulge in conjectures as to the future potentialities, it must be recognized that international Shanghai must presently address itself to the task of re-establishing normalcy under abnormal conditions. The problems which are likely to confront the Japanese military on the one hand and the foreign municipal authorities on the other are bound to grow in number and complexity as the Sino-Japanese War progresses elsewhere. In the circumstances the closest co-operation between the Council and the residents irrespective of nationality is highly imperative. It would be superfluous to point out that special responsibility devolves upon the Council in its relation with the Chinese who constitute the preponderate majority of the local population, and on whose peaceful pursuit of trade and industry may the International Settlement, including the Japanese themselves, hope to minimize the extent of depression which is bound to follow in the wake of recent property destruction and business standstill.

Just how the various problems may be solved from time to time is beyond the province or competence of this journal to suggest. From certain quarters disturbing utterances have been reported, but the community prefers to preserve its usual composure and to trust in the ability of the powers that be to face the unique crisis with courage and with goodwill to all.

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from The Shanghai Times, dated November 16, 1937.

MILITARY SITUATION

The latest landing of Japanese troops above Liuho and their rapid drive inland in the direction of Chitang has brought about another withdrawal of Chinese forces, from the region around Quinsan and along the Shanghai-Nanking Railway in the direction of Soochow. The advance which has been made in the south to the west of Sungkiang has already reached Kashan and will soon bring about fighting on the line of the Kashing railway, which runs down the east side of the Tahu Lake from Soochow. One has only to study the map to realize that the latest reported Japanese movement now offers a threat to all Chinese forces east of the Lake, and in the light of well-based reports that the Chinese are not yet settled down in any formidable way but are still in a state of flux it would seem that the extra Japanese forces put in against them are in good position to make a further and fairly rapid advance. Looking back over the past three months and taking note of successive Japanese moves it is clearly discernible that strategy has followed the line of devising a series of pincer movements, once the main Chinese line which had Dahzang as its centre was broken. This first line had to be tackled frontally and, because of its well-prepared nature, the stubbornness of its defence, and the fact that the Japanese military strength and movement had to be organized and started *ab initio*, it proved to be the most protracted phase of what might be regarded as the opening canto of extending operations. Kiangwan and Chapei were rendered untenable once Dahzang had fallen, and since then we have seen further pincer movements which have led to the evacuation of Hungjao, Pootung and all the territory south of the Soochow Creek to a point farther west than Sungkiang. What appears to be developing now is an elaboration of that simultaneous drive from the Yangtze on the north and Hangchow Bay on the south with lines converging on Tahu Lake which, unless there is a determined Chinese stand made, will force the Chinese troops to give ground round to the north and south of the Lake itself. This takes the scene of operations far away from Shanghai, though one cannot help regretting that the productive countryside all around the Lake and especially in the Wusih district is now due to suffer the ravishings of war. This area is one of the most fertile and well cultivated in the whole of the country and its subjection to the status of a battleground adds to the costliness which these hostilities have been to peaceful agricultural people.

Unless there is a turn in the political situation, the extension of hostilities along the lower reaches of the Yangtze have to be looked forward to, and what has been regarded hitherto as the "Shanghai sideshow" bids fair to develop into one of

the most decisive phases of the war. Chinese official sources in Nanking have made a statement in which it is pointed out that Sino-Japanese hostilities are now divided into four fronts: the eastern front, comprising the Shanghai-Nanking and Shanghai-Hangchow Railways; the western front in Shansi and Suiyuan provinces; the northern front along the Tientsin-Pukow and Peiping-Hankow Railways; and the southern front in the Kwangtung and Fukien provinces. There has been no development on the last-named, and its inclusion is probably reflective of near future anticipations. But the Japanese successes on all remaining three fronts must be causing considerable anxiety in the capital. Suiyuan can hardly now be included in a front at all, because of its complete incorporation in the new Inner Mongolian State, and in Shansi there has already been lost the important centre of Taiyuanfu from which Japanese forces are seeking to take control over the whole of the Shansi plain. With the inclusion of more Central Government troops in the armies resisting along the two main railways which run from the Yangtze to the north it is already evident that the speed of Japanese progress has been reduced, but it has already been conceded that the occupation of all territory north of the Yellow River is not now preventible. The line of that great waterway will possibly be the southern limit of the Japanese advance, but along the Yangtze, starting from Shanghai, there is nothing yet indicative of a westwards point at which Japanese penetration would be halted. Nanking itself will be made an objective if nothing transpires in the meantime to end hostilities on a basis other than military considerations, and although it has not been lately disclosed what the Japanese strength is in these parts it is quite clear that it is now considerably greater than was at one time thought likely. From being a "sideshow" the operations in this part of the country now loom as being the decisive factor by reason of the fact that it is here and in Nanking where the Central authorities have their bases. It is quite true that those authorities can move elsewhere to the west, and declare that Changsha or Loyang, or any other inland centre, is the temporary capital. But practical difficulties will not be absent from such a procedure, and in the process further tracts of territory will come under alien control. Three months' hostilities have proved beyond a doubt that in a military way China is not equal to winning in the field against the modernized Japanese army, and the speed at which resistance has shown its weak spots has been disappointing to those who first held such high hopes. What is needed in addition to the will to resistance is a clear-headed assessment of all that it has so far entailed and threatens still further to entail.

From The Shanghai Times, Shanghai, November 27, 1937.

DEFENCE OF NANKING

An obstinate defence of Nanking by the Chinese forces seems assured in view of the latest statement by General Chiang Kai-shek. "China intends to maintain her policy of determined resistance," declared the Generalissimo. "Nanking will be defended, but from quite far away, and foreign life and property will be defended." Exactly what the Generalissimo means by saying "from quite far away" we cannot, of course, say for certain, but we presume it means that the Chinese troops are to make a determined stand somewhere in the country directly to the west of the Taihu Lake, possibly with Chinkiang on their left flank and the Chekiang mountains on the right. Both Wusih, north of the Lake, and Huchow, south of the Lake, are in possession of the Japanese whose armies are now marching along both shores. It seems that Wusih was strongly held but it would appear that the better strategic position for the Chinese forces to make a major stand is distinctly further west where their forces will not be cut in half by the Lake. The fall of Wusih and Huchow, therefore, although it marks a further advance by the Japanese is probably not of much tactical advantage. The Japanese have not yet succeeded in destroying the Kiangyin boom but even if they do it is believed that the Chinese are endeavouring to put down another boom a little to the east of Chinkiang, so as to prevent the Japanese warships from playing an important role in the attack on Nanking.

The vital factor in the drive on Nanking would seem to be aerial superiority and there is ample evidence that this continues to belong to the Japanese. There have been stories of Nanking and its environs being well-equipped with aircraft but it remains to be seen whether the Chinese air arm is strong enough to attempt to fight large numbers of Japanese war machines in the skies. It is in anticipation of an extensive use of the Japanese air arm, we have no doubt, that an international committee composed of nationals of Denmark, Germany, Great Britain and the United States has been active in suggesting to the Chinese and Japanese authorities the establishment of a safety zone for civilian refugees. It appears that no actual decision has been taken on this matter as yet. A Waichiaopu official in Nanking says that as it has not been

formally presented to the Chinese Government the latter has not given it any consideration. On the other hand, a Tokyo newspaper waxes critical and declares that Japan's drive on Nanking would be seriously hampered if the proposed zone were established while another claims that the Nanking zone is entirely different from the Jacquinet zone in Nantao. It seems to us, however, that if the committee can ensure that there will be no abuse of the zone by the Chinese military and that it will not hamper military operations by the Japanese, it should be established forthwith if practicable. The saving of civilian life and property should be attempted on every possible occasion and we would welcome a Jacquinet zone in every area which is subjected to modern warfare.

The more obstinate the defence of Nanking the more serious must be the blow struck at China if the Japanese should take it. General Chiang Kai-shek again enunciates the same Chinese thesis, now grown so familiar to all ears, that it is the Government's fixed policy to resist to the last inch and to the last man. This is, of course, only figurative talk. The "last inch and the last man" will eventually be found somewhere and if a decisive defeat were administered to the Chinese forces in front of Nanking it might be there. It is understood that very considerable forces have been pushed forward by the Chinese High Command to positions west of Taihu Lake and it is believed by many that when the retreating forces have joined these fresh men and taken a rightabout face the Japanese will be faced with a difficult obstacle in their path. If the Japanese could speedily silence the forts at Kiangyin and Chinkiang and bring war vessels up the Yangtze they would be able to turn any such Chinese positions; and possibly operations on the Yangtze will be continued until the river is rendered free for navigation by the advancing forces. From a military point of view the operations would seem to hold much of interest. Of their political consequences, if the Japanese are successful, it is impossible as yet to judge. One thing we may say, however, and that is that the supposed Chinese plan of yielding step by step, from Shanghai to Nanking, Nanking to Hankow, Hankow to Chungking—or whatever route the armies take—seems to us of limited practicability.

From The Shanghai Times, Shanghai, November 30, 1937.

AN OMINOUS WARNING

General Tang Sheng-chih, Nanking Garrison Commander, in the interview he gave last Saturday evening to a gathering of foreigners in Nanking, issued a rather ominous warning. He declared that Nanking might be a battleground in the near future and advised foreigners who were able to do so to go away, emphasizing, however, that the Chinese Government would do its utmost to ensure the safety of those remaining in the city. Still more noteworthy was his reference to possible disorders. "After prolonged warfare," he pointed out, "disorders are inevitable. Even a drunken man does things which he would not do if he were sober. Why wonder that an army harassed by shells and bombs and subjected to very great strains sometimes transgresses?" We do not know exactly what General Tang has in mind or what his statement portends. Giving his remarks their natural significance, however, it would seem that the Nanking Garrison Commander envisages some breakdown in the discipline of at least a part of the Chinese army. Indeed, he goes on to say that Nanking is defended by well-organized troops but others are retreating, and from them one cannot expect as good discipline. Apparently, in General Tang's view it is possible that some of the retreating forces may come into collision with the fresh troops that have been brought up to defend Nanking for he talks of the possibility of the city's gates being closed and "other action taken." There is much about the military situation west of the Taihu Lake which is obscure but there is no doubt that, despite the difficulty of the terrain and the obstacles encountered in bringing up supplies of food and munitions, the Japanese advance has been fairly rapid, especially during the last few days. According to General Tang, arrangements have been made to station troops to preserve discipline, not only in Nanking, but also fifty kilometres around it, with instructions not to let other troops enter the city save under the understanding that, if they do, they must be prepared to die. The Japanese are now rapidly approaching the fifty-kilometre perimeter and it is obvious that we are on the eve of important events.

From The North China Daily News, dated November 1, 1937.

A REFUSAL

So persistently is it maintained that Japan's policy and present actions in China are misunderstood that it is particularly unfortunate that the Japanese Government does not see its way to accept the invitation to the Conference of the Nine Power Treaty's signatories at Brussels, tendered by President Franklin Roosevelt and conveyed through the Belgian Ambassador at Tokyo. The technique which has inspired this refusal is familiar to those who have despairingly watched the gradual deterioration of Japan's international contacts from the time that the Mukden incident of 1931 gave the signal for a sustained attack on the Shidehara policies. So, although the Lytton Commission came to Manchuria as the result of a motion moved by Japan's official representative at Geneva in November of that year, it arrived to find eliminated all traces of the spirit which went thus far in the process of collaboration. The resultant report brilliantly vindicated the impartiality and judgment of the distinguished members of the Commission but it was incontinently rejected by Japan who thus lost a golden opportunity of protecting herself against many of the embarrassments later accruing from the Manchurian adventure. Is another such opportunity being lost? That thought irresistibly rises to the mind in studying the terms of Japan's latest refusal. There must be an uneasy feeling among many Japanese that, in running away from Brussels, their Government is in effect exposing itself to the interpretation that it has a poor case or that it is doubtful of the ability of its diplomats to deal with the criticism lately evoked by their country's military actions in China.

The machinery set up to facilitate international discussion of the Far Eastern situation has been devised expressly to respect Japanese susceptibilities. The League of Nations has been relieved of the responsibility for immediate examination of Sino-Japanese relations. Japan could have entered the council chamber at Brussels with a complete sense of equality and without fear of being singled out for one-sided condemnation. The argument that the invitation had to be rejected because, although the conference was meeting under the auspices of a non-League organization, the League's previous handling of the issue stultified solicitude for Japan, violently wrenches realities to fit in with a preconceived attitude of negation. It is matched by the efforts now being made to pretend that, despite the lavish space given by British organs of opinion to the presentation of Japanese views, there is a conspiracy to conceal those views from the world at large. Indeed the vigour with which Japanese apologists are wooing British sympathies and at the same time countenancing in their own journals the most extravagant attacks on British good faith and policy is indicative of a bewildering disregard of the elementary principles of international comity. The latest example of this perversity is forthcoming in

the factitious resentment formally expressed by parliamentary and industrial opinion in Japan in condemnation of Great Britain's alleged arrogance and breach of "neutrality". It is to be hoped that this apparently representative denunciation will be promptly corrected for its danger in further misleading public opinion is obvious. British critics could readily expose the fundamental fallacies of the premises on which it is framed, but they probably would hold that such an exercise would merely exacerbate relations between the two countries without in any way mitigating an amazing distortion of the truth.

Underlying this unhappy intransigence is the political desperation which has, for the time being, entrusted the keeping of Japan's national conscience to militarist aggression. The better mind of Japan is imprisoned in ignorance of the actions which are daily being committed in her name to the dismay and apprehension of her friends throughout the world. Thoughtful Japanese cannot, however, refrain from asking themselves how it is that their present leaders so resolutely oppose any form of international consultation by which joint examination of current issues in the Far East can be facilitated. The pose which assumes authority to criticize and condemn the freely expressed opinions of western democracies and at the same time rejects any means for applying the recognized method of conference and frank discussion to solution of common problems cannot be indefinitely maintained without surrender of claims to the world's confidence. No nation can pretend to be the sole arbiter of disputes in which its own actions, as well as those of other powers, are at issue. If it avoids the conference table it exposes itself to the suspicion that its policies are not susceptible of defence or justification. Once again let it be recalled that the object of the Brussels Conference is to comply with Article VII of the Washington Treaty of 1922:

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.

The direct invocation of that article virtually relegates to the background the expression of definite views on the situation which—in the opinion of at least one signatory—demands discussion. It leaves Japan free to argue that that opinion is ill-conceived, to present her case and her grievances, to justify the decisions which, she has maintained, have been so essential to her conception of the needs of Far Eastern stability. By rejecting this opportunity the Japanese Government takes on its shoulders a heavy responsibility for which, in due course, it may have to account to its own people when they fully realize the implications of the issues at stake.

From The China Press, dated November 3, 1937.

THE NINE-POWER CONFERENCE

THE world's attention is today directed toward Brussels where the delegates of the major Powers are gathered in the interest of world peace. Ostensibly the Conference is charged with the task of trying to solve the Sino-Japanese issues by pacific means, but fundamentally it is to undertake the larger mission of ascertaining whether the pledged word shall ever be honored and international obligations fulfilled. Its success is accordingly to be measured alike by the effective measures to be taken to bring to a close the military operations now ravaging all China and by the safeguards which may be evolved against recurrences here and elsewhere.

Though the Conference is called pursuant to Article VII of the Nine-Power Treaty, the preservation of world peace is certainly the concern of all nations. It is decidedly for this reason that non-signatories have been invited to participate in its deliberations and in the common endeavor to outlaw aggression, wherever and however it may be perpetrated. In consonance with this spirit Soviet Russia has unhesitatingly accepted the invitation, and may be counted upon to exert her best effort toward ensuring the sanctity of law among nations.

Germany, as already commented upon yesterday, has unfortunately not seen fit to follow in the footsteps of Russia, and yet she is not unalive to the desirability of joint action aiming at terminating the Sino-Japanese conflict. It may be said with a large grain of truth that, while absent from Brussels, she may be following it with all the seriousness which the occasion demands.

Italy, if one were to judge from official utterances to date, appears to be laboring under an erroneous impression that China, by concluding a non-aggression pact with Russia, has committed herself to Communism even though the Chinese "Red Army" has since then been incorporated into the National Army. The apparent lack of a correct understanding of the situation in China is probably responsible for the regrettable attitude revealed by certain statements in Rome, but it is no definite indication that the friendship which Il Duce and Count Ciano have so unflinchingly shown toward China in the past is in danger of being forfeited overnight. One cannot but regret, however, that the Italian Foreign Minister has at the last moment been prevented from carrying out his original intention to attend the Conference in person, though there is no doubt that his eminent leadership will still be available to the Italian delegates.

The policy of the United States has been made unmistakably clear. President Roosevelt has in no uncertain terms deprecated the isolationist traditions of a bygone age and Secretary Cordell Hull has likewise displayed sterling statesmanship by espousing the cause of international justice. Mr. Norman Davis, America's foremost authority on foreign relations, is in Brussels with the lofty mission of achieving "peace by agreement," and in this mission he is assisted by no less a student of Far Eastern affairs than Dr. Stanley Hornbeck. The determination of America to perform her established role as champion of the "Open Door" in China is thus removed from the realm of doubt.

France, though the least articulate thus far on the Sino-Japanese question, has in her own quiet ways demonstrated no less convincingly her friendship for the Chinese and her sympathy for their national cause. The impressive delegation which she has dispatched to Brussels is in itself an eloquent proof of that friendship and sympathy.

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Belgium, by her gracious offer of her national capital for the Convocation of the Conference, has also shown where her sympathy lies. Though her cabinet crisis may unhappily divert a major part of her attention, it is hoped that her interest in the problems under discussion will not be found wanting.

Great Britain, with the largest interests at stake in China, is naturally gravely concerned with the Sino-Japanese conflict and the consequent devastation and destruction as well as with the threat to the national existence of China as an independent sovereign state. Yet because of the uncertain situation confronting Europe and of her far-flung engagements, her position at the Conference is by far the most difficult. The Chinese Government and people are fully acquainted with the obstacles in the way of a positive policy toward the Far East which Britain would otherwise have enunciated in an emphatic manner and at an early stage of the whole Sino-Japanese conflict. If moderation could achieve the desired end for which the Nine-Power Treaty was entered into and the Nine-Power Conference is now being held, every nation would readily subscribe to it. If moderation should, as has been amply proved since the Mukden Incident of 1931, be interpreted as weakness and become a strong temptation for more and worse acts of aggression which it is intended to stop, then moderation cannot be the proper cure for a world-wide ailment growing out of lawlessness and rapacity.

It is sometimes suggested that moderation will serve a double purpose. On the one hand, it will give the offender

enough rope to hang himself and, on the other, it will provide the righteous nations a breathing spell to prepare for an ultimate showdown. This argument does not take into consideration the possibility that the offender may also grow stronger during the spell or with each additional rope, so to speak, which it may gain. The homey way to stop an epidemic, to borrow a phrase from President Roosevelt, is to stop it at once and by all means. Japan has caused an international epidemic, and Japan must be stopped if the epidemic is to be stopped.

There should, therefore, be no surprise if the Chinese delegates at Brussels should insist on a literal observance of the Nine-Power Treaty in spite of the obvious difficulties likely to be encountered. In fact, in a statement submitted by the General Union of Civic Associations of Shanghai to the Governments concerned through their local representatives, the Chinese attitude is well defined. To quote:

While we feel grateful to all our friends for desiring to bring an early end to the present conflict through mediatory formulas to be devised at the Brussels Conference, we are at the same time convinced that it is our duty to serve a friendly warning to our sympathisers over the seas that half-way measures would never eradicate the dangers of an eventual world menace. Firmness at this time by all nations in concert would still not be too late to bring the results of the proverbial ounce of prevention.

In this frank expression is set forth the hope, which the Chinese have reposed in the Conference and in the statesmen who are now steering its course. In all expectancy will we watch the events during the next few days or weeks. Upon its outcome hinges not only the future of China but also the happiness of humanity and posterity.

DECLASSIFIED: E.O. 11652, 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 The Shanghai Evening Post and Mercury,
dated November 3, 1937.

Background Of Brussels

THE OPENING of the Nine-Power Conference in Brussels today finds some interesting international shifts under way.

More important than any other is the growing tendency for Great Britain and the United States to join hands in dealing with the China problem. Foreign Secretary Anthony Eden was emphatic in his Commons speech yesterday in underscoring the necessity, in his view, of co-operation by the United States in any action toward a Far East Settlement.

"I say without hesitation," Mr. Eden declared, "that in order to get the full co-operation, on an equal basis, of the United States in an international conference I would travel not only from Geneva to Brussels but from Melbourne to Alaska—more particularly in the present state of the international situation."

He emphasized, at the same time, that the initiative for the Nine-Power Conference had been taken by the American Government and said that his guide on policies in this connection was a desire to act in full accord with the United States rather than either to lead or to follow. This general policy appears to express the view of both Britons and Americans in high places, as well as the general run of Britons and Americans in the Far East.

Up to very recently many untravelled Americans adhered to an isolationist policy, but events plus the guidance of President Roosevelt seem to have done a great deal to convince them that a united stand of the democratic countries was the only way to keep trouble from beating at the door. There is today very little of the old tendency in America to accuse Britain of asking others to pull her chestnuts out of the fire.

In other words, both in the United States and Great Britain there appears to be a large and growing body of opinion aligned with Mr. Eden's idea that the world will not have "enduring peace until all nations accept to be bound...by international law..." The isolationist attitude is abandoned reluctantly, but as a measure of necessity under the pressure of horrifying events which might easily move nearer and nearer.

Germany's refusal to attend the Brussels meeting must be disappointing to Chinese. We cannot go with the view that even from a most strictly legalistic viewpoint (that Germany was not a signatory to the agreement) Germany can be excused for this attitude; for the eighth article of the convention expressly provides that "Powers not signatory to the present Treaty, which have Governments recognized by the signatory Powers and which have treaty relations with China, shall be invited to adhere..." Certainly that throws open the door widely enough, and if Germany chooses to abstain there is a moral weight upon those who elect such decision under prevailing circumstances.

Japan is doing everything possible, of course, to bind Germany and Italy to her; but the relations of China with the Germans and the Italians have been very close up to the present time and it seems impossible that either nation can actually wish to assume an attitude unfriendly to China, for both Germans and Italians in China have manifested the precise contrary attitude with apparent concurrence of the home Governments. The communist bogey is the only possible excuse Japan has for summoning Germany and Italy to her side, and surely those Germans and Italians who have first-hand knowledge of the China scene are in position to report to their respective Governments how ridiculous are the Japanese claims of any "communization" of China.

The clear fact is that Japan in the Far East stands only for Japan. Not merely the Germans and the Italians, but the Americans, the British, and many other countries would like to be friendly with Japan. China herself has no spirit of anti-Japonism which could not be conquered by Japanese respect for China as a nation—which was not, in fact, in a fair way to be stifled in every important aspect (as trade returns clinchingly showed) up to the time that Japan's military machine once more began to roll in North China last July.

It will be one of the tasks of the Nine-Power meeting to prove that it constitutes no packed jury. It is no gathering of those against Japan as a nation. The Nine-Power Treaty is a document of the utmost liberality, enjoining upon those signatory to it only the duty of treating China as a nation to be dealt with fairly. Japan herself signed willingly enough at Washington in 1922. If the treaty does not now appeal to Japan, the fault is not because of any alteration in the treaty, certainly. The alteration has been on the part of Japan—a fact for every interested nation to consider very carefully in its final choosing of sides as the present Sino-Japanese dispute receives as full airing as possible.

From the Shanghai Times, dated November 5, 1937.

BRUSSELS CONFERENCE

The outstanding feature of the opening session of the Nine-Power Conference was the close identity of views expressed by the American and British delegates and their insistence that the problems underlying Sino-Japanese relations must be solved on a basis fair and acceptable to each. The fundamental need of the hour is to find a pacific solution which will provide for the early ending of these unfortunate hostilities, but it is quite unlikely that the conference at Brussels, or any other international conference, could profitably seek detailed adjustment of all the questions which directly concern Nanking and Tokyo. One comes instantly up against the fact that neither the Chinese nor Japanese Governments are to-day in any mood for peace on terms other than would be quite unsatisfactory to the other, for both view their requirements well beyond what the other would at present concede. Mr. Norman Davis, head of the American delegation, was particularly careful to link both China and Japan as regards "resort to hostilities" and he said that America expected to join with other nations "in urging upon Japan and China that they should resort to peaceful processes." There was no suggestion in Mr. Davis's speech of blaming either country, and Mr. Anthony Eden, in expressing full agreement with everything which Mr. Davis had said, put the British attitude clearly when he said that the consultation was "to ascertain if we can assist in the early cessation of hostilities and the restoration of stable conditions." Not the slightest question can be made of the Anglo-American attitude as thus disclosed, for both countries have large interests in this part of the world which are being seriously affected to-day and naturally desire to see peace restored. Mr. Anthony Eden was not very optimistic but rightly said that if they were afraid of failure they were not deserving of success. The French delegate referred to atrocities, and the Italian delegate thought the work of the conference would be finished if and when they brought the parties together—obviously meaning that if they did that it would be for China and Japan mutually to work out their own basis of future neighbourly co-operation.

Dr. Wellington Koo strongly rejected the idea of "peace at any price" and referred to the fact that the League of Nations had already found Japan guilty of armed aggression. He naturally had to put himself in the role of an accuser, and harked back to Japan's "policy of territorial expansion dating back to before the Mukden incident in 1931." The League of Nations has already passed its verdict on the setting up of the State of Manchoukuo—a verdict which led Japan to quit the League—and one cannot see a great deal of hope for the early cessation in China's favour of these present hostilities if revision of the *fait accompli* north of the Great Wall is going to be made one of China's objectives. In an article appearing in a local contemporary Mr. C. Y. W. Meng, in discussing China's hopes at Brussels, has written:

China wants peace, but honourable peace. China wants the conference to discuss not only the "North China" problem, but also all other pending problems. The North-Eastern Provinces (Manchuria and Jehol) were never ceded to Japan; they are only under the Japanese military occupation, and they are now included on the "lost territory list" to be recovered; and they are one of the pending problems which must be solved before peace is possible. Any move to exclude this pending problem on the conference agenda will be sufficient to cause 460,000,000 people to jump to their feet and the Chinese delegates to quit the conference automatically. Any promise on the part of any Power to "avoid the discussion of the Manchuria problem" during the conference will be considered as most "unfriendly" by the 460,000,000 Chinese!

One does not know with what degree, if any, Mr. Meng has official inspiration for his argument, but if the question of Manchoukuo is going to be dragged into the Nine-Power Conference one fears that that parley is doomed to be abortive. Dr. Wellington Koo did not himself directly refer to the matter. One recognizes that Dr. Koo had to state his case from the standpoint of an aggrieved party and, considering all things, he made an able speech. M. Litvinoff spoke in his usual realistic manner when he said that conferences were apt to concern themselves principally with the maintenance of their own existence and with superficial successes, but M. Litvinoff would probably answer the inference much the same as other men, namely, that something constructive has been done when the limitation of trouble has been achieved. The restoring of peace in the Far East is not more important than the prevention of the spread of hostilities by contagion. It will doubtless be with this clearly in mind that America, Britain and France will seek to exercise whatever influence they can.

Hope has, apparently, not been given up of inducing Japan to alter her mind in the matter of collaborating at Brussels, although it is realized that there is little prospect of this being secured. Now that opening speeches have been delivered it is not easy to see what the next move will be, though the rumour that Britain and the United States may undertake mediation gives a clue to the line of thought most popularly pursued. Japan, in the belief that she alone can bring China to adopt a different attitude towards the Island Empire, still insists that she is averse to third-party intervention, while China has made up its mind to a prolonged war of resistance and has plainly indicated that she wants no patched-up peace. Views on both sides of the Yellow Sea are so diametrically opposed and mutual belief in wrongs to be righted is so strong that the role of mediation is seemingly premature. But the eyes of the world are on Brussels and it will be interesting to watch the developments which take place there.

From The China Press, dated November 14, 1937.

A SECOND REFUSAL

JAPAN has again turned down the invitation to attend the Nine-Power Conference at Brussels, obviously to the disappointment of the Powers concerned and the world at large. It is also noteworthy that almost simultaneous with the rejection the creation of the Imperial Headquarters has been announced, not to mention the tri-partite agreement against communism which she so recently concluded with Italy and Germany.

These events appear to confirm the decision of the Japanese Government not to restrict the areas of hostilities in China but to extend them on a major scale. The decision is indeed most unfortunate both for this country and for Japan herself. Though so far the armed conflict has been limited to the two neighboring nations, its prolongation is naturally fraught with complications which may conceivably threaten the peace of the world.

If any channel is likely to bring China and Japan together with honor to both, it is the Brussels Conference. The leadership which the United States has assumed in this international conclave is the best assurance of an "open mind" toward the disputants. China asks no more than the respect for her territorial and administrative integrity; and presumably Japan can hardly refuse that respect which she herself has undertaken to guarantee.

Now that the channel through Brussels seems to be closed—unless other methods of inducement should succeed—there remains the alternative of mediation through a third Power not signatory to the Nine-Power Treaty and the exertion of direct pressure on Japan by its signatories. The former has already been declined by General Chiang Kai-shek in a recent statement, and the latter, though effective, is capable of further straining international relations.

Apparently Japan would, if outside mediation is at all to be entertained, prefer to let the credit go to one of the countries with which a common front against communism has been maintained. It cannot be emphasized too strongly that, should China accept, for instance, the good offices of Germany, with which the most cordial relations have been witnessed, she would be helping to reduce still more the prestige of the League of Nations of which she is a member and from which, in an indirect manner, the Nine-Power Conference has been evolved.

It has consequently been suggested that, if the efforts at Brussels should fail, the most eligible country to assist in the restoration of peace would be the United States. It is, in the first place, allied neither with Communism nor with Fascism, and secondly, it has little material conflict with the Japanese Empire. In even more realistic terms it may be added that both China and Japan will be desirous of courting American friendship, in view of the possible financial assistance which may be required in post-war days by the former to rehabilitate her devastated areas and by the latter to replenish her depleted national coffers.

Meantime the world must content itself with the hope that somehow or other pacific influence will prevail in Japan, so that the futile hostilities on this continent may be brought to an end and that the two neighboring countries may be spared ultimate ruin which must result if the struggle is permitted to run its natural course.

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From The Shanghai Evening Post, dated November 17, 1937.

An Appeal To The Realities

THE DECLARATION of the Nine-Power Conference appears to us essentially conservative, an appeal to the realities of the Far East situation. Particularly notable are such points as that there is no warrant in law for the use of armed force by any country for the purpose of intervening in the internal regime of another country. True it is that general recognition of such a right would be a permanent cause of conflict. How would Japan like to be faced with war because other nations felt she must embark on democracy?

While the peace-loving nations have been treated by Japan as an assemblage of soft-headed triflers, events may quickly enough prove that it is they who are taking the essentially practical view. This declaration, properly expressing regret at Tokyo's refusal to co-operate and belief that the Sino-Japanese conflict is not a matter for direct settlement, is far more realistic than Tokyo's assertions that battle alone can decide the issue. By comparison, the Japanese attitude is medieval. What is worse, it is impractical.

As the declaration points out, there is every reason to believe that if the matter is entirely left to Japan and China the armed conflict, with its attendant destruction of life and property, disorder and uncertainty, instability and suffering, enmity and hatred, and the disturbance of the whole world, may go on indefinitely.

Particularly *apropos* is the calling of attention to the fact that "these hostilities have brought to some nationals of third countries death, to many nationals of third countries great peril to international communications disruptions, to the property of nationals of third countries widespread destruction, to international trade disturbance and loss, to the peoples of all nations a sense of horror and indignation, and to all the world feelings of uncertainty and apprehension."

We are interested in Italy's refusal to vote for the declaration, coupled with its statement that the declaration did not tend to facilitate mediation. We, and others, feel inclined to ask—

Just what in that declaration is objectionable? And just what *would* tend to facilitate mediation?

After all, openness of mind has been the keynote of the conference despite Japan's insistence that she would go before a packed jury if she took part. Is it Italy's view that Japan is right in this attitude?—and particularly, is it Italy's point of view that something can be done to facilitate mediation which has not already been done?

Japan seems simply not to want mediation. Her idea seems to be to beat China to the ground. If anything else will suffice, let that fact be known either from Japan, Italy or some other source. Nobody is out on a lynching party. The world sees a horribly destructive enterprise in progress and wants to help. All that is needed is some co-operation which is thus far not forthcoming nor is there any indication of how it could be made to come forth.

From The China Press, Shanghai, November 17, 1937.

THE BRUSSELS DECLARATION

THE Brussels Conference of 19 Powers has been confronted with the resolute refusal of Japan to participate in its deliberations in spite of the conciliatory tone of its second invitation to Tokyo. In order to overcome the apparently insurmountable difficulty, the Conference has adopted a declaration regretting Tokyo's refusal to co-operate with the Conference, affirming that the conflict was not a matter for direct settlement between China and Japan, and stating that the Powers must consider what was to be their common attitude if Japan's refusal to join in the talks was maintained.

This gesture of moral censure must have been expected by the Japanese Government when it persisted in its refusal. It can be no more surprising to the Japanese than it is disappointing to the Chinese. Even the frank assertion that no good may come out of direct negotiations between China and Japan can hardly assuage the feeling of disappointment; still less can the resolution to refer Japan's refusal to the respective governments concerned.

What China needs today is not so much the condemnation of Japan's actions as the effective means by which the Sino-Japanese conflict may be brought to an end and peace in the Far East preserved, in order to avoid the spread of hostilities to other parts of the world. It appears now that the Conference and the Chinese Government alike have been committed to a policy against direct negotiations with Japan, and yet no alternative has been suggested to replace the much-dreaded procedure.

There is no doubt but that the Chinese Government is prepared to play the game with the other Powers. In the present case as in that of the Mukden Incident, China has been encouraged to repose high hopes in the professions of goodwill from the world chancelleries, but unless something more than mere resolutions is forthcoming, China is liable to witness the same failure at Brussels as she did at Geneva.

It may be recalled that, when China referred Japan's invasion of her territory to the League of Nations, she did so only for the purpose of record and in fulfilment of her duty as a member-state. Fresh hopes for international action did not arise until the question was taken out of the League and referred to the signatories of the Nine-Power Treaty. Now that Japan has practically forestalled all possible action at Brussels by her flat refusals to attend, the other Powers in attendance should not content themselves with empty gestures, however gratifying they may be spiritually to the Chinese; nor should they adopt the oriental method of saving "face" by refusing to admit failure.

Perhaps under the auspices of the Nine-Power Conference other avenues of approach to Japan may be exploited, so that a fundamental settlement of the Sino-Japanese conflict may be sought without making the settlement appear as the direct outcome of the Conference as a whole. If the question were to be referred to individual governments again, the Conference may steadily fizzle out, not only to the detriment of China but also to the discredit of the Powers which have so emphatically recognised Japan's aggressions in China.

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

From The North China Daily News, Shanghai, November 26, 1937.

A CLEAR ISSUE

The Brussels Conference has failed to do more than affirm the importance of an international code which it has been unable to enforce. Its expression of opinion that the suspension of hostilities in China would best serve the interests of all parties to the Washington Treaty marks the sense of impotence which has prevailed. There is no ground for exultation over this further proof of the breakdown of the safeguards which statesmanship had hoped to make the effective guarantees of ordered relations between nations. There is equally no ground for casting aspersions on the good faith of those who sought through the Conference to provide a practical solution for Sino-Japanese differences. It was hoped that when President Franklin Roosevelt won the support of other signatories to the Treaty for their meeting in Conference, the way was clear to ensure the co-operation of the principals in the dispute under review. That hope was only half fulfilled. Therein lies the cause of the failure. Experience can be given its cheap triumph over hope, but in the long run the principles on which that hope was made to rest cannot be rejected. It is amazing to observe that some commentators exhibit gratification in the breakdown. To what future do they look if the world is to continue to be exposed to the periodical dislocations which the disregard of international pledges must produce, if the bitter lessons of the last few years are any guide? Nations, thus seized by an ecstasy of repudiation of their solemn words, unwittingly prove the danger of their situation by profuse offers of further assurances the liquidity of which is obviously doubtful to say the least of it. Nor is it without significance that the sabre-rattler invariably seeks justification by levelling charges of broken faith. In short the very process of pact-breaking is based on an admission that it is inherently anti-social. So, despite the latest evidence of the unreadiness of the world to face the realities of international politics, the belief that sooner or later the pressure of events will bring statesmanship back to a fundamental reconciliation of deeds with words stands unshaken.

There is a tendency in the Japanese press to argue that the Brussels Conference has been unfairly used by Great Britain, in particular, to put Japan at a disadvantage. Nothing, of course, is further from the truth. The Conference may have failed to achieve concrete results but its insistence on the importance of international agreements derives from a general apprehension of the danger in which the world lies as the result of repeated disregard of that principle. Mr. Walter Lippman, the eminent American writer, seems to encourage that error when he assails his own Government's participation in the Conference by arguing that thereby it essays a middle course between adherence to League principles and reversion to "old fashioned ideas of neutrality". He maintains that the United States of America, having decided to be neutral in the desire to avoid foreign entanglements, should avoid a policy of "pinpricks, mild sanctions and provocative resolutions". There is good sound sense in that contention so

far as it goes but it altogether evades the issue. The Brussels Conference was not concerned with League principles. It was assembled in no breach of the policy of neutrality. Its authority to discuss the Sino-Japanese conflict was directly derived from the Washington Treaty. Whether the League be right or wrong, whether collective security be folly or a noble ideal, were issues right beyond the scope of the Conference. It simply had to consider what should be done by the signatories to a formal pact when circumstances suggested that the obligations jointly and severally accepted by them had been affected by the actions of one or more of their number. That prosaic procedure will be appreciated by any private individual who, in the course of business routine, has entered into a contract.

Japanese newspapers seem bent on adopting a minatory tone in their exhortations to Great Britain. Judging from impressions made on recent visitors to Japan they have not been successful in impregnating the people with that sentiment, for the unaffected courtesy, good nature and friendliness usually experienced by British travellers there are still to be found as a pseudonymous letter from a prominent Shanghaier amply demonstrates. The fact is that this whipping up of animosity against Great Britain smacks a good deal of mechanical artificiality. It is a formidable fact all the same, for there is never any telling where such an unfortunate manipulation of an obsequious press will end. Great Britain has no reason to be ashamed of her efforts since the War to support international co-operation. She disarmed to an extent which has exposed her to the gravest possible risks in the hope of setting an example. Although Japan in 1931 broke the ranks of the Powers who were persevering in the pursuit of a sympathetic and patient policy in China, Great Britain, bound to maintain her point of view, sedulously endeavoured to preserve friendly contacts with her former ally. Whatever criticism may have been made by British commentators on the policy adopted by Japan, there has been in it far more of sorrow than anger. Concerned as a great commercial Empire with the growing fondness of impatient nations for a realism which often has been merely a synonym for flouting canons of accepted conduct, Great Britain has striven to throw her weight behind efforts for the restoration of confidence and fair dealing in international politics. She has been impelled reluctantly to recognize that her weakness in armament has been misunderstood and actually undermined her authority. She is rapidly repairing that defect. When that process is completed she will not willingly surrender the principles to which she still attaches the highest practical importance, for she expects that it will automatically assist her to give more effective support to influences for peace. Meanwhile, in the face of persistent calumny and deliberate misconstruction of her actions, she is not disposed to falter in upholding policies abandonment of which would belie her traditions and do violence to her convictions. To suggest that this is an anti-Japanese attitude is to be blind to actualities, —or worse still to saddle Japan with a mentality which, so far, even the most partisan critic has not yet imputed to her.

From The Shanghai Times, Shanghai, November 26, 1937.

BRUSSELS CONFERENCE PETERS OUT

Many people will find it extremely difficult to agree with the opinion of Mr. Norman Davis that much has been gained by the holding of the Nine-Power Conference which has now gone into recess with the likelihood that it will not meet again. From the Chinese point of view, it has been a failure, inasmuch as it has not resulted in concerted action against Japan and has produced only an "ineffectual reaffirmation of principles." Chinese hopes were pinned upon common action in the form of positive aid, whereas all that has eventuated has been what is described as an historical survey of what has happened hitherto, plus platitudinous declarations and the destructively negative opinion that direct negotiations between China and Japan cannot give a lasting settlement. The assumption underlying that opinion and the further statement that "any settlement must take into account the various interests in the Far East" is that in any direct settlement those third-party interests would either be overlooked or trespassed upon, but, to descend to the colloquial, this is surely a case of squealing before one is hurt. In all the statements which have been made on behalf of Japan it has been clearly asserted that while Japan regards it as an inescapable mission to bring about a better and more co-operative relationship between herself and the continental neighbour with whom she is destined by geography and economics to live in weal or in woe, she will pay due respect to the rights and interests of third parties. Perhaps that assurance is not believed or, to put the matter another way, it is felt that if Japan succeeds in forcing China to make terms with her then Japan will secure for herself conditions under which her own interests will have favoured treatment to the detriment of others. Our own view on that point is, that by virtue of Treaty rights with China other Powers would enjoy the benefits of the most-favoured-nation clause and that beyond that safeguard there must operate the rules and principles of ordinary commercial competition. Most alarming fears are sometimes thoughtlessly expressed, but, being just as jealous as others of British interests in China, we cannot share all the conclusions which seem to lie at the root of those fears. China is only on the threshold of its commercial and industrial possibilities and there is room for all to share in its progressive development, provided the fact is honestly admitted that Japan's position is an advantageous one by reason of so many inescapable affinities. We cannot ignore or defeat unchangeable facts and it is far more constructive to adjust ourselves to them than it is to contribute to the growth of enmity between two great peoples in an attempt either to compete with the one or curry favour the other. One can only hope that Mr. Norman Davis and his fellow conferees did gain "a more complete knowledge of the difficulties and

possibilities of the situation" as he declared, although the Report and Declaration does not greatly encourage that hope.

Anyhow, the Conference is as good as dead and one presumes that the matter will eventually be taken back to the League of Nations for further abortive discussion. By urging the suspension of hostilities, the Declaration did give expression to at least one supportable desire. Chinese leaders are, however, not only persisting in their "fight to the last" idea but still expressing conviction that China can eventually come out on top. Dr. H. H. Kung, in his latest statement is not in the least perturbed and says that China has made all preparations for a prolonged war. Against that, one has to put the statement of General K. Ugaki, one of the members of the so-called "brain trust" which has been formed in Tokyo to co-ordinate the waging of the war with the national life as a whole. Japan's intention to fight until China admits defeat was expressed by him, and one cannot doubt that that represents Japanese thought as a whole. What began as an incident has now become a full trial of military strength and the longer that trial is waged the greater will be the commitments on both sides. Some of the remarks of General Ugaki are worthy of serious consideration, especially the statement that the greater the sacrifices and efforts which Japan will be called upon to make because of the prolongation of hostilities the greater might be the national desires and demands when the final reckoning comes. According to the General, Japan does not desire the downfall of General Chiang Kai-shek, recognizes the principle of "China for the Chinese," and looks for heart-to-heart talks to settle the controversy.

Here is something upon which a response from Chinese leaders might well be justified. The historical references of General Ugaki with regard to the Sino-Japanese dispute arising out of Manchuria are also of interest and importance. If China and Japan had then got together instead of China running to the League of Nations, which only succeeded in antagonizing Japan and causing her to leave that organization, there is little doubt that the present situation would not have arisen. Once again we see China being encouraged not to have direct dealings with her neighbour and there cannot be other than despair over such a course. The whole tenor of General Ugaki's statement ought to be regarded as encouraging to the moderate elements in this country, for if there were acceptance at its face value of Japan's assertion that her principal aim is to bring about a fundamental change in relations between the two countries, it might not prove at all difficult or humiliating to work out terms upon which peace could be restored. Japan's greatest objection is politically-fostered animosity and China's appeals to others to help her out of the scrapes which result. Third parties have an enormous responsibility in this Far Eastern affair. It would be an historic tragedy if incursions from the Occident and Occidental influence resulted in the embittered estrangement of two indigenous peoples who have not only their own destinies to work out but their neighbourly adjustments to make. The Powers would do better to tell China to fix things up with Japan than encourage her to further impoverishment.

From The Shanghai Times, dated November 12, 1937.

CAN THERE BE PEACE?

By a great many people any suggestion for the early restoration of peace between China and Japan will be regarded as premature. They see the Nine-Power Conference at Brussels still striving to persuade Japan to come within the orbit of its deliberations and they also see China's determination to continue resistance as being little if any different from the day on which Nanking made its fateful decision. But there are others, genuinely concerned for the welfare of China and its people, who have difficulty in seeing anything other than further smash-up and tribulation if this war is a great deal further prolonged. The "Times" of London has just recorded its view that there is no sign that China will cease fighting "until her ends are attained, or are definitely unattainable," and it goes on to add that "as long as further resistance is possible, no Chinese Government could conclude a peace which left Japan to control a substantial part of Chinese territory." What one has to ask—and there ought to be no timidity or make-believe about this—is whether China can now attain the ends which Nanking has previously announced as being the basis of its war of resistance. The avowed end is nothing less than the driving out of "the invader" and the re-assumption by Nanking of its full authority and supremacy in all parts of what is regarded as being China Proper. For three months these hostilities have been waged, and it has to be admitted that China's armies, valorous though they have been, are proving to be no match for the better-equipped and better-directed Japanese forces. In North China there has been a spectacular Japanese advance and it cannot with safety be pretended that China can hope to drive the Japanese back to their original lines. There can, and doubtless will, be the prosecution of guerrilla tactics, but as these are mainly waged by plain clothes men there are grave dangers created for vast numbers of innocent civilians. Large regions will be kept distraught and millions of people reduced to saddening straits. Here in the Shanghai area, where Nanking undoubtedly threw the flower of its army and great quantities of material into the fight, there has been a slow but sure Japanese ascendancy and indications now are that Japan's military programme here and in the lower reaches of the Yangtze is going to develop on a much larger scale than was at first indicated. Both sides have undoubtedly suffered heavy losses, but it is no use disguising the truth that the Chinese army has been dealt a tremendously heavy blow and that it cannot do much more than slow up Japanese military penetration even up to Nanking itself if operations are continued for so lengthy a time.

Facts have to be faced. It is true that Chinese morale has not greatly broken down, that the will to fight is still there. But those who still argue that a prolonged war of attrition can be waged to the undoing of Japan are surely overlooking the fact that if Chinese morale is still good in face of military reverses Japanese morale is the higher because of military successes. In material resources Japan is not the impoverished country some have been prone to believe, and if the cost of this campaign has been high that is all the added reason in Japanese eyes why it should now be prosecuted to the point whereat its fruits can be garnered. These are possibly unpleasant considerations for many to bear in mind, but they are not capable safely of being ignored. When one tries to look forward to the end of this tremendously tragic and important episode in Far Eastern history it is not easy to see Nanking in a position to wield centralized and complete control over all the territory hitherto regarded by its oligarchy as being rightfully under its long-range jurisdiction, and if it is going to be argued that no Government in this country could conclude a peace which took note of this changed circumstance then it seems inevitable that this sorry chapter is going to be prolonged into a military trial which might very easily lead to a more disastrous peace than statesmanship and realism could earlier secure. Can China hope to get a better peace by fighting on than that which might be negotiated to-day? That, it seems to many, is the really vital question of the hour, and plain speaking demands the answer that, in the absence of active intervention by others, she has little likelihood of so doing. The chances of that intervention are but slim. There will no doubt be a good deal of talk added to that which has already been made, but international action of such a character as could materially affect the situation is extremely unlikely. China might, with some justification, complain on this account, but she was never really in doubt as to Japan's insistence that Sino-Japanese relations were a matter for direct settlement between the two countries concerned. That point is still being maintained and, in view of the general international situation and the alignment of interests which we have lately seen in the purely political realm, it is not safe to contemplate more than third-party moral support for this country. China still looks to Brussels when it might with more immediate profit look inwardly at itself.

The "Times" might be right when it says that "a settlement based on anything less than the recognition of China's rights will mean a postponement of war, rather than the establishment of peace," but, without in any way going into all that might be envisaged in the phrase "China's rights," the postponement of war, when that war seems to be developing so onesidedly, is not an objective to be contemptuously rejected. No-one can deny the right of the Nanking Government to lead the people along the line of further resistance and no-one can fail to pay tribute to the spirit behind such a decision, but there are other things in the human scale besides the spirit and will of leaders. Especially is this so in China, where a vast lowly, industrious, peace-loving people are suddenly and surprisingly brought face to face with a situation which brings nothing but misery to them. To save and salve is a worthier motive than to waste, especially where wastage looks like being ineffectual. These words are written with every regard and sympathy for our Chinese friends and have no other purpose than the earliest possible limitation of the ring of destruc-

further resistance and no-one can fail to pay tribute to the spirit behind such a decision, but there are other things in the human scale besides the spirit, and will of leaders. Especially is this so in China, where a vast lowly, industrious, peace-loving people are suddenly and surprisingly brought face to face with a situation which brings nothing but misery to them. To save and save is a worthier motive than to waste, especially where wastage looks like being ineffectual. These words are written with every regard and sympathy for our Chinese friends and have no other purpose than the earliest possible limitation of the ring of destructive warfare, which is raging around us. If there is eventually going to be compromise, is it too early to think of it? If there is going to be no compromise, can there be victory? These are not impertinent questions; they are asked in a sense of solicitude.

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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FROM THE SPRINGFIELD JAMES, DATED NOVEMBER 18, 1834.

From The China Press, dated November 1, 1937.

MADAME KUNG'S ADDRESS

MADAME H. H. Kung, distinguished wife of the Chinese Minister of Finance, scored an Achillean hit on the Japanese when she declared in her radio address late last week to the United States over the nation-wide Columbia Broadcasting Service "what the combined great powers can now well ask themselves is, 'Why be afraid any longer to insist upon proper respect for the sanctity of treaties to insure the preservation of mankind? Why be afraid indeed?'" The point is pertinent—in fact, it so squarely hits the nail on the head that the question must be one truly embarrassing to the Japanese military. Following the same line of thought Madame Kung also stated, "Japan has, however, found something of a surprise. Utterly unexpectedly she has China up and fighting as she has never fought before, fighting with courage and skill. China has consequently revealed two things. First, that we Chinese are not cowards, and second, and of greater significance, Japan is not invincible. Even though we may be overwhelmed we have pricked a bubble, or exposed a bogey, for the wide world to see."

It is precisely on this point where Japan has exposed the great inherent weakness of her military machine when compared with the equipment, and knowledge of its use, of other major world powers. It is common knowledge that competent foreign military observers in Shanghai have nothing little short of scorn for the poor showing which the Japanese have made in Shanghai—in their inability properly to employ mechanized equipment, in the criminal inaccuracy of their bombers as is being daily displayed in many Chinese cities and in the comic and almost wholly ineffectual firing of their anti-aircraft weapons. These same observers are constantly remarking that many phases of Japanese military activity in the Shanghai area reflects a befuddled scientific and military knowledge. True, the Japanese have made progress, but it has been a progress so slow and so costly that it has demonstrated that other world powers vitally interested in upholding the sanctity of treaties and the pledged word need not be unduly concerned about any possible threat from Japan should it be determined that a dose of sanctions or economic embargo is the best cure for the world's number one bad boy.

"Out of the world's troubles Japan calculates she could reap a great fortune, and out of China she decided she could carve an expanded empire." Madame Kung also said in her talk. "She was prepared to take any risks, and chance any consequences, to secure the loot she coveted, because she was convinced that she could, if the worst came to the worst, defeat any nation or combination of nations that might try to curb her ruthless aggressiveness and her treachery with regard to treaties. She was encouraged in this belief by the world's failure to resent her contemptuous violation of treaties, of her invasion of China, when she seized Manchuria in 1931."

Many thoughtful people today realize, as apparently Japan does not, that a day of reckoning is at hand. Nations, even those not directly concerned, have a way of remembering the acts of the bully and causing him to pay dearly when the opportunity presents itself, as it usually does. The military leaders of Japan may have rested confident in the belief that a savage, uncontrolled use of the sword would bring everything that they desired. The great pity, on Japan's side, is that it will be the great mass of down-trodden people in Japan—who really do not want war with China or with any other nation—on whom the burden of the war with China will fall. It is against all laws of humanity that a military clique should force millions of innocent people, belonging to both the aggressor and the invaded nation, to suffer as people have suffered but few times before in world history.

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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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Japan is playing a dangerous game in persistently and constantly affronting the conscience of the world. She can have no real friend among the colony of nations. Even another aggressive nation must of necessity regard her as a country without principle and with which any alliances made will only hold good so long as they are to the definite advantage of the party concerned.

Taking a most sane outlook on China's life-and-death problem, Madame Kung asks the people of America and other parts of the world wherever the written word is read, "We do not ask you to fight our war. But short of going to war, there are many effective ways in which you can help us and the cause for which we are fighting. We know we have your sympathy and your moral support, and we appreciate both. But we need from you more than that. We need within measure your material support. . . . We need arms and ammunition, help for the millions of innocent homeless women and children whom treaties have failed to protect, and for the tens of thousands of wounded. . . . At the same time we want your co-operation to prevent Japan from getting money to continue her aggression. That can be done by buying nothing from, and selling nothing to, the Japanese. . . .

"Treaties will stand or fall," Madame Kung continued, "upon what happens at Brussels, and peace in the world will correspondingly be blessed or be damned. The great powers have great responsibilities. They are the ones who are to determine whether civilization is to be sacrificed, and whether the inhumanities that are spreading bloodshed and ruin broadcast over China today are to become the lot of other countries tomorrow. . . .

"We cannot believe that America will do other than resolutely act to mobilize the other responsible powers in a move to take the simple steps required to stop for all time what otherwise would become the recognition of a violent era of undeclared war and brutality."

This latter point has apparently not been missed by President Roosevelt, as his recent and emphatic statements would indicate, nor by the more responsible leaders in Great Britain. It is widely accepted by world leaders that the powers which stand for peace missed their chance in not checking Japan in 1931 when Manchuria was wrested from China. They have since had ample time to see what has happened to foreign interests in the puppet state of "Manchukuo," as well as view recent Japanese encroachment on North China, not to speak of the present widespread invasion of this country. It is to be expected that if world powers are not willing to surrender to the ever-increasing menace of a "mad-dog" nation that they will take action which will at least put the beast under the restraining influence of a secure leash and, it is to be hoped, a thoroughly effective muzzle.

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From The China Press, dated November 7, 1937.

TWO BASIC PSYCHOLOGIES

AS week is added to week in the present hostilities there is one great advantage that is constantly working in the favor of the Chinese side. It is in the matter of basic psychologies of the two nations. All Chinese throughout the length and breadth of the land are being and have been told the truth about the present conflict with Japan. On the Japanese side there is an exact opposite state of affairs. Their people are being constantly fooled in many and sundry ways.

The thousands of Japanese wounded are being side-tracked to Formosa and Manchuria, so that the people at home will not learn the true cost in young manhood. The newspapers, we are informed on competent authority, report "victories" that have never occurred and sidelights on the war that are as far from fact as it is possible to imagine. In Japan, the Chinese air force, of course, has long since been "wiped out," the people of China are "running as wolves crazed with hunger through the streets" and the Chinese soldier is an individual that even a child could chastise.

This one-sided story—highly distorted and therefore subject to being exposed at any time to the very people who are duped—is being given out in an attempt to keep the Japanese "satisfied" with being called on to make great sacrifices, both financial and in giving up members of their families to the fighting services. It all ties in, also, with the very urgent necessity of the Japanese militarists in making the people of Dai Nippon believe that their adventure in China will be brief and, of course, highly successful.

Many foreigners who have recently visited Japan bear out this statement, saying that the catch-word everywhere is that the present war will be a short one. Herein rests the basic psychological difference in the attitudes of the two nations. China is prepared for a long war. Her leaders at all times have warned the people that the struggle may last a year or it may last two years, but whatever the time that the war will be long and will require sacrifices from everyone. Such an appeal is an appeal to reason and an appeal based on honesty.

It is not difficult to imagine what will occur when the Japanese people finally realize that they have been deluded on every score—that brothers, fathers and sons have died or been wounded in a cause in which they have no direct or indirect interest; that the reckoning economically will have to be paid in enormous taxes; that the costs of the bare necessities of life cannot be met because of inflated prices; that the exhilaration of war is followed by a relentless despair which will spread throughout the land.

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From The Shanghai Evening Post, dated November 8, 1937.

Formalizing Our War

VIEWS favoring a declaration of war by Japan against China are reported by the *Hochi Shimbun* of Tokyo to be gaining ground throughout Japan. It is understood that the Navy supports this and the Army opposes. Actually we doubt if anybody knows much about the issues involved, outside of a few cloistered experts.

We have ventured far into the realm of Alice In Wonderland by the terrifying conduct of widespread hostilities in China while diplomatic relations were continued and the forms of friendship between Japan and China remained unbroken. Neither party has thus far concluded that it was desirable to formalize war by calling it such.

China, of course, initially had the reason that a state of war meant a blockade. But a blockade came into being from August 26 when Japanese naval forces ordered such a course for approximately 800 miles from the mouth of the Yangtze to Swatow, this being later extended northward as well though with a conspicuous exemption of Tsingtao where vast Japanese investments are centered.

It is true that an explanatory statement from the Japanese Foreign Office declared that this measure, taken in "self defense," would apply solely to Chinese shipping and would exempt "peaceful commerce" carried on by third parties. On the same day, however, a Japanese naval spokesman here cast doubt on the nature of the blockade by declaring that "foreign shipping along the China coast may be halted by Japanese warships" exercising "the privilege of pre-emption toward foreign bottoms carrying a cargo that in time of war would constitute contraband."

These declarations brought into being a situation which has been gingerly skirted both by Japan and by the foreign Powers engaged in China trade, and the Navy's inclination toward a formal state of war is presumably motivated by a blunt naval desire for an open and shut situation devoid of legalistic hair splittings.

As is pointed out in a recent bulletin of the Foreign Policy Association, the issue as it still stands is bristling with legal difficulties and fraught with a danger of serious incidents. The bulletin says:

"Under international law, pre-emption is the right of a belligerent to seize conditional contraband (i.e., articles not recognized to be 'absolute' contraband) found on neutral vessels and destined for the enemy—provided there is just compensation. Although neutral shipping has not been interfered with in the past by states not technically at war under the form of a pacific blockade, the rights of protagonists and third parties has not been clearly defined.

"Quite apart from legal niceties, the facts are that a blockade of the China coast is in full force, that Japanese naval commanders, despite protestations from Tokyo, are apparently prepared to interfere with neutral shipping, and that serious incidents involving not only the 'rights' but the honor and prestige of foreign Powers may result."

We are all walking a chalk line, in other words, as result of the ambiguities of the present position; but if the ambiguities were removed, other disabilities would have to be considered.

The belligerent first to declare war, for one thing, would incur not only the general opprobrium of seeming to "pick a fight"—however ludicrous that may sound at the moment, the war-declaring nation would go down in the historic record as formally an aggressor—but it would likewise be violating the Kellogg Anti-War pledge. Realistically considered, that pledge was already violated by Japan in China long ago, but those in high quarters like to keep such things off the record.

China would hardly gain by any formal right to declare a blockade because she has no navy with which to blockade Japan in any event. Japan is less dependent on foreign munitions than China, likewise. That is a point to consider, blockade aside, when such matters as the American Neutrality Act come into the picture. With a formal declaration of war the Act would come into effect, further shutting off needed supplies for China which already have been given a rockier road to travel through Washington's decision not to allow Government-owned ships to bring them.

A declaration of war would mean confiscation of enemy property and internment of enemy nationals. Japan could lose title to a good deal of valuable property by this means, which would not be the case with China. China would suffer the internment of some Japan-visiting amahs. Most civilian nationals of both countries have evacuated homeward.

There would, of course, be some sort of declaration of objectives in connection with declaration of war. So much might be informative, though it could hardly be construed as necessarily the last word. Japan has already declared she does not seek territorial gains or special privilege in China, and those who doubt the official statement's full truth would be equally disposed to expect enlargement of whatever might be covered in a formal war declaration.

Finally there is the question of dignifying the present conflict. Japan started to regard it as a strictly regional matter but later expanded it under the general title of "the China incident" and although at the outset a declaration of war against China might have been something of a shock to Japan's home public, the way is now prepared for Japanese acceptance of such a notion except for Japanese high authority's reluctance to admit that China is a nation capable of putting up a war. So far as China is concerned, a declaration probably would be welcomed, so much as it meant any difference whatever and aside from the possible international repercussions such as application of the American Neutrality Act. Being very much in a war, whatever the thing be called, many Chinese feel it would strengthen their cause and the national morale to recognize it openly.

We have heard it loosely declared that a war declaration would mean that all foreigners would have to get out. We see no reason to subscribe to that. Foreigners have remained in other countries in states of war, though the situation cannot be easy or pleasant—but the situation now is neither easy nor pleasant, yet foreigners with interests at stake, and responsibilities resting heavily upon them, hold on.

Japan's anticipated establishment on November 10 of an "Imperial Headquarters," uniting the executive power of the Government and the military department, will carry one step farther the Service domination of Japan's policies. The Cabinet and members of the Privy Council under this scheme will participate in Headquarters conferences only under special order from the Throne, ordinarily receiving such information as the War and Navy Ministers may deign to impart, and in general playing the part of good children

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One thing is clear from these various schemes and that is the reluctant Japanese conclusion that protracted hostilities in China must be anticipated. Earlier rosy hopes of a victorious 10-day campaign, something like that in Jehol only quicker and better, have now gone completely. The present line is to keep a stiff upper lip and marshal every force under a military dictatorship, saying nothing whatever of the inevitable results to the nation from protracted China warfare. Those results will not be mentioned in Japan; there will be silence upon this point above all others. Yet here we have the crucial and probably decisive point in this whole affair—that if China can "take it" long enough she can break Japan by the sheer weight of burdening an already over-extended nation with an impossible military adventure.

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from the China Press, dated November 10, 1937.

COL. TAKAHASHI'S FABRICATIONS

COLONEL Tan Takahashi has been busy of late voicing his views on the Sino-Japanese war in far-away Europe, apparently for the benefit of the Brussels Conference. Though he may be the head of the Chinese Department of the Japanese War Office, he is grossly ignorant of things Chinese.

In his opinion Japan is conducting hostilities in China for a dual purpose. On the one hand she is trying to combat communism for the good of the world; on the other, she is trying to "annihilate" the Kuomintang for the good of the Chinese.

It happens that the world outside of Japan has not seen fit to appreciate the good offices of the Japanese; otherwise there would have been no conference at Brussels. As *The Manchester Guardian* remarks:

Even Japan finds Communism a convenient bogey. Her claim that she is fighting communism in China is sheer nonsense, for no government has ever fought communists more vigorously than General Chiang Kai-shek's Government.

If Japan's claim to fight Communism in China is nonsense, her attempt to "annihilate" the Kuomintang will be futile. Not that a political party is so omnipotent that it cannot be "annihilated," but that the Party has so steadily receded into the background as far as active politics are concerned that it has been generally regarded only as the guiding hand of the Government.

For the past few years the Kuomintang, pursuant to the principles laid down by Dr. Sun Yat-sen, has taken a number of steps toward the termination of the period of political tutelage. The proclamation of the Constitution of the Republic and the convocation of the National People's Congress are two outstanding events testifying to its sincerity to return the rule of the country to the people.

Moreover, a casual glance of the Government roster will show most clearly that many of the most important positions are now being held not by Kuomintang members but by others some of whom were once openly in disagreement with the Party. If Colonel Takahashi thinks that the people are opposed to the Kuomintang, he is either sadly mistaken or deliberately misleading.

It cannot be too strongly emphasized that the nationwide attitude toward Japan in respect to her aggression in China is not the result of Kuomintang propaganda but the inevitable outcome of that aggression itself. With or without the Kuomintang China and the Chinese will resist foreign invasion, Colonel Takahashi's fabrications notwithstanding.

From The North China Daily News, dated November 15, 1937.

DN 11/15
FOR SHANGHAI

To all intents and purposes Shanghai is now ringed by Japanese forces which are in military control of the Chinese territory surrounding the International Settlement and French Concession. The position is unenviable, even though it undoubtedly connotes relief from the extreme dangers and hardships of the last three months. The complications attendant on the triple polity of this city of over 3,000,000 people produce anomalies which have their embarrassment for the Shanghailanders and also for the military authorities now charged with the dual task of continuing operations in the field beyond Shanghai and yet maintaining order in that part of the City which has now fallen temporarily into their hands. General Matsui is credited with certain statements which have been precipitately interpreted as if they were formal announcements of policy. So far as can be judged the substance of them can be regarded as the outcome of a soldier's desire to emphasize the extent of his recent victory. This journal sees no reason to alter its view that General Matsui is not likely to overlook the peculiar status of the foreign municipal areas. He would not lightly attempt to burden himself with problems which would distract his attention and divert his energies from his main pre-occupation—the successful prosecution of operations in the field. Those who have—quite naturally perhaps—been impatient to ensure the restoration of certain amenities at the earliest possible date will have to realize that the Japanese Commander-in-Chief must place first the security of his forces and their freedom to continue their offensive. In so far as that object is facilitated by the prevalence of normality in Shanghai he will no doubt be disposed to give such matters attention. There is every indication that he will be anxious to avoid any action which might be calculated to retard the application of remedial processes to the stricken organization of this city. On this point Chinese and Japanese interests coincide. Just as for the Chinese of Shanghai, who have done all that they can to maintain their national sympathies, the immediate concern is the restoration of normality or as near normality as conditions permit, so for the Japanese command the elimination of Shanghai as a military liability is equally desirable. That naturally will be brought about by a general effort on the part of all concerned to co-operate in preserving civic equilibrium.

At this moment the mental distress of the majority of Shanghai's citizens owing to the occupation of their territory by a foreign military force is recognized and evokes sympathy. They will, however, have the practical commonsense to agree that, since the armed forces of their country, after a gallant resistance, are now beyond Shanghai's contact they cannot do more than hope for an ultimately satisfactory outcome of the policy which inspired the general acceptance of Japan's challenge. Here in Shanghai there is much work to be done in the provision of relief for distressed Chinese civilians, in furthering the medical care of wounded soldiers now virtually interned in the foreign areas. Without provoking actions to which the Japanese military authorities could take logical exception energies can be concen-

trated on this humanitarian work and still vindicate Chinese Shanghailanders' patriotism. In other respects it is necessary for all citizens, whether Chinese or foreign, to order their occasions in the light of the occupation which has now been established under General Matsui's direction. Activities and expressions of view which might have been proper before that occupation can no longer be indulged without breaching the public peace. Dignity alone demands frank acceptance of that situation for efforts to evade it or to act as if it did not exist can only lead to aggravation of the general distress and so to an ignominious exposure of their futility.

Destruction and worse have been endured by Shanghai with sufficient fortitude to acquit its citizens at this hour of any lack of courage or independence. Shanghai has now to work for Shanghai and by so doing it will best serve the cause of China. It were no benefit to the Government if perversity here were to expose this city to further strife when the means for continuing that strife on the only lines which could possibly be effective have disappeared. If the attitude of the Japanese military authorities be dispassionately considered from the time that their ring has been placed round Shanghai it will have to be admitted that they have shown considerable restraint, have even displayed anxiety to facilitate the normal working of the administrations of the two foreign-controlled municipalities. It will not be denied that this directly benefits the vast Chinese population of those two areas and actually gives a guarantee that, provided reasonable regard be paid to the realities of Japanese military control outside, those administrations can continue to function. That development must greatly contribute to the restoration of such parts of the dislocated machinery as can be put into running order even though the economic and other disabilities of the moment are irksome. This does not prejudice the view which has been taken of the rights and wrongs of the present conflict. It bars no eventual effort to ensure that due attention is paid to that view when the termination of hostilities leads to discussion of the future. Indeed the sooner Shanghai can recover some of its main sources of commercial, social and financial activity, the better will Chinese citizens here be able to throw their full weight into the scale of such negotiations. That time unfortunately has not come. For the present Shanghai has to regard itself as an internee. Such a position demands courtesy, respect and consideration for those who have by circumstances assumed certain responsibilities for the administration of areas which no longer are controlled by Chinese authority. Those obligations weigh with special intensity on the citizens of the foreign areas, for the comparatively greater freedom which they enjoy imposes the necessity for a corresponding restraint in the interests of the community as a whole and of the great city itself. From observation of the conduct of the Japanese High Command here there is ground for the belief that if these principles are observed it will be ready fully to co-operate in ensuring the immunity of Shanghai from unnecessary restrictions on its legitimate activities.

From The China Press, Shanghai, November 24, 1937.

THE JAPANESE REQUESTS

THE Shanghai Municipal Council has practically made up its mind to comply with the five requests of the Japanese in respect to the Chinese and their anti-Japanese activities. Its decision to "face realities" is perhaps inevitable, when its peculiar structure and anomalous status are taken into consideration.

In many respects the Council is not unlike the League of Nations. Its own being is dependent upon the collective wishes of certain Powers, and its ability to force its decisions, if voluntarily arrived at, has to be qualified by readiness of those Powers to lend it material support.

Even if the Council were inclined to preserve its corporate integrity, it could take no effective measures in the face of a superior military force at its doorstep, unless the Powers to which it owes its existence were prepared to maintain its status against all odds.

The policy of each of the Powers concerned, if it has not been officially made clear locally, can be easily gathered from the outcome of the Nine-Power Conference at Brussels. If they were not willing or able to call a halt to the military operations in China, they would certainly not plunge into an open conflict with the Japanese here which would in the end entail the same risks which were expected to attend any decision at Brussels to call such a halt.

The decision of the Council, therefore, may be regarded as a reflection or echo of the more momentous decision at Brussels. It has been suggested that, by moderation, the Japanese may be persuaded to minimize the extent of their military measures, and this suggestion has apparently been driven home to the Council.

In the midst of military occupation it would be idle to undertake an academic discussion of the pro's and con's in respect to the decision which has been arrived at, we are sure, with much hesitation and reluctance. Be that as it may, the validity of the Council's contemplated action will scarcely be contested by the Chinese, and their compliance, however involuntary, may probably be expected in due course.

It must be pointed out, nevertheless, that this international community of Shanghai must not induce itself to the belief that all will be well once the Chinese are put in their place, as it were. Through its economic fabric many Chinese threads are interwoven; it would be suicidal for its leaders to try to draw out these threads without great caution, if they can be drawn out at all. Should Chinese interests in Shanghai be allowed to be damaged beyond repair, then the existence of Shanghai will become an empty one or a mere "geographical expression," to borrow an apt Japanese phrase.

While the Council may have agreed in principle to the five Japanese requests, we may presumably maintain that certain Chinese Government organs in Shanghai cannot be removed or closed without inflicting a serious strain upon its social and economic structure.

Take, for instance, the Land Office of the Chinese Municipal Government. This organ is purely an agency for land registration which has not least political complexion or significance. The title of thousands of land owners is preserved in its archives, and their preservation will assist immeasurably in the liquidity of real estate in this metropolis. Should it be forced to wind up, even temporarily, incalculable inconvenience will at once be experienced by both individuals and public institutions.

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

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Take, again, the Chinese Courts as an example. They are admittedly judicial organs free from political affiliations. The judges who preside over all cases have been chosen for their knowledge of law and for their personal character. They are in their official capacity not responsive to the changes which are taking place, save in places where the prosecution of war has unavoidably suspended the operation of civil law.

In these Courts innumerable cases are pending, and in their custody are documents of great value, certifying to the rights of creditors, mortgagors, heirs, and the like. Once these documents are either lost or damaged, needless injustice will be inflicted on the innocent litigants.

In the two instances cited at random the interests of the foreign nationals as well as of the Chinese are at stake. To these interests the Council cannot be indifferent, nor to them can the foreign ratepayers afford to pay scant heed. Judging by the Japanese official promise to refrain from interfering with public utilities, even though Chinese government enterprises, one may perhaps hope that the same consideration will be given to other Chinese Government agencies upon whose continued existence the public at large must depend for the protection or recognition of their private rights. In this particular aspect the Council is obligated by its public duty to exert the greatest endeavor to protect the public.

History is undoubtedly being made in Shanghai, for better or for worse, and history is apt to repeat or reverse itself. Though the Council is perforce constrained to rescind its recent pledge to permit no change in its status, it will command abundant public sympathy if it would take a long-range view of the local situation. If it must, as it should, save itself, the act of saving must be done with an eye on the future. It would be a grievous mistake to think that its

duty is to tide over the present while the future will take care of itself.

The Chinese community in Shanghai has always been law-abiding. Not unmindful of the temporary refuge which has ironically been provided by the foreign administrative areas, it is ready to abide by the considered policy of the Council in order to preserve local peace and order. Unquestionably the situation is delicate, and delicacy requires tact in which we are sure the Council will not be found wanting.

From The Shanghai Evening Post, Shanghai, November 25, 1937.

Shifting Gears

THUS FAR there has been a rather unexpected atmosphere of harmony in adjusting matters in the foreign areas of Shanghai following the Japanese military taking-over of areas outside. Perhaps the Japanese were rather smarter than usual in their handling of all this. General Matsui's interview, given only to foreign correspondents but inevitably leaking through the town, administered a terrific fright in many quarters, which was followed by an attitude of moderation as to the actual putting into effect of the Japanese ideas. The result has been relief that matters were not worse, rather than antagonism that they were so bad.

Of course in some minds the fact of any change has appeared outrageous. What to some seemed an effort to operate realistically has seemed to others only tame surrender. But the former view overwhelmingly prevailed because it has been clear that there was no actual alternative; Shanghai could not be kept watertight, sealed away from a change in jurisdiction over areas about the foreign Settlement and Concession, any more than it could formerly be kept watertight and sealed away from the permeating then-prevailing jurisdictional influence.

Formerly that influence was Chinese. Now it is Japanese. The penetrative successes of the one directly led to the corresponding inheritances of the other and if that be rejected as theory it must be choked down as fact.

It is quite incorrect to say, as a contemporary does, that the Shanghai Municipal Council has practically made up its mind to comply with the five requests of the Japanese. The Council made up its mind in advance and its activities along the lines of the five requests were in full swing when the requests were received. That was not because the Council was pro-Japanese but because it knew the best way to run a motorcar is by gradual accelerations and decelerations rather than by yanking open the throttle or locking the wheels.

Our chief concern is now not that there will be clash between Council and Japanese, but lest the Council be a trifle over-assiduous in the performance of its suppressive functions in

its anxiety to avoid such clash. In the matter of closing Chinese newspapers, for example, we are pleased to note that Secretary-General Sterling Fessenden has disclaimed that anyone was authorized to give unofficial advice to five dailies reported to have received such advice and to be closing on a basis of it. It appears that two Council members did tender advice however unauthorized, and the *Lih Pao*—which has had some very intelligent, independent and often amusing matter—and the *Min Pao* have concluded to abide by their decision to suspend. But the *China Times*, a well-edited modern daily, and two others are to go on for the time being at any rate. Our point is not that some papers will not have to close, but that a chance for continuation should be given where the avowed policies of the publications do not clearly indicate that such generosity would merely fruitlessly prolong the agony.

There is a great deal to be said for a continuation of the cautious policy which has thus far been shown by Council and Japanese alike against disrupting "going concerns" of one variety and another. While Chinese censorship within the Settlement was clearly out of the question under the changed situation, for example, it has been deemed sufficient for the time being to eliminate this—it was in fact self-liquidating!—without trying to set up fresh restrictions.

We support the plea of the *China Press* for a hands off policy on non-political and essential Chinese organs such as the Land Office of the Chinese Municipal Government, preserving title of thousands of land owners in its archives, and the Chinese courts whose judges were chosen for personal character and knowledge of law and before whom many cases are pending, while in their custody are many documents of great value.

Foreign as well as Chinese interests are involved in such matters and it is deeply to be hoped that the Japanese will be intelligent, and the Council firm, in differentiating between such organs and other matters of clearly political nature to pass through this period of gear-shifting without undue clash and attendant damage to the mechanism.

From The China Press, Shanghai, November 28, 1937.

GENERAL MATSUI'S OPINION

GENERAL Iwane Matsui, in an interview with the local press, has once more sought to define the Japanese attitude toward the International Settlement and French Concession. Whether or not one is inclined to agree with him, serious note may have to be taken of his utterances.

In General Matsui's opinion, the Settlement and Concession authorities are not "strictly required to carry out our (Japanese) requests;" but at the same time he does not consider that "the Settlement and Concession authorities have an absolute right of neutrality."

From this dual statement one may perhaps conclude that General Matsui is disposed to grant the Settlement and Concession each a status of qualified neutrality. The question is the extent to which this neutrality may be qualified. Here at once one is confronted with a most difficult task of framing an answer, for no answer can be framed without voluminous disputes among the best jurists of the world.

It is conceivable that General Matsui will press the issues as far as possible and that the two foreign municipal administrations will try to alter the *status quo* as little as possible. The situation is indeed highly delicate, and present developments seem to show that the latter are prepared to avoid a crisis which may lead the Japanese to take what General Matsui has described as "decisive actions."

Meanwhile, questions on this precise subject are being asked daily in the British House of Commons, and yet no satisfactory solution has been evolved. It appears that the local foreign authorities in the International Settlement are looking to their respective home governments for guidance, while the same governments are depending on the local representatives for advice. The vicious circle has been going on for a week and is likely to repeat itself.

The position of the French Concession is a happier one, in that it may act in accordance with the wishes of one government and no other. While the status of the French Concession is, from the standpoint of administration, different from that of the International Settlement, the Japanese do not seem to be prepared to recognise the difference. The French authorities themselves will probably refrain from insisting on this point; on the contrary, they appear to be ready to fall in line with whatever policy the Shanghai Municipal Council may adopt.

These questions had been raised by this journal and other journals before the local hostilities started. At that time the public mind worked after the pattern of 1932 and did not wish to bring itself to believe that this time the Japanese policy toward Shanghai might be vastly more rigid.

Now that the opportunity is gone for calm deliberation, the municipal authorities can do little except to make the best of a bad situation. Their difficulties are fully appreciated by the public, including the Chinese community, and the recent closure of certain Chinese organizations and departure of certain important Chinese personages are obviously designed to prevent further complications. With the atmosphere gradually cleared, the task may be rendered slightly easier for Shanghai to emerge with minimum damage.

From The Shanghai Evening Post, Shanghai, November 30, 1937.

War Against Whom?

EVERY WAR-WAGING NATION within modern times has made it a special point graciously to stress its lack of desire to punish the civilian population of the opposing country, or to inflict needless hardships upon neutrals.

Although the difficulties of fully living up to any such declaration are obvious, it has always been found soundest policy in the long run to adhere to it as much as possible. There is an immediate local application which is becoming increasingly and more painfully clear as each day passes with hoped-for improvement in Shanghai's position completely wanting, and hard times growing harder.

In Shanghai we are confronted with a curious question. Does Japan wish deliberately to ruin Shanghai, one of the great cities of the world? The answer should be unhesitatingly in the negative, yet the policies of the local military—perhaps they are merely lack of policies, but they have very positive effect—give rise to a spirit of doubt even though no intelligent analysis can discern reason for any such Japanese attitude.

We find ourselves today not merely helpless bystanders (civilian Chinese population and foreigners alike), unavoidably damaged by the fury of war, but so far as the present state of affairs is concerned, the actual main target. Is this a war directed against us? It cannot be, yet day by day, with the Chinese troops cleared completely out of this area, it is non-combatant Chinese and neutral foreigners who feel the spur sinking deeper and deeper.

Any sign of constructive effort by the Japanese military toward solving the obvious problems left by military operations would be hailed. What signs of such nature are being seen? We find ourselves unable to discover any. Instead of some effort either to improve matters themselves or to join hands with others in effecting such improvement, we have a dead weight of inertia in everything save affairs within the Settlement south of the Creek and in the French Concession. Requests are made against the foreign authorities but there is no effort at mutuality; the sincere strivings toward realistic handling of matters within our tiny foreign ringed-in municipalities are met by no such corresponding attitude, so far as we are able to discern, in freeing us from the inconvenience, expense and potential ruin originally imposed by military necessity.

We and many others must confess to a feeling of genuine puzzlement as to what is in the minds of Japanese who have the situation within their control. There has been such a variety of statement on the position that no one seems to know precisely where anything stands at the moment. With apparent good will, it was declared early in the hostilities that only the needs for "defense" of the areas north of the Creek kept these areas closed—that and a desire to preserve from harm those

who might have been willing to risk their lives if permitted. As a matter of fact, these areas were less tight-shut during a good share of the early fighting than they became after the fighting was finished.

The same considerations were declared to hold true in the Jessfield, the Hungjao, the Nantao areas, yet they now remain locked long after hostilities have swept far off to the westward.

Meanwhile there is a continuation of the Nantao fires, there are rumors of other destruction and loss, and such access as is occasionally given is stated to be for purposes not of restoration but of further removals of foreign property—this at a time when so far as we can see, the thing to do is not to remove but to restore and re-occupy.

The troubles of the foreign community with reference to such matters as the Hungjao residential section are bad enough. But fundamentally it is much worse, both for individuals concerned and for the community as a whole, that no apparent effort is being made to let industry resume in the closed areas. The human suffering occasioned by this has been subject of frequent comment in these columns yet nothing can even begin to picture what it means for 135,000 industrial workers to be deprived of their jobs, while at the same time countless thousands of farmers are huddled in refugee camps or roaming the streets instead of going back to their devastated farms to do at least what they can toward carrying on.

The knife of pity is twisted in every bosom hourly by incidents of all descriptions. We know, for example, of a foreign woman—herself in poor circumstances—who discovered a refugee mother and two children shivering on her doorstep late at night. She turned back into the house and gathered together some old cloth with the idea of at least helping them make a warmer nest, but when she went out they fled wildly into the night again. Such an incident is almost too inconsequential to record, yet is it not somehow possible to impress some realization of the fact upon those in authority that this is no time to tax inadequate charities further beyond their capacity when the means for resumption of work, even on a limited scale, are lying unused?

This is no war in Shanghai today. Whatever it may have been called before, the military phase has passed. Yet it remains a war by inertia against those least fitted to resist, or least able through their completely detached status to do anything to remedy matters. Such a position does not aid Japan. It aids nobody. It would be in some measure to the Japanese interest to facilitate some measure of return toward Shanghai normality but even if Japan were completely unaffected, the most elemental instinct of fair play and humanity should turn the balance toward such courses.

From The China Press, dated November 2, 1937.

X BERLIN AND BRUSSELS

GERMANY has definitely declined to attend the Nine-Power Conference at Brussels when it opens tomorrow. The attitude of the Reich has been explained both in the reply to the invitation of the Royal Government of Belgium and in an address subsequently delivered by the German Foreign Minister.

It is pointed out on both occasions that, since the Conference is being called pursuant to Article VII of the Nine-Power Treaty and since the application of this article would be the chief feature of the agenda, the German Government, not being a signatory to the agreement, does not feel itself able to attend the Conference.

The reason thus advanced may appear to be correct from a strictly legalistic viewpoint. As the name of the Conference implies, it is to be one among the nine Powers which had signed or adhered to the Nine-Power Treaty. Yet from a realistic angle, the situation which this treaty originally contemplated has come to pass, in which German interests are as much at stake as those of the other Powers which have sponsored the Conference.

It is perhaps because of the latter point that the German Government, while declining the Belgian Government's invitation, has at the same time expressed its willingness to participate in any international action aiming at the settlement of the Sino-Japanese war under preliminary conditions which it may regard as satisfactory.

While German abstention is much to be regretted, there is still hope for her support to any definite program which may help to solve the problems submitted for discussion at the Brussels Conference. In this respect the policy of the German Government may be perhaps regarded as different from that of the Italian Government which, according to official utterances, seems to be influenced by the unfounded Japanese rumor that China has gone "Communistic."

Whatever their interests in Europe may be, German and Italian interests are not the same in China. In fact, even since the establishment of the National Government, German trade with China has shown an annual increase until today it has become an important item in the foreign trade of this country. It is, therefore, difficult to conceive of German support to Japan's aggressive policy in China without cutting herself away from one of the largest outlets, actual as well as potential, for German products.

If one may proceed one step further, the possibility of a German-Italian-Japanese entente is still remote. In Europe Italo-German co-operation can never attain absolute wholeheartedness, as long as Austria remains a bone of contention between the two countries. In China, German-Japanese collaboration can never grow to be genuine, as long as the Chinese market is to be sought by their respective traders. If economic factors are conducive to war among nations, then plainly economic competition is sure to keep competing nations apart.

Although Japan may still strive to use the "Red" scare to bring together Italy and Germany on her side, she is proceeding on the presumption that the statesmen of the two countries are grossly ignorant of the real state of affairs in the Far East. Such a presumption is a dangerous one; it is as likely that Japan will be disappointed as that she may succeed in fooling the world.

From The Shanghai Evening Post, dated November 13, 1937.

Through A Telescope

FOREIGN REACTIONS to the finally achieved though long deferred Japanese occupation around Shanghai are most interesting. In some ways they may be enlightening as well, for not infrequently the world capitals have access to information denied those on the scene.

Special attention will fasten on the outline of reported terms being urged by extreme Japanese militarists, as embodied in a Washington dispatch, and on a London telegram saying that "Herr Hitler, with the cordial approval of Italy, is now applying pressure on both General Chiang Kai-shek and Tokyo to accept his mediation in the Sino-Japanese dispute," this last being on the authority of the *Daily Herald*.

The Washington story is guarded enough to say that behind the scenes in Tokyo there are wide differences of opinion, and the reported terms are apparently not supported by more liberal elements. However, they are so framed both as to make China completely subservient to Japan and to avoid technical violation of the pledge against territorial aggrandizement.

As reported, these terms would include recognition of "Manchukuo" and formation of a China-Japan-"Manchukuo" economic bloc; formation of "autonomous, anti-Communist administrations" in North China and Inner Mongolia under Japanese protection but controlling their own taxes and customs revenues; appointment of a Japanese inspector-general of customs and Japanese advisers in national and provincial departments, with revision of Chinese tariffs to promote exchange of Japanese manufactures against Chinese raw materials; a pro-Japanese president to replace the leadership of General Chiang, while China would join the anti-Communist bloc now comprising Japan, Germany and Italy; and finally that China would possess no army or war planes, a special Peace Preservation Corps would be formed for internal police functions, and all commercial air services would be managed and planes supplied by Japan.

This group of alleged terms is a shrewd composite but it is hard to believe that at the present stage, anyone can be advocating that they be pressed in their entirety. It is notable that some of the Japanese militarists want Japanese concessions at various treaty ports, with retention of coastal islands for aerial bombing stations. Certainly all these things are wanted by one group or another among the extremists, but they are clearly terms only to be imposed upon a fully defeated foe and it seems impossible to believe that anyone in Tokyo or elsewhere construes China to be in that status either because of North China or Shanghai developments.

The *Herald's* story of pressure for Hitler mediation must be regarded with recollection of the paper's Labor bias in mind, yet though the report seems without apparent basis there may well be something in it. European nations friendly to Japan must naturally have some inclination to discourage China from persisting in warfare, but one can only say that some of the advice reported to have been given General Chiang—particularly as to the perils of Russian domination of China—seems fantastic in the light of past and present events. So far, at least, China seems to have been doing a rather good job of attending to her own troubles in fashion considerably more efficacious than anyone would have dreamed in mid-summer.

London's rise in Far Eastern loans, interpreted as a reflection of City hopes that peace is not far distant, seems to be based on the idea that both Japan and China want peace so that the change in Shanghai's position will stimulate efforts in that direction. That is a view which seems reasonable on the face of it, but it appears to us to reflect judgment at too great a distance.

The fact is that for a day or two no one, either on the scene or far removed from it, is likely to be capable of a-1 gauging of the situation. Three months of struggle around Shanghai have had a curious effect on all mentalities. The very proportions of the Chinese resistance has given a perhaps fictitious value to the withdrawal which finally occurred. Had this withdrawal been in three weeks instead of three months, as most observers seemed to expect at the outset, it might easily enough have appeared a matter of little moment since the whole Yangtze Delta area is regarded as strategically hard to defend; but because the Japanese had a hard time to push the Chinese out, their ultimate achievement is regarded now as important!—an ironical turn of human psychology, but explicable.

Of all the comment we have seen, that of the liberal *Manchester Guardian* appears to us sanest and soundest. The *Guardian* thinks the Japanese military problem is far from solved and it believes that this time even German ingenuity might be hard pressed to find a basis of peace acceptable to both sides.

Certainly there has been no indication that the Chinese army is in mood to accept peace on Japan's terms. Japan for her part is like the man with a bear by the tail—not finding the enterprise either happy or constructive, but unable to see just how to let go. Certainly every friend of both countries would like, beyond measure, to see peace but the barometer is not yet promising.

From The North China Daily News, dated November 4, 1937.

DN 1174
KEEPING STEP

Mr. Anthony Eden should be held to have satisfactorily disposed of the charge that Great Britain is not ready enough to co-operate with the United States of America in the development of world peace. He has promptly accepted an opponent's definition of the form which British policy in the Far East should take and thereby undertakes that "in this difficult and dangerous situation", Great Britain will

go as far as the United States—in full accord with them—not rushing in front but not being left behind.

There Mr. Eden neatly pilloried two errors of his predecessors in their attempt to secure Anglo-American collaboration. It is highly important that British statesmen should realize the danger of appearing to rush the Government of the United States right up to the limit of any particular statement which may emanate from Washington. Thoughtful Americans and their counterparts in Great Britain recognize the compelling interests which indicate the mutual advantages of close co-operation, but they cannot be blind to the experiences of the past. Both countries are democratic in tradition and form of government. They will not accept what, in another connection, Mr. Eden describes as "orders from the housetop" or be overawed by an "ultimatum presented in the guise of peace". Mr. Franklin Roosevelt boldly stated his belief in the need for his country to take active note of certain tendencies in world politics. His statement went to the length of appearing to cut across some of the most cherished arguments for isolation. It has evoked a gratifying amount of support, but the voice of the critic has not been silent.

Mr. Eden therefore is wise in leaving the pace-making to America. Up to that speed Great Britain is prepared to run level with her sister Anglo-Saxon power. She does not want to prejudice the association by making too insistent demands upon it. The test of Anglo-American unity is to be found, not so much in the pious utterances of speakers at Pilgrim Dinners, in the pleasant interchanges at cultural or social reunions, as in the hard facts of solid sections of opinion with which the President of the United States specially has to contend. President Roosevelt, as the first Democratic holder of his high office, since President Woodrow Wilson, is most unlikely to overlook that factor in securing national support for a defined foreign policy. The American Government is admittedly right in recognizing the futility of imagining that to a world war the American people can be indifferent to the point of successfully avoiding all part in it. Yet isolation is still a fervently upheld ideal in many parts of America and it is a powerful stimulant to the peace societies whose recent activities have been noted in China. When Mr. Eden assures the House of Commons that he proposes to limit British policy by eschewing precipitate action and by keeping abreast with American decisions, he is putting a wise check on certain enthusiasms and he is giving President Roosevelt relief from possible embarrassment.

The present exceedingly cordial and friendly relations between the United States of America and Great Britain have their dangers—not because they are unreal or liable to deteriorate but because the many cultural ties which give them special power of expression tend to breed forgetfulness of certain untractable and important differences of opinion. So speeches from Englishmen—like Mr. Wickham Steed for example lately spending a honeymoon in the United States on oratory bent—expounding the rational view of the collective system are liable to be interpreted by President Roosevelt's critics as so much insidious British propaganda designed to lure an innocent Republic into another world conflagration, to ensure that American fingers shall pull British chestnuts out of the fire. Of course Englishmen indignantly deny such charges. They affirm that they are merely giving expression of their views in cousinly frankness. They are apt to forget that the cousin may be a cousin and may speak and read the same language but is essentially a foreign state with whom it is necessary to stand on ceremony at times—ceremony which the cousinly mood does not fit. Indicative of this difficulty which Mr. Roosevelt has to face is the apparent success of a brilliantly mordant continuation of Walter Millis' "Road to War." Quincey Howe, a former editor of "Living Age" has sounded the warning in "England Expects Every American To Do His Duty." This effort to outline a practical foreign policy for keeping the author's country "out of the next war", has been hailed by one leading critic as a book which "should be the bible of every American mother who did not raise her boy to be a soldier—or a marine". Its thesis is designed to show

how the forces which brought the United States to the rescue of the British Empire in 1917 are pushing it in the same direction in 1937. As Britain's position throughout the world grows weaker, her dependence upon the United States decreases. This means increasing pressure, increasing propaganda operating in a thousand directions as the zero hour draws near.

The book has, of course, been severely attacked by American upholders of the Government's policy, but it has nevertheless secured considerable support. It clearly forestalls many of the arguments which British statesmen might use in advocating Anglo-American co-operation. That is why Mr. Eden's present restraint is so prudent. The technique which will more satisfactorily ensure that co-operation derives rather from a determination to develop British independence of American support except such as spontaneously accrues from American assessment of American needs. Success in disproving the theory that Great Britain's position in the world is weaker will make a more valid contribution to removal of this sectional distrust of British policy than any amount of protestations of friendship which, in point of fact, can be reliably taken for granted and so escape the ignominy of exposure to cynical, if not always remediable, suspicion.

From The China Press, Shanghai, November 19, 1937.

TIMELY REMOVAL

THE current report that the National Government is moving its different ministries to different parts in the interior has caused no surprise in well-informed circles. In the course of the last few months plans have apparently been made to continue China's resistance to the utmost of her ability, and the contingency of Japanese advance further is not unforeseen.

It may be recalled that General Chiang Kai-shek in his famous Kuling statement, did not hesitate to warn the public against the odds which the Chinese fighting services would have to encounter and the great sacrifices which the nation would have to endure. With the withdrawal of the Chinese troops from Shanghai the Chinese military command has, in accordance with its preconceived plan of campaign, settled down to a long-drawn struggle. On the one hand it has to compel the Japanese to extend their lines of invasion and temporary occupation, and on the other, it has to conserve its own resources and man-power by shortening its lines of defence.

It may be realized, therefore, that, if this plan of campaign is to be effectively carried out, much of the interior will have to be exposed to the impact of a superior military force with all consequences attendant upon it. The scenes of destruction which are being witnessed day by day were anticipated from the start, and while it has not been possible for the Chinese Government to fortify every city and town, yet the extent of preparation already revealed should bespeak the untiring efforts of the Chinese Government toward minimizing the ravages in a war for which it is admittedly unprepared.

When these factors are taken into consideration, it should naturally follow that Nanking, as the national metropolis on the Yangtse River and comparatively close to the coast, is geographically a vulnerable point of attack. Though its air defence has been acknowledged by neutral observers as being almost equal to the best in the world, yet it may entail unnecessary sacrifices to try to hold the national capital against possible assaults from the north and the east. Prudence would accordingly counsel its timely removal elsewhere, and the National Government is to be commended for the preparations already disclosed to that end.

The decision to scatter the different ministries between Chungking and Changsha is also a sagacious one. Those which need to keep in active touch with the outside world will be more centrally located while others will find their seats of authority as far as the premier emporium of Szechwan. Thus the capital of China, as it were, will be spread over the length and breadth of the land, and no claim can ever be laid of its capture until the entire country is placed under alien military occupation.

It is safe to conclude that the piecemeal removal of the national capital is the best proof of the Chinese Government's determination to continue its campaign of resistance at all cost. This determination is brought into greater relief by the announcement that General Chiang Kai-shek will remain with the troops in Nanking and will probably direct its defence personally. His spirit of sharing the common fate with the rank and file is indeed admirable, and it is this spirit which has inspired many heroic deeds in the field of battle.

Moreover, if press reports are correct, General Chiang may shortly resign from the presidency of the Executive Yuan so that he may concentrate his personal attention on the country's military affairs alone. This political realignment is patently designed to prolong and intensify Chinese defence, and therefore the local public may rest assured that the Chinese people's war of resistance will not be abandoned as long as an inch of Chinese territory is left in Chinese hands.

Simultaneous with the report of General Chiang's possible resignation is that of the possible appointment of Dr. H. H. Kung in his stead. Fresh from an extended trip abroad, Dr. Kung has lost no time in proceeding to Nanking to resume his arduous affairs of state. His achievements as the Minister of Finance are all too well known to require comment, and with the knowledge he has gained abroad of international relations he is pre-eminently qualified to head the civil branch of the National Government.

Thus the current reports, instead of dampening public ardor, should go a long way toward strengthening its confidence both in the determination of the National Government in respect to defence and in its ability to make that defence worthy of universal admiration.

From The Shanghai Times, dated November 18, 1937.

NANKING PREPARES

Although Chinese troops are making a strong stand in the Taihu Lake area, it is considered doubtful whether they will be able to stem the Japanese advance upon Nanking for any length of time. As to the actual strength of the Nanking defences, opinions differ, some believing that the city admits of a long defence while others think that once the Kiangyin Forts are taken by the Japanese—probably this operation would be performed from the rear—and the Yangtze channel swept up, the position will be a vulnerable one. In any case, it is obvious that the situation of the Government in Nanking has become precarious and that a move is indicated. It is reported that the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan are moving to Chungking in Szechwan, while the Ministry of Health, the Ministry of Finance and the Waichiaopu are to go to Hankow, the last two establishing offices there in order to be in close contact with the representatives of the Powers and with financial institutions. The Ministry of Communications, it is believed, will have offices at Changsha, capital of Hunan. Military establishments will remain in Nanking until the last minute. The foreign Embassies are busy trying to make arrangements to evacuate their respective nationals—not only those who usually live in Nanking but those who have fled there from other places. Presumably, when this task has been completed, most of the diplomatic officials will themselves leave.

The first thought that strikes one on reading of the Government's decision is that an administration carried on from three or four different centres cannot be well co-ordinated and efficient, but no doubt the actual facts of the case are that during the period of the hostilities all decisions of importance will be taken where the Generalissimo is and that the ordinary duties of the Yuans will become greatly lightened. The Generalissimo is now in Nanking and is likely to remain there so long as it is possible to direct military affairs, and such other matters as are of urgency at this crucial moment, from that centre. Although an official body consisting of the leading figures in the Government has been organized to deal with matters of supreme moment, it is understood that almost all decisions of outstanding importance are taken personally by General Chiang Kai-shek himself. On his shoulders rests the burden of an enormous responsibility which he can hardly share with others in view of the special circumstances. So long, therefore, as the Generalissimo can secure the execution of his orders it is chiefly essential to his authority that he should be in a centre with good communications from where he may direct operations. He cannot deal

with all details, of course, and much discretion must be allowed to subordinates. Nevertheless, under modern conditions the possession of well-established central offices and properly kept files and archives are very necessary for working out details of governmental operations and even for the direction of military operations on a large scale. In this sense the evacuation of so many Government organs from Nanking must hamper the administration to some extent. It depends upon the length of the military operations before the city whether this means much or not. It is impossible to declare that the Government's action is premature, however, and we may recall that during the 1932 hostilities the Government moved promptly to Loyang when it was felt that there might be a threat to Nanking. The present hostilities are incomparably more serious and the Government is fully justified in removing its offices and archives to more interior places. Unfortunately, however, owing to the superiority of the Japanese air arm, no place can be really called safe—although Chungking may for some time be so.

As regards the probable fate of Nanking, we can only hope that it will escape the almost complete destruction which has befallen a number of Chinese cities. This will, of course, depend upon the nature of the military operations which are likely to take place in the near future; should the Chinese forces contest every inch of ground to the walls and streets of the city there is little hope of the capital, with its many fine new buildings, escaping serious damage. Already air raids have taken a considerable toll of buildings in Nanking which is perhaps only an earnest of what is to come. It would seem that the only thing which can prevent the Japanese from eventually occupying the city is the decision of the Chinese Government to negotiate terms with Japan. The removal of Government offices and the reinforcement of the troops in the Taihu Lake area shows that the Government has no intention of doing this and the declaration adopted by the Brussels Conference, which deprecates a direct settlement between China and Japan themselves, would in itself make it practically impossible for the Chinese Government to change the policy it has adopted on this point. The situation which results is really this—that so long as the present Government exists it will not negotiate with Japan, however much it may be driven from pillar to post. It may cease to be a Government in all but name but so long as a vestige of authority can be produced the Brussels Conference's declaration means that it will be recognized *de jure* by the majority of the Powers although some other *de facto* authority may have been set up.

from The Shanghai Times, Shanghai, November 22, 1937.

CHANGE OF CAPITAL

The Chinese Government has officially removed from Nanking to Chungking, a city of Szechwan, lying at the confluence of the Kialing River and the Yangtze, 1,400 miles from Shanghai. In the name of the people of Szechwan, the Provincial Government at Chengtu telegraphed to Mr. Lin Sen, Chairman of the National Government, voicing its welcome to the Chief Executive, and declaring that the transfer conclusively demonstrated its determination to keep on resisting the Japanese invasion. Among the high Chinese officials remaining in Nanking for the time being are General Chiang Kai-shek, who rumour said a few days ago had secretly come to Shanghai, Dr. H. H. Kung, Dr. Wang Chung-hui and General Chang Chun. The British Embassy will not move until next Wednesday when members of the Embassy staff will sail for Hankow in the British gunboat Bee. In the statement issued by the Government it was emphasized that China would continue to fight on and that the Japanese drive towards Nanking would not force her to accept humiliating terms. According to reports, everything of value is being removed from offices, factories and hospitals, and if the capital is taken, it will be only an empty shell. Meanwhile, the eyes of the world are on the war front itself. For several days the news of what has been taking place, especially on the Chinese side of the line, has been sparse. The Japanese have captured Soochow, Kashing and Fushan Forts and are still advancing westwards. As to the condition of the retreating Chinese forces, not much is known, but it is believed that they are not in a position to make much of a stand without fresh reinforcements. A Japanese report even says that the troops in Wusih have commenced to fall back on Nanking and that observation flights made by military aircraft over that area showed the Chinese in retreat along all channels of transportation, including creeks, railway and highways. On the other hand, Chinese reports speak of fresh troops coming up through Nanking and the possibility of a determined resistance being put up in front of the capital. It is also said that the Yangtze between Chinkiang and Kiangyin is being heavily mined and a determined Japanese attempt to break the boom at Kiangyin is foreseen. Kiangyin Forts are the strongest Chinese defences on the Yangtze and operations here may give the Japanese some trouble unless they can attack them from the landward side as well as from the river. A retreat of the Chinese from Wusih and Yuehchengkiao would make encirclement from the landward side a fairly simple matter.

The prospects perhaps are that the Chinese army, if it can be sufficiently reorganized, will make a strong effort to stem the Japanese attack somewhere between the Chinkiang-Liyang line and the capital. On the other hand after the withdrawal of the Government, the Chinese High Command may think it advisable to withdraw their troops to some more in-

terior centre. A decisive defeat in front of Nanking might make it extremely difficult to re-mobilize China's forces at any centre further inland. In some ways a speedy withdrawal of the main forces operating in the Nanking area to Hankow might serve China's purposes best but it can be no easy matter to secure this in the face of the Japanese pressure although the weather should be an assisting factor to the Chinese as it prevents an extensive use of bombing planes and also hampers the moving up of artillery units. However this may be, the removal of the Government from Nanking is a step which envisages a prolonged resistance on the part of its present heads. So long as they can secure the obedience of sufficient armed forces they will be able to continue to refuse any direct negotiations with the Japanese. Whether the military and the people will continue to acquiesce in this policy we cannot, of course, even hazard a guess. The fall of Nanking, if it comes about, must be a severe blow to China's prestige but need not affect the determination of the country's leaders to prolong the struggle.

There can be doubt that much hangs upon what happens during the next week or two and the Chinese problem seems to us, if the Japanese cannot be driven back, to be one of how to extricate the army as intact as possible from the present area of activities with a view to entire reorganization. Should the Chinese fall back into the interior with their army intact the prospects of an early peace cannot be called good and doubtless the Japanese will attempt to make a grand scale effort to inflict a mortal blow. Meanwhile the Brussels Conference will reopen its deliberations to-day and the Powers assembled in the Belgian capital will no doubt have to give due consideration to the actual military situation before they come to any definite conclusion as to what their future course is to be. Possibly they will adjourn their deliberations in order to see what comes of the latest developments and whether Nanking proves readily defensible or not. The situation is distinctly uncertain and any decision to take action at Brussels would be premature. The actual facts are that after making a prolonged resistance around Shanghai itself, the Chinese forces have fallen rapidly back to the west, and no decisions with respect to the future would seem really possible until it becomes clear what is going to happen in the military sense. The fact that there is no sign of civil disorder or impending collapse in Nanking itself, despite the extensive evacuation, is to be placed to the credit of the Chinese Government but it is too early to say that it gives any tip to the Brussels Conference as to what sort of practical backing might most assist the Chinese authorities at the present moment—even if the Powers should be prepared to take any such action. In any case the present week is likely to be one of the most interesting since the development of the whole situation.

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From The Shanghai Times, Shanghai, November 25, 1937.

NEUTRAL ZONE FOR NANKING

The indication given here yesterday that Japanese naval and military headquarters were giving study to a plan for the creation of a neutral zone in Nanking prompts the hope that the scheme will be possible of acceptance in principle, even if some geographical modifications are found desirable. Realizing as we do here in Shanghai the enormous benefit conferred on thousands of helpless non-combatants by the creation of the "Jacquinot Zone" and realizing, also, the sad plight to which a great many poor people in Nanking are going to be subject unless they are given some place of sanctuary out of the fighting which threatens to envelop the entire capital, no two opinions are possible as to the humanitarian act it would be if something similar could be devised. It has been quite in order for a non-official group of foreigners to sponsor such a scheme, and they doubtless realize that the responsibility will devolve upon them to carry out after-care work on similar lines to that so well done by Father Jacquinot and his international committee. Fortunately, there has been strict observance by all of the agreement reached as regards part of Nantao and that gives encouragement as regards the Nanking suggestion. We feel sure that if it lies within the power and military necessities of the Japanese forces, sympathetic consideration will be given to a proposal which would spare thousands of people too poor to fend elsewhere for themselves in the rigorous winter season now approaching.

From The Shanghai Times, dated November 3, 1937.

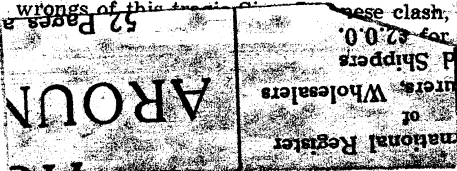
RE-OPENING OF SCHOOLS IN SHANGHAI

The re-opening of schools under the Municipal Council is further evidence of that spirit of "carry on" which is getting Shanghai through this crisis. The enrolment of about 600 pupils in foreign schools and the expectation that this number will be considerably increased during the next few days as more children return to Shanghai indicates the need there was to get schooling restarted, and the Education Department deserves commendation for the manner in which it has succeeded in, finding temporary accommodation to take the place of some of its own school premises which are now either occupied by military defence forces or in areas where it is still impossible to function. Admittedly, the present are but makeshift arrangements, but with everybody doing their best mainly in strange premises and without much of the usual equipment and facilities the time between now and the return of more normal conditions can be tided over. It is quite important that the children, both foreign and Chinese, should not be penalized educationally more than is absolutely necessary by this local crisis, and if everything at the moment is not satisfactory it is a worthy attempt to keep things going. Some questioning has been made, however, of the wisdom of giving children a four-hour stretch as is now being done in some cases. Girls are in school from 8.30 a.m. to 12.30 p.m., with a short mid-morning break and the hours for boys are from 1 p.m. till 5 p.m. Owing to the long distances which some of the children have to travel to and from school meals have to be taken either too early or out of routine and it is felt by some that an almost continuous four-hour stretch of class-work is rather a strain upon certain of the scholars. This is a matter which will no doubt be carefully watched by the authorities in charge, whose competence as judges must be accepted. In any temporary arrangement there must be proof of working practice before things settle down, and there will no doubt be revision and adjustment made if experience seems to warrant it. The great thing is that the children are progressing in their studies and that time is not being wholly lost—an important consideration when the age-limit of certain examinations is remembered. The Cathedral Girls' School is still being used by the St. Luke's Hospital, and it is much to be hoped that that splendid institution, with such a long record of valuable service behind it, will be able to find other accommodation by the time the School is wanted for its ordinary functioning. The shortened closing term of the school year will be a strange and makeshift one for the majority of scholars here but it will at least have kept them from that mental retrogression which all inactivity produces.

From The Shanghai Times, dated November 3, 1937.

S.M.C. AT WORK

Meeting as a full body for the first time since the outbreak of hostilities, the Shanghai Municipal Council will to-day resume its formal gatherings in the Council Chamber. Conditions were such at the outset on and after August 13 that it was quite impracticable for full meetings to be held, and to those members who did continue active functioning and carried the burden of maintaining the administration of the Settlement in all its details during a time of unusual stress and difficulty the thanks of the whole community is due in the fullest possible measure. To the British and American members this remark has particular application and the spirit in which the neutrality of the Settlement has been maintained as well as in the many emergency measures and activities undertaken there has been a display of practical policy which has earned for all concerned the gratitude of residents as a whole. In the early days of the crisis there was much responsibility to be borne and the manner in which that responsibility was shouldered stands highly to the credit of the community's elected representatives. Fortunately, it was proved up to the hilt that in its professional personnel the Council had a body of servants fully capable of rising to the needs of the emergency, and the combination of Council and Staff came through the greatest crisis Shanghai has ever suffered with flying colours. It is at times like these when the criticism of those who are not themselves bearing responsibility is most often voiced, when the "Bobby Know-All" on the sidelines can airily say what he would have done differently and better than the men actually doing the job, but one of the most remarkable things about Shanghai's 1937 crisis has been the almost complete unanimity with which praise has been voiced for the Council and all its Departments. That is a greater tribute than can be paid here, and one which has doubtless been full recompense to those who have worked through long trying days to the end that this community should suffer as little as possible from tragic events beyond its immediate control. To-day the Council reassembles in what is hoped will be full strength—a hope based very largely on the great desirability of maintaining to the full the international character of the authority by which the Foreign Settlement is governed. We are by no means yet out of the crisis and the Council is facing a tremendous problem in the matter of finances. What is wanted now, irrespective of nationality, and quite apart altogether from the rights and wrongs of this crisis, is a united front.



from The Shanghai Times, dated November 6, 1937.

SHANGHAI'S SHIPPING DIFFICULTIES

The questions asked in the House of Commons regarding difficulties experienced by merchants and shippers in Shanghai raise a matter of vital importance to this port. For some considerable time past it has been felt that British liners trading to this part of the world might well have made use of the safe anchorage at Woosung as is being done by French, Italian and some other vessels. There has rightly been the highest praise accorded to the British coastal lines which, in spite of great difficulties and no little risk in the Whangpoo, have carried on in the true spirit of mercantile tradition. It is recognized, however, that behind the continued omission of Shanghai from the schedules of the larger British ocean-going boats there are a number of important considerations which have dictated policy. It is not inferred—as indeed it cannot be—that the operating Companies are any less imbued with the British idea of “carry on” than are those who own and operate the smaller ships. It all comes down, apparently, to dollars and cents, to costs of operating, cost of insurance, and amount of business offering, and it is with those essentials clearly in mind that the subject should be viewed. The average man-in-the-street does, of course, ask why it is that if some non-British ships can give service to this port a similar service cannot be resumed by old-established British lines whose names are synonymous with the British trade and interests which have been built up over the course of the past century, but the giving of an answer must take note of all the circumstances. And it needs to be understood quite plainly that the greatest handicap has been in the matter of insurance. British underwriters follow what are probably the safest and most conservative methods in the world—which is the reason, of course, for the very high place they occupy in the world's insurance domain. But there has been considerable questioning regarding the ultra-cautiousness they have shown in face of this Far Eastern crisis. It was only the other day that Japanese shipowners and shippers took exception to the high rates of Lloyds in London on ships and cargoes to and from Japan, and one fears that underwriting premiums have been all too high for this part of the world when assessed in relation to the real risks run. It is true, as Captain Euan Wallace stated in the House of Commons, that underwriters are freely granting war risk insurance on vessels and cargoes coming to Shanghai and Woosung, but the rates asked are high in relation to the amount of mercantile business offering. Merchants here rightly complain that although they can get coverage on goods

while those goods are on board they cannot get insurance protection during the process of landing, and it was interesting to learn from the Commons debate that underwriters are now considering the possibility of assisting shippers by extending the scope of the cover in this direction. We learn that merchants here, who have had the enterprise to send China produce down from Hankow to Canton and Hongkong by way of the Canton-Hankow Railway have had to do so wholly at their own risk as insurance was unobtainable.

One could go on to give other instances in which the attitude of insurers has been a difficult one for merchants and shipowners to overcome and it does seem, on the face of things, that the “fly in the ointment” has been the lack of reasonably cheap protection against what has so far proved to be a risk not attendant with heavy loss. There is possibly quite a good answer on the part of the insurance companies, though it might be pointed out that in the ordinary run of commerce it is a three-party combination which mutually benefits—merchants, shipowners and insurance companies. When any one of those three partners, as we may call them, make conditions difficult it is trade as a whole which suffers. The merchant is struggling to do business, even on a limited scale; the shipowners want to run their ships profitably and with reasonably-priced protection against loss; and the insurance companies have the role of providing protection to both the others at a price which does not endanger insurance stability. It is a case of assessment into which a co-operative spirit should play its part, and it seems to us that some safe revision of the terms prevailing to-day could be come to. Captain Euan Wallace rightly pointed out that it is for shipowners to decide whether to send ships to Woosung or not, and many in Shanghai hope that they will soon come to such a decision. People cannot help the sentimental side entering into what are otherwise purely prosaic and financial considerations, for to see “the old red duster” coming and going up and down the Whangpoo on British coasters has been a heartening symbol of that “stick it out” spirit which Britons in Shanghai are trying to show. There was a time in the early days of the trouble when it looked as though those in authority wanted us all to run out at the double; that was scotched and here we still are, with every intention of remaining. Many feel it would be a contribution to our general ability to stick if considerable adjustment were made of the dollars and cents side of the machinery by which trade is carried on and protected. Those concerned will doubtless bear that fully in mind.

From The Shanghai Times, dated November 11, 1937.

SHANGHAI'S CURRENT PROBLEMS

Contrasting strangely with the clear serene autumn day, Shanghai yesterday was in the throes of puzzled thought regarding a whole range of problems which now confront us, following the defeat and retirement of the Chinese forces. With the exception of a mixed force of men now surrounded and holding out in the environs of Nantao there has been a complete withdrawal, and it can be a matter of but a short while before the Japanese military liquidate this last remaining vestige of the opposition in the Shanghai area against which they have waged war for the past three months. There is no practical purpose to be served by this staging of another "Lone Battalion" episode, and one can be pardoned for questioning the decision of certain military and police commanders who have ordered a stand "until the last bullet and the last drop of blood." Prodigality of man-power does not win a war and the sacrifice of many brave men, while it might have a certain moral value to others, is a proceeding against which humanitarian instincts protest. It would have been far better for these men to have made their retreat with the others, to have accompanied those who will eventually reorganize to fight where fighting might be of some military value. The Nantao "last stand" must not only end in the defeat of those who are staging it but it also endangers non-combatant areas which are so urgently needed for the housing of refugees. One does not seek to detract from the valour of the men concerned, but only to question the wisdom of those by whose orders another costly hazard has been created, entailing as it does the lives of men who have earned well of their fellow-countrymen.

But it is not on this point that puzzled thought is now mainly evoked. On all sides many important questions are being asked and giving rise to complex considerations. Certain it is that the former status of much of Shanghai must come under revision. It will possibly be countered that many matters must await the final outcome of the Sino-Japanese hostilities in general, but it has to be conceded that what Shanghai must have as soon as possible is a working settlement of some of the urgent questions of day-to-day administration so that we can get along with a minimum of chaos, dislocation and friction. This journal does not pretend to be able to give answer to a great many of the questions involved, but indication of some of them might serve a public purpose. It has been suggested that the Japanese will ask for greater representation on the Shanghai Municipal Council, that they will ask for the creation of a Japanese Concession in the northern district and that, in any event, they will insist upon the creation of a large and strictly controlled demilitarized zone to prevent any possible recurrence of the present tragedy. The City Govern-

ment of Greater Shanghai becomes, in the circumstances obtaining to-day, virtually *non est* in its erstwhile form, and the problem of forming an administrative body later to function in Chinese areas has to be faced. The setting up of a Peace Preservation Committee will have to be undertaken, and inasmuch as this will be an essential requirement it is to be hoped that any Chinese leaders who might see fit to co-operate in this matter will be spared the charge of being "puppets." Chinese of the type who will be wanted are doubtless now living in the Settlement or Concession, and to them protection will have to be given. Anti-Japanese propaganda within the foreign-controlled areas will have to die down, and the delicate matter of dealing with Chinese censorship over cables, radiograms and the Post Office will have to be faced. It is not to be expected that the Japanese will forego all such fruits of their military gains, and something will possibly be done regarding the functioning and local revenues of the Maritime Customs. We have heard the suggestion made that all such revenues—upon whatever scale they might be—might be credited to a special fund, at least *ad interim*, but here again clarification of the general situation must be awaited. Regarding the reopening of Chapei, Hongkew, Yangtzepoo, Nantao and the western district it is obvious that special precautions will have to be taken. It would be impossible to allow Chinese freely to re-enter under present conditions, and the Japanese will doubtless ask for their own well-protected re-entry into Settlement areas south of the Soochow Creek so that they may resume their businesses. Political complexities as well as factual difficulties abound here to-day because of the extraordinary position in which the International Settlement now finds itself, and it is going to call for the greatest of patience, forbearance and statesmanship if these problems are to be resolved in other than acrimonious atmosphere.

It was a Chinese decision which led to Shanghai being made the venue of terribly destructive and cruel hostilities, but in the light of the Japanese victory here there must be an accommodation of thought to suit. Well over three-and-a-half million people—many of them destitute—are herded within narrow confines, there is the problem of adequate and cheap food supplies, there is the menace to health, the strict necessity for the maintenance of public law and good order. Surely, no other city has been called upon to face a situation quite comparable to that in which we are now living. Armed forces of several powers have kept inviolate a zone around which major warfare has been waged, both of the combatants being partners in the Settlement itself and one of them having the right to its own armed forces taking part in defence measures. China's sovereignty impinges here in a dozen different ways upon the powers of the local Administration, and now that Japanese forces have created a *de facto* situation of which Japan will ask note to be taken and for adjustments to suit there is need for a sane, co-operative, realistic view to be shown. Nothing need be feared, we think, by any Chinese living within the Settlement or Concession provided there is studious avoidance of words and deeds which fail to take account of changed conditions. Foreign interests have the duty of waiting upon actualities and of trying to aid instead of merely criticizing. The Japanese authorities must show a mindfulness for the difficult position in which merchants and property owners of all nationalities are with regard to trading and property interests, and now that Shanghai has almost wholly passed through a saddening and destructive experience to which it ought never have been so unthinkingly subjected.

DECLASSIFIED: E.O. 11652, 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 any other
of its kind

SHANGHAI
THE
ORD
DIAL

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FROM THE SUSANRAJ LINES, dated November 11, 1924.
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From The China Press, dated November 15, 1937.

TRADE PROSPECTS

CERTAIN groups in Shanghai's business world which have been working for the normal resumption of shipping commerce in this port will undoubtedly feel support has been given their arguments by the statement of Admiral Sir Charles Little, Commander-in-Chief of the British China Station, that he sees no objection to British ships berthing at British wharves on either side of the Whangpoo. It is also understood that this information is being conveyed to the shipping firms concerned through the British Consulate-General.

With this in mind, a similar question is bound to arise regarding principal American passenger and freight lines, which have with a single exception completely avoided Shanghai as a port of call since shortly after the hostilities in this area started. While an early resumption may be anticipated on the part of American liners and freighters, it has been pointed out that the same problems do not face these lines that confront British and other companies operating out of Europe. The same may be said to apply to the Canadian Pacific. Both this line and the Dollar Steamship Lines run between Pacific Coast ports and Hongkong and Manila. Under normal conditions when they arrive in Shanghai, traveling in either direction, they still have the bulk of their cargo aboard, either bound for southern ports or for the Pacific Coast. Should these ships call here under present regulations enforced by insurance companies, they would be forced to pay extra insurance on all cargo aboard, both that for Shanghai and that destined for ports beyond.

With demand for cargo here greatly reduced, and with the opportunity for transporting goods to Shanghai from the interior curtailed in the extreme, it is unlikely that calls made here by either of these lines would prove profitable. There is also the matter of berthing space available in harbor, as well as the even more important question of finding godown accommodation for discharged cargo. Witness to the lack of warehouse facilities may be seen daily in the large amount of merchandise of all types stored unprotected and partially protected along almost the entire length of the International Settlement and French Concessions.

These difficulties notwithstanding, there are a few Shanghaianders who will not welcome the return of normal shipping schedules, especially across the Pacific, which will permit the arrival and clearing of regular mails, as well as restoration of normal steamship travel facilities. Mention should be made in passing of the valuable assistance given the American community here by units of the U.S. Navy, both in transporting evacuees and in carrying the mails under emergency conditions.

From The Shanghai Evening Post, Shanghai, November 18, 1937.

Unlock The Closed Areas!

IT IS IMPOSSIBLE to detect either military necessity or any other present reason for denying foreign residents on the Western District "outside roads" access to their homes and other properties.

Patience has been displayed because of realistic considerations. In other words, what you clearly can't have will not be got by crying about it, property-holders appear to have felt. But that does not alter the fact that great inconvenience and worry is being caused for no apparent cause unless it be a petty and unworthy desire to display authority over a hard-won battlefield.

Looking at the matter from another point of view, the Japanese ought in our estimation to be glad to shake this particular responsibility off their shoulders.

While they retain exclusive occupancy it is up to them to try to preserve property from damage and removal. A great deal is known about the situation of this property at the time the Japanese took over, and such knowledge may be used as basis for argument by the owners as to what has happened since the Japanese took over. While we know that the Japanese authorities have taken steps to prevent their troops or others from theft and destruction, why should they lay themselves open to charges that these steps have been ineffective, as is certain to be the case if they persist in a continued occupation? Moreover, why be bothered with ordinary policing which the civil authorities will be only too willing to take up once more?

We have argued on behalf of all interests involved in the present tangled situation that there should be moderation and patience by everybody. But certainly we would never argue that such qualities be manifested exclusively by a single group, such as foreign civilian property-holders. They have rights which should not be infringed beyond the bounds of military necessity under any circumstances, since such a course merely stirs resentment against Japan in a way which can hardly be desired or desirable.

Up to the present state of things, the situation has been largely unavoidable if we grant the presence of a war—and certainly there is a war whether declared or not. Now, however, the time has come to recognize that no good end will be served while only ill feeling and damage claims will result through policies of doggedly keeping the Hungjao region tight-shut.

While the "north of the Creek" situation is rather more complex the same general principle applies, obviously—and this area has been free of conflict for a period longer than the Western District. If the Japanese have not yet given thought to rights and needs in these matters it is high time that they did.

From The Shanghai Evening Post, Shanghai, November 20, 1937.

The Hungjao Problem

FOREIGNERS with property in the Hungjao area are increasingly concerned over its situation under continued military occupancy, and signs are to be seen that responsible Japanese, both military and civilian, share this feeling. The question is how a definite safeguarding of such property can be assured.

No one, so far as we can ascertain, has any desire to be unreasonable. It is recognized that a state of affairs exists and that the thing to do is to devise means of dealing with it.

It is a proved fact that houses in this area have been entered during the period of Japanese occupancy. Some supplies have been taken and various forms of mischief have been done. There has been no organized looting so far as we are aware, but soldiers quartered in such an area are bound to indulge in some prowling and the consequences are not beneficial to property. At the same time the owners recognize that the responsible authorities have taken steps in an effort to check the trouble.

Word of certain activities in Holly Heath has been telegraphed to London and representations have been made to the Japanese authorities. At certain other points it is known that Japanese soldiers have either been observed entering houses, or signs of such action have been observed, and protests have been made as result.

The Japanese authorities in response to appeals have made efforts to patrol the localities where happenings of this sort have been reported. None of the property owners wants undue publicity, for two reasons—first, that further trouble is feared; and second, that some of the owners hope the precautionary measures will prove effective providing the Japanese authorities can be kept working for the owners, rather than concluding that ingratitude deserves no special protective activities.

Certainly we do not wish to make things worse, but the contrary. We believe that it is wise to face facts, however, and so far as we can see there is likely to be a continuation of this difficulty with the troops until owners are allowed once more to have passes enabling them to inspect their property regularly, and particularly until they are allowed to restore watchmen to the properties. Even the greatest precaution by the Japanese authorities are not likely to prove wholly airtight, especially in view of the fact that many of the troops are in transit and it is difficult to keep track of them and to instruct them in their duties to safeguard foreign properties.

As soon as possible we believe that the whole area should get back to normal. Meanwhile the need for owners' passes, and for permission to put watchmen back on their

the open test the police department is not tell
ing the patrols to waste a lot of
time in talk when faced with
armed criminals... enlisted men
aren't the same boys they were
five years back... "Blood Alley"
hasn't produced a decent tree-for-

From The China Press, Shanghai, November 25, 1937.

THE SHANGHAI LAND REGULATIONS

THE status of the International Settlement of Shanghai has of late been referred to on several occasions in the London House of Commons. The latest announcement of importance was that made by Mr. Anthony Eden, the British Foreign Secretary, November 23, who pointed out that the Foreign Settlement of Shanghai was administered under the Land Regulations, which could not be modified without the Chinese Government's consent.

The moment is *apropos* to state what the principal points of these Land Regulations are. They are archaic, undoubtedly, but they constitute the basis of the administration of the Foreign Settlement and are, therefore, worthy of study. They lay down rules for the acquisition of land, the laying out of municipal roads, the establishment of a Police Force, of a Public Works Department and, in skeleton form, indicate measures on the basis of which has been developed a huge governmental machine.

The principal point in the Land Regulations is that the voting qualifications are confined to persons of other than Chinese nationality, and although the property qualifications are not extremely onerous, they are sufficiently restrictive to exclude probably three-fourths of the non-Chinese population from voting for members of the Municipal Council, which is in reality the executive arm of the Ratepayers, who assemble once a year, rather perfunctorily on most occasions, to review the work of the Council in the year that has come to an end and in a general way outline the course for the new Council that is just coming into power.

The procedure above mentioned refers only to the non-Chinese. The Chinese hold their own form of elections for the five Chinese members of the Council, the non-Chinese members of which comprise nine members, of whom as at present constituted, five members are British, two are Americans, and two are Japanese.

The Land Regulations provide that any one who owns property to a value of five hundred taels, or who pays rental during one year to the same amount, shall be entitled to vote. It has occasionally happened that a person who has had some small plot of land valued at Taels 300, and in addition paid a rental of say taels 200 more per year, has been able to combine the two, and secure a vote in this way.

It is to be noted that, although there is plural voting to a certain extent, it does not mean if one man has a property worth Tls. 100,000, and that alongside him another man has a property worth Tls. 10,000, that the former has ten times as many votes as the latter. In fact both have the same number of votes, namely one each. It, nevertheless, is the case that sometimes some legal firm or real estate firm has a dozen or more votes to its credit, this being in accordance with the procedure followed that although votes are not apportioned according to the value of property represented, yet one vote is allowed for each "interest", no matter how small it may be (so long as it equals Tls. 500); and if those "interests" are centered in a single individual or firm (as they frequently are), it follows that said individual or firm will have more voting power in its hands than say the individual who owns the largest block of real estate in the Settlement.

It is likewise no secret that in many cases such "interests" really represent land which is "beneficially" owned by Chinese, but which has been registered in the name of said foreign legal or real estate firm, so as to comply with the afore-mentioned archaic Land Regulations.

It follows, from the above outline of the administration of the Shanghai International Settlement, that if any group is intent on increasing its voting power, it can simply adopt the policy of acquiring land and splitting it up into small units, and parcelling out those small units to individuals. Such a unit need not be worth more than Tls. 500 (\$700, Chinese currency) to entitle the holder to a vote.

From The China Press, Shanghai, November 26, 1937.

SHANGHAI UTILITIES

NOW that the scene of hostilities has been removed from Shanghai and there are indications that the city is laying the groundwork for a return to normal conditions, it is appropriate to recall the excellent work done during Shanghai's darkest days by public utility concerns. With their plants for some weeks within or adjacent to the very zones of fighting, service was nevertheless maintained under dangerous and extremely difficult conditions. This was especially true of the Shanghai Power Company and the Waterworks. Workmen and officials alike were either in constant attendance in many instances or in others paid daily visits. For some weeks travel between the Power Company and waterworks plants in Yangtszepoo could only be down the river by launch—and this at a time when constant fire was being exchanged between Japanese naval vessels in the Whangpoo and Chinese machine-gunners and artillery units on the Pootung side. Several instances—probably forgotten now by the general public—were reported during the height of hostilities of launch parties of both concerns narrowly escaping death. Both the grounds of both plants were also struck by aerial bombs. In the case of the Waterworks shortly after the war opened here, a number of casualties resulted.

During the whole of these hectic weeks never an intimation was given that Shanghai would be deprived of either service. Only extensive damage to equipment would have resulted in a forced interruption. The closing of the Shanghai Gas Company mains for a short time is not to be viewed in any other light than that of being wisely prudent because of the then constant danger that storage tanks would be struck by shells or aerial bombs and result in a catastrophe which might well have excelled some of the worst that the city experienced.

Another indispensable service that was maintained under duress was that of the Shanghai Telephone Company. Since the installation of telephones in Shanghai, there has perhaps never been the urgent need for this means of communication as then existed. During the height of the crisis many thousands of calls were made daily, bringing a line traffic problem that perhaps only automatic equipment could have handled so well. Repair crews of the Telephone Company also were constantly exposed to danger when inspecting and maintaining lines in the Northern and Western Districts. Nor should Shanghai soon forget the hazardous and heroic work of the Fire Brigade, which was perhaps called upon to combat a series of some of the world's largest urban fires in history under conditions and obstacles that could not have been worse.

From The China Press, Shanghai, November 27, 1937.

RATIONALIZING CHINA'S INDUSTRIES

THE present Sino-Japanese conflict is affording China many objective lessons. In order to profit by such lessons, she will have to take revolutionary measures to rationalize many phases of her national life. One of the most important phases, namely, China's industries, may be briefly discussed.

For ages, China has been and still remains an agricultural country. The industrialization of the West has affected her only very slightly, considering the enormous size of her country and population. Even as an agricultural country, she is undeveloped and her methods of production are antiquated. She has still a long way to go, before her agriculture can be placed on an industrial basis.

China's industries are few and all in an infant stage, when compared with those of most western countries and even of Japan. At no time does the lack of industrialization affect China more vitally than at the present moment, when the country is at war. Though rich in raw materials and manpower, China is not self-sufficient in military equipment and therefore has to depend on its supply from countries abroad.

Furthermore, the few producing agencies serving China's industry which she has fostered and developed during the past few decades are practically all concentrated in coastal cities and river ports. Such a situation is anomalous; even in normal times, it must have a very adverse effect on her national economy. In time of war, it is bound to be disastrous, as has been evidenced by the military operations during the past several months.

Most Chinese factories are located in such cities as Shanghai, Tientsin, Canton and the principal Yangtse ports. As all these cities have been seriously affected by the war, practically all the industrial plants concerned have either been destroyed or so badly damaged as to make their resumption of operations almost next to impossible. As a result, production is at a complete standstill and tens of thousands of workers are thrown out of employment.

The present emergency affords China an excellent opportunity to readjust the uneven geographical distribution of her industrial establishments and to lay the foundation for a nation-wide planning of industrialization.

Of course, important as it is, the project of transfer is no easy or simple matter. In the first place, it involves a heavy expenditure which few factories at the present juncture can bear. Secondly, such matters as the removal of machinery, selection of factory sites, installation of electric power supply, disposal of personnel and other relevant issues are all fraught with difficulties. This explains why Chinese factory owners have thus far been hesitant in carrying out an admittedly difficult proposal.

However, in view of the urgency of the matter, it is becoming increasingly recognized that the difficulties have to be faced and overcome, even though only partially. To facilitate the execution of such a project, it is absolutely necessary that the Chinese Government and public should accord the industrialists their fullest support and cooperation.

For example, the Chinese Government can actively assist in the removal of the machinery and also map out a coordinated program of industrialization for the whole country. To this end it will ascertain the needs of the various parts of the country and distribute in a well-proportioned manner the different branches of industry accordingly. In this way, wasteful duplication and over-congestion in some cities to the neglect of the requirements of other districts will be avoided.

For the time being, such a program may be entirely on a wartime basis, but it may likewise serve as the initial step for national industrialization in the future. In the meanwhile, every encouragement may similarly be given to the handicraft and domestic industries in order to increase production as well as to confer employment on the mounting total of idle labor induced by present hostilities.

According to latest indications, the Chinese Government seems to have already given this matter its thorough consideration. The recent appointment of three committees for the readjustment of agricultural production, industrial and mining enterprises, as well as trade and commerce may be taken as an effort towards the formulation of a nation-wide program for the rationalization of these three important phases of China's national life.

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from The Shanghai Times, Shanghai, November 27, 1937.

RICE PROBLEM

The sights to be seen outside the rice shops and the experiences through which one's own servants have had to go calls for some further action in the matter of control. Relatively, only a few shops are open and during the hours in which rice is on sale in small quantities quite large crowds gather around and jostle for position. There has been some attempt at regulation, but it is hopelessly inadequate in face of the completely foreign idea which orderly queueing up is to the vast majority of poor Chinese. They are more used to a scramble and scrambles there have been in plenty. It is not a small nor yet an easy task to control the crowds at the various shops retailing rice to-day, but if the police authorities could do more themselves and get others to help them it would be a boon on the young or the rather old who now hopelessly try get near the little pigeon holes where the rice is handed out. Lucky is the buyer to-day who gets off without a tap on the head from a policeman trying ineffectually to stem the pushing crowd, but doomed to be unlucky is the would-be buyer who doesn't do his or her own bit of pushing. Cannot something more be done to put things on a better basis? Fortunately, rice supplies are coming in quite well, but there is the fear psychology at work. Afraid that stocks and supplies might run short, a great many people are buying more than their present needs. Wherever it can be afforded, something extra is being bought as a stand-by and this constitutes a heavy drain on available stores. Is not an official reassuring statement needed? Should not a Council proclamation be made and widely publicized telling the public that they need not buy more than normal quantities and that rice is coming forward from outside sufficient for all? And could not something more be done to put a stop to the profiteering which is known to be going on in some cases? Perhaps it is not widespread, but it ought to be made criminal to hold up hidden stocks for the purpose of a rise in price at a time when other people are in dire need. Only the firmest of handling will bring about a better order in this rice problem than exists to-day, and the two Councils ought to shoulder the responsibility of displaying that firmness. These are emergency days and there should be no hesitancy to assume emergency powers.

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

From The North China Daily News, Shanghai, November 23, 1937.

DN 11/23

A CUSTOMS ISSUE

The announcement of certain Japanese intentions toward the administrative offices of the Chinese Government still operating in Shanghai indicates recognition of the international issues involved, especially in respect of the Maritime Customs. The interests of Japanese themselves are best served by special consideration of that kind, but it will be necessary for the various authorities to give the matter close attention lest some lack of foresight should unnecessarily complicate an already complicated situation to the further detriment of basic commercial and financial arrangements vital to the international relations which Japanese policy is declared to aim at respecting. The Customs Revenue is hypothecated for the service of the foreign loans and it appears to be the purpose of the Japanese authorities that that function should continue to be discharged. They desire to assert their *de facto* right through military control only in respect of the surplus accruing after that primary obligation has been fulfilled. The whole question of the disposal of Customs Revenue obviously requires the careful consideration of other foreign governments and it is to be hoped, therefore, that the Japanese Government will be able to agree to a workable scheme and to discourage precipitate action which might later be regretted. It will be admitted that the peculiar problems arising from the complexity of the relations of the Customs present everyone concerned with delicate diplomatic and commercial difficulties and consequently call for the exercise of the greatest circumspection and the display of a reasonable spirit of compromise.

No doubt expeditious discussions are already in train between the Japanese Government and the various Powers concerned. It is satisfactory to observe that the military authorities on the spot, while indicating their desire to ensure that the operations which they are now conducting shall not be hampered by the presence of Chinese organs in the foreign-controlled areas, are disposed to recognize the need for caution in respect of certain institutions, such as the Customs and other departmental offices. It remains for the

other parties to approach this issue in the spirit which the situation demands. It is important that the service of the foreign loans should be maintained and also those other activities which affect the lawful occasions of neutrals in this port. The Japanese Government has consistently maintained its solicitude for the interests of neutrals and as, indeed, those interests in important respects are shared by Japanese nationals there is all the more ground for confidence in the competence of diplomatic discussion to arrive at a correct and amicable solution.

In illustration of the special difficulties created by these hostilities, the seizure of the Whangpoo Conservancy Board Dredger, Chien She, is pertinent. By the International Peace Protocol of September 7, 1901 an agreement for the Whangpoo Conservancy was established. It was revised in September 1905 and replaced by a new agreement under the auspices of the newly-founded Republic of China in 1912. The essential feature of the dredging arrangements carried under this agreement is the international significance of the maintenance of a channel for big ships to use the Whangpoo and the port of Shanghai. Special dues, known as Conservancy dues, 80 per cent. of which are paid by foreign shipping are levied for the financial support of the Conservancy Board. Moreover, a Consultative Committee composed of one Chinese and five foreign members, these latter representing the powers with the greatest visiting tonnage, has been appointed under the 1912 agreement to advise the Board. It is plain, therefore, that the dredger is an important factor in preserving international interests Japan herself shares. There is no reason to believe that the implications of the seizure will be ignored by the Japanese authorities. It is necessary, however, to explain its significance so that there can be no misunderstanding. In that and the cognate matter of the Customs administration it is hoped that the discussion between the Japanese and the appropriate authorities will proceed on lines which will facilitate a settlement equally safeguarding international rights and satisfying the immediately reasonable requirements of the Japanese High Command.

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

From The North China Daily News, Shanghai, November 27, 1937.

MODUS VIVENDI

The closing of Chinese Government offices in the International Settlement has led to the departure of many Chinese citizens from Shanghai. Their number has been swelled by the exodus of other Chinese who, taking the cue from recent public pronouncements, consider that continued residence here may be embarrassing. Whether it would be desirable to have more specific intimation of the intentions of the Japanese military authorities in this regard must be a matter of opinion. Chinese citizens in their present painful situation have general sympathy. The neutral attitude which it is proper for Shanghailanders to adopt is not incompatible with a chivalrous perception of the emotional strain thus imposed on men and women who naturally are greatly distressed by the implications of the Japanese victory here. Nor will common decency permit itself to emphasize the change in the position of many formerly prominent Chinese residents here. Although on personal and public grounds certain departures may be advisable it is open to doubt whether the uncertainty hitherto prevailing on this matter should be allowed to develop, for already there are signs that the exodus is in danger of embracing a number of professional, business and technical men who might otherwise be of real service to Shanghai in the ultimate process of recovery and the immediate need for finding a *modus vivendi*. It is understandable that men who have been closely identified with what might be called the political activities of the Chinese Government, on finding their occupation gone, will wisely consider means of seeking a temporary abode elsewhere. Others who, however intensely convinced of the justice of their country's cause, are not politicians in the technical sense of the term and have no active Kuomintang affiliation, might more properly be advised to stay, if some assurances on that point could be forthcoming.

The authorities of the International Settlement and French Concession can obviously make no public pronouncement, although it will be hoped that they will not allow themselves to be carried too far in offering interpretations of the situation. They have certain obligations in the preservation of the special status of their respective areas. They are right to recognize the realities of Japanese

control of the surrounding territory. They are, however, free to offer suggestions which may actually be helpful to all parties at this difficult moment. Realizing that Shanghai can take no active part in the hostilities now proceeding away beyond its ken, the duty of all is to devise means for ensuring the provisional administration of the city during a period of exceptional difficulty. On the French administration and the Municipal Council lies responsibility for their respective domains, subject to such conditions as derive from the military reality of the moment. From Chinese territory civil authority has vanished. The Japanese High Command is concerned with the improvisation of machinery for carrying on institutions necessary to the civic life therein. Much depends on the possibility of inducing responsible Chinese citizens to come forward at invitation and accept the thankless but essentially public-spirited task of co-operating with the *de facto* power for the sake of the community's welfare as a whole. This should not be balked by any misgiving or misinterpretation of motives. Patriotism is not outraged by the action of a Chinese citizen who, recognizing the requirements of the moment, is prepared, without offence to his political sentiments which, in any event, cannot now find expression, to play the part of the temporary administrator under Japanese direction.

This should be clearly understood, for the alternative is either complete chaos or the desperate expedient of resort to undesirable elements whose co-operation is available to anyone at any time for purely mercenary reasons. This situation therefore imposes on Chinese citizens a considerable restraint. It demands from them a clear recognition of the realities of the plight in which the Chinese areas stand. It also suggests that the Japanese military authorities would do well promptly to define their requirements regarding the exodus or otherwise of leading Chinese residents. They will not be assisted in their difficult task if there is such a drain of capable Chinese citizenship that trustworthy and upright men cannot be secured to function in the provisional organizations which must be speedily set up for the practical solution of the day-to-day problem of municipal administration.

From The China Press, Shanghai, November 28, 1937.

THE MARITIME CUSTOMS

THE latest press reports seem to indicate that the Japanese authorities are seriously considering the question of taking control of the local Chinese Maritime Customs through the appointment of Japanese examiners and appraisers. The legal aspect of this momentous step, if ever adopted, is a most complicated one, and we feel that it is beyond our competence in the present circumstance to enter into a thorough discussion.

It may be pointed out, however, that though the physical procedure of assuming the control of a vital government service will be a simple one, while no protest may be effectively made, yet the actual operation will immediately give rise to numerous questions in which the public is vitally interested.

The foremost question is, of course, the future service of the various Chinese Government bonds secured on the customs revenue. Assurances in this respect have been offered by the Japanese authorities, and there is no need to suspect that these assurances will not be fulfilled, if for no other reason, at least because their fulfilment is to the advantage of the Japanese investors as well as of other foreign nationals.

However, on this very point a clear-out statement seems to be called for, partly to alleviate public apprehension and largely to affirm the manner in which the service is to be continued. In other words, it is important for the public to know whether the hypothecated customs revenue, if ever collected through the Japanese agents, is to be turned to the existing sinking fund commission or to be set aside as a special account to be administered after the conclusion of the present hostilities.

The second question which is of immediate concern to this metropolis is the effect which the Japanese control of the Chinese maritime customs will produce on the shipping trade here, if not the local foreign trade. It goes without saying that duties paid to the local customs administration which are not paid directly into the Chinese national coffers will not be recognised as valid in other parts of China which are not under Japanese military occupation. Cargoes unloaded in Shanghai will then have to be taxed twice, once in this port and again at the port of entry for inland shipment where the Chinese Government still exercises complete authority. The alternative course would be to ship to Hongkong cargoes which, intended for shipment to the interior, would ordinarily be imported through Shanghai. It is this inevitable course which will deprive Shanghai of its importance as a shipping center, as long as the integrity of the local Chinese customs administration is threatened.

What is true of imports will be more or less true of exports. Thus overnight Shanghai may become so unimportant commercially as to reduce its economic status to that in the days of the "mud flat."

It appears that the only course which would then be left for the foreign business firms would be to liquidate their enterprises and seek new pasture elsewhere. This must be the inevitable result of a situation where *de jure* authority is recognised while *de facto* authority is exercised.

In the interests of Shanghai itself rather than in those of the Chinese Government every endeavor should be made to dissuade the Japanese authorities from pursuing a course of action which is liable to prejudice and impair the rights of all nationals through whose initiative and energy this port has been promoted to the rank of being the sixth largest in the world.

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From The China Press, dated November 8, 1937.

THE REFUGEE DISTRICT

ONE third of Nantao along the northern boundary will be definitely reserved for war refugees unless something untoward should happen in the meantime to disrupt the existing plan already agreed to by the Chinese and Japanese authorities. The humanitarian appeal of Father Jacquinet has met with happy response from all sides, and it may be in order to point out the real purpose of this arrangement so that no mischievous misunderstanding may arise.

The influx of refugees from Chapei, Hungjao and eventually from Nantao when the war operations extend to that area, is bound to exhaust all available space for accommodation in the two foreign administrative areas. The congestion which is so patent to the most casual observer will become even more acute with the approach of winter when sleeping in the open will no longer be possible.

With the view to meeting this inevitable contingency it has been proposed to establish a refuge for some of the present war victims and for others to come. To the International Red Cross Committee which was editorially commented upon in this journal at its inception and of which Father Jacquinet is a prominent member must be given the credit for initiative, and it may be also added that the impartial or non-partisan nature of this Committee, more than anything else, has inspired confidence in the Chinese Municipal Government and the Chinese military leaders to accept the plan with little hesitation.

The refugee district is to be patrolled by members of the Peace Preservation Corps and is accordingly still under Chinese control. In Major Yui's pledge to refuse the presence of armed forces in this restricted area, absolute faith may be reposed. Thus to all appearances this plan should prove satisfactory to both sides of the Sino-Japanese war.

There is, however, one point on which the public has entertained just apprehension. From a statement made by a Japanese spokesman at a recent press conference, this sanctum of humanity may yet be subject to Japanese occupation should the Chinese troops withdraw from Shanghai. The position assumed by the Japanese, it seems to us, is contrary to the spirit of this otherwise excellent plan. It goes without saying that refugees will always be refugees whether the Chinese troops are stationed in the immediate neighborhood of Shanghai or whatever the Chinese troops may choose to do. As long as the district is reserved for the humanitarian mission undertaken by the International Red Cross, the good faith of its members must be taken for granted. If the Chinese authorities are willing to throw a safety cordon around it when the Chinese troops are still holding the adjacent territory and when the Japanese troops have not the slightest prospect of entering it, it must follow that the Japanese authorities must display a like spirit if and when the positions should ever be temporarily reversed.

The real value of the whole idea, as far as we can see, is the permanent safety of the district during the period of war, which cannot be affected by its fortunes. On this vital point we hope a clear statement will be forthcoming so that public apprehension may be promptly allayed.

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

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from The North China Daily News, dated November 13, 1937.

A BRILLIANT SUCCESS

It is difficult to express in sufficiently glowing terms the admiration which the whole community feels for the International Committee which, in co-operation with the Japanese and Chinese authorities, has been wonderfully successful with its supervision of the reserved area in Nantao. When Father Jacquinet and his colleagues showed that nothing would deter them from pressing their neutralization scheme on the responsible parties, it was hoped that their persistence would be rewarded, but sad experience impelled caution in giving that hope too free a rein. The developments arising from the struggle in Nantao where the Japanese forces were seeking to dislodge a remnant of the Chinese defenders made it appear almost impossible for the Committee to expect that the reserved area would escape violation. The agreement held. As the statement issued shows, all three parties adhered to it and carried out their respective parts of the bargain. The area was resorted to by over 100,000 refugees and the members of the Committee assiduously patrolled it spreading confidence by their presence and encouragement. The danger of their task is illustrated by the fact that some of them had narrow escapes. Father Jacquinet himself had his cassock torn by a stray splinter. The Japanese as attackers showed themselves specially alert in keeping in touch with the Committee and their fire was directed with due consideration so that the reserved area was unscathed. There is more than a local value in this remarkable achievement. Does it not show that, given goodwill such as that which the Committee and the two authorities were able to mobilize, success can be achieved in limiting the incidence of the major horrors of war to the sparing of non-combatants? It also shows that, even in the most difficult and delicate circumstances produced by the heat of battle, scope is still left for the observance of the laws of humanity and the sanctity of the pledged word. Relief at the misery which those refugees have escaped thanks to the courage of the International Committee and the co-operation which it commanded will be generally recorded, together with an expression of deep gratitude for the splendid example thus set.

From The Shanghai Evening Post, Shanghai, November 23, 1937.

An Obligation

JAPAN'S DESIRES for temporarily exercising various administrative activities within the foreign areas in succession to Chinese authority, as a result of the new military position, have now been announced and upon the whole they appear within the bounds of reason and expectation. But it's a poor rule which does not work two ways. Is it not necessary for the Japanese to give thought to their own obligation under the new position?

Of Shanghai's normal working population of 185,000 within the boundaries of the International Settlement, only 50,000 are employed at present leaving a total of 135,000 unemployed. To this number must be added many additional thousands ordinarily employed in the Western District, particularly in the Jossfield area; those who usually gain a livelihood in Nantao and Lunghwa; and the thousands of farmers who are being kept from access to militarily occupied rural districts.

The Japanese assertion of military necessities has been on the whole patiently accepted by everyone as valid reason for keeping shut the scenes of recent hostilities. But now the whole position is obviously becoming more stabilized, as is shown by the Japanese moves to deal with matters formerly subject to Chinese jurisdiction within the foreign areas, and by the pledges of Japan's own spokesmen it is clearly a duty of first consequence to give the Chinese common people of this locality a chance to make livings for themselves.

Japanese leaders have repeatedly declared that they are fighting the Chinese army, not the Chinese people—yet by keeping industrial and agricultural districts tight-shut, they are causing untold suffering to those deprived of livelihoods and homes. General Matsui and Admiral Hasegawa each has given \$10,000 to ameliorate the lots of the 126,000 unemployed and destitute men, women and children living in camps, yet how much more precious would be the boon of a chance to earn livings again rather than rely on the help of others! Six hundred thousands people are estimated to be subsisting today within Shanghai from the generosity of friends and relatives; this is a terrific tax for any community to bear, and particularly a community which has been ravaged by war, which is now in large degree cut off from the rest of the country, and which is still being denied access to vital areas where despite the devastation there is work to be done if people can be given leave to go and do it.

Obviously the situation is complicated and the Japanese cannot, under existing conditions, be blamed for exercising safeguards. In some sections north of the Creek it may be deemed necessary to admit only certified and pass-bearing workers for some time, but that could be arranged if there but be intelligent effort toward it. The Settlement and Concession authorities are being asked to give co-operation on matters of moment to the Japanese, such as the suppression of anti-Japanese organs, the eviction of Chinese Government offices, the prohibition of Chinese postal, telegraph and press censorship and the suppression of unauthorized radio communications;

why should these authorities not be asked to give co-operation on matters which will help to remove a heavy charge from foreign shoulders and relieve the present suffering of people against whom the Japanese themselves have declared they bear no grudge?

So far as possible, the foreign authorities have already done what they could to stimulate the feeble stirrings of industry. The Industrial Section of the Shanghai Municipal Council has performed extremely useful but necessarily handicapped service in bringing in touch those who by working together could resume functioning despite the fact that many plants have been destroyed or shut from access. In certain instances, for example, manufacturers had been in the habit of doing only part of a complete fabrication process; Plant A might start, Plant B would do the middle work, and Plant C would finish. Suppose Plant B is located in Chapei—the whole process would halt unless some new procedure could be devised, and here the Industrial Section has helped by finding other plants competent to step into the chain and complete the cycle. Some goods ordinarily imported in a partially completed stage can be turned out here from the beginning, it has been found.

All this has been helpful but of course greatly circumscribed by the fact that major industrial areas have been cut off. To resume work in such areas will be to improve the lot of the whole community, probably including civilian Japanese who have likewise suffered from the stoppage of industry and for whose benefit relief funds have had to be obtained from Japan.

A considerable degree of industrial development took place in Shanghai during the period since the last Sino-Japanese hostilities in 1932, despite panic, slump in land values and other factors of which we have been perhaps too much aware in judging the city as a whole. It is estimated by experts that so tremendous was this development that the destruction during the recent fighting only about equalled the five-year increase, so that when work can be resumed it will be roughly on a basis of the status of 1932 despite all the bombing, shelling and burning. This is important as showing that there is something really to be accomplished by getting to work as quickly as the situation permits. Instead of a disheartening complete "waste land" we have a great deal of productive machinery lying idle.

The very fact that anything approaching complete normality cannot be restored to Shanghai for a long time to come is all the more reason why the Japanese authorities should realize the urgent necessity for moving as fast as possible to get the process started. We repeat that in many ways this should benefit them and their own people. In any event, since they have many times protested their lack of animus against the Chinese people, and their desire so far as possible to safeguard neutral foreign interests and properties, the duty to open the restricted areas at least partially with as little further delay as may be is clear.

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From The China Press, Shanghai, November 26, 1937.

CIVILIAN SAFETY ZONES

PEOPLE of all nationalities cannot fail to look with approval on the recent efforts of international groups, and internationally minded individuals, to establish safety zones in Hangchow and Nanking where civilian non-combatants will be spared the horrors of being subjected to the fruits of war. While the Nanking zone plan would establish a specified area within the city to be set aside as exempt from either attack or use as a military base, that as regards Hangchow envisages a more ambitious scheme and would include the entire city.

Inspiration for the success of these humanitarian efforts is to be seen in the Nantao Safety Area now being administered by the Supervisory Committee of the International Red Cross. The Nantao zone has demonstrated that such a plan can be worked out and is daily demonstrating that even belligerents are not entirely without consideration for the fate of those who have no active part in the hostilities. If Hangchow, a city known throughout the world for its ancient beauty and peaceful charm, can also be placed outside the devastating orbit of the present hostilities, there will be thousands of people of all nationalities who will heartily applaud such action.

Under the plan proposed by an international group of foreigners in Hangchow the city would be completely demilitarized and made immune from attack. It is anticipated that no objection will be raised by the Chinese Government, both because of the humanitarian aspect of the proposal and also because the city is of little strategic value. This latter point of view is also expected to be taken by the Japanese.

In the event that the Nanking and Hangchow proposals are given the approval of both belligerents and that the neutrality of the respective areas is not violated, a big step forward in setting a precedent in preventing human suffering in times of war will have been taken. It will be recalled that intimation has been given by the Nantao area Supervisory Committee that a proposal will be made at some future date to some international organ that similar zones be established elsewhere throughout the world in time of war.

From The Shanghai Times, Shanghai, November 26, 1937.

DISTRESSFUL CONDITIONS IN SHANGHAI

The condition of the enormous number of refugees in Shanghai continues to be a source of much anxiety. The onset of the cold weather naturally makes the problem more difficult to handle and there is a great need for a big communal effort to help the thousands of destitute people who are encamped in our midst. It appears that there are at least 200,000 persons in the International Settlement, the French Concession and the "Jacquinet Zone" who are without means of subsistence of their own and the maintenance of such a large destitute population is a heavy burden upon the resources of the city as a whole. Many firms and individuals have come forward with generous donations to help alleviate the condition of the refugees but there is a feeling that wealthy Chinese, of whom there are a considerable number in Shanghai, might come forward more extensively to help the situation. Not only is more money required by those who are actually engaged in running the camps but personal interest and gifts of various necessary articles would be most welcome. The letter of Dr. John Earl Baker in yesterday's issue of this journal asking for gifts to the Shanghai International Red Cross of sandbags which have been removed from buildings in the town within the last few days, as these might be used for bedding purposes in the Nantao Refugee Zone, is a poignant reminder of the terrible straits to which many unfortunate people are reduced. We fear that many of these bags have already been seriously damaged by the severe weather conditions that have prevailed since the defences were first put up but doubtless quite a number of them could be washed and patched up sufficiently well to serve a useful purpose. We hope that this appeal will be responded to by those who have sandbags in decent condition. But that such appeal has had to be made by Dr. Baker must go to the hearts of everybody who reads his letter. The suffering of people, who are already reduced to fare that is the mere minimum of necessity, from a lack of sufficient bedding and warm clothing in a cold "snap" such as Shanghai is now experiencing can be better imagined than described and it is no wonder that many deaths from exposure are reported. People who have old blankets and other articles of bedding which they can dispense with need not hesitate to donate them to those who are trying to give the refugees a little better accommodation. The same applies to people who have any kind of warm clothing which they could do without themselves. Refugees housed in bamboo sheds are in a particularly severe predicament these cold nights as it is not possible safely to provide any kind of heating in this type of dwelling. The covering of the bamboo poles and matting with paper or plaster has been proposed and actually carried out in some instances but it is felt that a much better plan would be to house as many as possible of the refugees in permanent buildings. Quite a number of godowns and other buildings are empty at present and it is

to be hoped that owners will come forward with the offer of some of their unused space. The question of making some of these buildings suitable for the reception of refugees is no doubt a difficult one to solve but it is less formidable than trying to render mat and bamboo sheds sufficient protection from the wintry weather.

In addition to the refugees who are actually on the hands of the community already there is the fear that many more people who have been living on their savings for the past two or three months may become destitute in the near future. These people are mostly those who had good employment before the hostilities broke out but who are now faced with an absence of sources of fresh income. The existing unemployment is enormous and may gradually become more and more acute. Efforts have been made to revive industry as much as the present circumstances allow but it has been pointed out that many small factories were located in areas which have either been devastated or are under Japanese military occupation. Recovery from the effects of war in and around Shanghai is obviously going to be a slow matter although there is no reason why it should not be steady. With many of the poorer Chinese it is a matter of whether they can hang on until such time as they can secure some profitable business or industry. Closely connected with the unemployment and distress in the city is the food problem. Rice is being sold out almost as fast as it can be delivered to controlled stores but on the other hand ships are now arriving regularly from Saigon with fresh supplies and it is hoped that the rice these vessels bring will be sufficient to keep the wolf from Shanghai's door. Other provisions are steadily trickling in but inasmuch as rice is the chief staple of consumption among the Chinese of Shanghai this is the commodity that matters most to the population as a whole. Up to the present the S.M.C. has refrained from assuming direct responsibility for the Settlement's rice supply, and on the whole this policy has worked pretty well. Should, however, the question of importing sufficient quantities of grain become a serious difficulty we presume that the Council will take other steps, even to handling the rice importation itself. Side-by-side with distress among the Chinese a considerable number of foreigners are in straitened circumstances. Deserving cases are receiving help from the many charitable organizations that exist here (to the credit of the local community) but it is obvious that funds will not last for ever unless generously supplemented by fresh allocations from those who can afford to help. Unfortunately, a number of undeserving persons have been discovered trying to make capital out of the situation and it is emphasized that help should be given as much as possible through the proper organizations which are in a position to make adequate inquiries before taking on the task of assisting persons who may or may not be in genuine distress.

From The Shanghai Evening Post and Mercury,
dated November 1, 1937.

New Deal For The Wounded

CHINA IS COMMITTED to modern and therefore frightfully destructive war. China should at once begin to take a modern view of the problem of her soldier casualties.

Wounded soldiers should not be left to stray off uncared-for, to develop fatal but avoidable complications, to receive the necessarily limited help of private charity. The whole system of depending on private charity for whatever help the soldiers receive is wrong and should be changed without delay. In effect it amounts to a lack of system, from the Government's viewpoint, and no modern war can be fought unplanned.

In the first place, private charity already has a stupendous job in merely caring for civilian casualties and refugees. In the second place, China's soldiers are her primary fighting instruments; and it is as foolish—humanitarian considerations quite aside, for the moment—to waste and destroy this weapon as to waste and destroy any other weapon.

China is gradually learning that complex machineguns and airplanes must be kept up and repaired. But China's fighting men, the most complex and indispensable weapons of all, are being treated on a basis rooted in medieval practice.

We are quite aware that it is in full accordance with Chinese tradition to regard China as an inexhaustible reservoir of manpower. It has always been the practice to regard a damaged man as a useless man, to be discarded. But there is not an inexhaustible reservoir of modernly trained fighting men in China any more than in any other country. Taking a purely hard-boiled attitude on this problem, it is not hard to see that good reason exists for conserving the militarily suitable manpower of China which is obviously undergoing a terrific hammering from Japan's mechanized battering-ram.

To be blunt, private charity simply isn't up to the job of giving the Chinese armies what they need in the way of medical and surgical backing. It never will be. What is more, there is good reason to think that the legitimate functions of the private charitable organizations are being to a considerable extent hamstrung by the present necessity for striving to handle work the Government should handle with regard to that Government's armies.

In any enterprise of this sort, private organizations must lag far behind the requirements and all the efforts to equip both large and small private hospitals, and to chase the armies with private ambulances, cannot hide the fact. At the same time, private charity is striving to look after thousands of wounded civilians; and to care for tens of thousands of civilians dispossessed of their homes. Is it any wonder that private charity finds itself inadequate?

At the same time, grotesque as the fact appears, we feel there is reason to think that charity's appeal to the private pocket is very much weakened by the present necessity for diffusing effort over such a wide front. From a remote and detached point of view it is clear that the numerous necessities of the case demand the utmost from every giver; but when it comes down to the individual, he tends to respond much more readily to an appeal for some specific purpose which he knows will benefit by his offering.

In other words, those who are asked for money seem to us likely to give if they have before them the mental picture of a refugee child, needing food and about to get that food from the money the donor is giving; or if they feel that some peasant woman, victim of a shell, bomb or machinegun bullet, will receive hospital care through their bounty. But when they feel that they are giving to a vague general cause including all manner of things, they have much less direct urgency upon their consciences even though the result should be precisely the opposite. This is a natural psychological reaction quite divorced from any fear that in such a multitude of causes, their gift may somehow "slip down a crack" or at least mean little one way or another.

The Government should at once shoulder its obviously demanded burden, taking the whole care of wounded soldiers off the back of private charity as rapidly as may be, and appropriating funds sufficient to see that the job is handled properly. Fifty million dollars would not be too much for this and the money can be had if it must. There should be an end to makeshift makeshift hospitals operated by private enterprise, and a start to a modern, co-ordinated Government plan comprehensively caring for all wounded from the moment that the casualty occurs.

Such a policy would pay dividends from the start in the avoidance of deaths from gangrene alone. It would keep track of the lightly wounded and preserve them in the army instead of letting them wander off to distant points and perhaps become charges upon local communities. It would free private charity to deal adequately with the tremendous work which now must of necessity be in the nature of side issue, so long as one of the Government's main jobs is shirked and left to private hands if any.

From The Shanghai Evening Post, dated November 4, 1937.

Foreign-Trained Doctors

A HEAVY BURDEN of moral responsibility rests upon Chinese surgeons and physicians who have received their education abroad. Such reports as have come to us of late do not indicate that such returned students are, as a class and of course with individual exceptions, discharging their responsibility at all completely.

To be specific, these doctors appear to be clinging to the great centers with grim tenacity worthy of a better cause while the great majority refuse to go out into the field, where danger and discomfort are certain but where need is greatest.

There are plenty of volunteer doctors in Shanghai. Even in Shanghai, however, as we understand the situation there is a dearth of really efficient foreign-trained Chinese doctors because of a tendency of the more well-to-do to stick to their regular practices and let the less gainfully employed doctors do the volunteering. We have also heard rather discouraging reports of the polite putting-off of well-intentioned assistance from foreign doctors, apparently on the theory that everything must be Chinese; but this is another matter and an even more delicate one, in any event not susceptible to the sort of statistical proof which may be applied to the presence or absence of foreign-trained Chinese doctors in the interior.

The story is an old one. For years, one of the major problems of the Peking Union Medical College was to separate its Chinese doctors from its own personnel after their training had been completed and to persuade them out into the interior where they were needed very much indeed but where the rewards and the glory were obviously to be had only in practically inverse ratio to the need.

With the beginning of rural welfare work in such provinces as Kiangsi, reclaimed from the Reds, it appeared that the interest of some of these young foreign-trained men might fasten on the new health centers. Some actually went out. The pressure of the present emergency would appear more than sufficient to send out more—but thus far the problem has not settled itself by any means.

A few of the foreign-trained and returned medical people have gone to Nanking, it is true. But as to the really obscure and remote interior, the universal answer seems in effect to be "Nothing doing!" although of course the actual procedure is merely a polite and silent abstinence from volunteering in response to call.

The situation in Shansi, for example, is now reported to be desperate. Thousands of wounded are pouring back from the fighting lines and there is nothing like adequate medical help to be had. In the whole province there is not one X-ray machine, we are informed. The price of all this in human suffering is beyond computation, and from the standpoint of national military efficiency the cost must be staggering indeed because when a man is wounded, the chances are more than ten to one that his military service is finished no matter how valuable or well-trained a man he may be.

In this work of conserving China's trained military man-power (a vastly different thing from the untrained peasantry, sheer "cannon-fodder" in all truth, of an earlier day) the foreign-trained doctor, often returned after costly and valuable training abroad, could take the key place in China's interior, if he but would.

Writing last Monday on the need for a "new deal for the wounded," we discussed the fact that "China's fighting men, the most complex and indispensable weapons of all, are being treated on a basis rooted in medieval practice." Our reference in that connection was to the fact that care of the wounded is being left a job for private charity rather than being shouldered by the National Government as a vital part of fighting a modern war. The thought may well be extended here to cover the sort of care given the wounded. No one knows so well as the foreign-trained doctor how to deal with such problems as that of asepsis, particularly important in a country like China where there is both much dirt and much ignorance. It is nothing short of criminal to withhold the benefit of modern medical knowledge in such respects, yet thousands of lives are being needlessly lost as the days pass and the foreign-trained men hold back from volunteering for duty in the interior.

Here, again, there is perhaps a special argument in favor of a Government assumption of full responsibility. Private enterprise should not be left to deal with the problem of the wounded soldier, as we have said before; the problem is too great, and private enterprise has too many other problems with which it must cope, including those of wounded civilians and the care of thousands of helpless refugees.

We do not think that everything would be solved instantly by the fact that the Government shouldered this burden, but at least matters would be properly channelized—and, incidentally, more funds would go into this absolutely essential work for it would be necessary for the Government without delay to appropriate millions of dollars if it undertook its clearly indicated task of caring for military casualties. We are inclined to think that the Government might devise means for enlisting foreign-trained doctors which private enterprise cannot.

Meanwhile, however, the very fact that there is no forcible conscription of doctors imposes upon their consciences a special weight. They are the repositories of the world's most advanced medical knowledge. Their nation is at a time of unprecedented crisis, fighting for its very existence with its back to the wall. Can they be content to go on selfishly in their accustomed courses while men die for want of their skill?

From The Shanghai Evening Post, dated November 15, 1937.

/The Plight Of China's Wounded

FOR CENTURIES Chinese generals have proceeded upon the assumption that China's reservoir of fighting manpower was inexhaustible. Today, when technical training and military discipline are essential to a modern army, that assumption has become a myth. But the National Government's treatment of its wounded soldiers shows that in many high quarters, the fact is not yet realized.

We approach the subject from this "hard-boiled" point of view with full realization that it ignores the humanitarian aspect which to many Westerners will seem far more important. The suffering which some observers have been so unfortunate as to witness has torn at their hearts almost intolerably. Such feeling must be experienced even more poignantly by many Chinese.

But Nanking is fighting a war, and sentiment unhappily must take a back seat when war is on. We can understand that the question of human suffering is not the deciding factor in time of war. But this—seen in a light which we cannot believe has shone brightly at Nanking thus far—may well become a deciding factor in the success or failure of the war. Does not that warrant intelligent and measured consideration in place of the relatively hasty and off-hand treatment it has been accorded thus far?

We repeat what we said at the outset, before proceeding to more detailed consideration. China's modern fighting manpower is not inexhaustible. From the point of view of modern fighting manpower, to put the matter in another way, Japan's manpower is nearer to being inexhaustible than China's, and one of the important reasons is that China is herself fearfully wasting her manpower by totally inadequate measures for care of the wounded. Men are dying who should not die. Men are becoming shattered ruined creatures who might be repaired and sent back to the fighting lines. Does it offend delicate sensibilities to suggest that mended men can go to the fighting lines again? Consider if it is better to let those men go as crippled beggars to drag out the rest of their span in futility and starvation!

We have touched upon this general subject before, but with less weight of information which has come in to us of late from several responsible sources both Chinese and foreign. Our last such article, dealing with the need for foreign-trained doctors, brought a Nanking retort through the Central News Agency. In brief, we were told that we were quite wrong, that an Army Medical Service had been set up and that it was quite unfair to say that care of the wounded was being left to private charity.

Nevertheless we repeat, on a basis of this fuller information, that in not merely our view but the view of others with more firsthand knowledge and experience Nanking is still showing a disregard for the welfare of the wounded which is not merely callous but

stupid. This is a harsh way to put it but the situation must be dealt with in direct terms.

The Army Medical Service is, to be blunt, not up to its job. There is inadequate experience, inadequate resources, and (we fear) insufficient realization of the seriousness of its task. At Nanking we understand that 5000 men are being looked after by this newly created service, whereas the casualties requiring care from this front alone are estimated at 150,000. Private enterprise has done what it could in Shanghai but clearly that is not enough. Men have been dragging themselves back from the front by any means available, often their own unaided efforts, and going for four days or more without medical or surgical attention after receiving their wounds. Boy Scouts, whose heroic work has been rightly commended but who simply are not the proper persons to do such work, have been trying to help the wounded from the front lines—and often losing their own lives in the venture. The whole thing is a ghastly mess. Testimony to that effect is overwhelming. The cost to China is beyond measure. The supply of trained manpower, we repeat once more, is not inexhaustible, not by any means. Nanking will be finding the fact out, but perhaps too late if present policies are not drastically and immediately revised.

Foreign help of many descriptions has been offered. Some use is being made of it, but not nearly enough, and so far as the Army Medical Service is concerned—none at all, so far as we can see. We know of a British effort, to name one example, to get trained men out by air at no cost to China and with no obligation on China's part to keep them longer than their instructional and organizational usefulness could extend; yet the offer failed because of a Nanking attitude which may be described conservatively as lukewarm.

We do not argue that foreign guidance is absolutely necessary, although we confess to a feeling that with conditions as they are the Chinese might well avail themselves of a chance to learn from foreign medical experts on as comprehensive a plan as possible. Foreign co-operation probably is necessary; we have come to that conclusion simply on a basis of the apparent facts as they have developed thus far through the campaign. At the least, a really serious attitude on the part of Nanking toward the present tremendous drain on China's effective manpower is absolutely essential. That attitude would imply a Government program, drastically different from anything thus far attempted, and the expenditure of millions of dollars which should be allocated without a second's hesitation or delay. The time has come to wake up to the gravity of this problem of the Chinese wounded—to wake up and do something before it is too late.

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On this page tomorrow we shall present a special article by Dr. Amos Wong embodying suggestions for the reorganization of the Chinese Army Medical Service.

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

<u>Encl.No.</u>	<u>Title of Editorials</u>	<u>Name of Newspapers</u>	<u>Date</u>
41.	Unlook The Closed Areas!	Shanghai Evening Post & Mercury	November 20,
42.	The Hungjao Problem	- - ditto - -	November 20,
43.	The Shanghai Land Regulations	China Press	November 25,
44.	Shanghai Utilities	- - ditto - -	November 26, 1
45.	Nationalizing China's Industries	- - ditto - -	November 27, 1937
46.	Customs Problem	Shanghai Times	November 27, 1937
47.	Customs Issue	North China Daily News	November 23, 1937
.	Modus Vivendi	- - ditto - -	November 27, 1937
.	The Maritime Customs	China Press	November 28, 1937
.	The Refugee District	- - ditto - -	November 8, 1937
.	A Brilliant Success	North China Daily News	November 13, 1937
.	An Obligation	Shanghai Evening Post & Mercury	November 23, 1937
.	Civilian Safety Zones	China Press	November 26, 1937
.	Distressful Conditions in Shanghai	Shanghai Times	November 26, 1937
.	New Deal For The Wounded	Shanghai Evening Post & Mercury	November 1, 1937
.	Foreign-Trained Doctors	- - ditto - -	November 4, 1937
.	The Flight Of China's Wounded	- - ditto - -	November 15, 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

DC W. W. HARTER
14 - District Ohio

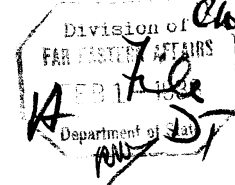
RECEIVED
Congress of the United States
House of Representatives

Washington, D. C.
1938 FEB 1 AM 9 16

DIVISION OF
COMMUNICATIONS
AND RECORDS

1/31/38

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



Re: Attached letter.

My dear Secretary-

I am attaching a letter from a young Lawyer and constituent of mine in my District who desires some information relative to the Japanese crisis. Is it possible for the Department to furnish Mr. Victor anything on this subject?

Thanking you, I am

Sincerely,

Dow W. Harter
Dow W. Harter, M.C.

1938

793.94/12266

F/FG

12/26/38

DECLASSIFIED: E.O. 11652, 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]

Law Offices

BEERY, UNDERWOOD, RYDER & KROEGER
First-Central Tower
Akron, Ohio

Clyde F. Beery
Aldrich B. Underwood
Robert C. Ryder
Clarence E. Kroeger

January 28, 1938

Miss Mary Alice Myers
House Office Building
Washington D.C.

Dear Miss Myers,

At the suggestion of Mr. Clyde F. Beery for whom I am working as a young attorney, I am writing to you in the hope that I may be able to obtain some information which perhaps you or Congressman Harter can get from the State Department.

I am seeking some pamphlet material justifying the keeping of our merchant vessels and fighting craft in Chinese waters during the present Sino-Japanese crisis.

Thanking you for the same I remain

Very truly yours,

WILLIAM H. VICTOR

DECLASSIFIED: E.O. 11652, 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 3 1968

In reply refer to
 FE 793.94/12266 -

My dear Mr. Harter:

I acknowledge the receipt of your letter of January 31, 1938, with which you transmitted the enclosed letter from Mr. William H. Victor requesting that he be supplied with information in regard to the maintenance of American vessels in Chinese waters.

I enclose herewith for your information a copy of the Department's letter to Mr. Victor on this subject.

Sincerely yours,

Gerdell Hull

Enclosures:
 From Mr. Victor,
 January 28, 1938.
 From Department to
 Mr. Victor, with
 enclosures.

The Honorable

Dow W. Harter,

House of Representatives.

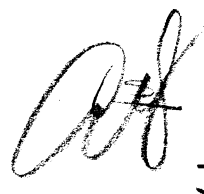
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton O. Huelsman NARS, Date 12-18-75

February 3 1968

In reply refer to
 FE 793.94/12266

My dear Mr. Victor:

The Department has received, by reference from the Honorable Dow W. Harter, your request of January 22, 1938, for information in regard to the maintenance of American vessels in Chinese waters.

In response to your inquiry there is enclosed a copy, as given to the press, of a letter addressed to the Vice President on January 8, 1938. It is believed that you will find on page 3 et seq. of that letter information bearing on the subject of your inquiry. As of interest in this connection there is enclosed also a copy of a statement given to the press on September 14, 1937, by the White House with regard to the transportation to China or Japan of arms and ammunition on

American-owned

Mr. William H. Victor,

Beery, Underwood, Ryder and Kroeger,

First-Central Tower,

Akron, Ohio.

793.94/12266

F/FG

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

-2-

American-owned merchant vessels.

Sincerely yours,

For the Secretary of State:

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

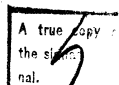
Enclosures:

Press releases of
September 14, 1937,
and January 10,
1938.

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

NO. 1108

AMERICAN CONSULATE GENERAL,

Shanghai, China,

1938 JAN 31 PM 3 55

DIVISION OF
COMMUNICATIONS
AND RECORDS

M
Stanton

December 11, 1937.

SUBJECT: Intelligence Summaries for the Period
November 8th to November 30th.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my despatch No. 1060
of November 8, 1937, transmitting the intelligence summaries
prepared by Captain R. A. Boone, Intelligence Officer of the
United States Fourth Marines, for the period October 16th
to November 7th. Captain Boone's reports for the period,
November 8th to November 30th, are enclosed herewith as of
probable interest to the Department.

Very respectfully yours,

C. E. Gauss
American Consul General

800
EFS

duplicate
In triplicate
Copy to Embassy, Nanking.

DECLASSIFIED
E.O. 11652

CDL 10000

By dog NARS Date 9/19/70

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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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

8 November 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 7 NOVEMBER, TO 0800, 8 NOVEMBER 1937

1. Operations

The debarkation of Japanese troops and material in the Kingshan-Tsaoking region continues. The leading elements of the advance have already effected a crossing of the upper Whangpoc near Rice Market Ferry, and are pressing northward toward Sungkiang and the Hangchow Railway.

The new Japanese threat has already achieved one result of tremendous importance, for, according to reliable reports, the 49th and 57th Chinese divisions which have been in Pootung, have been withdrawn and removed to Fengsien, about 35 miles southwest of Shanghai. The withdrawal of these troops leaves only Chinese police on the Pootung side near Shanghai. Japanese occupation of the waterfront industrial area is believed imminent.

With the exception of an 800 yard stretch of the stream west of Poh Sing Kyung, Japanese forces control the southern bank of Soochow Creek from a point east of Warren Piece to Tien Doo. Yesterday, forces between Warren and Rubicon Roads drove south across Lincoln Avenue where their advance was stopped by heavy fire from a well integrated set of machine gun positions.

The Chinese continue to construct strong defenses south of Siccawei Creek. Yesterday morning they dynamited the Siccawei Railway Bridge, and made preparations for burning the Chung San Bridge.

2. Miscellaneous

The Pacantui troops which have guarded the Nantao Bund were withdrawn on the 6th and their place taken by Special Police.

On the 6th, three Japanese transports secured to wharves in Yangtzepoo. They landed about 500 laborers, along with a number of trucks and armored cars.

The removal of the menace of Chinese artillery in Pootung should have an immediate effect on commercial Shanghai making it possible for seagoing vessels to come up the Whangpoo in safety.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade 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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

9 November 1937

RESTRICTED

B - 2 REPORT

PERIOD 0800, 8 NOVEMBER, TO 0800, 9 NOVEMBER 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 2, British War Office.

1. Operations

The Japanese offensive moving north from Hangchow Bay has expanded along the banks of the Whangpoo in both directions from the Rice Market Ferry. According to late reports, one mechanized detachment has progressed almost to the Minghong crossing, while a sizeable force has crossed the river and advanced to Sunkiang where fighting is now in progress. Farther west, another unit has cut the Hangchow Railway. Chinese troops both from Hangchow and the Shanghai front, have been rushed to the defense.

With weather favorable for good observation, Japanese field batteries were active throughout all of yesterday. Under the vigorous shelling, Japanese troops made slow progress along the Soochow Creek front. In the Sih Ka So region units have penetrated as far as 300 yards south of Lincoln Avenue.

During the past two nights Chinese troops have been seen moving southward from the extra settlement roads area toward Minghong.

Last night after 2400 the withdrawal assumed large proportions, and a mass retreat is indicated. At 0800, all Chinese forces had left the British perimeter and large numbers were seen moving precipitately southward from the Hungjao area. Japanese troops are crossing the creek via the Jessfield Railroad Bridge as this report closes.

At 0220 this morning the Toyoda Mill (28.75-45.70) was set on fire and is still burning.

The Pootung area was quiet yesterday, with no disturbance other than several cases of looting brought on by the flight of Chinese police from the waterfront section. It is reported that there are remaining in Pootung a number of plain clothes snipers. There is however no confirmation of this report.

2. Aircraft

Japanese planes bombed the Hungjao Road Sector intermittently during the day. At about 0900, 3 planes made dive bombing attacks on the Lunghwa area.

Longer range bombing flights were carried out over Sunkiang, Soochow, Tsingpu and Kashing.

This morning over 20 bombers were active in the Hungjao Road section.

3. Miscellaneous

It is reported that the 46th, 59th, 90th, and 93rd Divisions have been transferred from the Shanghai front to Tsingpu.

On the 7th, three Japanese transports unloaded a number of trucks, light tanks, and munitions supplies at wharves in Yangtzepoo.

A number of Japanese divers have recently arrived in Shanghai reportedly to assist in cutting the Whangpoo boom.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

10 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 9 NOVEMBER, TO 0800, 10 NOVEMBER, 1937.

1. Operations

The swift retreat of the Chinese forces from this area was closely followed by Japanese infantry and mechanized units which have occupied the entire Hungjao-Lunghwa area. Advance units pressed southward toward Minghong in an effort to contact Japanese forces driving northward, while "mopping-up" detachments advanced into the Nantao region where a group of Chinese regulars and Paoantui are isolated.

Farther to the North, Chinese defenders in the Kaung Jao and Nanziang regions were in retreat yesterday, but as yet there is no evidence of withdrawal from Kiating.

The drive from Hangchow Bay has progressed north from Sungkiang along the railroad, although fighting is still in progress in that town.

Where the Chinese will take up their next stand is still problematical. Heretofore the heavy defense has generally been described as running from the Yangtze through Taitsang, Tsingpu and Sungkiang, to Chapu on Hangchow Bay. However the Japanese effort north of Chapu and the imminent fall of Sungkiang has so menaced the Chinese center that there is little possibility of Tsingpu being held.

2. Aviation

The retreating Chinese forces were closely followed by Japanese bombing and strafing planes which extended their operations as far as Sungkiang and Tsingpu. Between 0730 and 1030 yesterday two large tri-motor bombers concentrated on the Lunghwa Station area. At 1615 six more planes bombed the Kiangnan Arsenal and the Kiangnan Engineering Works, where some of the surrounded Chinese troops are located.

Bombing operations were also carried out over Soochow.

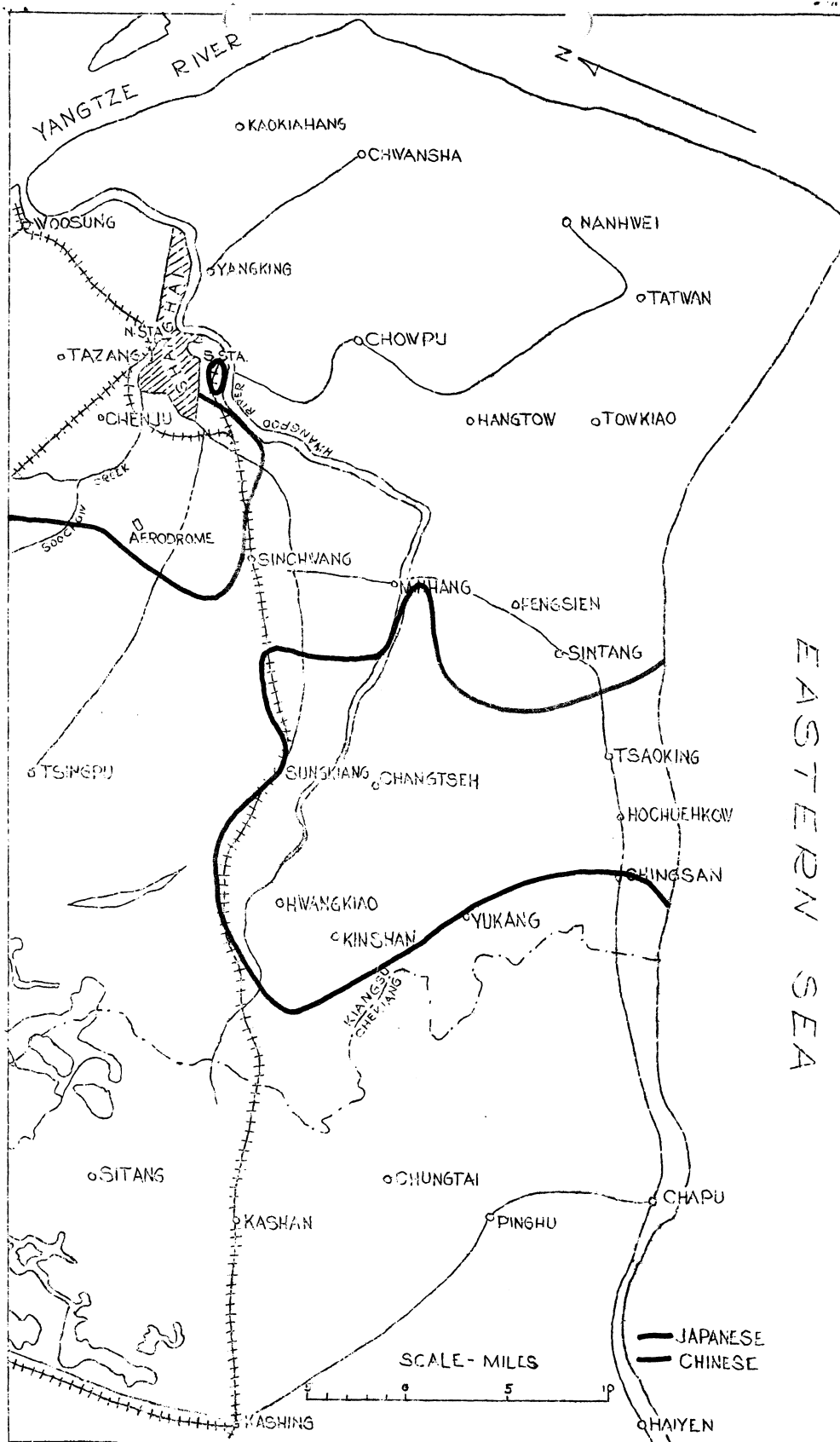
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

3. Miscellaneous

Five Japanese transports arrived on the 8th. They disembarked about 3000 troops, quantities of gasoline and munitions at wharves in Yangtzepoo.

J. H. Kaulbach
for R. A. BOONE,
Captain, U. S. Marine Corps,
Brigade 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



OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

11 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 10 NOVEMBER, TO 0800, 11 NOVEMBER 1937

Map Reference - Plan of Shanghai, Scale 4"=1 mile,
Sheet 2, British War Office.

1. Operations

The Japanese forces which crossed Soochow Creek on the 9th pressed southward yesterday toward Minghong, and it is reported that they have made contact with units advancing northeast from Sungkiang. That town is now in Japanese hands and their penetration has reached the point where Tsingpu is threatened. It was learned yesterday that little pressure is being exerted in the Liuho-Nanziang sector, and that the line from Liuho to Soochow Creek is held by only two Japanese divisions, while the greater part of the attacking force is pursuing the withdrawing Chinese to the southwestward.

Another Japanese landing force is reported to have secured a beachhead on the south side of Hangchow Bay, and to have cut the important Hangchow-Ningpo highway.

The Chinese troops isolated in Nantao are estimated to number between 4000 and 8000, and are composed of remnants of regular units, Pacantui, police, and volunteers. Beginning at about 1300 yesterday, after a previous warning to the Consular body, the Japanese began a vigorous assault with artillery, machine guns, and aerial bombs, in an effort to force the Chinese to surrender or withdraw across the Whangpoo. During the attack, over 50 large bombs were dropped in the vicinity of the San Peh Docks, the Chinese Electric Company and the Kiangnan Arsenal. Shells fell generally over the Nantao area east of Zah Wei Creek. Many

() ()

of these projectiles were fired from batteries near Zi Ka Zah (28.75-47.15), and passed over the French Concession and International Settlement in their flight. The Chinese defenders have several field guns which they fired intermittently during the afternoon and last night.

2. Aircraft

Extensive bombing operations were carried out yesterday at Tsingpu, Kashing, Soochow, and at Nanking, where 12 bombers raided the military airdrome.

Chinese planes made a bombing attack on Japanese warships anchored in Hangchow Bay.

3. Miscellaneous

Four Japanese transports secured to wharves in Yangtzepoo on the 9th, bringing about 3500 men, munitions and supplies.

Yesterday General Matsui stated that it was his intention to use all available means of communication, land sea and air, to supply the Japanese Army. With the deep penetration inland, the Japanese logistical problem is greatly intensified. It is believed that if the Hangchow and Nanking railways are to be used, rolling stock and engines will have to be brought from Japan, for the Chinese equipment has moved back with the Chinese Army.

RA 1300uf
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

12 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 11 NOVEMBER, TO 0800, 12 NOVEMBER 1937

1. Operations

The Japanese forces which made a junction on the 10th, near Ssaching, have continued their drive to the southwest. The resistance offered thus far to the pursuit has not been strong, and Japanese vanguards have pressed down the Hangchow railway to within 15 miles of Kashing, while the Chinese stronghold of Tsingpu is reported to have fallen yesterday. There is still little activity from Luiho to Manziang. The Chinese have recently withdrawn two divisions, the 153th and 170th from that area to Kashing.

On the local front, efforts were made from three sides to force the surrender of the Chinese in Nantao. Relentless artillery shelling, coupled with aerial bombing, fire from two gunboats, and infantry assaults on Zah Wei Creek have rendered the area a burning shambles. Japanese forces which landed in Pootung yesterday morning maintained a heavy fire on the Nantao Bund. The Chinese defenders replied, from time to time, with field pieces and machine guns, but were finally forced to give ground, and shortly after 1400, began disarming themselves and surrendering to the French authorities. By this morning, over 4000 have been interned in concentration camps, and the Japanese remain practically unopposed in Nantao.

2. Aircraft

Kashing, Nanking, Soochow, Wusih, and other Kiangsu and Chekiang cities were raided by Japanese bombers yesterday.

3. Miscellaneous

Indications of the Japanese intentions regarding the occupied area around Shanghai are evidenced by the arrival in the city of Chen Chueh-sung, Chief of the Peiping-Mukden Railway Administration, and Wong Ih-tong, member of the defunct Hopei-Chahar Political Council. These men, well known Nipponese tools, are reliably reported to be Chairman and vice-Chairman of the "Shanghai Peace Maintenance Association" to exercise jurisdiction over an area not yet clearly defined, but known to include the region from Chapei to Paoshan.

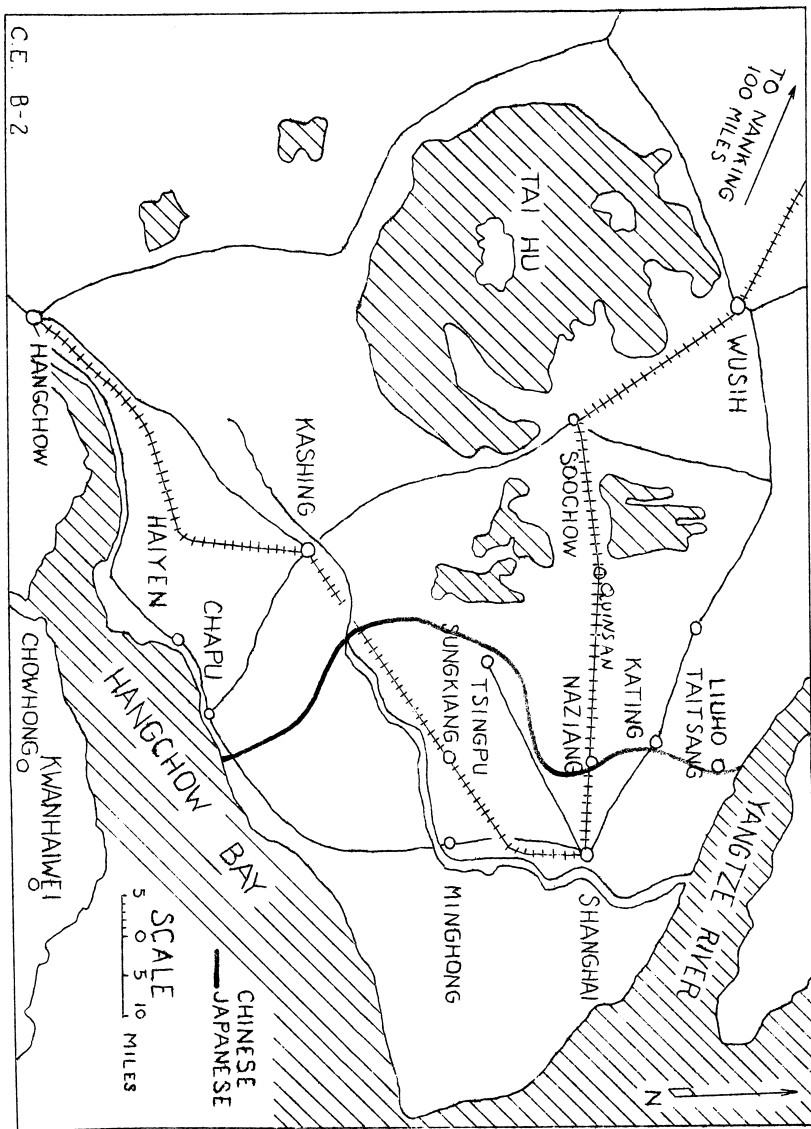
Four Japanese transports arrived on the 10th, carrying 1500 men, artillery, and light tanks.

During the progress of the Nantao episode yesterday, Japanese sailors set fire to a number of junks in the Whangpoo boom. The burning boats broke from their moorings and, for a time, menaced neutral vessels in the harbor.

Today at 1100, the Messageries Maritimes "President Doumer" will secure to the Shanghai-Hongkew Wharf Company's Hongkew Wharf (in Yangtzepoo), thus being the first ocean going steamer of other than Japanese nationality to come all the way up the river.

RA Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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



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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

13 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 12 NOVEMBER, TO 0800, 13 NOVEMBER 1937

1. Operations

The continued lack of unified resistance on the part of the withdrawing Chinese forces gives strong indication that a coordinated defense will be impossible this side of the lake region. A line running from Quinsan or Changshu, through Soochow and Kashing, to Chapu, appears to be the most probable setting for any staunch Chinese defense.

Troops from Hangchow Bay and the Shanghai region, pressing from two directions have caused the evacuation of Nanziang and Anting, and are continuing toward Kiating while other Japanese units are marching in the direction of Quinsan.

The Japanese are now in full control in Nantao. After a day of intermittent artillery shelling from the Pootung waterfront, landing units advanced into the Chinese city from the Bund late yesterday afternoon and completed the occupation, thus ending fighting in the urban area. Japanese troops were withdrawn from Nantao in large numbers, and moved northward on Chung San and Chao Tung Roads in the direction of Kiating.

2. Aircraft

Bombing raids were made at Kashing, Soochow, Quinsan, Changshu, and at Wusih, where the American Mission Hospital is said to have been hit.

DECLASSIFIED: E.O. 11652, 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. Miscellaneous

General Pai Chung-hsi, who is reported to have been in general field command of the entire Chinese defense, both in North China and the Shanghai area, is now in Kashing, having come from Haichow, Kiangsu. His presence there is undoubtedly for the purpose of coordinating the Chinese retreat and organizing the new defense line.

Ten Japanese transports arrived in Shanghai on the 11th. They carried about 5000 troops plus a number of motor trucks and light tanks.

Yesterday afternoon a Japanese gunboat made its way through the Whangpoo River boom.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

14 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 13 NOVEMBER, TO 0800, 14 NOVEMBER, 1937.

1. Operations

Concentrating efforts in a drive against the Chinese left flank, Japanese forces yesterday achieved the fall of Kiating, and have advanced to within 3 miles of Quinsan, and 2 miles of Taitsang. The column advancing south on the Hangchow Railway has reached a point only 10 miles from Kashing, while on the 12th another column captured Pingwu and progressed to within 2 miles of the Chinese right flank strong hold at Chapu. It becomes increasingly evident that since the withdrawal of 9 November the Chinese resistance has been of the weakest sort.

Shanghai and the adjacent region were quiet yesterday, the only activity being Japanese efforts to open a larger channel through the Whangpoo boom. Two mines were found and destroyed by Japanese naval craft.

It is reliably reported that the Japanese landing on the south side of Hangchow Bay has progressed about 15 miles inland, and has succeeded in cutting the Hangchow-Ningpo motor road near Shaohing (18 miles east of Hangchow).

2. Aircraft

Japanese planes dropped bombs in the vicinity of Chapu, Quinsan, Kashing and Ningpo yesterday.

3. Miscellaneous

It is reported that the 7th Army, which was in the Nanzhang-Liuho line prior to the Chinese withdrawal, is now in the vicinity of Kashing.

A number of the local Chinese government offices, including the Passport Bureau have been closed down.

Japanese cotton mill owners held a meeting of their senior Chinese employees on the 11th, in an effort to secure the resumption of mill operations. An agreement was reached with a number of the workers, and it is expected that partial activity will be resumed in the near future.

Five Japanese transports arrived on the 12th and secured to wharves in Yangtzepoo. They carried about 2000 troops, and munitions supplies.

Eight Japanese launches were noted to pass "C" sector on Soochow Creek yesterday.

H. H. H. H.
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA.

15 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 14 NOVEMBER, TO 0800, 15 NOVEMBER, 1937.

1. Operations

Changshu and Quinsan, two of the Chinese key defense points were further menaced yesterday by another major landing of Japanese troops. This took place at Palmaokuo, a point on the Yangtze coast 18 miles northwest of Liuho, and, from latest reports, had progressed to within 9 miles of Quinsan and 15 miles of Changshu. At the same time, Quinsan was endangered from the south by two mobile columns which had captured Taitsang on the afternoon of the 13th, forced the evacuation of Liuho yesterday morning, and advanced to within 2 miles of the city.

Japanese forces operating from Tsingpu are driving westward in an effort to cut the Kashing-Soochow railway. Advance units have penetrated to within 3 miles of the line. This railroad is a providential lateral communication axis for the Kashing-Soochow-Changshu, or the Kashing-Soochow-Wusih-Kiangyin defense lines. Loss of any point on this road would work incalculable harm to the Chinese plan.

2. Aircraft

The advancing Japanese columns were closely supported yesterday by bombing planes which attacked Quinsan, Wusih, and troop concentrations between Kashing and Kashing and near Soochow.

3. Miscellaneous

Three Japanese transports arrived on the 13th, carrying about 1500 troops, also munitions and several light artillery pieces.

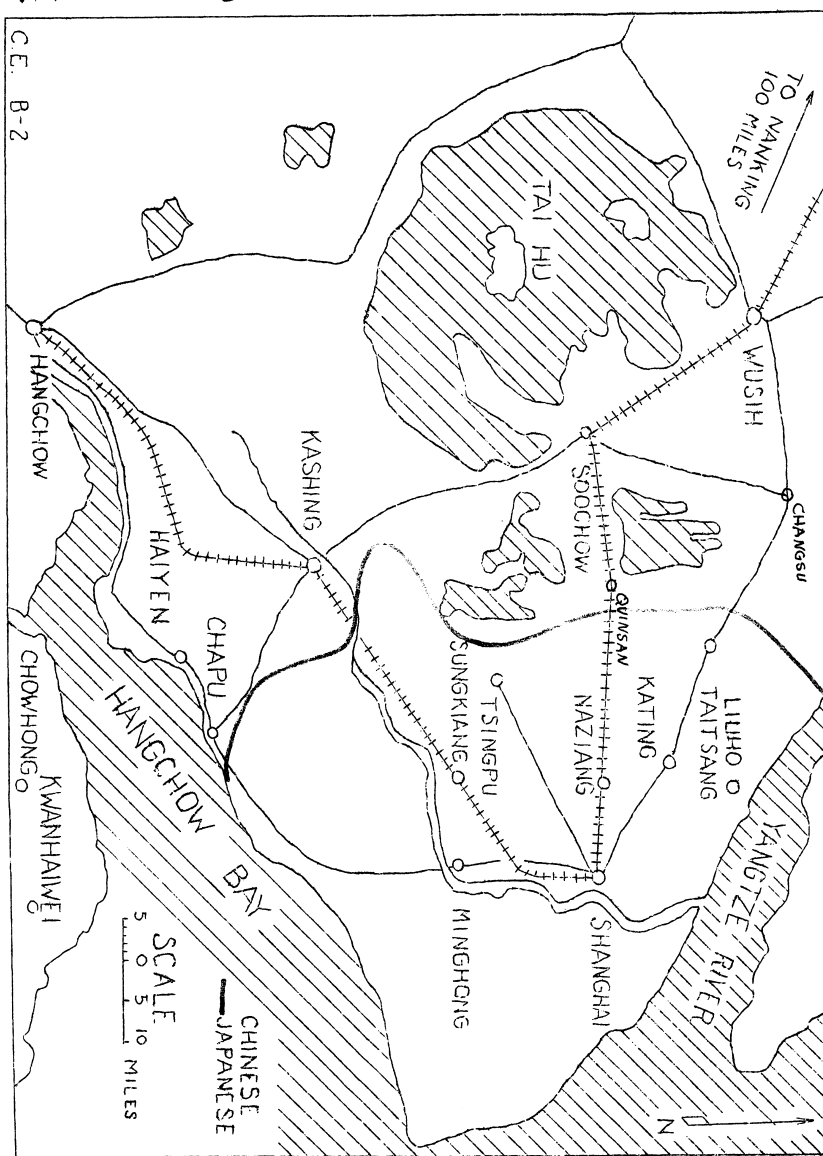
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Hunter NARS, Date 12-18-75

The continued influx of troops and war materials indicates that it is the Japanese plan to continue their drive in the Shanghai-Nanking area.

Japanese naval craft yesterday proceeded up the Whangpoo past Minghong, where they made contact with army forces. During this trip they removed a total of fifteen mines and captured four Chinese gunboats.

R. A. Boone
R. A. BOONE,
Captain, U. S. Marine Corps,
Brigade Intelligence Officer.

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



OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA.

16 November, 1937.

RESTRICTED

B-2 REPORT

PERIOD 0800, 15 NOVEMBER, TO 0800, 16 NOVEMBER, 1937.

1. Operations

Steadily pressing westward, the Japanese advance yesterday morning occupied the important town of Quinsan. This column, moving up the Shanghai-Nanking Railway, is now less than 15 miles from Soochow, pivotal point of the lake region defense, while another column, from Taitsang, is about 10 miles from Changzu.

The break in the Soochow-Kashing railroad described as imminent in yesterday's report has actually occurred. Japanese forces moving overland, and on motor sampans and junks through the lakes and canals, captured Pingwang, 16 miles north of Kashing.

From Kashing to Chapoo the Chinese are offering stouter resistance than on any other section of the line. Although Japanese forces are very near Chapoo, they have not yet taken the town, nor have they advanced much nearer Kashing than Fashan station.

2. Aircraft

Japanese bombers carried out an intensive raid on Soochow yesterday, causing heavy damage and leaving large areas in flames. Kashing also was vigorously bombed, as were Wusih, Changzu, Tanyang, Yangchow, and the Nanking Military Airdrome.

3. Shanghai and Environs

For the policing of the Pootung area the Japanese military have appointed one Tsu Yao Soh, recently arrived from Tientsin, as Chief of Police, and have hired about 300 Chinese constables, who were formerly members of the Shanghai City Government Police Bureau.

The incoming supply of farm products, which was greatly curtailed during and immediately after the Chinese retreat, has begun to increase. Japanese troops in the Western District and Pootung are encouraging farmers to return to their work. Considerable trouble has been experienced with ex-soldiers who have shifted to plain clothes and are engaged in looting. The Japanese shoot these people on sight.

On the 13th, Sikh constables of the Shanghai Municipal Police took over traffic direction in the Hongkew district as far north as Range Road.

About 300 Japanese residents who evacuated the city in early August were returned here via the Shanghai Maru on the 12th.

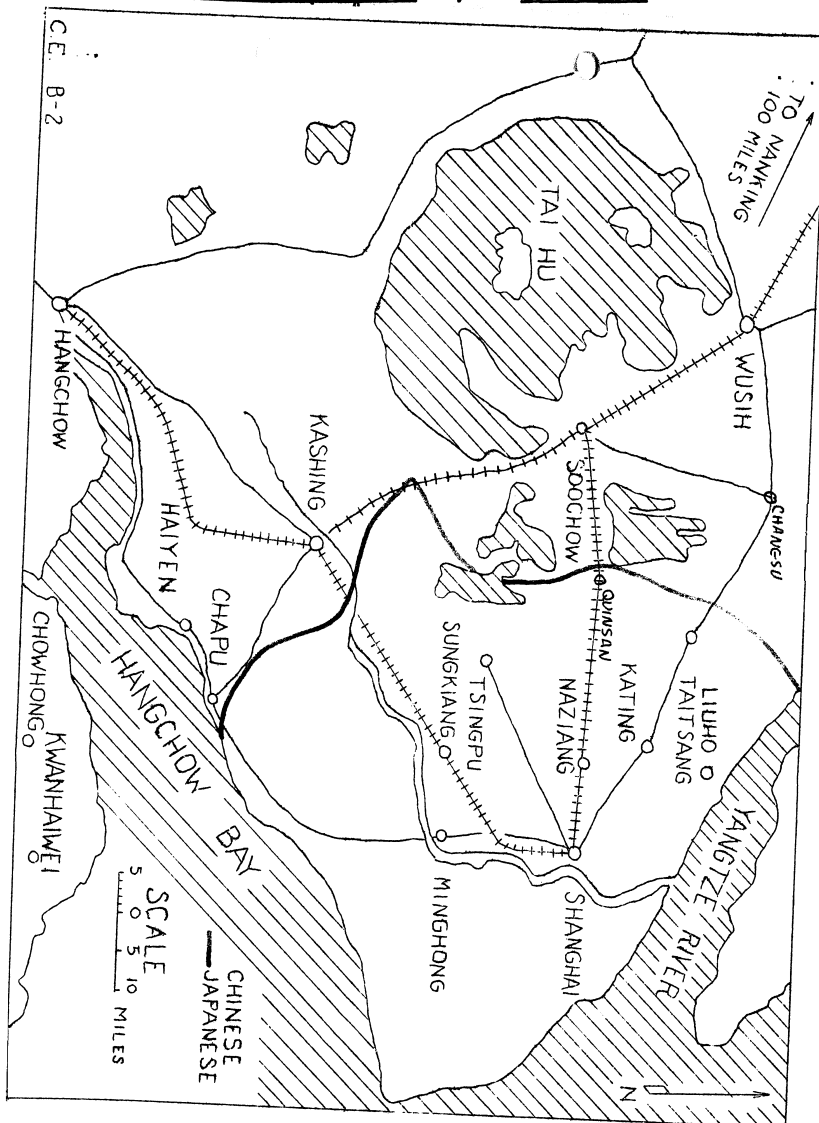
4. Miscellaneous

It is reported that the 47th Chinese Army (Szechuanese provincial troops) are on their way from Szechuen to Nanking.

Two Japanese transports arrived in Yangtzepoo on the 14th, carrying 1200 men, munitions, and a number of mules.

The Japanese Navy yesterday took over nine Chinese customs cruisers berthed at the C.M.S.N. Kin Lee Yuen wharf.

H. Krulak
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.



OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA.

17 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 16 NOVEMBER, TO 0800, 17 NOVEMBER, 1937.

1. Operations

The Japanese right flank advance continued its rapid westward movement yesterday. Units operating from Quinsan have driven through Iting, a station on the Nanking Railway only eight miles from the walls of Soochow. The column moving toward Changzu has advanced to within four miles of the town, and yesterday subjected it to an intensive artillery bombardment.

Chinese defenses on the Chapoo-Kashan line have held up the Japanese advance effectively for three days. However, the security of this line is endangered by the growing wedge which Nipponese forces have driven into the Kashing-Soochow railway at Pingwan.

A new development has appeared with the report that Japanese troops have been landed on Pitman King Island, in the Yangtze, due north of Changzu.

2. Miscellaneous

We are informed that the organ for administration of the Japanese occupied territory around Shanghai will consist of nine Japanese and six Chinese. Four of the Chinese will be natives of North China, while the other two will be local men.

There are persistent reports that the seat of the Central Government is being moved from Nanking with departments going to Hankow, Chengtu, and Chungking. Many important archives have already been sent to Hankow for safe keeping. The Central Military Academy has already been moved to Changsha, Hunan.

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

Thirteen Japanese transports docked at wharves between Woosung and Yangtzepoo on the 15th. They carried about 7000 troops, 20 trucks, 10 heavy artillery pieces, and miscellaneous supplies and munitions.

R. A. Boone
R. A. BOONE,
Captain, U. S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA

18 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 17 NOVEMBER, TO 0800, 18 NOVEMBER, 1937.

1. Operations

It is reported that Changzu, the Chinese stronghold 25 miles north of Soochow has fallen into Japanese hands. Soochow is now endangered from three sides, with Japanese units marching toward the city on the Nanking Railway, Kashing-Soochow Railway, and Soochow-Changzu motor road. Farther south, the columns driving toward Kashing have passed through Kasha and are less than four miles from the town.

With the fall of Changzu and the steady advance on both Soochow and Kashing it becomes quite evident that the Chapoo-Kashing-Soochow line, considered by many to be the strongest tactical position between Shanghai and Nanking, cannot be held. The next satisfactory disposition is on a line from Kiangyin to Wusih, with the right flank resting on Tai Hu, and from Nansing to Haiyen or Huchow to Hangchow, using the lake for left flank security. In connection with this plan it is to be noted that Tai Hu may well prove an aid for the Japanese, since utilizing motor sampans and miscellaneous craft they can cross the lake and arrive in considerable force behind the Chinese lines. Moreover, the Yangtze flank on Kiangyin is none to secure, as Japanese warships have already bombarded the forts there while efforts are being made to break the boom at that point. In short, operations on the Yangtze delta have reached a point where, unless Chinese resistance stiffens with great rapidity, the extent of the Japanese advance will be dictated solely by the Japanese will.

2. Miscellaneous

The Footung Branch of the Shanghai Police Bureau is now operating. Its chief, one Yih Shing, and its personnel, are all Chinese, ex-members of the Shanghai City Government Police.

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

In order to assist in maintaining the supply of poultry and truck garden products, a ferry service for farmers has been instituted between the Customs Jetty and the Kiaochiao Creek ferry wharf, Pootung.

Six Japanese transports arrived in Shanghai on the 16th, carrying 1200 troops, 30 motor sampans, gasoline and lumber.

Between the 1st and 13th of this month 1124 foreigners returned to Shanghai. Of this number 791 were British and 89 American.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA

19 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 18 NOVEMBER TO 0800, 19 NOVEMBER, 1937.

1. Operations

There is little change in the military situation. Heavy rains have curtailed Japanese aircraft activity, transportation, and artillery observation. This coupled with more concerted Chinese resistance before Soochow, has operated to retard the Japanese drive. Troops moving on Kashing from the north have reached the city walls, while the column advancing from the east is within two miles of the town.

The Japanese units which cut the Kashing-Soochow railway have pressed on westward and now have a foothold on the bank of Tai Hu, where preparations are being made to launch an attack by water on the Chinese rear.

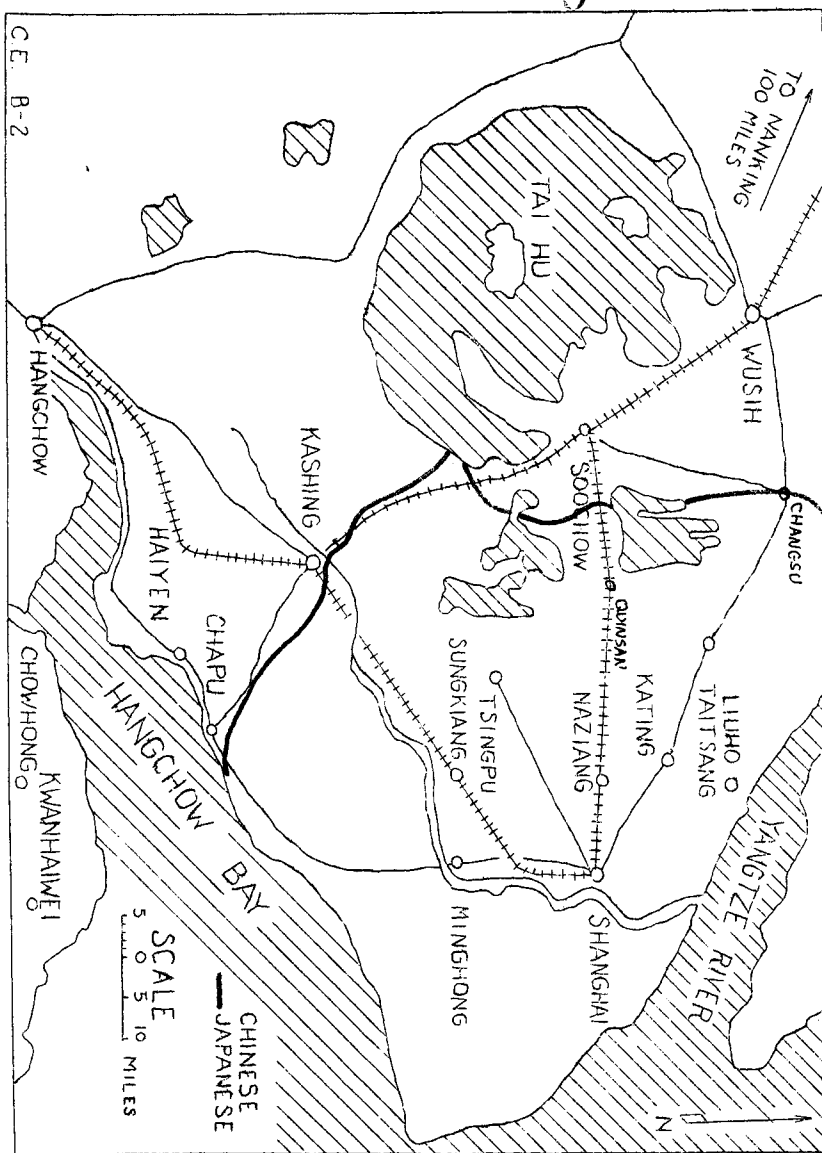
2. Miscellaneous

Twelve Japanese transports arrived in Shanghai on the 17th. They discharged 30 motor sampans, lumber, munitions, and 3500 troops.

The joint Japanese army-navy casualties for the Shanghai area have been set by their spokesman at 40,810 killed and wounded. This figure appears to be somewhat low, best estimates putting the number between 50,000 and 60,000.

2720 Chinese refugees left the city for Tungchow and Haimen yesterday.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.



OFFICE OF THE BRIGADE INTELLIGENCE OFFICER,
HEADQUARTERS, SECOND MARINE BRIGADE,
SHANGHAI, CHINA.

20 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 19 NOVEMBER, TO 0800, 20 NOVEMBER, 1937.

1. Operations

Japanese reports, as yet unconfirmed, announce that Nipponese forces have completely occupied Kashing. Actually, it is believed that Chinese troops are still in partial possession of the town, with severe fighting still going on. Farther up the Soochow-Kashing Railway the Japanese are pressing slowly toward Soochow, apparently encountering stiff resistance. The line between Soochow and the Yangtze was broken yesterday by Japanese units at a point about 3 $\frac{1}{2}$ miles southwest of Fushan, and although the Japanese claim to have captured Changzu, Chinese spokesman insist that the town remains in their hands.

Heavy Chinese reinforcements have moved eastward through Nanking toward the active area. It is noted that these reinforcements are made up, in a large degree, of poorer class soldiers. In the past few days approximately 24,000 Yunnanese provincial troops and 25,000 old northeastern troops have moved into the Kiangyin-Wusih-Soochow area.

2. Miscellaneous

President Lin Sen of the Chinese Republic left Nanking on the 17th, along with several ministers of the Executive Yuan.

Numerous instances have come to note of Chinese of considerable prominence making open gestures of friendship to the Japanese in the Shanghai area. Among these are Chi Hsieh-yuan, ex-governor of Kiangsu province, and Tu Yuen-sung, chairman of the Shanghai Citizens Association.

Three Japanese transports docked at wharves in Yangtzepoc on the 19th, carrying munitions and 2000 troops.

2670 Chinese refugees left Shanghai for Tungchow yesterday.

Y. H. Kunkak
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

23 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 22 NOVEMBER, TO 0800, 23 NOVEMBER 1937

1. Operations

The precipitate retreat of the Chinese forces continues as Japanese troops crossing Tai Hu lake in small boats are attempting to outflank the withdrawing units. The vanguard of the Japanese column north of Tai Hu is nearing Wusih, and Japanese reports declare that advance units entered the town yesterday. Further Nipponese reinforcements were landed at Fushan while naval vessels shelled the Kiangyin Forts. South of the lake, Chinese forces appear to still hold Haiyen and Haining, but Huchow is in imminent danger of capture because of threats from the eastward on land, and the northward from the lake. Units transported on motor sampans have already landed on the west shore of Tai Hu, and are engaged with Chinese troops in that area. Indications are that the Wusih-Kiangyin line will soon give way to one extending from Chinkiang to Hangchow, passing west of Tai Hu.

2. Miscellaneous

140 Japanese transports were noted yesterday between Fairway Buoy and Woosung. Of these only three carried troops, the remainder being loaded with supplies. It is learned that some of these vessels came from Dairen.

It is reported that the Chinese Ministry of the Navy has been abolished. The larger ships have been sunk to make two additional booms above Chinkiang.

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

A branch of the Yokohama Specie Bank was opened in Hongkew on the 20th employing about 10 Chinese and Japanese members of the regular staff.

During the first three weeks of this month 1470 foreign evacuees returned to Shanghai. This number included 940 British and 119 Americans. Approximately 60 per cent of the British subjects who evacuated at the inception of the trouble have now returned.

J. H. Boone
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

26 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 25 NOVEMBER, TO 0800, 26 NOVEMBER, 1937.

1. Operations

The Chinese command has concentrated large numbers of troops along the well fortified Kiangyin-Wusih road, and are presenting the strongest resistance shown since the fall of the Kating-Dazang line. This defense is being directed by General Chen Cheng, Vice-Minister of War. The all-important Kiangyin Forts, securing the Chinese left wing are under the command of General Ong Chao-wan, who commanded the Woosung forts in the 1932 fighting. Weak point in the defense is the right flank resting on the north bank of Tai-Hu, open at any time to attack from the water. It is in this area that the Nipponese are making their strongest effort. Covering three miles in as many days, Japanese forces have driven the defenders back to the walls of Wusih. The Japanese military spokesman last night declared that assault units had already entered the town. The fall of Wusih will undoubtedly be followed by an evacuation of the present line to positions west of Tai Hu, with the left flank still at Kiangyin.

The defense line between Tai-Hu and Hangchow Bay is gradually moving westward, although Haiyen, despite repeated Japanese naval bombardment and infantry assaults, still remains in Chinese hands. Wushing (Huchow) which had held out against heavy frontal attacks was finally outflanked and captured on the 24th by a successful Japanese landing on the lake shore north of the town.

2. Aircraft

During the past two days Japanese aviation has been vigorously active along the entire line.

Wusih and Kiangyin were bombed repeatedly on the afternoon of the 24th and again yesterday morning. Changchow, Iking, and other cities on the west side of Tai-Hu lake have also been attacked.

On the 24th the Canton-Kowloon railway was bombed, while Japanese planes carried out air raids over Nanking on the 24 and 25th.

3. Miscellaneous

A total of thirteen Japanese transports arrived on the 23rd and 24th. They landed 4,000 men, 30 trucks, 300 horses, lumber and munitions.

An unconfirmed report states that Mr. T.V. Soong, Chairman of the National Economic Council, accompanied by Mr. David Kung (son of H.H. Kung) departed for Hongkong on the 22nd.

Since the removal of fighting from this region, 729 families have returned to the West Hongkew District.

Yesterday the Lloyd Triestino liner Conte-Rosso docked carrying about 800 foreign passengers. Among these were 256 British and 198 Americans, principally women and children returning from Hongkong and Manila.

The British Consulate-General announced yesterday that hostilities having moved away from the International Settlement, the reasons for British subjects not returning to Shanghai no longer exist.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

29 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 26 NOVEMBER, TO 0800, 29 NOVEMBER, 1937

1. Operations

Japanese units which succeeded in breaking through the Chinese line at Wusih and to the northward, have, during the past two days, driven up the Nanking Railroad and southwestward around Tai Hu Lake. Their efforts are centered now on the capture of Wutsin (Changchow) and reduction of the Kiangyin Forts. The defenses at Kiangyin are sustaining vigorous bombardment from both land and naval guns, but still remain intact.

South of the lake the Japanese columns from Huchow (Wushing) which occupied Changhing, have divided forces. One unit, which is pressing westward in the face of weak resistance, has reached Szean, a town only 13 miles from Kwangteh, Anhwei, while another unit is advancing north along the lake shore. Joining forces with the troops which were landed at Kiapu several days ago, this detachment is moving on Ihing.

2. Aircraft

Availing themselves of the fair weather, Japanese aircraft units have been vigorously active the past two days, bombing Chinese defenses and routes of supply. Kiangyin has been attacked daily as have Changchow, Ihing, Kwangteh, Tsingteh, and Chinkiang. Yesterday the Canton area underwent an extensive air-raid during which the Canton-Kowloon Railway service was temporarily interrupted.

3. Miscellaneous

On the 26th ten Japanese transports disembarked 2000 men, along with 100 horses, 200 mules, several trucks, and munitions.

The following Japanese army units have been noted in the Yangtze delta campaign:

3rd Division
6th Division
9th Division
11th Division
16th Division

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

*101th Division
*102th Division
*103rd Division
*112th Division
*114th Division
*Imperial Guards Reserve Division
Two Formosan Brigades
1st Tank Regiment
4th Cavalry Brigade
1st Heavy Field Artillery Brigade
4th Heavy Field Artillery Brigade
6th Heavy Field Artillery Regiment
10th Heavy Field Artillery Regiment
Kelung Heavy Artillery Regiment
3rd Independent Mountain Artillery Regiment
1st Anti-aircraft Regiment
3rd Air Regiment
4th Air Regiment (2 Squadrons).

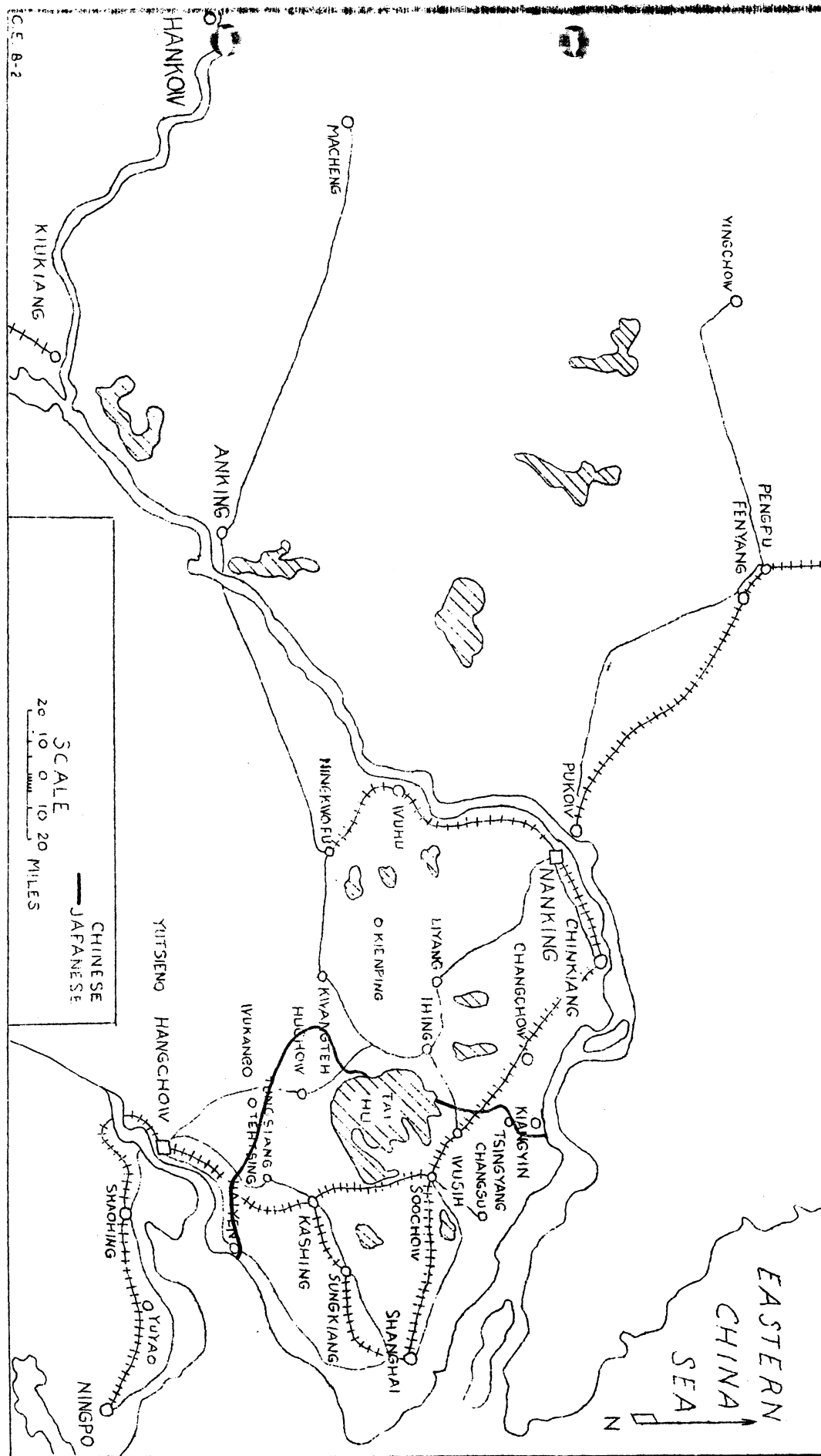
*Reserve Units.

It is widely rumored that General Yang Hu, Commander of the Shanghai-Woosung Garrison has been executed by Nanking for malfeasance in office, prior to the Japanese occupation.

Yesterday, on orders of the Japanese, local Chinese Communication offices refused to accept telegrams for the interior. Messages to foreign points are accepted as usual. The Japanese state that they have in principle taken over the local customs, postoffice, and communication facilities, and that no further extension of control is immediately contemplated.

V. H. Kunkin
for R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade 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



OFFICE OF THE BRIGADE INTELLIGENCE OFFICER
HEADQUARTERS, SECOND MARINE BRIGADE
SHANGHAI, CHINA

30 November, 1937

RESTRICTED

B-2 REPORT

PERIOD 0800, 29 NOVEMBER, TO 0800, 30 NOVEMBER 1937

1. Operations

The Japanese drive north of Tai Hu Lake has progressed rapidly during the past 24 hours. Moving up the Nanking Railroad, one unit reached the outskirts of Wutsin (Changchow) while another column, moving along the lake shore, occupied Ihing yesterday morning. The Kiangyin Forts, although still in Chinese hands, are virtually outflanked on the south and are receiving a continuous artillery bombardment. A breach large enough to permit the passage of small gunboats has been made in the boom, and the early fall of this flank is expected.

Little of note is reported from the area south of the lake. The vanguard of the Japanese advance on Kwangteh is within five miles of the town. Although still delaying the attacking forces, the Chinese line between Haiyen and the Grand Canal can scarcely hold out much longer in view of the rapid advance in the Changhing-Kwangteh region.

2. Miscellaneous

On the 27th and 28th, 14 Japanese transports arrived in Shanghai carrying 3500 troops, motor trucks, gasoline, motor sampans, and rice.

It is reported that General Ku Chu-tung, who, during the early part of the operations exercised command in the Shanghai area, has been named provincial governor of Kiangsu, and second in command to Chiang Kai-shek in the Chekiang-Kiangsu defense.

The "Aramis" departing for Hongkong on the 27th, had on board a large number of important Chinese, including O.K. Yui, Dou Yu-seng, Wang Hsiao-lai, (president of the Chinese Chamber of Commerce), Yui Ming, T. H. Soong, (brother of T. V. Soong), and Mrs. T. V. Soong.

R A BOONE
R. A. BOONE,
Captain, U.S. Marine Corps,
Brigade Intelligence Officer.

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

February 3

~~WAA~~
~~MSM~~
~~JWB~~
~~R22~~

On November 10 a press report in Shanghai stated that US\$10,000.00 is being raised by U.S. Red Cross for China relief. ^{Nov. 25}

British C.G. on ~~November 11~~ announced that the reasons for British subjects not returning to Shanghai no longer existed.

Some of the photographs of interest.

JKE

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

Voluntary

1938 JAN 31 PM 4 02

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94

A FEW MAJOR EVENTS OF THE 1937 INCIDENT
WHICH ARE REPORTED TO HAVE HAPPENED IN
AND NEAR SHANGHAI DURING THE PERIOD
NOVEMBER 1ST TO DECEMBER 10TH AS CULLED
FROM THE NEWSPAPERS AND ARRANGED IN A
DAY-TO-DAY CHRONOLOGICAL ORDER.

From:

Clarke Vyse, American Consul

American Consulate General,
Shanghai, China

Date completed: December 11, 1937

Date mailed: DEC 13 1937

APPROVED: Forwarded

C. E. Gauss,
American Consul General.

793.94/12268

FILED

DEC 14 1937

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

A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH ARE REPORTED TO HAVE HAPPENED IN AND NEAR SHANGHAI DURING THE PERIOD NOVEMBER 1ST TO DECEMBER 10TH AS CULLED FROM THE NEWSPAPERS AND ARRANGED IN A DAY-TO-DAY CHRONOLOGICAL ORDER.

November 1, Monday

According to the NORTH CHINA DAILY NEWS, worthless banknotes have been found on the bodies of Japanese soldiers killed in action around Shanghai, such as those of the Bank of Territorial Development, closed since 1916, and German mark notes of the inflation period following the Great War. The suggestion has been made that these have been used to purchase supplies from Chinese peasants.

The Company of the British Royal Ulster Rifles who have had four of their men killed during the last week, and others injured, while guarding the Jessfield-Keswick Road Sector, have been relieved by a company of the Loyal Regiment.

A protest was made by Brig.-General John C. Beaumont today to Japanese naval authorities when Japanese Marines crossed the Soochow Creek just below Woochen Road Bridge at about noon and seized a junk load of rice which was being unloaded alongside the American sector. The protest resulted in the expression of "sincere regrets" by the Landing Party commander to General Beaumont. The matter is not considered settled as Japanese gave no indication that the rice or junk would be returned.

According to a Reuter message from Tokyo, the Japanese Foreign Office announced that the Minghong incident of October 12th, when two of a convoy of three British Embassy cars were attacked by Japanese aeroplanes while

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while proceeding from Nanking to Shanghai has been settled.

November 2, Tuesday

A Reuter dispatch from Manila states that on October 31st, about 1000 members attended the Philippine League for the Defence of Democracy, an unofficial body representing labor, student and civic bodies in Manila, and passed the following resolution:

"To urge the Filipino people to condemn Japanese aggression and the massacre of Chinese non-combatants and to start a campaign to raise funds for the wounded and the refugees and for an economic boycott against Japan."

A contingent of about 40 French soldiers moved into the Chiaotung University, a Chinese Government institution, in Avenue Haig this afternoon to protect more than 2000 Chinese war refugees. Immediately after their arrival, a French flag was hoisted on the main administration building.

According to the NORTH CHINA DAILY NEWS, the report that the British posts fired today on Japanese aeroplanes is without foundation.

November 3, Wednesday

A proposal that a small portion of the old Chinese City of Shanghai be set aside as a refuge for non-combatants was in progress today, the International Relief Committee acting as intermediaries between the Chinese and Japanese authorities. The name of a French Father Jacquinot was prominently mentioned in connection with this committee.

The first shipment of Chinese products to be exported which has been sent from up river to Shanghai by water since the establishment of the boom at Kiangyin arrived

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

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arrived from Hankow in a Butterfield and Swire vessel today.

The Shanghai Municipal Council, after its recess, reassembled today with a full attendance of members.

November 4, Thursday

Persistent Japanese Attempts to cross the Soochow Creek result in bitter engagements. Severe night bombardment rocks Western areas of Shanghai.



Mr. Clarence E. Gauss,
 American Consul General at Shanghai,
 China

Frenchtown's lifeline, the waterworks plant in Nantao on the bank of the Whangpoo River, has been encircled and is being closely guarded by French Marines from the gunboat SAVORGAN DE BRAZZA.

According to a Reuter dispatch dated November 4th received in Shanghai, abolition of the extra-territorial rights of foreign nationals in "Manchukuo" was announced in Changchun today.

November 5, Friday

Negotiations

-4-

Negotiations over a period of several days, conducted by the International Red Cross Refugee Committee with both Chinese and Japanese authorities, for the formation of a safety area in the Chinese City, "for humanitarian reasons, to protect the non-combatants," met success late tonight as both Chinese and Japanese signed agreements with the Committee.

A special organ for the education of wounded Chinese soldiers has been organized by the Ministry of Education in collaboration with the war aid association in Nanking.

A lengthy statement of facts as regards the destruction of Chinese education and cultural institutions by the invading Japanese forces during the present hostilities was issued in Nanking today by 102 Chinese university presidents, professors and other educational leaders.

November 6, Saturday

Admiral Sir Charles Little, Commander in Chief of British China Fleet, states today that it is his opinion that the risk of cargo making passage above Gough Island to the Settlement or French Bund is no greater than the risk on Gough Island or at the neutral anchorage.

Japanese forces made landings near Chapoo on the Hangchow Bay. Chinese Army rushed reinforcements.

Japanese propaganda balloon was shot down by Chinese Army defending the Soochow Creek line.

November 7, Sunday

With the Japanese advance from the coast towards Sungkiang, the last highways to remain open to Hangchow and land routes to Nanking have now been officially declared unsafe.

Hundreds of refugees once more poured into the Settlement today as Pootung districts are suddenly evacuated.

That

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

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That China is not in favor of direct negotiations with Japan in settling the Far Eastern conflict was made clear by General Chiang Kai-shek in a press interview in Nanking this afternoon. General Chiang expressed himself as being optimistic concerning the military situation and reaffirmed China's determination to continue the present struggle until justice is re-established in this part of the world.



Mr. Donald,
Australian, Adviser
to General
Chiang Kai-shek

November 8, Monday

The search is still in progress for Mr. C. M. Robertson, local American owner of the Shanghai Auto Service, who disappeared last Thursday. Reports were current that he had been killed by a marine bomb explosion while

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while at Pootung, but no definite confirmation of his fate has been received. The Chinese authorities have been asked to join in the investigation now being made by the American Consulate General and every effort is being made to locate Mr. Robertson.

The southbound Blue Express passenger train No. 301 was bombed by six Japanese planes at 10:30 this morning between Hsuehchow and Nansuehchow on the Tientsin-Pukow Railway with seven of the train's coaches destroyed and 200 passengers killed and wounded.

Since the boom at Kiangyin made traffic beyond it up the Yangtze River an impossibility, two British steamers carried capacity bookings of passengers on Saturday and Sunday to Tungchow, the farthest up-river port still open for traffic.

A London Reuter message dated November 8th states that the British Consul General in Shanghai, Mr. Herbert Phillips, had been instructed to file claims by Britons in the International Settlement for compensation for damage caused by the Sino-Japanese hostilities, announced Mr. Anthony Eden, the Foreign Secretary, in the House of Commons today.

November 9, Thursday

Chinese Army withdraws from Western area of Shanghai, and is determined to defend Nantao.

It is understood that acting on medical advice, Sir Hughe Knatchbull-Hugessen, British Ambassador, is postponing his return to China, and he is not expected to resume his duties here before the end of the year.

With the hoisting of Red Cross flags over the principal buildings on its four sides, the Nantao area

reserved

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

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reserved for non-combatants, which is the northern section of the Chinese City, was formally established today. The only armed force in area is police with pistols and batons. A notice was issued by Mr. O. K. Yui, the Mayor, acquainting the public with the creation of the area.

A Shanghai Municipal Council official denies changes in the status of Shanghai, saying administration of city will remain in hands of elected Councilors.



Madame Chiang
Kai-shek, Wife of the
Chinese Generalissimo

November 10, Wednesday

Arrangements for raising US\$10,000,000 to aid the war victims in China have been completed by the Red Cross Society of America, according to word

received

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

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received here from Dr. C. T. Wang, Chinese Ambassador to the United States. It is understood that the fund will be raised much in the same way as the Red Cross drive in the United States of America to aid the Japanese during the Tokyo earthquake.

With the International Settlement boundaries freed of hostilities, orders were issued this morning announcing the demobilization of the Shanghai Volunteer Corps with effect from November 12th.



The Standard Bearer of the "Lost Battalion", one of two girls reported to have chosen to be barricaded in Joint Savings Society Building with other soldiers to protect Chinese retreat from Chapei. She appears camera shy.

Despite the fact that a refugee zone has been opened in Nantao by the Shanghai International Red Cross, thousands of the Nantao section residents were jamming all entrances

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entrances into the French Concession during the afternoon and far into the night, hoping to be admitted into French controlled territory.

November 11, Thursday

Mr. Philip Pembroke Stephens, correspondent for the DAILY TELEGRAPH of London, was killed today and three other foreigners were wounded when a Japanese machine-gun fired for about fifteen minutes across Siccawei Creek, including in its spray of bullets the water tower at the end of Avenue Dubail which was being used by a party of nine foreigners at 3 p.m. as an observation point.

A force of between 3000 and 4000 Chinese soldiers who had decided to hold on to the end but were vastly outnumbered and overpowered by all the mechanical might of the Japanese forces, were ordered to evacuate Nantao by Chinese headquarters in the evening.

In the midst of war, Armistice Day ceremonies were observed in Shanghai. In fact bombing could be seen as well as heard during the service on the Bund.

November 12, Friday

A six-hundred word address, bidding temporary farewell to Greater Shanghai, was issued tonight to the local Chinese populace by the Political Department of the Military Affairs Commission. Among other things, the address states that the withdrawal of Chinese troops from Shanghai area should not be construed as a military defeat but the beginning of a prolonged campaign of resistance. An early recovery of the Shanghai-Woosung area was promised.

According to the NORTH CHINA DAILY NEWS, approximately

5000

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5000 Chinese soldiers are now interned in camps in the French Concession following the evacuation of Nantao.

Admiral Yarnell, Commander in Chief of the United



Soldiers of "Lost Battalion" taken by flashlight immediately they evacuated Chapei for the British controlled sector of International Settlement. Time 3 A.M. Oct. 31st.

States Asiatic Fleet, and his officers were the guests today of the Royal Air Force Association of Shanghai at the weekly luncheon in "The Dome". During the luncheon he remarked, "I have been grieved by the sight of so much destruction in and around Shanghai during the present hostilities and I wonder when mankind will realize the proper uses of aviation." He also said that there were rules for warfare as much as for any other activity, and it was distressing to see the wanton destruction of property and lives of non-combatants by the belligerents and to realize the helpless plight of non-combatants here in Shanghai.

The St. Andrew's Hospital of the American Church Mission in Wush was bombed by Japanese planes this

morning

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morning. Two Chinese were killed. There were no American casualties.

Reuter is authorized to state that the report to the effect that British military and naval authorities in Shanghai have been empowered "to open fire immediately if Japan makes any move to attack the International Settlement south of the Soochow Creek" is entirely without foundation.

November 13, Saturday

In the opinion of Sir Charles Little, British Commander in Chief, there is now no objection to British ships berthing at the British wharves on either bank of the Whangpoo River. This information is being conveyed to the shipping companies concerned by the British Consulate General.



Members of "Lost Battalion", a few minutes after running the guantlet of Japanese machine gun and shrapnel fire, climbing into autobuses to be interned in the International Settlement. Time 3: 15 A.M. October 31st.

French residents and property have emerged safely through the Sino-Japanese hostilities in Nantao during
 the

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the last few days, according to a report by Havas Agency.

No trace was found today of Mr. C. M. Robertson who disappeared ten days ago when he made a trip to Pootung, when a special investigation visit was made by the American consular and naval authorities to the place where he was last seen alive.

November 14, Sunday

Two dispatches are received in Shanghai from London which, in part, state as follows:

"Although much speculation is naturally active regarding the future status of Shanghai there is no indication that, at the present stage, official opinion is inclined to canvass the subject. It is far too early yet to attempt to define the conditions in which contemplation of it will be possible..."

"Since the outbreak of hostilities in China certain arrangements for cooperation in the defense of their eastern possessions have been reached between Great Britain and Holland."

Despite the change of the military situation in areas around Shanghai, the local branches of the four Government banks, namely, the Central Bank of China, the Bank of China, the Bank of Communications and the Farmers Bank of China, have been ordered by the Ministry of Finance to continue operations in order to stabilize the currency situation here, says the Central News.

November 15, Monday

The Central Executive Committee in China of the British Fund for Relief in China has, with the approval of the Secretary of State for Foreign Affairs and the Relief Fund Committee in London, been constituted at

Shanghai

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Shanghai with Sir Hugh Knatchbull-Hugessen, and Sir Geoffrey Northcote, Governor of Hongkong as Joint Presidents and Mr. Herbert Phillips, British Consul General at Shanghai as Chairman.



Peace Preservation Corps men evacuating Nantao (Chinese Territory) for the more peaceful French Concession. The high stepper in the barbed wire is not disposed to await his turn at the gate.

According to the NORTH CHINA DAILY NEWS, twenty Japanese marines visited the Chinese General Post Office this morning.

The Passport Office, the only remaining department of the Police Bureau of the Shanghai City Government, is closed.

November 16, Tuesday

Arrangements for the welfare of the quarter of a million refugees now being cared for in the "Jacquinot Zone" in Nantao are proceeding in an entirely satisfactory manner, according to the NORTH CHINA DAILY NEWS. It has also been decided that, for the time being, the area shall remain under the supervision of the Committee who, actuated

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actuated by purely humanitarian motives, will be responsible for the welfare of the refugees.

The NORTH CHINA DAILY NEWS says that the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan are moving to Chungking, in Szechuen, while the Ministry of Health, the Ministry of Finance and the Foreign Office are moving to Hankow, the latter two establishing offices there in order to be in close contact with the representatives of the Powers and with financial institutions. The Ministry of Communications, it is understood, will have offices at Changsha, capital of Hunan province. Military establishment, however, will remain at Nanking.

November 17, Wednesday

According to a Tokyo Reuter message, the spokesman of the Japanese Foreign Office categorically denied that the Japanese authorities had any intention of occupying the International Settlement.



Peace Preservation Corps men being herded to cover by French soldiers. Japanese forces were approaching boundary line.

The

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The NORTH CHINA DAILY NEWS states that "After being practically buried under sandbags and boardings for about three months, most of the office workers along the Bund express gratification over the changed conditions" as all the buildings on The Bund, except one, are "desandbagging!".

November 18, Thursday

With the exception of a brief period of inactivity at the beginning of hostilities, the local insurance market has not suffered any appreciable loss of business, says the CHINA PRESS. A Reuter message from London of November 18th published in the NORTH CHINA DAILY NEWS states: "War risk rates for Shanghai bound cargoes were reduced from 20/- to 5/- per cent (in other words from one per cent to one-quarter of a per cent) by a new schedule issued today by the Joint War Risk Rating Committee of Company and Lloyds Underwriters. Reductions were also made for other voyages to China."

American members of the St. John's University faculty, who evacuated the campus during the fighting in the western area, have moved back to the compound, located at the edge of the British perimeter.

Five Americans and two of British nationality have been stranded in Pootung for the past 11 days as a result of the refusal of the Japanese naval authorities to permit them to cross the Whangpoo River until mine-sweeping operations have been completed. Food was exhausted and their position is becoming more hazardous hourly.

November 19, Friday

Conflagrations, in constant succession, are devastating
further

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further the Chinese City, once a very populous section, but now laid waste by fires. Starting from November 10, when Chinese positions in Nantao were severely bombarded following the withdrawal of troops from western Shanghai, the blaze, counted as one, has now been burning for ten days.



French Officer shaking hands with young Chinese officer who has entered the French Concession along with some 5000 other Chinese evacuees.

The Acting German Consul General in Shanghai has lodged a verbal protest with the Japanese Consul General here against the action of the crew of the Japanese gunboat SETO in seizing two German tug-boats lying at the French-owned Kiousin Docks and proceeding to haul down the German flags flying at their mast-heads at the time of the seizure.

Foreign embassies may leave Nanking to open in Hankow.

November 20, Saturday

The U.S.S. AUGUSTA, flagship of the U. S. Asiatic Fleet

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Fleet, will probably sail from Shanghai for Manila early next month, if present plans materialize. The vessel is long overdue for overhaul and repair and with conditions in Shanghai becoming more settled, tentative arrangements have been made for the ship to lift anchor and steam south right after December 1st.

The CHINA PRESS states: "Contending that Communist and anti-Japanese activities engaged in by Chinese within the International Settlement 'obstructed' Japanese military operations in the Lower Yangtze area, the Japanese military attache this afternoon asked for an official curb by the Shanghai Municipal Council authorities on such movement."



Japanese Aviators, captives of the Chinese, being held as prisoners of war in the model penitentiary in Nanking.

November 21, Sunday

A New York message dated today states that the early resumption of a steamship service to Shanghai from United States ports is foreseen following reports that the

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the example of London in reducing war risk insurance rates by 75 per cent, will be followed here, probably next week.

The acceptance of cargoes may at first be on an optional bill of lading, permitting discharge at any port should it become inadvisable to make the call at Shanghai. American liners have omitted calling at Shanghai since the bombing of the PRESIDENT HOOVER in September.

Japanese seize over 30 vessels belonging to the Chinese Customs, the Shanghai River Police and the Whangpoo Conservancy Board and the Barbor Fire Brigade.

The new Commander-in-Chief of the French military forces in China, Colonel Henry Jacomy, who recently arrived in Shanghai to assume his duties, brings with him a wide military experience, and a brilliant army record.

November 22, Monday

Arrangements have been made by the Shanghai Telephone Company for the re-opening of their Wayside Telephone Exchange, serving principally subscribers living outside the Settlement Perimeter, with effect from November 24th.

The foreign embassies and Chinese officials in Nanking have formulated a scheme for a neutral zone in the Capital.

The Chapei fire may have been bigger and more spectacular but it certainly did not last as long as the blaze, or series of blazes, that have been raging in Nantao for many days, says the CHINA PRESS.

November 23, Tuesday

"No matter how long the war will last, China is

financially

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financially prepared to see it through, declared Dr. H. H. Kung, Minister of Finance, today when he passed through Hankow en route to Chungking," says the CHINA PRESS. "Dr. Kung, who, it is reported, will soon succeed Generalissimo Chiang Kai-shek as President of the Executive Yuan, avowed that the National Government has completed all preparations, financially, monetarily and economically for the purpose."

According to a Reuter dispatch from London, the status of the International Settlement in Shanghai was discussed in the British House of Commons today. Among other things, Mr. Anthony Eden, the Foreign Secretary, declared that the conditions under which the International Settlement was held and administered would in no way be varied without the Chinese Government's consent.

Removal of personal effects and furniture from the Hongkew, Wayside and Yangtszepoo areas by former foreign residents of the Settlement, north of Soochow Creek, will again be permitted by the Japanese from November 27 to December 1.

November 24, Wednesday

A United Press message from Washington is published in today's SHANGHAI EVENING POST AND MERCURY (first edition) to the effect that "close collaboration with Foreign Powers interested in Shanghai should the Japanese attempt to direct the Settlement Government was indicated as probably by the Department of State here today" (November 23).

"However, Mr. Clarence E. Gauss, Consul General, has been left the widest discretion as the State Department does not feel that the situation thus far warrants any special instructions.

Mr.

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Mr. Gauss has informed the State Department of measures proposed to curb anti-Japanese sentiment and its dissemination in the Settlement. Officials of the Department declined to comment on the measures but it was indicated that they do not consider the proposals excessive under the circumstances.

However, it was believed that the U. S. and other Foreign Powers would almost certainly emphatically object to any attempt on the part of the Japanese to seize active control of the International Settlement."

•



Part of vanguard of Japanese civilian rooters that were much in evidence during the parade.

Mr. Stirling Fessenden, Secretary General of the Shanghai Municipal Council, disclaimed today that the Council had authorized anyone to give "unofficial advice" on its behalf for the immediate suspension of the Central News Agency and the five leading local Chinese dailies. The LIH PAO and the MIN PAO, however, which printed their farewell numbers today, decided that they will abide with the original suggestion of the Council for suspension.

The

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The Central News Agency will also continue to suspend its service pending a definite decision on the matter by the Council.

November 25, Thursday

The NORTH CHINA DAILY NEWS is authorized by the British Consul General to state that, with reference to his Notification of October 11, last, the British authorities consider that, owing to hostilities having moved away from the International Settlement, the reasons for British subjects not returning to Shanghai no longer exist. At the same time, it is not suggested that conditions here can be regarded as normal, and it must be remembered that in certain parts of the Settlement, North of the Soochow Creek, and in the Hungjao area, residents are not yet able to return to their houses.

The First Battalion, The British Durham Light Infantry, or the 68th Foot, which arrived on Tuesday on board the transport DILWARA, marched on to their billets in Yu Yuen Road today. The outgoing battalion was the Royal Ulster Rifles which arrived in Shanghai at the beginning of hostilities to assist in the defense of the Settlement, and since have lost five men in its ranks during the hostilities.

According to the NORTH CHINA DAILY NEWS, the proposed refugee zone in Nanking is coldly received by Japan. Tokyo press raises objections as hindrance to attacking force is seen.

The rice situation in the International Settlement is somewhat easier today as more shops opened their doors and were able to distribute the product to a larger number of Chinese.

We

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"We firmly believe that right must overcome might, and it is our fixed policy to resist to the last inch and the last men," said General Chiang Kai-shek at a reception to the foreign press in Nanking this evening.

The proposal advanced by an international group of Hangchow residents and handed over to the Japanese this morning by Mr. Clarence E. Gauss, U. S. Consul General in Shanghai, to keep the lakeside city free from hostilities is being considered today by the Japanese naval and military authorities together with the plans for creating a safety zone in Nanking.

November 26, Friday

Following the example of the P. & O. Steam Navigation Company, whose S.S. RAJPUTANA will be the first British passenger vessel to visit Shanghai since August, the Blue Funnel Line now state that their fortnightly service to Shanghai will be resumed with the S.S. AJAX, which will leave Liverpool on December 11, says a Reuter message from London.

Having warned all Chinese newspapers that no anti-Japanese activities will be allowed in the International Settlement, the Shanghai Municipal Council hopes that it will have no cause to order the suspension of any local journals, Mr. Stirling Fessenden, S.M.C. Secretary General, stated in the course of an interview with THE CHINA PRESS today.

Dr. Oscar P. Trautmann, the Ambassador of Germany to China, arrived in Hankow from Nanking today.

November 27, Saturday

Although the Japanese today made no really apparent move to take over control of the Chinese telegraphs, radio communications, the Central Post Office administration and
radio

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radio station XQHC, the Japanese Embassy spokesman at the press conference tonight declared that all processes necessary to assume control of these Chinese government communications have been put into operation.



Japanese Cavalry marching through
British Army lines on to International Settlement extension roads.

A London dispatch says "The British Ambassador to Japan, Sir Robert Craigie, has been authorized to leave the Japanese Government in no doubt whatsoever that the British Government claim the right to be consulted on any arrangement made about the Chinese Maritime Customs, it is learned in official circles here today."

Nanking assumes appearance of a deserted city.

November 28, Sunday

The United States gunboat LUZON arrived in Hankow in the afternoon today from Nanking, bringing the American Ambassador, Mr. Nelson T. Johnson, and the majority of the American Embassy staff. The British Charge d'Affaires,

Mr.

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Mr. R. G. Howe, accompanied by the majority of the staff of the British Embassy, arrived almost at the same time aboard the British gunboat BEE. Meanwhile, the Chinese Foreign Office has established temporary offices in the Administration Building of the Third Special District or the former British Concession. It is understood that if Hankow is attacked, the Foreign Office will move into Szechuen, probably establishing office at Chungking, says the NORTH CHINA DAILY NEWS.

In a gathering of foreigners representing the foreign consulates, missions, press and principal business firms today, General Tang Sheng-chih, Commander of the Nanking Garrison, declared that Nanking may be a battle-ground in the near future and that the Chinese Capital will be defended until very last.

November 29, Monday

Radio and telegraph communications between Shanghai and other cities in China continued to be out of operation when the Shanghai Telegraph Office, which was taken over by the Japanese authorities, remained closed. The head office of the Shanghai Telegraph Office on Foochow Road had been sealed, while work at all the branch offices of the organizations had also been suspended.

Meantime, the Chinese Government Radio Administration continued to operate its international service. The three local foreign cable offices are continuing their service without any change. Japanese officials have not approached them, the head of one of the cable companies revealed today, says THE CHINA PRESS.

The Henry Lester Institute of Medical Research and the Lester School and Henry Lester Institute of Technical Education

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Education, two of Shanghai's most potent scientific research institutions, supported by the Lester Trust, have been forced by conditions brought about by the war to suspend the major portion of their work for a period of six months, THE CHINA PRESS learned today.

The NORTH CHINA DAILY NEWS states, "Mr. O. K. Yui and his party arrived at Hongkong today in the Messageries Maritimes liner ARANTIS. Meanwhile, it has been belatedly learned that Mr. Sun Fo, the President of the Legislative Yuan, arrived in Hongkong last Wednesday... Following the departure of Mr. T. V. Soong, chairman of the Bank of China, and Mr. O. K. Yui, the Mayor, several Chinese civic leaders also left Shanghai for the south to proceed to Hankow by way of Hongkong and Canton, it was reported in Chinese circles today."



Japanese infantry marching along
Yu Ya Ching Road, formerly Tibet Road.

November 30, Tuesday

The Japanese naval landing party this afternoon removed Italian and American flags from tenders along
the

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The Bund and, after hoisting the Japanese flag, proceeded to tow them down-river to an unknown destination. In addition, four other river craft were taken down stream by a Japanese tug from a point opposite the Hongkong and Shanghai Bank Building.

Four months, almost to a day, after they were compelled to flee from their homes in Hongkew, Wayside, and Yangtszepoo, foreign residents of these areas will be permitted to return there on December 15th. This was announced by a spokesman of the Japanese Embassy, who intimated, however, that the official date of the reopening of the areas would be announced later, says the NORTH CHINA DAILY NEWS.

"The London Chamber of Commerce today," states a Reuter message from London, "drew the attention of the British Government to the fact that the Japanese authorities are insisting on the payment of Japanese import duty on cargo intended for Shanghai but carried on to Japan, unless it is re-exported within a month.

"It is also understood that, if the Japanese import duty is paid, no refund is allowed when the goods are reshipped to Shanghai. The Chamber points out that this is a great disadvantage to shippers, who in many cases are having difficulty in tracing their cargo. The Chamber therefore urges the Foreign Office to request the Japanese Government to grant a further extension period of three months."

General Chiang Kai-shek inspected the defences around the city of Nanking today, after which, Reuter learns from an authoritative source, he expressed himself as very satisfied with them. Madame Chiang also remains there. The Japanese armies are rapidly advancing upon
China's

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China's Capital.

December 1, Wednesday

With radio and telegraphic communications between Shanghai and inland cities still disrupted, Hongkong today becomes the clearing house in relaying messages to and from Shanghai. The Shanghai Telegraph Office, taken over by the Japanese on November 23, remained closed.

Some 500 girls in attractive Red Cross uniforms launched the local drive of the Shanghai International Red Cross today to raise \$100,000 to aid the refugees in the local war areas. Mrs. Arthur N. Young, American, well-known for her social welfare here, is heading the sub-committee in charge of the drive.

Aiming to put more men back to work, the Industrial Section of the Shanghai Municipal Council is now appealing to the factory owners of the International Settlement to re-open their plants.



Japanese officers interrogating Japanese member of the S.M.C. Police at the scene of the hand grenade incident.

As

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As a precautionary measure, the art treasures which were transferred to Nanking from the Palace Museum in Peiping four years ago and which have since been stored in air-conditioned vaults pending the construction of a museum for permanent exhibition, are being removed to the interior of China, according to an official announcement.
December 2, Thursday

Admiral H. E. Yarnell, Commander-in-Chief of the U.S. Asiatic Fleet, will accompany his flagship, the U.S.S. AUGUSTA, when that vessel leaves Shanghai for Manila on December 14th, according to an official press release issued yesterday from the Admiral's staff offices.

The British Charge d'Affaires, Mr. R. G. Howe, and other members of the British Embassy staff in Hankow are leaving on December 3d for Shanghai, where the Embassy will be established temporarily. This action, it is understood, is being taken to enable the Embassy more closely to follow developments in Shanghai.

A Tokyo dispatch states that Japan is "considering" taking over the Chinese customs administration in Shanghai, the Japanese Foreign Minister told the Privy Council yesterday in the course of his report on diplomatic affairs. The Minister did not amplify his statement regarding the customs in his report to the council, which dealt with other matters, including Japan's recognition of the regime of General Franco of Spain.

A "warning" has been given to the Hongkong authorities, says a Reuter message from Tokyo, by the Japanese Consul General there, according to a Japanese news agency report received in Tokyo December 1st. The Japanese Consul General drew the attention of the colonial authorities "to the fact
that

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that a number of Chinese Government leaders who have recently been entering and leaving Hongkong have been engaged in political activities there against Japan."

December 3, Friday

Peace conversations at present take place in Nanking between General Chiang Kai-shek, President of the Executive Yuan and Commander-in-Chief of China's armed forces, and Dr. Oscar Trautmann, the German Ambassador to China, the latter left Hankow for Nanking by steamer on November 30th accompanied by Dr. Hsu Mo, the Chinese Vice-Minister for Foreign Affairs.

It is learned from authoritative sources that the German offer for peace between China and Japan includes:

"(1) A definite assurance from Japan that she has no territorial ambitions in North China, and merely desires economic cooperation with China. (2) China should participate in the anti-Comintern pact. (3) Japanese troops should be withdrawn from Chinese territory."

The launch FEI TING, owned by the China Foreign Steamship Corporation, an American concern, was returned to the company on December 1st by the Japanese, according to a statement released by the company. The launch was seized by Japanese bluejackets Tuesday afternoon after they had lowered the American flag on the ship's flag-staff. The two Italian-owned launches ROMOLO and LIDO have also been returned.

December 4, Saturday

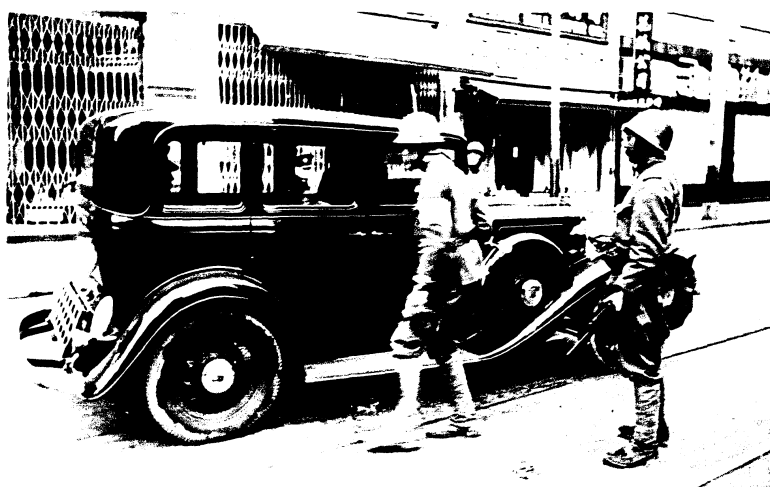
The Japanese parade through the Settlement yesterday started on scheduled time, 11 A.M., from the Toyoda Mills and lasted for almost two hours. Approximately 5000 men participated in the long march to the Garden Bridge and the parade was completed by 2 p.m. As the marchers entered the Settlement, very few spectators were on hand to watch them.

The

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The people who lined the streets around Jessfield were mostly newspapermen and photographers. Large numbers of cheering Japanese civilians crowded the line of march along Avenue Foch, Yu Ya Ching and Nanking Roads where, fearing untoward events, Chinese as well as foreigners were turned back by the Settlement Police.



British Army officer's motor car being stopped by Japanese patrol shortly after Japanese assumed control of area of Settlement in grenade exploded.

At 12:50 p.m., a hand grenade was tossed at a passing column of Japanese troops by a young man alleged by Japanese to have been a Chinese from a position near the Sun Sun Department Store. Four Japanese, including three soldiers, and a British police sergeant, were wounded. The young man, whose age was put at about 25 years, managed to get through the police lines at Kwangse Road from where he hurled the missile. A Chinese police constable nearby immediately fired on the man, wounding him in four places. He died about one hour afterwards. It was reported in some circles that the man who threw the grenade was a Korean and not a Chinese. During the commotion

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commotion Japanese soldiers broke ranks.

Japanese investigation party last night was in occupation of Nanking Road from Fokien Road to Yu Ya Ching Road. They also held sections of Yu Ya Ching and Fokien Roads.

At an impromptu conference held under the dim light of street lamps on Nanking Road, representatives of the Japanese army and the Shanghai Municipal Police agreed upon the terms of settlement of the affair, and the Nanking Road was clear of Japanese gendarmerie and military shortly after 9 o'clock in the evening.



Detachment of British soldiers
being held up on Nanking Road by Japanese
patrol.

Colonel F. B. Price, commanding the 4th U. S. Marines, accompanied by members of his staff, appeared on the scene at Mohawk Road shortly before 5 p.m. yesterday, and told the Japanese officer in command of the detachment of Japanese troops engaged in investigating the Nanking Road grenading yesterday afternoon that the Japanese troops were well inside the defense sector of the U. S. Marines.

He

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He suggested that they leave the sector.

The Japanese officer stated he did not realize that his men had advanced such a distance along Bubbling Well Road and the order for withdrawal was given.

Today's proposed march of the Japanese army into Nantao by way of The Bund and the French Bund will not take place, it was understood last night. The French authorities are reported to have decided that the Japanese would not be permitted to proceed through their territory.

December 5, Sunday

A Japanese army convoy consisting of five army trucks loaded with supplies, an army motor-car, a civilian motor-car and a passenger truck, empty except for the driver, and bearing Japanese flags, bound for Nantao, was held up for



Return of Japanese Parade to
Hongkew Section of International Settlement

45 minutes yesterday morning by the French Police at the foot of Avenue Edward VII. After negotiations on the scene, the French Police finally decided to allow the Japanese to pass along the French Bund to Nantao under a

French

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French Police escort. An Anamite soldier was detailed to each lorry.

A Japanese military spokesman stated yesterday in a press conference that the bomb affair during the Japanese parade on Friday is now "considered closed, the Shanghai Municipal Council having agreed to prevent, to the best of their ability, the recurrence of such incidents, following an exchange of views between representatives of the Japanese Army and the police."

A Reuter dispatch from Tokyo dated December 4th states, "A large-scale expansion of shipping activities along the China coast and the Yangtze River to make Japan predominant in shipping there, has been decided on by the Japanese Government, and the Ministry of Communications is studying the precise form which the expansion program shall take, according to the 'ASAHI SHIMBUN'".

Mr. Robert F. Fitch, president emeritus of the Hangchow Christian College, with the approval of Mr. C. E. Gauss, American Consul General at Shanghai, made proposal to the Japanese that the Imperial Island in Hangchow be turned into a safety zone for the civilian population, as it is out of the line of attack and retreat.

December 6, Monday

Colonel F. R. W. Graham, Commandant of the Shanghai Volunteer Corps, attended his last parade with the Corps yesterday when he took official leave of the Corps.

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, who is recuperating from the wound he received when his car was fired on by a Japanese plane last August, is proceeding to London with his family on December 11th in order to complete his convalescence.

The British gunboat LADYBIRD, Jardine's steamer

TUCKWO

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TUCKWO and the Butterfield Swire S.S. TATUNG were bombed by Japanese planes in the course of a raid on Wuhu at 11 o'clock yesterday morning. The TUCKWO was practically burned out. The LADYBIRD escaped with less damage, she being beached.

December 7, Tuesday

A group of armed Japanese went into the Great Eastern Hotel, in the Wing On Building, Nanking Road, early yesterday morning and "arrested" four Chinese - three men and a woman - whom they whisked away in motor cars and drove over the Garden Bridge into Hongkew and finally released later in the day after questioning. The woman not being given time to dress left the hotel only in her undergarments.

The Shanghai Municipal Council has the whole matter under urgent consideration and is entering an immediate protest with the Senior Consul.

Carrying copies of a resolution urging the Japanese Government to take "determined action" for settlement of the so-called "Maitland flag incident" of December 3rd, representatives of the Japanese Residents' Corporation made a round of calls on Japanese military officials and diplomatic representatives yesterday morning.

According to the eyewitness of the incident, which occurred during the Japanese parade on Nanking Road, Mr. E. T. Maitland, British, formerly Municipal Advocate, grew annoyed at the way in which a Japanese flag was waved about in his face, and eventually snatched it away, smashing the frail stock on which the flag was mounted. Angered in turn, the civilian hit Mr. Maitland, whereupon another foreigner standing next to him struck a return

blow

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blow, and a scrimmage ensued right in the entrance of Hall & Holtz's Man's Shop.

December 8, Wednesday

Acting following the receipt of a written protest from the Consular Body, the Japanese Consul General yesterday assured the Shanghai Municipal Council that there will be no recurrence of a raid similar to that which took place at the Great Eastern Hotel Monday. The Council has considered the case as closed.

The total sum collected by the Shanghai International Red Cross has nearly reached the \$40,000 mark.

An article carried in THE CHINA PRESS states that members of the so-called "Great Way City Government" at Pootung, the first autonomous government established in the vicinity of Shanghai, are directing their whole attention to the problem of finding work to keep themselves busy, according to a Chinese report yesterday. With the district across the Whangpoo practically denuded of the population, the "officials" found that, having assumed "office" they are confronted with the task of finding ways and means of exercising their "power", the report revealed. Su Hsi-wen, a native of Fukien Province, who installed himself as "Mayor" has established headquarters at the Bureau of Police station at Laineedu. During the "inauguration" of the "Government" on Sunday, a number of Su's Japanese advisers were present at the banquet. So far, the report said, the "officials" have failed to find any work to do apart from posting notices and hoisting the Taoist flags. On every street and practically on every building, Su and his friends have succeeded in posting large notices announcing its "inauguration" and in putting up the red, yellow and blue emblems.

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A Reuter message from Tokyo states that following the fall of Nanking, the Japanese Government is likely to issue a statement withdrawing recognition of the Nanking Government.

December 9, Thursday

A spokesman of the Central Bank of China states that the report in yesterday morning's local press that the Shanghai branches of the four Government Banks have decided to close down, is entirely untrue.

A Tokyo dispatch states that negotiations now in progress in Shanghai regarding the emergency administration of the Chinese Maritime Customs are proceeding satisfactorily, the metropolitan press reported today, December 8th.

Moving up fresh units and supplies to strengthen their defense lines, Chinese forces on the outskirts of Nanking appeared last night to have succeeded in their task of slowing up the Japanese drive against the capital. Japanese Consul General at Shanghai handed memorandum to Mr. Aall, Senior Consul, warning all foreigners to leave Nanking.

"Japan's peace plans had not yet been formulated, the spokesman of the Foreign Office declared at a press conference today in answer to questions regarding peace prospects in the Sino-Japanese conflict," states a Reuter message from Tokyo. There was no truth in the report that the British Ambassador to Japan had approached the Foreign Office with an offer of mediation. Germany, Italy and the United States, he continued, were countries which also felt great interest in the Far East and might be active in a manner similar to that of Great Britain."

December

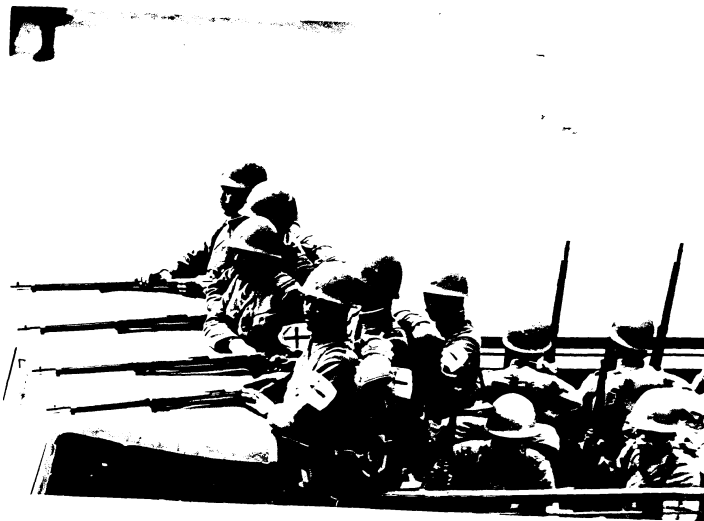
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December 10, Friday

Mr. R. G. Howe, British Charge d'Affaires, and his staff who recently travelled down from Hankow to Hongkong arrived at Shanghai yesterday afternoon aboard the S.S. PATROCLUS. It is learned that the British Embassy is now to be established indefinitely in Shanghai.



Return of Japanese Parade to
Hongkew Section of International Settlement

A large launch, flying the British flag and which is the property of the Shanghai Tug & Lighter Co., was seized by the Japanese navy from a point on The Bund near the Cenotaph yesterday, despite protests by the Captain, general manager of the British firm of tug and passenger tender operators.

In the event of Nanking falling, South China will redouble its efforts to stand by the Central Government, declared General Wu Te-chen, Governor of Kwangtung.

"Reuter's correspondent in Hankow reports that political and governmental changes are taking place daily.

The

-38-

The whole civil organization of the Chinese Government has practically faded away, and is replaced by a military organization which has developed out of General Chiang's headquarters."

Today's NORTH CHINA DAILY NEWS states, "The Commander in Chief of the Japanese forces in Central China, yesterday at noon advised General Tang Sheng-chi, Commander of the Nanking Garrisons, to surrender the city without struggle by noon today. In a letter dropped over Nanking by a fleet Japanese pursuit plane, it was stated that abandonment of resistance would spare Nanking's historic relics and spots of beauty."

The NORTH CHINA DAILY NEWS of December 11th states that Japanese Army launched the attack on Nanking shortly after 2 p.m. yesterday as no reply was received from the Chinese defender of the Capital for surrender of the city by noon yesterday. According to a Havas message from Hankow yesterday, "Hopes entertained for a peaceful settlement of the Sino-Japanese conflict are rapidly dwindling here, Chinese Government leaders appear to be convinced that Japan is not prepared to accept Germany's offer to mediate during the present hostilities. Dr. Trautmann has now returned to Hankow from Nanking and no further attempts will be made at present to resume the conversations which took place in Nanking."

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APPENDIX I

A Summary of Major Events
Said to have happened in and near Shanghai during
the 1937 Incident

<u>Foreign embassies, removal of</u>	
German Ambassador arrived at Hankow	Nov. 26
U. S. and British Ambassadors arrived at Hankow	28
British Embassy removed to Shanghai	Dec. 10
<u>Evacuees, Return of</u>	
No objection to return to Shanghai of British subjects	Nov. 25
<u>Government Offices, Removal of</u>	
To Chungking and Hankow	Nov. 16
<u>Japanese bombing of Wuhu</u>	Dec. 6
<u>Japanese Seizures</u>	
Customs launches, etc.	Nov. 21
Telegraph Office, etc.	29
Tenders flying Italian and American flags, etc.	30
Four Chinese in International Settlement	Dec. 7
British launch	10
<u>North of Soochow Creek</u>	
Possible reopening of, on December 15th	Nov. 30
<u>Parade, Japanese, in International Settlement</u>	Dec. 4
<u>Peace Talk</u>	
German Ambassador and Generalissimo Chiang	Dec. 3,9,10
<u>Protests against Japanese</u>	
By General Beaumont for seizure of a Chinese rice junk in American defense sector	Nov. 1
By German Consul General for seizure of two German tug-boats	Nov. 19
<u>Puppet Government in vicinity of Shanghai</u>	Dec. 8
<u>Refugees</u>	
Safety Zone in Nantao officially opened	Nov. 9
Proposal for a similar zone in Nanking	22
In Hangchow	Dec. 5
<u>Shanghai, Status of</u>	
Shanghai Municipal Council	Nov. 9
Japanese Government	17
British House of Commons	23
U. S. Government: Mr. Gauss left widest discretion	24
British Government	27
<u>Shanghai Volunteer Corps</u>	
Demobilized	Nov. 10

Shipping

-40-

Shipping

Safety of cargo making passage above Gough Island	Nov. 6
No objection to British ships berthing at British wharves on either bank of Whangpoo River	13
Decision for resumption of sailings of British passenger ships	26
Expansion of Japanese shipping activities	Dec. 5

Troop arrival

First Battalion, Durham Light Infantry arrived on November 23 (British)	Nov. 25
---	---------

War Risk Insurance Rates

Dropped to one per cent	10
Dropped to one -quarter of a per cent	18

APPENDIX II

CRAIGIE, ROBERT, Sir, British Ambassador to Japan

FITCH, ROBERT F., Former President of Hangchow Christian College, promoter of Safety Zone in Hangchow.

HSU MO, Vice Minister for Foreign Affairs.

JACOMY, HENRY, Colonel, Commander in Chief of French Military Forces in China.

JACQUINOT, R., Father, Sponsor of the Safety Zone for Refugees in Nantao.

NORTHCOTE, GEOFFREY, Governor of Hongkong

SU HSI WEN, who installed himself as "Mayor" of the so-called "Great Way City Government" of Shanghai.

SUN FO, President of the Legislative Yuan.

TANG SHENG CHIH, General, Commander of the Nanking Garrisons.

STEPHENS, PHILIP P., Correspondent for the DAILY TELEGRAPH of London who was killed by Japanese machine-gun fire on November 11th.

YOUNG, Mrs. ARTHUR N., American social worker, in charge of Red Cross Society sub-committee on the \$100,000 Campaign.

H. C. Chen, Consular Clerk, ably assisted in the preparation of this report.

800

CV:Hoc

In quintuplicate to the Department of State;

One copy to American Embassy, Hankow;

One copy to American Embassy, Tokyo, Japan.

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Source of Information

Note: "North China" indicates NORTH CHINA DAILY NEWS, and
 "Evening Post", SHANGHAI EVENING POST AND MERCURY.

Newspaper				Newspaper			
Date	Item	Name	Date Page	Date	Item	Name	Date Page
1937			Nov.	1937			Nov.
Nov.1	1	North China	1 6	Nov.18	2	China Press	19 2
	2-3	"	2 5		3	"	19 1
	4	"	2 6				
	2	"	2 6	19	1-3	North China	20 5
	2	"	3 6	20	1-2	China Press	21 1
	3	"	3 5	21	1-3	North China	22 5
3	1-3	"	4 5		4	"	22 6
4	1	"	5 5	22	1	"	23 5
	2	China Press	5 1		2	China Press	23 1
	3	North China	5 5		3	"	23 4
5	1	North China	6 5	23	1-3	China Press	24 1
	2	"	6 6	24	1-4	Evening Post	24 1
	3	China Press	6 2		5	China Press	25 1
6	1-3	North China	7 9	25	1-3	North China	26 1
7	1-2	"	8 5		4	"	26 2
	3	"	8 6		5-6	China Press	26 1
8	1	"	8 5	26	1-3	"	27 1
	2	China Press	9 1	27	1-3	"	28 1
	3	North China	8 6	28	1-2	North China	29 5
	4	"	9 5	29	1-3	China Press	30 1
9	1	North China	10 5		4	North China	30 6,9
		China Press	10 1	30	1-5	"	Dec. 1 5
	2	North China	10 5	Dec. 1	1-4	China Press	1 1
	3	"	10 8				
	4	China Press	10 1	2	1	"	2 10
10	1	"	11 1		2-4	"	2 1
	2	"	11 5	3	1-3	"	3 1
	3	"	11 1		4	"	2 2
11	1-3	North China	12 5	4	1-7	"	4 1,5
12	1	China Press	12 1	5	1	North China	5 5
	2-5	North China	13 5		2	"	5 10
13	1	"	14 10		3-4	"	5 5
	2	"	14 9	6	1-3	"	6 5
	3	"	14	7	1-2	"	7 5
14	1-3	"	15 5		3	"	7 7
	4	China Press	15 1		4	"	4 9
15	1	North China	16 5	8	1-4	China Press	8 1
	2-3	"	16 6	9	1	"	9 3
16	1-2	"	17 5		2-4	"	9 1
17	1-2	"	18 5	10	1-5	North China	10 5
18	1	North China	19 5		6	"	11 5
		China Press	19 1				

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Voluntary

A FEW MAJOR EVENTS OF THE 1937 INCIDENT
WHICH ARE REPORTED TO HAVE HAPPENED IN
AND NEAR SHANGHAI DURING THE PERIOD
NOVEMBER 1ST TO DECEMBER 10TH AS CULLED
FROM THE NEWSPAPERS AND ARRANGED IN A
DAY-TO-DAY CHRONOLOGICAL ORDER.

From:

Clarke Vyse
Clarke Vyse, American Consul

American Consulate General,
Shanghai, China

Date completed: December 11, 1937

Date mailed: Dec 16

APPROVED:

C. E. Gauss,
American Consul General.

A FEW MAJOR EVENTS OF THE 1937 INCIDENT WHICH ARE REPORTED TO HAVE HAPPENED IN AND NEAR SHANGHAI DURING THE PERIOD NOVEMBER 1ST TO DECEMBER 10TH AS CULLED FROM THE NEWSPAPERS AND ARRANGED IN A DAY-TO-DAY CHRONOLOGICAL ORDER.

November 1, Monday

According to the NORTH CHINA DAILY NEWS, worthless banknotes have been found on the bodies of Japanese soldiers killed in action around Shanghai, such as those of the Bank of Territorial Development, closed since 1916, and German mark notes of the inflation period following the Great War. The suggestion has been made that these have been used to purchase supplies from Chinese peasants.

The Company of the British Royal Ulster Rifles who have had four of their men killed during the last week, and others injured, while guarding the Jessfield-Keswick Road Sector, have been relieved by a company of the Loyal Regiment.

A protest was made by Brig.-General John C. Beaumont today to the Japanese naval authorities when Japanese Marines crossed the Soochow Creek just below Woochen Road Bridge at about noon and seized a junk load of rice which was being unloaded alongside the American sector. The protest resulted in the expression of "sincere regrets" by the Landing Party commander to General Beaumont. The matter is not considered settled as Japanese gave no indication that the rice or junk would be returned.

According to a Reuter message from Tokyo, the Japanese Foreign Office announced that the Minghong incident of October 12th, when two of a convoy of three British Embassy cars were attacked by Japanese aeroplanes while

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while proceeding from Nanking to Shanghai has been settled.

November 2, Tuesday

A Reuter dispatch from Manila states that on October 31st, about 1000 members attended the Philippine League for the Defence of Democracy, an unofficial body representing labor, student and civic bodies in Manila, and passed the following resolution:

"To urge the Filipino people to condemn Japanese aggression and the massacre of Chinese non-combatants and to start a campaign to raise funds for the wounded and the refugees and for an economic boycott against Japan."

A contingent of about 40 French soldiers moved into the Chiaotung University, a Chinese Government institution, in Avenue Haig this afternoon to protect more than 2000 Chinese war refugees. Immediately after their arrival, a French flag was hoisted on the main administration building.

According to the NORTH CHINA DAILY NEWS, the report that the British posts fired today on Japanese aeroplanes is without foundation.

November 3, Wednesday

A proposal that a small portion of the old Chinese City of Shanghai be set aside as a refuge for non-combatants was in progress today, the International Relief Committee acting as intermediaries between the Chinese and Japanese authorities. The name of a French Father Jacquinot was prominently mentioned in connection with this committee.

The first shipment of Chinese products to be exported which has been sent from up river to Shanghai by water since the establishment of the boom at Kiangyin arrived

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arrived from Hankow in a Butterfield and Swire vessel today.

The Shanghai Municipal Council, after its recess, reassembled today with a full attendance of members.

November 4, Thursday

Persistent Japanese Attempts to cross the Soochow Creek result in bitter engagements. Severe night bombardment rocks Western areas of Shanghai.



Mr. Clarence B. Gauss,
 American Consul General at Shanghai,
 China

Frenchtown's lifeline, the waterworks plant in Nantao on the bank of the Whangpoo River, has been encircled and is being closely guarded by French Marines from the gunboat SAVORGNAN DE BRAZZA.

According to a Reuter dispatch dated November 4th received in Shanghai, abolition of the extra-territorial rights of foreign nationals in "Manchukuo" was announced in Changchun today.

November 5, Friday

Negotiations

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Negotiations over a period of several days, conducted by the International Red Cross Refugee Committee with both Chinese and Japanese authorities, for the formation of a safety area in the Chinese City, "for humanitarian reasons, to protect the non-combatants," met success late tonight as both Chinese and Japanese signed agreements with the Committee.

A special organ for the education of wounded Chinese soldiers has been organized by the Ministry of Education in collaboration with the war aid association in Nanking.

A lengthy statement of facts as regards the destruction of Chinese education and cultural institutions by the invading Japanese forces during the present hostilities was issued in Nanking today by 102 Chinese university presidents, professors and other educational leaders.

November 6, Saturday

Admiral Sir Charles Little, Commander in Chief of British China Fleet, states today that it is his opinion that the risk of cargo making passage above Gough Island to the Settlement or French Bund is no greater than the risk on Gough Island or at the neutral anchorage.

Japanese forces made landings near Chapoo on the Hangchow Bay. Chinese Army rushed reinforcements.

Japanese propaganda balloon was shot down by Chinese Army defending the Soochow Creek line.

November 7, Sunday

With the Japanese advance from the coast towards Sungkiang, the last highways to remain open to Hangchow and land routes to Nanking have now been officially declared unsafe.

Hundreds of refugees once more poured into the Settlement today as Pootung districts are suddenly evacuated.

That

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That China is not in favor of direct negotiations with Japan in settling the Far Eastern conflict was made clear by General Chiang Kai-shek in a press interview in Nanking this afternoon. General Chiang expressed himself as being optimistic concerning the military situation and reaffirmed China's determination to continue the present struggle until justice is re-established in this part of the world. X



Mr. Donald,
Australian, Adviser
to General
Chiang Kai-shek

November 8, Monday

The search is still in progress for Mr. C. M. Robertson, local American owner of the Shanghai Auto Service, who disappeared last Thursday. Reports were current that he had been killed by a marine bomb explosion while

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while at Pootung, but no definite confirmation of his fate has been received. The Chinese authorities have been asked to join in the investigation now being made by the American Consulate General and every effort is being made to locate Mr. Robertson.

The southbound Blue Express passenger train No. 301 was bombed by six Japanese planes at 10:30 this morning between Hsuehchow and Nansuehchow on the Tientsin-Pukow Railway with seven of the train's coaches destroyed and 200 passengers killed and wounded.

Since the boom at Kiangyin made traffic beyond it up the Yangtze River an impossibility, two British steamers carried capacity bookings of passengers on Saturday and Sunday to Tungchow, the farthest up-river port still open for traffic.

A London Reuter message dated November 8th states that the British Consul General in Shanghai, Mr. Herbert Phillips, had been instructed to file claims by Britons in the International Settlement for compensation for damage caused by the Sino-Japanese hostilities, announced Mr. Anthony Eden, the Foreign Secretary, in the House of Commons today.

November 9, Thursday

Chinese Army withdraws from Western area of Shanghai, and is determined to defend Nantao.

It is understood that acting on medical advice, Sir Hughe Knatchbull-Hugessen, British Ambassador, is postponing his return to China, and he is not expected to resume his duties here before the end of the year.

With the hoisting of Red Cross flags over the principal buildings on its four sides, the Nantao area

reserved

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reserved for non-combatants, which is the northern section of the Chinese City, was formally established today. The only armed force in area is police with pistols and batons. A notice was issued by Mr. O. K. Yui, the Mayor, acquainting the public with the creation of the area.

A Shanghai Municipal Council official denies changes in the status of Shanghai, saying administration of city will remain in hands of elected Councilors.



Madame Chiang
Kai-shek, Wife of the
Chinese Generalissimo

November 10, Wednesday

Arrangements for raising US\$10,000,000 to aid the war victims in China have been completed by the Red Cross Society of America, according to word

received

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received here from Dr. C. T. Wang, Chinese Ambassador to the United States. It is understood that the fund will be raised much in the same way as the Red Cross drive in the United States of America to aid the Japanese during the Tokyo earthquake.

With the International Settlement boundaries freed of hostilities, orders were issued this morning announcing the demobilization of the Shanghai Volunteer Corps with effect from November 12th.



The Standard Bearer of the "Lost Battalion", one of two girls reported to have chosen to be barricaded in Joint Savings Society Building with other soldiers to protect Chinese retreat from Chapei. She appears camera shy.

Despite the fact that a refugee zone has been opened in Nantao by the Shanghai International Red Cross, thousands of the Nantao section residents were jamming all

entrances

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entrances into the French Concession during the afternoon and far into the night, hoping to be admitted into French controlled territory.

November 11, Thursday

Mr. Philip Pembroke Stephens, correspondent for the DAILY TELEGRAPH of London, was killed today and three other foreigners were wounded when a Japanese machine-gun fired for about fifteen minutes across Siccawei Creek, including in its spray of bullets the water tower at the end of Avenue Dubail which was being used by a party of nine foreigners at 3 p.m. as an observation point.

A force of between 3000 and 4000 Chinese soldiers who had decided to hold on to the end but were vastly outnumbered and overpowered by all the mechanical might of the Japanese forces, were ordered to evacuate Nantao by Chinese headquarters in the evening.

In the midst of war, Armistice Day ceremonies were observed in Shanghai. In fact bombing could be seen as well as heard during the service on the Bund.

November 12, Friday

A six-hundred word address, bidding temporary farewell to Greater Shanghai, was issued tonight to the local Chinese populace by the Political Department of the Military Affairs Commission. Among other things, the address states that the withdrawal of Chinese troops from Shanghai area should not be construed as a military defeat but the beginning of a prolonged campaign of resistance. An early recovery of the Shanghai-Woosung area was promised.

According to the NORTH CHINA DAILY NEWS, approximately

5000

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5000 Chinese soldiers are now interned in camps in the French Concession following the evacuation of Nantao.

Admiral Yarnell, Commander in Chief of the United



Soldiers of "Lost Battalion" taken by flashlight immediately they evacuated Chapei for the British controlled sector of International Settlement. Time 3 A.M. Oct. 31st.

States Asiatic Fleet, and his officers were the guests today of the Royal Air Force Association of Shanghai at the weekly luncheon in "The Dome". During the luncheon he remarked, "I have been grieved by the sight of so much destruction in and around Shanghai during the present hostilities and I wonder when mankind will realize the proper uses of aviation." He also said that there were rules for warfare as much as for any other activity, and it was distressing to see the wanton destruction of property and lives of non-combatants by the belligerents and to realize the helpless plight of non-combatants here in Shanghai.

The St. Andrew's Hospital of the American Church Mission in Wusih was bombed by Japanese planes this

morning

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morning. Two Chinese were killed. There were no American casualties.

Reuter is authorized to state that the report to the effect that British military and naval authorities in Shanghai have been empowered "to open fire immediately if Japan makes any move to attack the International Settlement south of the Soochow Creek" is entirely without foundation.

November 13, Saturday

In the opinion of Sir Charles Little, British Commander in Chief, there is now no objection to British ships berthing at the British wharves on either bank of the Whangpoo River. This information is being conveyed to the shipping companies concerned by the British Consulate General.



Members of "Lost Battalion", a few minutes after running the gauntlet of Japanese machine gun and shrapnel fire, climbing into autobuses to be interned in the International Settlement. Time 3: 15 A.M. October 31st.

French residents and property have emerged safely through the Sino-Japanese hostilities in Nantao during
 the

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the last few days, according to a report by Havas Agency.

No trace was found today of Mr. C. M. Robertson who disappeared ten days ago when he made a trip to Pootung, when a special investigation visit was made by the American consular and naval authorities to the place where he was last seen alive.

November 14, Sunday

Two dispatches are received in Shanghai from London which, in part, state as follows:

"Although much speculation is naturally active regarding the future status of Shanghai there is no indication that, at the present stage, official opinion is inclined to canvass the subject. It is far too early yet to attempt to define the conditions in which contemplation of it will be possible..."

"Since the outbreak of hostilities in China certain arrangements for cooperation in the defense of their eastern possessions have been reached between Great Britain and Holland."

Despite the change of the military situation in areas around Shanghai, the local branches of the four Government banks, namely, the Central Bank of China, the Bank of China, the Bank of Communications and the Farmers Bank of China, have been ordered by the Ministry of Finance to continue operations in order to stabilize the currency situation here, says the Central News.

November 15, Monday

The Central Executive Committee in China of the British Fund for Relief in China has, with the approval of the Secretary of State for Foreign Affairs and the Relief Fund Committee in London, been constituted at

Shanghai

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Shanghai with Sir Hugh Knatchbull-Hugessen, and Sir Geoffrey Northcote, Governor of Hongkong as Joint Presidents and Mr. Herbert Phillips, British Consul General at Shanghai as Chairman.



Peace Preservation Corps men evacuating Nantao (Chinese Territory) for the more peaceful French Concession. The high stepper in the barbed wire is not disposed to await his turn at the gate.

According to the NORTH CHINA DAILY NEWS, twenty Japanese marines visited the Chinese General Post Office this morning.

The Passport Office, the only remaining department of the Police Bureau of the Shanghai City Government, is closed.

November 16, Tuesday

Arrangements for the welfare of the quarter of a million refugees now being cared for in the "Jacquinot Zone" in Nantao are proceeding in an entirely satisfactory manner, according to the NORTH CHINA DAILY NEWS. It has also been decided that, for the time being, the area shall remain under the supervision of the Committee who,

actuated

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actuated by purely humanitarian motives, will be responsible for the welfare of the refugees.

The NORTH CHINA DAILY NEWS says that the Executive Yuan, Legislative Yuan, Judicial Yuan, Examination Yuan and Control Yuan are moving to Chungking, in Szechuen, while the Ministry of Health, the Ministry of Finance and the Foreign Office are moving to Hankow, the latter two establishing offices there in order to be in close contact with the representatives of the Powers and with financial institutions. The Ministry of Communications, it is understood, will have offices at Changsha, capital of Hunan province. Military establishment, however, will remain at Nanking.

November 17, Wednesday

According to a Tokyo Reuter message, the spokesman of the Japanese Foreign Office categorically denied that the Japanese authorities had any intention of occupying the International Settlement.



Peace Preservation Corps men being herded to cover by French soldiers. Japanese forces were approaching boundary line.

The

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The NORTH CHINA DAILY NEWS states that "After being practically buried under sandbags and boardings for about three months, most of the office workers along the Bund express gratification over the changed conditions" as all the buildings on The Bund, except one, are "desandbagging!".

November 18, Thursday

With the exception of a brief period of inactivity at the beginning of hostilities, the local insurance market has not suffered any appreciable loss of business, says the CHINA PRESS. A Reuter message from London of November 18th published in the NORTH CHINA DAILY NEWS states: "War risk rates for Shanghai bound cargoes were reduced from 20/- to 5/- per cent (in other words from one per cent to one-quarter of a per cent) by a new schedule issued today by the Joint War Risk Rating Committee of Company and Lloyds Underwriters. Reductions were also made for other voyages to China."

American members of the St. John's University faculty, who evacuated the campus during the fighting in the western area, have moved back to the compound, located at the edge of the British perimeter.

Five Americans and two of British nationality have been stranded in Pootung for the past 11 days as a result of the refusal of the Japanese naval authorities to permit them to cross the Whangpoo River until mine-sweeping operations have been completed. Food was exhausted and their position is becoming more hazardous hourly.

November 19, Friday

Conflagrations, in constant succession, are devastating
further

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further the Chinese City, once a very populous section, but now laid waste by fires. Starting from November 10, when Chinese positions in Nantao were severely bombarded following the withdrawal of troops from western Shanghai, the blaze, counted as one, has now been burning for ten days.



French Officer shaking hands with young Chinese officer who has entered the French Concession along with some 5000 other Chinese evacuees.

The Acting German Consul General in Shanghai has lodged a verbal protest with the Japanese Consul General here against the action of the crew of the Japanese gun-boat SETO in seizing two German tug-boats lying at the French-owned Kioussin Docks and proceeding to haul down the German flags flying at their mast-heads at the time of the seizure.

Foreign embassies may leave Nanking to open in Hankow.

November 20, Saturday

The U.S.S. AUGUSTA, flagship of the U. S. Asiatic

Fleet

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Fleet, will probably sail from Shanghai for Manila early next month, if present plans materilize. The vessel is long overdue for overhaul and repair and with conditions in Shanghai becoming more settled, tentative arrangements have been made for the ship to lift anchor and steam south right after December 1st.

The CHINA PRESS states: "Contending that Communist and anti-Japanese activities engaged in by Chinese within the International Settlement 'obstructed' Japanese military operations in the Lower Yangtze area, the Japanese military attache this afternoon asked for an official curb by the Shanghai Municipal Council authorities on such movement."



Japanese Aviators, captives of the Chinese, being held as prisoners of war in the model penitentiary in Nanking.

November 21, Sunday

A New York message dated today states that the early resumption of a steamship service to Shanghai from United States ports is foreseen following reports that
the

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the example of London in reducing war risk insurance rates by 75 per cent, will be followed here, probably next week.

The acceptance of cargoes may at first be on an optional bill of lading, permitting discharge at any port should it become inadvisable to make the call at Shanghai. American liners have omitted calling at Shanghai since the bombing of the PRESIDENT HOOVER in September.

Japanese seize over 30 vessels belonging to the Chinese Customs, the Shanghai River Police and the Whangpoo Conservancy Board and the Barbor Fire Brigade.

The new Commander-in-Chief of the French military forces in China, Colonel Henry Jacomy, who recently arrived in Shanghai to assume his duties, brings with him a wide military experience, and a brilliant army record.

November 22, Monday

Arrangements have been made by the Shanghai Telephone Company for the re-opening of their Wayside Telephone Exchange, serving principally subscribers living outside the Settlement Perimeter, with effect from November 24th.

The foreign embassies and Chinese officials in Nanking have formulated a scheme for a neutral zone in the Capital.

The Chapei fire may have been bigger and more spectacular but it certainly did not last as long as the blaze, or series of blazes, that have been raging in Nantao for many days, says the CHINA PRESS.

November 23, Tuesday

"No matter how long the war will last, China is

financially

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financially prepared to see it through, declared Dr. H. H. Kung, Minister of Finance, today when he passed through Hankow en route to Chungking," says the CHINA PRESS. "Dr. Kung, who, it is reported, will soon succeed Generalissimo Chiang Kai-shek as President of the Executive Yuan, avowed that the National Government has completed all preparations, financially, monetarily and economically for the purpose."

According to a Reuter dispatch from London, the status of the International Settlement in Shanghai was discussed in the British House of Commons today. Among other things, Mr. Anthony Eden, the Foreign Secretary, declared that the conditions under which the International Settlement was held and administered would in no way be varied without the Chinese Government's consent.

Removal of personal effects and furniture from the Hongkew, Wayside and Yangtzepoo areas by former foreign residents of the Settlement, north of Soochow Creek, will again be permitted by the Japanese from November 27 to December 1.

November 24, Wednesday

A United Press message from Washington is published in today's SHANGHAI EVENING POST AND MERCURY (first edition) to the effect that "close collaboration with Foreign Powers interested in Shanghai should the Japanese attempt to direct the Settlement Government was indicated as probably by the Department of State here today" (November 23).

"However, Mr. Clarence E. Gauss, Consul General, has been left the widest discretion as the State Department does not feel that the situation thus far warrants any special instructions.

Mr.

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Mr. Gauss has informed the State Department of measures proposed to curb anti-Japanese sentiment and its dissemination in the Settlement. Officials of the Department declined to comment on the measures but it was indicated that they do not consider the proposals excessive under the circumstances.

However, it was believed that the U. S. and other Foreign Powers would almost certainly emphatically object to any attempt on the part of the Japanese to seize active control of the International Settlement."



Part of vanguard of Japanese civilian rooters that were much in evidence during the parade.

Mr. Stirling Fessenden, Secretary General of the Shanghai Municipal Council, disclaimed today that the Council had authorized anyone to give "unofficial advice" on its behalf for the immediate suspension of the Central News Agency and the five leading local Chinese dailies. The LIH PAO and the MIN PAO, however, which printed their farewell numbers today, decided that they will abide with the original suggestion of the Council for suspension.

The

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The Central News Agency will also continue to suspend its service pending a definite decision on the matter by the Council.

November 25, Thursday

The NORTH CHINA DAILY NEWS is authorized by the British Consul General to state that, with reference to his Notification of October 11, last, the British authorities consider that, owing to hostilities having moved away from the International Settlement, the reasons for British subjects not returning to Shanghai no longer exist. At the same time, it is not suggested that conditions here can be regarded as normal, and it must be remembered that in certain parts of the Settlement, North of the Soochow Creek, and in the Hungjao area, residents are not yet able to return to their houses.

The First Battalion, The British Durham Light Infantry, or the 68th Foot, which arrived on Tuesday on board the transport DILWARA, marched on to their billets in Yu Yuen Road today. The outgoing battalion was the Royal Ulster Rifles which arrived in Shanghai at the beginning of hostilities to assist in the defense of the Settlement, and since have lost five men in its ranks during the hostilities.

According to the NORTH CHINA DAILY NEWS, the proposed refugee zone in Nanking is coldly received by Japan. Tokyo press raises objections as hindrance to attacking force is seen.

The rice situation in the International Settlement is somewhat easier today as more shops opened their doors and were able to distribute the product to a larger number of Chinese.

We

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"We firmly believe that right must overcome might, and it is our fixed policy to resist to the last inch and the last men," said General Chiang Kai-shek at a reception to the foreign press in Nanking this evening.

The proposal advanced by an international group of Hangchow residents and handed over to the Japanese this morning by Mr. Clarence E. Gauss, U. S. Consul General in Shanghai, to keep the lakeside city free from hostilities is being considered today by the Japanese naval and military authorities together with the plans for creating a safety zone in Nanking.

November 26, Friday

Following the example of the P. & O. Steam Navigation Company, whose S.S. RAJPUTANA will be the first British passenger vessel to visit Shanghai since August, the Blue Funnel Line now state that their fortnightly service to Shanghai will be resumed with the S.S. AJAX, which will leave Liverpool on December 11, says a Reuter message from London.

Having warned all Chinese newspapers that no anti-Japanese activities will be allowed in the International Settlement, the Shanghai Municipal Council hopes that it will have no cause to order the suspension of any local journals, Mr. Stirling Fessenden, S.M.C. Secretary General, stated in the course of an interview with THE CHINA PRESS today.

Dr. Oscar P. Trautmann, the Ambassador of Germany to China, arrived in Hankow from Nanking today.

November 27, Saturday

Although the Japanese today made no really apparent move to take over control of the Chinese telegraphs, radio communications, the Central Post Office administration and
radio

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radio station XQHC, the Japanese Embassy spokesman at the press conference tonight declared that all processes necessary to assume control of these Chinese government communications have been put into operation.



Japanese Cavalry marching through
 British Army lines on to International Settlement extension roads.

A London dispatch says "The British Ambassador to Japan, Sir Robert Craigie, has been authorized to leave the Japanese Government in no doubt whatsoever that the British Government claim the right to be consulted on any arrangement made about the Chinese Maritime Customs, it is learned in official circles here today."

Nanking assumes appearance of a deserted city.

November 28, Sunday

The United States gunboat LUZON arrived in Hankow in the afternoon today from Nanking, bringing the American Ambassador, Mr. Nelson T. Johnson, and the majority of the American Embassy staff. The British Charge d'Affaires,

Mr.

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Mr. R. G. Howe, accompanied by the majority of the staff of the British Embassy, arrived almost at the same time aboard the British gunboat BEE. Meanwhile, the Chinese Foreign Office has established temporary offices in the Administration Building of the Third Special District or the former British Concession. It is understood that if Hankow is attacked, the Foreign Office will move into Szechuen, probably establishing office at Chungking, says the NORTH CHINA DAILY NEWS.

In a gathering of foreigners representing the foreign consulates, missions, press and principal business firms today, General Tang Sheng-chih, Commander of the Nanking Garrison, declared that Nanking may be a battle-ground in the near future and that the Chinese Capital will be defended until very last.

November 29, Monday

Radio and telegraph communications between Shanghai and other cities in China continued to be out of operation when the Shanghai Telegraph Office, which was taken over by the Japanese authorities, remained closed. The head office of the Shanghai Telegraph Office on Foochow Road had been sealed, while work at all the branch offices of the organizations had also been suspended.

Meantime, the Chinese Government Radio Administration continued to operate its international service. The three local foreign cable offices are continuing their service without any change. Japanese officials have not approached them, the head of one of the cable companies revealed today, says THE CHINA PRESS.

The Henry Lester Institute of Medical Research and the Lester School and Henry Lester Institute of Technical Education

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Education, two of Shanghai's most potent scientific research institutions, supported by the Lester Trust, have been forced by conditions brought about by the war to suspend the major portion of their work for a period of six months, THE CHINA PRESS learned today.

The NORTH CHINA DAILY NEWS states, "Mr. O. K. Yui and his party arrived at Hongkong today in the Messageries Maritimes liner ARAMIS. Meanwhile, it has been belatedly learned that Mr. Sun Fo, the President of the Legislative Yuan, arrived in Hongkong last Wednesday... Following the departure of Mr. T. V. Soong, chairman of the Bank of China, and Mr. O. K. Yui, the Mayor, several Chinese civic leaders also left Shanghai for the south to proceed to Hankow by way of Hongkong and Canton, it was reported in Chinese circles today."



Japanese infantry marching along
Yu Ya Ching Road, formerly Tibet Road.

November 30, Tuesday

The Japanese naval landing party this afternoon removed Italian and American flags from tenders along
the

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The Bund and, after hoisting the Japanese flag, proceeded to tow them down-river to an unknown destination. In addition, four other river craft were taken down stream by a Japanese tug from a point opposite the Hongkong and Shanghai Bank Building.

Four months, almost to a day, after they were compelled to flee from their homes in Hongkew, Wayside, and Yangtzepoo, foreign residents of these areas will be permitted to return there on December 15th. This was announced by a spokesman of the Japanese Embassy, who intimated, however, that the official date of the re-opening of the areas would be announced later, says the NORTH CHINA DAILY NEWS.

"The London Chamber of Commerce today," states a Reuter message from London, "drew the attention of the British Government to the fact that the Japanese authorities are insisting on the payment of Japanese import duty on cargo intended for Shanghai but carried on to Japan, unless it is re-exported within a month.

"It is also understood that, if the Japanese import duty is paid, no refund is allowed when the goods are reshipped to Shanghai. The Chamber points out that this is a great disadvantage to shippers, who in many cases are having difficulty in tracing their cargo. The Chamber therefore urges the Foreign Office to request the Japanese Government to grant a further extension period of three months."

General Chiang Kai-shek inspected the defences around the city of Nanking today, after which, Reuter learns from an authoritative source, he expressed himself as very satisfied with them. Madame Chiang also remains there. The Japanese armies are rapidly advancing upon

China's

-27-

China's Capital.

December 1, Wednesday

With radio and telegraphic communications between Shanghai and inland cities still disrupted, Hongkong today becomes the clearing house in relaying messages to and from Shanghai. The Shanghai Telegraph Office, taken over by the Japanese on November 28, remained closed.

Some 500 girls in attractive Red Cross uniforms launched the local drive of the Shanghai International Red Cross today to raise \$100,000 to aid the refugees in the local war areas. Mrs. Arthur N. Young, American, well-known for her social welfare here, is heading the sub-committee in charge of the drive.

Aiming to put more men back to work, the Industrial Section of the Shanghai Municipal Council is now appealing to the factory owners of the International Settlement to re-open their plants.



Japanese officers interrogating Japanese member of the S.M.C. Police at the scene of the hand grenade incident.

As

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As a precautionary measure, the art treasures which were transferred to Nanking from the Palace Museum in Peiping four years ago and which have since been stored in air-conditioned vaults pending the construction of a museum for permanent exhibition, are being removed to the interior of China, according to an official announcement.

December 2, Thursday

Admiral H. E. Yarnell, Commander-in-Chief of the U.S. Asiatic Fleet, will accompany his flagship, the U.S.S. AUGUSTA, when that vessel leaves Shanghai for Manila on December 14th, according to an official press release issued yesterday from the Admiral's staff offices.

The British Charge d'Affaires, Mr. R. G. Howe, and other members of the British Embassy staff in Hankow are leaving on December 3d for Shanghai, where the Embassy will be established temporarily. This action, it is understood, is being taken to enable the Embassy more closely to follow developments in Shanghai.

A Tokyo dispatch states that Japan is "considering" taking over the Chinese customs administration in Shanghai, the Japanese Foreign Minister told the Privy Council yesterday in the course of his report on diplomatic affairs. The Minister did not amplify his statement regarding the customs in his report to the council, which dealt with other matters, including Japan's recognition of the regime of General Franco of Spain.

A "warning" has been given to the Hongkong authorities, says a Reuter message from Tokyo, by the Japanese Consul General there, according to a Japanese news agency report received in Tokyo December 1st. The Japanese Consul General drew the attention of the colonial authorities "to the fact that

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that a number of Chinese Government leaders who have recently been entering and leaving Hongkong have been engaged in political activities there against Japan."

December 3, Friday

Peace conversations at present take place in Nanking between General Chiang Kai-shek, President of the Executive Yuan and Commander-in-Chief of China's armed forces, and Dr. Oscar Trautmann, the German Ambassador to China, the latter left Hankow for Nanking by steamer on November 30th accompanied by Dr. Hsu Mo, the Chinese Vice-minister for Foreign Affairs.

It is learned from authoritative sources that the German offer for peace between China and Japan includes:

"(1) A definite assurance from Japan that she has no territorial ambitions in North China, and merely desires economic cooperation with China. (2) China should participate in the anti-Comintern pact. (3) Japanese troops should be withdrawn from Chinese territory."

The launch FEI TING, owned by the China Foreign Steamship Corporation, an American concern, was returned to the company on December 1st by the Japanese, according to a statement released by the company. The launch was seized by Japanese bluejackets Tuesday afternoon after they had lowered the American flag on the ship's flag-staff. The two Italian-owned launches ROMOLO and LIDO have also been returned.

December 4, Saturday

The Japanese parade through the Settlement yesterday started on scheduled time, 11 A.M., from the Toyoda Mills and lasted for almost two hours. Approximately 5000 men participated in the long march to the Garden Bridge and the parade was completed by 2 p.m. As the marchers entered the Settlement, very few spectators were on hand to watch them.

The

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The people who lined the streets around Jessfield were mostly newspapermen and photographers. Large numbers of cheering Japanese civilians crowded the line of march along Avenue Foch, Yu Ya Ching and Nanking Roads where, fearing untoward events, Chinese as well as foreigners were turned back by the Settlement Police.



British Army Officer's motor car being stopped by Japanese patrol shortly after Japanese assumed control of area of Settlement in grenade exploded.

At 12:50 p.m., a hand grenade was tossed at a passing column of Japanese troops by a young man alleged by Japanese to have been a Chinese from a position near the Sun Sun Department Store. Four Japanese, including three soldiers, and a British police sergeant, were wounded. The young man, whose age was put at about 25 years, managed to get through the police lines at Kwangse Road from where he hurled the missile. A Chinese police constable nearby immediately fired on the man, wounding him in four places. He died about one hour afterwards. It was reported in some circles that the man who threw the grenade was a Korean and not a Chinese. During the commotion

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commotion Japanese soldiers broke ranks.

Japanese investigation party last night was in occupation of Nanking Road from Fokien Road to Yu Ya Ching Road. They also held sections of Yu Ya Ching and Fokien Roads.

At an impromptu conference held under the dim light of street lamps on Nanking Road, representatives of the Japanese army and the Shanghai Municipal Police agreed upon the terms of settlement of the affair, and the Nanking Road was clear of Japanese gendarmerie and military shortly after 9 o'clock in the evening.



Detachment of British soldiers
being held up on Nanking Road by Japanese
patrol.

Colonel F. B. Price, commanding the 4th U. S. Marines, accompanied by members of his staff, appeared on the scene at Mohawk Road shortly before 5 p.m. yesterday, and told the Japanese officer in command of the detachment of Japanese troops engaged in investigating the Nanking Road grenading yesterday afternoon that the Japanese troops were well inside the defense sector of the U. S. Marines.

He

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He suggested that they leave the sector.

The Japanese officer stated he did not realize that his men had advanced such a distance along Bubbling Well Road and the order for withdrawal was given.

Today's proposed march of the Japanese army into Nantao by way of The Bund and the French Bund will not take place, it was understood last night. The French authorities are reported to have decided that the Japanese would not be permitted to proceed through their territory.

December 5, Sunday

A Japanese army convoy consisting of five army trucks loaded with supplies, an army motor-car, a civilian motor-car and a passenger truck, empty except for the driver, and bearing Japanese flags, bound for Nantao, was held up for



Return of Japanese Parade to
Hongkew Section of International Settlement

45 minutes yesterday morning by the French Police at the foot of Avenue Edward VII. After negotiations on the scene, the French Police finally decided to allow the Japanese to pass along the French Bund to Nantao under a

French

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French Police escort. An Anamite soldier was detailed to each lorry.

A Japanese military spokesman stated yesterday in a press conference that the bomb affair during the Japanese parade on Friday is now "considered" closed, the Shanghai Municipal Council having agreed to prevent, to the best of their ability, the recurrence of such incidents, following an exchange of views between representatives of the Japanese Army and the police."

A Reuter dispatch from Tokyo dated December 4th states, "A large-scale expansion of shipping activities along the China coast and the Yangtze River to make Japan predominant in shipping there, has been decided on by the Japanese Government, and the Ministry of Communications is studying the precise form which the expansion program shall take, according to the 'ASAHI SHIMBUN'".

Mr. Robert F. Fitch, president emeritus of the Hangchow Christian College, with the approval of Mr. C. E. Gauss, American Consul General at Shanghai, made proposal to the Japanese that the Imperial Island in Hangchow be turned into a safety zone for the civilian population, as it is out of the line of attack and retreat.

December 6, Monday

Colonel F. R. W. Graham, Commandant of the Shanghai Volunteer Corps, attended his last parade with the Corps yesterday when he took official leave of the Corps.

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, who is recuperating from the wound he received when his car was fired on by a Japanese plane last August, is proceeding to London with his family on December 11th in order to complete his convalescence.

The British gunboat LADYBIRD, Jardine's steamer

TUCKWO

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TUCKWO and the Butterfield Swire S.S. TATUNG were bombed by Japanese planes in the course of a raid on Wuhu at 11 o'clock yesterday morning. The TUCKWO was practically burned out. The LADYBIRD escaped with less damage, ~~the~~ being beached.

December 7, Tuesday

A group of armed Japanese went into the Great Eastern Hotel, in the Wing On Building, Nanking Road, early yesterday morning and "arrested" four Chinese - three men and a woman - whom they whisked away in motor cars and drove over the Garden Bridge into Hongkew and finally released later in the day after questioning. The woman not being given time to dress left the hotel only in her undergarments.

The Shanghai Municipal Council has the whole matter under urgent consideration and is entering an immediate protest with the Senior Consul.

Carrying copies of a resolution urging the Japanese Government to take "determined action" for settlement of the so-called "Maitland flag incident" of December 3rd, representatives of the Japanese Residents' Corporation made a round of calls on Japanese military officials and diplomatic representatives yesterday morning.

According to the eyewitness of the incident, which occurred during the Japanese parade on Nanking Road, Mr. E. T. Maitland, British, formerly Municipal Advocate, grew annoyed at the way in which a Japanese flag was waved about in his face, and eventually snatched it away, smashing the frail stock on which the flag was mounted. Angered in turn, the civilian hit Mr. Maitland, whereupon another foreigner standing next to him struck a return

blow

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blow, and a scrimmage ensued right in the entrance of Hall & Holtz's Man's Shop.

December 8, Wednesday

Acting following the receipt of a written protest from the Consular Body, the Japanese Consul General yesterday assured the Shanghai Municipal Council that there will be no recurrence of a raid similar to that which took place at the Great Eastern Hotel Monday. The Council has considered the case as closed.

The total sum collected by the Shanghai International Red Cross has nearly reached the \$40,000 mark.

An article carried in THE CHINA PRESS states that members of the so-called "Great Way City Government" at Pootung, the first autonomous government established in the vicinity of Shanghai, are directing their whole attention to the problem of finding work to keep themselves busy, according to a Chinese report yesterday. With the district across the Whangpoo practically denuded of the population, the "officials" found that, having assumed "office" they are confronted with the task of finding ways and means of exercising their "power", the report revealed. Su Hsi-wen, a native of Fukien Province, who installed himself as "Mayor" has established headquarters at the Bureau of Police station at Lainedu. During the "inauguration" of the "Government" on Sunday, a number of Su's Japanese advisers were present at the banquet. So far, the report said, the "officials" have failed to find any work to do apart from posting notices and hoisting the Taoist flags. On every street and practically on every building, Su and his friends have succeeded in posting large notices announcing its "inauguration" and in putting up the red, yellow and blue emblems.

A

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A Reuter message from Tokyo states that following the fall of Nanking, the Japanese Government is likely to issue a statement withdrawing recognition of the Nanking Government.

December 9, Thursday

A spokesman of the Central Bank of China states that the report in yesterday morning's local press that the Shanghai branches of the four Government Banks have decided to close down, is entirely untrue.

A Tokyo dispatch states that negotiations now in progress in Shanghai regarding the emergency administration of the Chinese Maritime Customs are proceeding satisfactorily, the metropolitan press reported today, December 8th.

Moving up fresh units and supplies to strengthen their defense lines, Chinese forces on the outskirts of Nanking appeared last night to have succeeded in their task of slowing up the Japanese drive against the capital. Japanese Consul General at Shanghai handed memorandum to Mr. Aall, Senior Consul, warning all foreigners to leave Nanking.

"Japan's peace plans had not yet been formulated, the spokesman of the Foreign Office declared at a press conference today in answer to questions regarding peace prospects in the Sino-Japanese conflict," states a Reuter message from Tokyo. There was no truth in the report that the British Ambassador to Japan had approached the Foreign Office with an offer of mediation. Germany, Italy and the United States, he continued, were countries which also felt great interest in the Far East and might be active in a manner similar to that of Great Britain."

December

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December 10, Friday

Mr. R. G. Howe, British Charge d'Affaires, and his staff who recently travelled down from Hankow to Hongkong arrived at Shanghai yesterday afternoon aboard the S.S. PATROCLUS. It is learned that the British Embassy is now to be established indefinitely in Shanghai.



Return of Japanese Parade to
 Hongkew Section of International Settlement

A large launch, flying the British flag and which is the property of the Shanghai Tug & Lighter Co., was seized by the Japanese navy from a point on The Bund near the Cenotaph yesterday, despite protests by the Captain, general manager of the British firm of tug and passenger tender operators.

In the event of Nanking falling, South China will redouble its efforts to stand by the Central Government, declared General Wu Te-chen, Governor of Kwangtung.

"Reuter's correspondent in Hankow reports that political and governmental changes are taking place daily.

The

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The whole civil organization of the Chinese Government has practically faded away, and is replaced by a military organization which has developed out of General Chiang's headquarters."

Today's NORTH CHINA DAILY NEWS states, "The Commander in Chief of the Japanese forces in Central China, yesterday at noon advised General Tang Sheng-chi, Commander of the Nanking Garrisons, to surrender the city without struggle by noon today. In a letter dropped over Nanking by a fleet Japanese pursuit plane, it was stated that abandonment of resistance would spare Nanking's historic relics and spots of beauty."

The NORTH CHINA DAILY NEWS of December 11th states that Japanese Army launched the attack on Nanking shortly after 2 p.m. yesterday as no reply was received from the Chinese defender of the Capital for surrender of the city by noon yesterday. According to a Havas message from Hankow yesterday, "Hopes entertained for a peaceful settlement of the Sino-Japanese conflict are rapidly dwindling here, Chinese Government leaders appear to be convinced that Japan is not prepared to accept Germany's offer to mediate during the present hostilities. Dr. Trautmann has now returned to Hankow from Nanking and no further attempts will be made at present to resume the conversations which took place in Nanking."

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APPENDIX I

A Summary of Major Events
 Said to have happened in and near Shanghai during
 the 1937 Incident

<u>Foreign embassies, removal of</u>	
German Ambassador arrived at Hankow	Nov. 26
U. S. and British Ambassadors arrived at Hankow	28
British Embassy removed to Shanghai	Dec. 10
<u>Evacuees, Return of</u>	
No objection to return to Shanghai of British subjects	Nov. 25
<u>Government Offices, Removal of</u>	
To Chungking and Hankow	Nov. 16
<u>Japanese bombing of Wuhu</u>	Dec. 6
<u>Japanese Seizures</u>	
Customs launches, etc.	Nov. 21
Telegraph Office, etc.	29
Tenders flying Italian and American flags, etc.	30
Four Chinese in International Settlement	Dec. 7
British launch	10
<u>North of Soochow Creek</u>	
Possible reopening of, on December 15th	Nov. 30
<u>Parade, Japanese, in International Settlement</u>	Dec. 4
<u>Peace Talk</u>	
German Ambassador and Generalissimo Chiang	Dec. 3, 9, 10
<u>Protests against Japanese</u>	
By General Beaumont for seizure of a Chinese rice junk in American defense sector	Nov. 1
By German Consul General for seizure of two German tug-boats	Nov. 19
<u>Puppet Government in vicinity of Shanghai</u>	Dec. 8
<u>Refugees</u>	
Safety Zone in Nantao officially opened	Nov. 9
Proposal for a similar zone in Nanking	22
In Hangchow	Dec. 5
<u>Shanghai, Status of</u>	
Shanghai Municipal Council	Nov. 9
Japanese Government	17
British House of Commons	23
U. S. Government: Mr. Gauss left widest discretion	24
British Government	27
<u>Shanghai Volunteer Corps</u>	
Demobilized	Nov. 10

Shipping

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Shipping

Safety of cargo making passage above Gough Island	Nov. 6
No objection to British ships berthing at British wharves on either bank of Whangpoo River	13
Decision for resumption of sailings of British passenger ships	26
Expansion of Japanese shipping activities	Dec. 5

Troop arrival

First Battalion, Durham Light Infantry arrived on November 23 (British)	Nov. 25
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War Risk Insurance Rates

Dropped to one per cent	10
Dropped to one -quarter of a per cent	18

APPENDIX II

CRAIGIE, ROBERT, Sir, British Ambassador to Japan

FITCH, ROBERT F., Former President of Hangchow Christian College, promoter of Safety Zone in Hangchow.

HSU MO, Vice Minister for Foreign Affairs.

JACOMY, HENRY, Colonel, Commander in Chief of French Military Forces in China.

JACQUINOT, R., Father, Sponsor of the Safety Zone for Refugees in Nantao.

NORTHCOTE, GEOFFREY, Governor of Hongkong

SU HSI WEN, who installed himself as "Mayor" of the so-called "Great Way City Government" of Shanghai.

SUN FO, President of the Legislative Yuan.

TANG SHENG CHIH, General, Commander of the Nanking Garrisons.

STEPHENS, PHILIP P., Correspondent for the DAILY TELEGRAPH of London who was killed by Japanese machine-gun fire on November 11th.

YOUNG, Mrs. ARTHUR N., American social worker, in charge of Red Cross Society sub-committee on the \$100,000 Campaign .

H. C. Chen, Consular Clerk, ably assisted in the preparation of this report.

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CV:Hec

In quintuplicate to the Department of State;
One copy to American Embassy, Hankow;
One copy to American Embassy, Tokyo, Japan.

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Source of Information

Note: "North China" indicates NORTH CHINA DAILY NEWS, and
 "Evening Post", SHANGHAI EVENING POST AND MERCURY.

Newspaper				Newspaper			
Date	Item	Name	Date Page	Date	Item	Name	Date Page
1937			Nov.	1937			Nov.
Nov.1	1	North China	1 6	Nov.18	2	China Press	19 2
	2-3	"	2 5		3	"	19 1
	4	"	2 6		19 1-3	North China	20 5
	2	1	" 2 6		20 1-2	China Press	21 1
		2	" 3 6		21 1-3	North China	22 5
		3	" 3 5		4	"	22 6
	3 1-3	"	4 5		22 1	"	23 5
	4	1	" 5 5		2	China Press	23 1
		2	China Press 5 1		3	"	23 4
		3	North China 5 5		23 1-3	China Press	24 1
	5	1	North China 6 5		24 1-4	Evening Post	24 1
		2	" 6 6		5	China Press	25 1
		3	China Press 6 2		25 1-3	North China	26 1
	6 1-3	North China	7 9		4	"	26 2
	7 1-2	"	8 5		5-6	China Press	26 1
		3	" 8 6		26 1-3	"	27 1
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By Milton D. Gustafson NARS, Date 12-18-75

AMERICAN CONSULATE GENERAL.

1938 JAN 31 PM 3 32

NAME	DATE	TIME	PLACE	REMARKS
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Japanese Army Victory March Through
the International Settlement on
December 3, 1937, and the Resulting
Incident and Complications.

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the Department that there had been a conference between the foreign garrison commanders and the Japanese military authorities which seemed to be satisfactory on both sides and that no precipitate action was anticipated. I had also again discussed the proposal with my Japanese colleague, upon whom I had repeatedly urged the inadvisability of action which could but result in some incident. By my No. 1050 of December 1, 11 a.m., I reported again that the matter was in abeyance, but by my No. 1057 of December 1, 7 p.m., I informed the Department that the Japanese Assistant Military Attaché had informed the British (senior) Commandant of the intention of the Japanese to pass a column of troops (they avoid referring to it as a parade or victory march, but such it was intended to be) through the American and British sectors on December third, and of the objections filed with the Japanese authorities by the American and British commanders. By my No. 1070 of December 2, 9 p.m., I informed the Department that I had made representations to the Japanese Consul General who, however, could do nothing in the face of a high military decision.

My No. 1074 of December 3, 2 p.m., briefly reported the bombing incident during the parade; my No. 1081 of December 3, 8 p.m., and No. 1085 of December 4, 3 p.m., amplified the report and, together with my No. 1088 of December 5, 9 a.m., and my No. 1093 of December 5, 5 p.m., gave detailed information concerning the report that the United States Marines had been involved in the incident.

By

-3-

By telegram No. 1086 of December 4, 4 p.m., I reported the memorandum exchanged between the Japanese forces and the Commissioner of Police of the Shanghai Municipal Council, which was seriously regarded as affecting the continued control of the Settlement by the Municipal authorities. By my No. 1089 of December 5, 10 a.m., I reported that the Japanese had indicated that they were considering withdrawal of the memorandum. Telegram No. 1090 of December 5, 11 a.m., quoted a press release issued by the Shanghai Municipal Council to allay popular apprehension. My No. 1091 of December 5, 12 noon, communicated the report of the Commissioner of Police to the Council, while my No. 1092 of December 5, 1 p.m., quoted the substance of the communication addressed by the Municipal Council to the Senior Consul.

My message No. 1097 of December 6, 6 p.m., informed the Department of the action determined upon at a meeting on December sixth, when the Senior Consul called his colleagues of the extraterritorial powers (except Japan) into consultation.

My No. 1105, December 7, 8 p.m., reported that the Japanese Consul General had agreed to attend a meeting with his colleagues for formal discussion of the matter.

My No. 1112 of December 8, 3 p.m., reported the result of the meeting.

Documentation. In order to complete the record I submit the following documentation to supplement the telegrams above cited:

1. Full text of letter dated December 4, 1937, addressed to the Senior Consul by the

Chairman

-4-

Chairman of the Shanghai Municipal Council, with attached confidential report of December 4, by the Commissioner of Police to the Secretary of the Council, and copy of the memorandum referred to therein, exchanged between the Commissioner and the Japanese military authorities.

2. "Draft memorandum" regarding "consultation meeting" of various heads of Consulates of extraterritorial powers held at the residence of the Senior Consul on December 6, 1937. (The Secretary of the Consular Body informs me that by direction of the Senior Consul this memorandum has not been circulated. It should therefore be regarded as an unofficial record of the meeting.)
3. Copy of the "Memorandum" handed by the Senior Consul to the Japanese Consul General embodying the facts set out in the correspondence mentioned in enclosure No. 1 above.
4. Copy of the "Corrected Minutes" of the Consular meeting of December 8, 1937.

In the original "draft" minutes of this meeting it was recorded that the Japanese Consul General had stated as follows:

"Thus it was his duty to solve this question and so he held conversations with his military authorities and succeeded in getting them to say that the matter had been settled right there and that they would not take advantage of the incident which occurred that afternoon; also to say, just as the Senior Consul had stated, that the matter could be considered 'just as if no demands at all had been presented.'"

The Japanese Consul General amended the draft minutes before they were circulated, to read as follows:

"Thus it was his duty to solve this question and so he held conversations with his military authorities and succeeded in getting them to say that the matter had been settled right there and that they would not take advantage of the incident which occurred that afternoon; also to say that the Japanese authorities have no intention of taking any further steps in regard to the matter."

For the information of the Department I quote from

my

-5-

my verbatim stenographic record of the statement made
by the Japanese Consul General on the point:

"Then I heard that there were certain demands presented to the Commissioner of Police, which I did not know. Then it was my duty to solve this and I had conversations with the military authorities and succeeded to let them say that the matter has been settled right there. We will not take advantage of the incident which occurred that afternoon. We can treat it just as the Senior Consul said-- just as if the conditions or demands were not presented at all. I must express my deep regret to my honorable colleagues that this trouble should have happened. For my part I have done everything to settle this unfortunate incident in that way."

I also enclose

5. Draft letter from the Senior Consul to the Chairman of the Shanghai Municipal Council in reply to his communication of December 4, 1937. The Secretary of the Consular Body informs me that the draft was submitted to the Japanese Consul General along with other colleagues, and was sent on December 14, 1937, as drafted. The Japanese Consul General had made no objection to the draft beyond saying that it was understood that the correspondence was not to be published.

At the Consular meeting on December eighth, the Japanese Consul General had agreed that a press release might be issued in order to allay public apprehension in regard to Japanese intentions concerning the International Settlement. A text of such release was drafted at the meeting and received general approval; but at the suggestion of the Senior Consul the draft was sent to the Japanese Consul General for his final approval before release and the Consul General indicated orally, after consultation with his military authorities, that he could not consent to any statement to the press. The text of the press release as drafted is given below:


"The

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

-6-

"The matter of the reported document which was exchanged between the Japanese military authorities and the Commissioner of Police, Major Gerrard, on the evening of Friday, December the 3d, was discussed at a meeting of the interested consular representatives on December 8th, at which the Japanese Consul General informed his colleagues that the Japanese authorities considered the matter as having been satisfactorily determined and that no reference would be made in the future to this document."

Respectfully yours,


C. E. Gauss
American Consul General

✓ Enclosures:

1/5/- As listed above.

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CEG MB

In Quintuplicate.

Copy to Embassy, Tokyo.

Copy to Embassy, Peiping.

Copy for Embassy, Hankow.

(Circular 235-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR INFORMATION. THE MATTER WILL BE DISCUSSED AT A SPECIAL CONSULTATION MEETING TO BE HELD AT 2.30 P.M. TODAY AT THE RESIDENCE OF THE SENIOR CONSUL, 2 PEKING ROAD, TOP FLOOR, TO WHICH HE INVITES THEIR PRESENCE. (To consider the question of any representations which may be made to the Japanese Consul-General.)
(Letter from the Chairman, S.M.C. to the Senior Consul.)
4th December, 1937.

N. Hall, Esq.,
Consul-General for Norway and Senior Consul,
Shanghai.

Sir,

I have the honour to address you in connection with the parade of Japanese troops through the International Settlement which took place on Friday, December 3.

Although the Council did not receive information until the morning of December 2 that the Japanese forces proposed to parade through the Settlement, it had been made known to the Council for some time past that the Japanese military authorities had in contemplation the project of marching Japanese troops along the Bund. On each occasion that this project was discussed with the Japanese authorities the Council's representatives stressed the inadvisability of Japanese troops entering at the present time that part of the Settlement which lies South of the Soochow Creek. It was considered that while the Council has, of course, neither the right nor the power to object on legal grounds to the passage of foreign forces through the International Settlement, nevertheless the passage of Japanese armed troops through the Settlement at the present time would cause grave embarrassment to the Settlement authorities and place a grave strain upon the Municipal Police. It was emphasised that with a large Chinese population having vividly in their minds the recent local hostilities, and with an unprecedented number of destitute persons and refugees in the Settlement, it was quite impossible for the Municipal Police, though taking every possible precaution not to feel that a march by Japanese troops was likely to result in an unfortunate incident which would tend to disturb peace and order and the confidence of a peaceful population. I have previously stated that it was only on Thursday, December 2, that the Council received information of the course that the Japanese authorities intended to take on Friday December 3. I myself personally again emphasised to the Japanese Consul-General the Council's view as to the inadvisability of the march which the Japanese military authorities proposed.

As you are aware, the Commissioner of Police, immediately upon receiving information as to the proposed march, instituted special police measures. It can, I think, be stated with confidence that nothing was left undone which could have been done to prevent the type of incident which the Council feared. Most gratifying testimony has been received as to the thoroughness with which the Police arrangements were made.

According to the report of the Commissioner of Police, the Japanese column entered the Settlement at 11 a.m. and continued along the prescribed route without any incident until the second battalion was passing Kwangse Road. At that moment an unknown male, dressed in foreign style clothing, attempted to pass the police cordon on Kwangse Road at a point approximately thirty yards south of Nanking. He was stopped by a Chinese police constable on duty and told to go back. He nodded his head, but immediately turned to the right and threw a parcel wrapped in newspaper which he carried in his right hand. Fearing that he had thrown a dangerous missile, the Chinese police constable drew his pistol and loaded. hearing an explosion he opened fire on the thrower who was attempting to run back through the crowd. The man fell to the ground wounded. This incident occurred at 12.44 p.m.

The missile was a bomb of some sort and exploded on the north side of the marching column. Three Japanese soldiers, one Japanese civilian, one foreign police officer and one Chinese police constable/

2

constable were wounded. As far as is at present known, none of the wounds were serious. The marching column halted and deployed, a number loading their rifles ready for action.

After about ten minutes the column re-formed and had started moving, when a Japanese sentry who had taken up his position on Keangse Road fired a shot at a civilian who was looking out of a window of the Suh Sun Company's building, causing a further halt of the column. No one was injured in the building by the shot. After a few minutes the column again started marching, and crossed the Garden Bridge without further incident.

A party of Japanese military remained behind and took command of the area.

After some delay the Police were allowed to proceed with their investigation into the incident, but were not allowed to touch the body and were denied full freedom of action, the Japanese military proceeding with an independent investigation.

All traffic on Nanking Road was stopped and by 5 o'clock in the evening the Japanese military had thrown a cordon round the area bounded by Shanse Road, Kiukiang Road, Yu Y. Ching Road and Tientsin Road, and also extended up Bubbling Well Road as far as Park Road.

In view of its importance and in view of the misleading statements which have been issued in relation to it, the facts of the interview which took place subsequently between the Commissioner of Police and the Assistant Military Attache to the Japanese Embassy are set out in the Commissioner's own words in a copy of a report made by him to the Secretary of the Council, which is attached to this letter. I have also attached to the Commissioner's report a copy of the document which was handed to the Commissioner and which he endorsed. I venture to draw particular attention to the terms of the Commissioner's endorsement.

While not, of course, questioning the fact that it was natural for the Japanese military to take immediate precautionary steps on the occurrence of the regrettable incident of the bomb throwing, I would stress the fact that there would appear to have been no good reason for the continuing presence of Japanese troops for a period of about eight hours in a crowded part of the Settlement. The troops in question hampered the police in performing their legitimate functions, and their continued presence undoubtedly caused alarm and lack of confidence among the civilian population of the Settlement. I venture to express the hope that the interested Consuls may think fit to remonstrate with the Japanese authorities in regard to this aspect of the matter.

It is the wish of the Council to place the full facts of the occurrences under discussion before the interested Consuls and to request them, through you, to take such steps as they may think proper in regard thereto.

I have the honour to be,
Sir,
Your obedient servant,
(sd) G. S. Franklin.
Chairman.

Encls.
DB.

Circulated: December 6th, 1937.

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

POLICE FORCE
 COMMISSIONER'S OFFICE.

December 4, 1937.

CONFIDENTIAL.

The Secretary,
 S. M. C.

On the evening of yesterday, 3rd December, at about 5.45 p.m., I proceeded with Mr. Aiers, D.C. (Divisions) to a shop on Nanking Road near Kwangse Road where the Japanese Military had established a temporary office, and there I met Col. Kusumoto, Assistant Military Attaché to the Japanese Embassy. Col. Kusumoto having cleared the room of all but Japanese Military officers and my own officers including Mr. Young, D.C. (Crime), through Mr. Uyehara, D.C. (Japanese) acting as interpreter, made the following statement :-

Speaking for General Matsui, he informed me that the Japanese Military Authorities took a serious view of an incident in which a Foreigner at Szechuen Road had broken a Japanese flag and considered that the Police were responsible for not preventing such incidents. He further stated that the Japanese Military, being now in occupation of the territory surrounding Shanghai, had the right to move troops through the Settlement and would do so again without notice.

He then requested a guarantee that such an incident as the bomb throwing would not occur again. I informed him that I could not give such a guarantee, but was prepared to guarantee that the Police would do their best to prevent such incidents. He then stated that ^{if such} incidents occur again, the Japanese Military Authorities would consider that the Police were not capable of maintaining order and would take such appropriate action as they wished.

Having made this statement, he informed me that 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. Quastgen NARS, Date 12-18-75

- 2 -

Japanese Military troops would be withdrawn, and asked for protection for them on their way out of the Settlement, and requested us to provide means of conveyance. This was arranged.

In the course of the next two hours they prepared some document in Japanese and English which they eventually expressed a desire that I should sign. I read the document, which purported to be a memorandum of the conversation. I made it clear that I would only sign it as such and that I could not sign any agreement that Japanese troops could pass through the Settlement. I was assured that they understood the limit of my authority and that the document was merely a memorandum of our conversation which was required for record purposes. To make my position clear, I endorsed on the copy a statement to the effect that I had read and understood what was written, and that I would bring the contents to the notice of the Council, and that so far as the Police were concerned, every effort would be made to prevent a similar incident.

This document having been signed, Japanese Military withdrew at about 8.40 p.m., and Nanking Road was open for traffic by 9 p.m., normal Police duties being established.

I would suggest that the Council take into serious consideration the announcement by the Japanese Military representatives that the Japanese troops would march through the Settlement in future unannounced and if any incident happened they would take what appropriate action they considered necessary.

It is impossible for the Police to carry out their normal duties under such circumstances, and it is also not in their power to prevent the Japanese Military Authorities doing what they announce they intend to do. If it is to be made

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

- 3 -

possible for the Police to function satisfactorily, this question must be cleared up by higher authorities immediately, if the interests of the Settlement are not to suffer.

(Sgd.) F. W. Gerrard,

Commissioner of Police.

Memorandum exchanged between Colonel Kusumoto, representative of the Commander-in-Chief of the Japanese forces, and Major Gerrard, Commissioner of Police, in front of the Sun Sun Company, in the International Settlement, on December 3, 1937.

1. The Japanese forces will in future freely pass through the International Settlement without notice whenever it is considered necessary.
2. The Shanghai Municipal Police Authorities promise that in future adequate measures will be taken positively to prevent the recurrence of a similar regrettable incident as that of to-day.
3. In case of the occurrence of such a regrettable incident as that of to-day in future, the Japanese forces will adopt appropriate actions independently assuming that the Shanghai Municipal Police authorities have no power to maintain peace and order.
4. The Japanese forces will adopt appropriate measures independently in making searches and arrests should the policing on the part of the Shanghai Municipal Police be considered unsatisfactory.

I have read and understood the above and will bring the contents to the notice of the Council. So far as the Police are concerned, every effort will be made to prevent a similar incident.

(Sgd.) F. W. Gerrard

Commissioner of Police,

3/12/1937.

(Sgd.) Colonel S. Kusumoto.

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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. 1127 of C. E. Gauss,
American Consul General at Shanghai, China, dated
December 28, 1937, on the subject: "Japanese Army
Victory March Through the International Settlement on
December 3, 1937, and the Resulting Incident and
Complications."

COPY

DRAFT MEMORANDUM REGARDING A CONSULTATION MEETING BETWEEN
VARIOUS EXTRATERRITORIAL HEADS OF CONSULATES ON MONDAY,
DECEMBER 6TH COMMENCING AT 10 A.M. AT THE RESIDENCE OF MR.
AALL, CONSUL-GENERAL FOR NORWAY AND SENIOR CONSUL.

PRESENT

N. Aall, 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. Baudez, Esquire,	Consul General for France.
C. E. Gauss, Esquire,	Consul General for the U.S.A.
A. van Cutsem, Esquire,	Consul General for Belgium.
H. Phillips, Esquire,	Consul General for Great Britain.
Dr. L. A. Gastmann, Acting	Consul General for the Netherlands.
E. Kronvall, Esquire, Acting	Consul General for Sweden.

Mr. Aall emphasized that the present gathering was not a Consular Body meeting, either of the full Body or of the Extraterritorial Section. He had merely asked some of his colleagues to meet so that he could obtain their advice in connection with the parade of Japanese troops through the Settlement on December 3rd, the bombing incident which occurred at the time and subsequent occupation of a certain portion of the Settlement area in the Central District by Japanese forces. He received a report from the Council, (after twice requesting it) on Saturday December 4th at 8 P.M. and an hour later he called on Mr. Okamoto, the Consul-General for Japan, as he was particularly perturbed over the contents of a memorandum signed by Col. Kusumoto, assistant military attache, and conditionally, by Major Gerrard, Commissioner of Police, attached to the report, which stated inter alia that Japanese troops would march through the Settlement any time they liked without previous notice; institute searches and arrests themselves. As he had been greatly reassured by Mr. Okamoto on his visit referred to, he had deferred consulting with his colleagues the previous day (Sunday 5th) but would now like to have their opinion on the Council's report, a copy of which had been sent to them. He then read the following from prepared notes:

"I produced the memorandum (hereinbefore referred to) which I said that I presumed that Mr. Okamoto knew the contents of, and I said that on reading the same I had been very greatly perturbed as it seemed to mean that we might expect that the Japanese Military would march their troops through the Settlement at any time and even without giving notice to the Settlement authorities. I had therefore

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lost no time in calling on him not only in my capacity as Senior Consul but also to ask him for humanity's sake to do everything in his power to prevent that such parades were made. We had seen what happened yesterday and my colleagues and myself were of the opinion that it would be absolutely impossible to prevent incidents during the present times when Shanghai was full of almost starving people and of dangerous criminals who were well supplied with arms. We had all seen from the newspaper reports how the police were busily engaged every day in rounding up gangs of gunmen. No police force in the world could be expected to act better and more efficiently than the Settlement Police had done yesterday, and I believed that everybody -including the Japanese authorities -would agree with me in this,----

Mr. Okamoto gave the Police his unreserved recognition for the way in which they had handled the situation in Nanking Road yesterday, and said that all Japanese agreed with him there.

I further mentioned a couple of cases such as the attempt on several Japanese officials in Hongkew Park in 1932, when the Japanese Military authorities were in charge,- and the affair in Marseilles some years ago, which both proved that such incidents were impossible to prevent, even when the best organized police forces in the world had made preparations for days or weeks to avoid such unfortunate happenings,- and conditions in Shanghai today were more difficult than they had been on both those occasions mentioned.

Mr. Okamoto said that we could consider the incident in Nanking Road yesterday as closed and that the Japanese authorities would pay no more attention to it. And there would not be any more of that kind of parades. Small movements of troops might be considered necessary but he did not think that they would cause any trouble. He said that he would take the responsibility for the prevention of any parades which might cause trouble. He emphasized that I could be quite sure of this; he would fix that with his military people, and he added: "let us consider the Memorandum (exchanged between Kusumoto and Gerrard) as not written."

While he had received verbal assurances he had nothing in writing; nor had he yet sent a copy of the Council's report to Mr. Okamoto. He would welcome the suggestion of his colleagues as to the next step.

Mr. Phillips said he thought the meeting would agree that they owed a debt of gratitude to the Senior Consul for his prompt action on their behalf. The occupation by the Japanese military of an important section of the Nanking Road district for such a long time and the memorandum which the Commissioner of Police was obliged to sign were serious matters, and so the Shanghai Municipal Council was perfectly right in bringing them to the attention of the Senior Consul and asking him to make representations

regarding

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regarding them. Although satisfactory assurances had been received from the Consul General for Japan to the preliminary representations of the Senior Consul, he (Mr. Phillips) thought that a formal letter should be addressed by the Senior Consul to his Japanese colleague, transmitting a copy of the Council's letter and expressing the hope that suitable measures would be taken to prevent a recurrence of such incidents.

The Senior Consul said he was quite prepared to make any further representations desired by his colleagues in any form they wished. He detailed the steps taken by him on the evening in question including attempts to get into touch with the Secretary General of Council, Mr. Fessenden, and Major Gerrard at Police Headquarters, both being out, although he saw the latter when he visited the scene of the bombing subsequently that evening.

Mr. Phillips said he thought it would be a good opportunity to say to the Consul General for Japan that the Consular Body (interested members) had a definite claim to be consulted in matters of this importance. There had been a tendency recently for the Japanese authorities to deal directly with the Council in presenting certain demands, but it was the representatives of the interested Powers who in the long run had to assume the responsibility for Settlement government and protection, and he would like the Senior Consul to make that clear in his further representations to the Consul General for Japan.

Mr. Gauss, in associating himself with Mr. Phillips' remarks, said he regarded the memorandum which was signed by Col. Kusumoto and conditionally by the Commissioner of Police as the crux of the whole situation. He was interested in hearing the Senior Consul say that their Japanese colleague had stated they need not pay any attention to that memorandum but the matter was not disposed of that easily. He believed that the time had come to take a firm stand, and that a statement should be made to the Consul General for Japan (and communicated to their respective Home Governments) with regard to the memorandum mentioned emphasizing that its declarations would provoke uneasiness and possible disturbances in the Settlement and pointing out that the Council had maintained peace and order in the past and presumably could do so in the future if disorder was not invited through unwise action. The situation should not be allowed to pass unchallenged. The Commissioner of Police was obliged to report any memorandum such as the one in question to the Council as it involved administrative rights and the Council should of necessity report it to the interested Consuls. He was of the opinion that the Consul General for Japan should be invited to give formal assurances that the memorandum could be disregarded with a statement that his assurances were supported by his military authorities.

At this stage, Comm. Neyrone asked if any further troops had entered or passed through the Settlement south

of

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of the Creek. Mr. Long (Secretary) telephoned the enquiry to Major Gerrard, Commissioner of Police, who replied that he had not received any report regarding such movements.

The Senior Consul expressed the opinion that in the first place a comparatively mild letter should be sent to the Japanese Consul General to assist him in getting a satisfactory settlement, particularly vis-a-vis his military authorities. He believed his Japanese colleague attempted to get back the memorandum from Major Gerrard but the latter had replied that it had already been sent to the Council.

Comm. Neyrone supported the Senior Consul's proposal.

Mr. Baudez stated the desirability of having a written confirmation of his Japanese colleague's assurances supported by the concurrence of the Japanese military authorities. Messrs. Gauss and Phillips endorsed this view.

Comm. Neyrone observed that under the conditions upon which the memorandum was signed by Major Gerrard the Council was not committed in any way and hence the memorandum would not be binding on the Council.

Messrs. Gauss and Phillips thought that as the Commissioner of Police had brought the memorandum officially to the Council, as he was bound to do, the Council must take official cognizance of it, especially in view of its alarming threat to the Council's authority.

Mr. Gauss suggested that a memorandum be prepared embodying the substance of the Chairman's letter of December 4th (Cir: 235) and enclosures, and that the Senior Consul be kind enough to take the memorandum to the Consul General for Japan and ask him if he would be willing to meet his interested colleagues and explain the Japanese position. If Mr. Okamoto could say at the meeting that the memorandum was not formulated with the authority of General Matsui, his statement could be written into the Minutes for record. He believed that unless the memorandum was withdrawn it would cause trouble in the future.

Mr. Lardy said he shared the anxiety of his colleagues over the declarations in the memorandum and agreed that there should be some confirmation of his Japanese colleague's assurance to the Senior Consul. He favoured Mr. Gauss' proposal.

After discussion it was agreed that the memorandum suggested by Mr. Gauss should be prepared and circulated for approval the next morning. The Senior Consul said he would take it to his Japanese Colleague that afternoon (7th) and make representations on the lines of Mr. Gauss' proposal in which the meeting had concurred.

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Compared with DTM

Encl # 3

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December 6th, 1937.

MEMORANDUM

The Senior Consul has received from the Chairman of the Shanghai Municipal Council a report in connection with the parade of Japanese troops through the International Settlement on Friday December 3rd, and the unfortunate incident which occurred at the time. The following resume gives the substance of that report:-

The Council did not receive information until the morning of December 2 that the Japanese forces proposed to parade through the Settlement although it had been made known to the Council for some time previously that the Japanese military authorities had in contemplation the project of marching Japanese troops along the Bund. On each occasion that this project was discussed with the Japanese authorities the Council's representatives stressed the inadvisability of Japanese troops entering at the present time that part of the Settlement which lies South of the Soochow Creek. It was considered that while the Council has, of course, neither the right nor the power to object on legal grounds to the passage of foreign forces through the International Settlement, nevertheless the passage of Japanese armed troops through the Settlement at the present time would cause grave embarrassment to the Settlement authorities and place a grave strain upon the Municipal Police. It was emphasised that with a large Chinese population having vividly in their mind the recent local hostilities, and with an unprecedented number of destitute persons and refugees in the Settlement, it was quite impossible for the Municipal Police, though taking every possible precaution not to feel that a march by Japanese troops were likely to result in an unfortunate incident which would tend to disturb peace and order and the confidence of a peaceful population. When the Chairman received the information referred to on December 2nd he personally again emphasised to the Japanese Consul-General the Council's view as to the inadvisability of the march which the Japanese military authorities proposed.

The Commissioner of Police, immediately upon receiving information as to the proposed march instituted special police measures. The Council states that nothing was left undone which could have been done to prevent the type of incident which the Council feared. Most gratifying testimony has been received by the Council as to the thoroughness with which the Police arrangements were made.

According to the report of the Commissioner of Police, the Japanese column entered the Settlement at 11 a.m. and continued along the prescribed route without any incident until the second battalion was passing Kwangse Road. At that moment an unknown male, dressed in foreign style clothing, attempted to pass the police cordon on Kwangse Road at a point approximately thirty yards south of Nanking Road. He was stopped by a Chinese police constable on duty and told to go back. The man nodded his head, but immediately turned to the right and threw a parcel wrapped in newspaper which he carried in his right hand. Fearing that he had thrown a dangerous missile, the Chinese police constable drew his pistol and loaded. Hearing an explosion he opened fire on the thrower who was attempting to run back through the crowd. The man fell to the ground wounded. This incident occurred at 12.44 p.m.

The missile was a bomb of some sort and exploded on the north side of the marching column. Three Japanese soldiers, one Japanese civilian, one foreign police officer and one Chinese police constable were wounded. As far as is at present known, none of the wounds were serious. The marching column halted and deployed, a number loading their rifles ready for action.

After about ten minutes the column re-formed and had started moving, when a Japanese sentry who had taken up his position on Kwangse Road fired a shot at a civilian who was looking out of a window of the Sun Sun Company's Building, causing a further halt of the column. No one was injured in the building by the shot. After a few minutes the column again started marching, and crossed the Garden Bridge without further incident.

A party of Japanese military remained behind and took command of the area.

After some delay the Police were allowed to proceed with their

their investigation into the incident, but were not allowed to touch the body and were denied full freedom of action, the Japanese military proceeding with an independent investigation.

All traffic on Nanking Road was stopped and by 5 o'clock in the evening the Japanese military had thrown a cordon round the area bounded by Shanse Road, Kiukiang Road, Yu Ya Ching Road and Tientsin Road, and also extended up Bubbling Well Road as far as Park Road.

In view of its importance and in view of the misleading statements which have been issued in relation to it, the Council obtained from the Commissioner of Police a report of the alleged facts of the interview which took place subsequently between him and the Assistant Military Attache to the Japanese Embassy, Col. Kusumoto. A summary of this report appears immediately hereunder:-

On the evening of yesterday, 7th December, at about 5.45 p.m., the Commissioner, Major Gerrard proceeded with Mr. Aiers, D.C. (Divisions) to a shop on Nanking Road near Kwangse Road where the Japanese Military had established a temporary office, and there he met Col. Kusumoto, Assistant Military Attache to the Japanese Embassy. Col. Kusumoto having cleared the room of all but Japanese Military officers and my own officers including Mr. Young, D.C. (Crime), through Mr. Uyehara, D.C. (Japanese) acting as interpreter, made the following statement:-
Speaking for General Matsui, he informed the Commissioner that the Japanese Military Authorities took a serious view of an incident in which a Foreigner at Szechuen Road had broken a Japanese flag and considered that the Police were responsible for not preventing such incidents. He further stated that the Japanese Military, being now in occupation of the territory surrounding Shanghai, had the right to move troops through the Settlement and would do so again without notice.

He then requested a guarantee that such an incident as the bomb throwing would not occur again. The Commissioner informed him that he could not give such a guarantee, but was prepared to guarantee that the Police would do their best to prevent such incidents. He then stated that if such incidents occur again, the Japanese military Authorities would consider that the Police were not capable of maintaining order and would take such appropriate action as they wished.

Having made this statement, he informed the Commissioner that the Japanese Military troops would be withdrawn, and asked for protection for them on their way out of the Settlement, and requested the Shanghai Municipal Police to provide means of conveyance. This was arranged.

In the course of the next two hours the Japanese Military present prepared some document in Japanese and English which they eventually expressed a desire that the Commissioner should sign. The Commissioner read the document, which purported to be a memorandum of the conversation. He made it clear that he would only sign it as such and that he could not sign any agreement that Japanese troops could pass through the Settlement. He was assured that they understood the limit of his authority and that the document was merely a memorandum of the conversation which was required for record purposes. To make his position clear, the Commissioner endorsed on the copy a statement to the effect that he had read and understood what was written, and that he would bring the contents to the notice of the Council, and that so far as the Police were concerned, every effort would be made to prevent a similar incident.

This document having been signed, Japanese Military withdrew at about 8.40 p.m., and Nanking Road was open for traffic by 9 p.m., normal Police duties being established.

The memorandum of the conversation between Col. Kusumoto and Major Gerrard referred to above contained four clauses and stated (a) that Japanese forces would in future pass freely through the International Settlement without notice whenever it is considered necessary.

(b) That the Shanghai Municipal Police promised that in future adequate measures would be taken to prevent the occurrence of the incident which had happened that day (throwing of a grenade by an unidentified person resulting in wounding of Japanese soldiers and police);

(c) That in case such an incident did recur the Japanese forces would adopt appropriate actions independently assuming

That the Shanghai Municipal Police had no power to maintain peace and order and that the Japanese forces would adopt appropriate measures.

measures independently in making searches and arrests should the Shanghai Municipal Police be considered unsatisfactory.

The Council contend that if the Japanese military authorities carry out the intentions expressed in (a) (c) and (d) of the memorandum, it would be impossible for the Shanghai Municipal Police to carry out their normal functions.

Including its report the Council state that while not of course questioning the fact that it was natural for the Japanese military to take immediate precautionary steps on the occurrence of the regrettable incident of the bomb throwing, the Council wished to stress the fact that there would appear to have been no good reason for the continuing presence of Japanese troops for a period of about eight hours in a crowded part of the Settlement. The troops in question hampered the police in performing their legitimate functions, and their continued presence undoubtedly caused alarm and lack of confidence among the civilian population of the Settlement.

Encl #4

(-CIRCULAR 240-G-V.)

CORRECTED MINUTES OF A MEETING OF THE EXTRATERRITORIAL HEADS OF
CONSULATES ON WEDNESDAY, DECEMBER 8TH IN THE COMMITTEE ROOM,
ADMINISTRATION BUILDING, COMMENCING AT 10A.M.

Present

N. Hall, Esquire,	Senior Consul and Consul-General for Norway
E. Hardy, 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. Baudet, Esquire,	Consul-General for France
C. E. Gauss, Esquire,	Consul-General for the U.S.A.
A. van Cutsem, Esquire,	Consul-General for Belgium
S. Okamoto, Esquire,	Consul-General for Japan
H. Phillips, Esquire,	Consul-General for Great Britain
Dr. L. A. Gastmann,	Acting Consul-General for the Netherlands
E. Kronvall, Esquire,	Acting Consul-General for Sweden
M. Fischer, Esquire,	(By invitation) Consul-General for Germany

The Senior Consul commenced the proceedings by expressing on behalf of his colleagues a cordial welcome to Mr. Fischer, the newly arrived Consul-General a.i. for Germany. He mentioned that Mr. Fischer was an old China hand and his ripe experience of Chinese affairs would therefore be of great value in Consular Body meetings. Mr. Fischer bowed his acknowledgements. The Senior Consul mentioned that the departing Acting Consul-General for Germany, Mr. R.C.W. Behrend had asked him to say farewell to any of his colleagues whom he had been unable, because of a hasty leaving, to see personally.

Continuing the Senior Consul said he wished to review, briefly, the circumstances leading to the present meeting. Referring to the parade of Japanese troops through the Settlement on December 3rd he remarked that as soon as he heard of the bombing incident at Nanking Road and subsequent occupation of a portion of the Settlement area in that vicinity by Japanese military units, he asked Council officials for a report and repeated the request the next morning (4th) but it was not until 8 o'clock that night that he received it. To that report was attached the memorandum signed by Col. Kusumoto and Major Gerrard, the Commissioner of Police. As three of the points in that memorandum were rather alarming he went to see his Japanese colleague at 9 P.M. the same night and expressed his perturbation about the statement that Japanese forces would march through the Settlement at any time in the future without notifying the Shanghai Municipal Council. He received very gratifying assurances from his Japanese colleague to the effect that such a march without notice would not occur. He did not take up the other points in the memorandum at the time as he desired to consult his colleagues about them. On Monday (6th) he had a consultation with these colleagues and the next day (7th) in the afternoon he visited the Consul-General for Japan taking with him a memorandum containing a digest of the Council's report referred to. Again he received satisfactory reassurances to the effect that the matters complained of in the Council's report would not happen again. Before his visit to his Japanese colleague that afternoon he had received another complaint from the Council concerning arrests which had been made by Japanese military at the Great Eastern Hotel on the morning of the 6th. Accordingly he made representations concerning this matter also at the interview referred to and received a reply that the incident was probably due to a mistake or misunderstanding.

The Senior Consul then asked if his Japanese colleague would be kind enough to give his colleagues at the meeting the same assurances as he (the Senior Consul) had received. As stated, he had been satisfactorily reassured and he would be grateful if his Japanese colleague would reiterate these assurances now.

Responding Mr. Okamoto said that when he first learnt of the order of his military authorities to move Japanese troops from the Western district to Yangtszepoo, following a route through the International Settlement his only thought was to see that every precaution to prevent an unfortunate incident should be taken. He then approached Mr. Fessenden and Mr. Phillips, respectively

Secretary/

Secretary General and Secretary of the Shanghai Municipal Council, personally and asked their kind cooperation in doing everything possible with the object of preventing any untoward occurrence and to instruct the Shanghai Municipal Police to the same end. In spite of all the Shanghai Municipal Police did they could not prevent an incident. Very unfortunately a bomb was thrown, but he could say that he fully appreciated every effort made by the Shanghai Municipal Police to prevent such incidents; they did everything possible. After the throwing of the bomb, he heard that a small number of Japanese soldiers were stationed in Nanking Road, so his first duty was to see that those troops were withdrawn as soon as possible. He did his best in this regard, but owing to the excitement felt by his military authorities negotiations dragged, but at last about 8:30 in the evening the conversations yielded a satisfactory result and the troops were withdrawn. Then he heard that a certain memorandum had been presented to the Commissioner of Police to be signed by him, which he did not know about. Thus it was his duty to solve this question and so he held conversations with his military authorities and succeeded in getting them to say that the matter had been settled right there and that they would not take advantage of the incident which occurred that afternoon; also to say that the Japanese authorities have no intention of taking any further steps in regard to the matter. Continuing he stated that it was a matter of regret that this trouble should have happened, but he could assure them that on his part he had done everything to settle the very unfortunate incident in the way indicated.

As to the second question which the Senior Consul had just mentioned (the arrests at the Great Eastern Hotel) there would appear to have been some misunderstanding or mistake committed by the gendarmes who did not know the Consular relations with the Shanghai Municipal Council. There was some urgency in arresting certain very dangerous spies who were reported to have some connection with the Headquarters of the Shanghai Garrison Commissioner in plotting against his military authorities. The gendarmes had taken hasty action concerning which he was not consulted and he was also very sorry that this incident should have happened. He had talked to his military authorities the previous day and had been assured that practices of this nature would not occur again in the future as long as the Shanghai Municipal Police would cooperate with the Japanese authorities and he had consented at the suggestion of the Senior Consul, to give a statement to the Shanghai Municipal Council that the Japanese Consul-General did not have any knowledge beforehand of what was intended and had already taken steps to avoid a recurrence of such an incident. He said all this by way of explanation to his colleagues.

With regard to the notification in the morning newspapers issued by the Shanghai Municipal Council to the effect that the raid at the Great Eastern Hotel took place without the knowledge of the Japanese Consul-General, who had taken steps to avoid a recurrence, the Senior Consul mentioned that the previous night (7th) Mr. Franklin, Chairman of the Shanghai Municipal Council, had telephoned him asking if something could not be done to calm the Chinese population of Shanghai who were very nervous as to what was going to happen next. He was therefore acting as an intermediary when he went to see his Japanese colleague in pursuance of this request. The result was revealed in the newspaper announcement mentioned.

The Consul-General for Japan said he wished to express his sincere thanks to the Senior Consul for his good offices in the various matters first outlined by him. The Consul-General for Italy echoed this sentiment.

The American Consul-General observed that he very much appreciated the statement made by his Japanese colleague, which helped to clarify a very unfortunate situation. He was very glad to take note of the statement of the Senior Consul to the effect that his Japanese colleague had asserted with regard to the memorandum mentioned that it could be regarded as if no conditions or demands were ever presented. He would like to inquire of his Japanese colleague whether that assertion was made with the acquiescence of the Japanese military authorities since the memorandum had been submitted.

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submitted to the Commissioner of Police by the military authorities and not by the Consul-General. Pressing this enquiry, the American Consul-General observed that if the Japanese military authorities did not acquiesce in the assertion they might not agree to it.

The Consul-General for Japan replied that he would take the responsibility for what he had said.

The American Consul-General remarked that it was very fortunate his Japanese colleague had an appreciation of the situation as the memorandum referred to had caused great apprehension in respect to the control of the International Settlement by the Settlement authorities.

The Consul-General for Great Britain said he agreed entirely with his American colleague. He also very greatly appreciated the statement of his Japanese colleague but thought that if it were generally known that it was made with the concurrence of the Japanese military authorities it would go a long way towards relieving the disturbed atmosphere now surrounding Shanghai. He was sure that the question of cooperation by the Shanghai Municipal Council was assured and that the Council was always ready to cooperate in any manner which preserved the integrity of the Settlement.

The Consul-General for Japan remarked that after reading the memorandum presented by the Senior Consul he received the impression that the memorandum signed by the Commissioner of Police did not seem to contain demands but was really a record of the conversation which took place on the spot that evening and that probably his military authorities wanted the document signed just for record. That was what he learned later on. As he had already said his military authorities considered the matter closed and would not take any further steps regarding it. The Senior Consul was very apprehensive the night of his visit that another march through the Settlement would take place, but that would not occur according to his understanding. At any rate no such march would take place in the near future. He did not think Japanese troops would march through the Settlement without previous notice, adding "that is impossible."

SEIZURE OF THE FIREFLOAT "POOCHI"

The Senior Consul referred to the representations made with the object of rendering this firefloat available in case of emergency and to the successful efforts in this regard which he thought were as satisfactory as could be expected.

The Consul-General for Great Britain asked if the Senior Consul had definite information that this would be done and received the latter's reply that all the correspondence had been circulated to his colleagues, thus giving such information as he possessed.

PORT HEALTH SERVICE

The Senior Consul mentioned that he had taken advantage of his visit to his Japanese colleague the previous day to bring up the question of the Council taking over and operating the Port Health Service, reminding him of the importance of re-establishing this service as soon as possible. His Japanese colleague had promised to do his best to give him an early answer.

The Consul-General for Japan observed that his naval and military people were still studying the question and he trusted would come to a decision as soon as possible as he realized the importance of quarantine measures.

The Consul-General for Great Britain remarked that the question was an urgent one as a serious epidemic might occur in Shanghai at any moment.

RE-OPENING OF DISTRICTS NORTH OF THE SOOCHOW CREEK

The Consul-General for Japan said the Senior Consul had also broached this matter. He had frequently promised his colleagues to do everything to expedite this re-opening and he was happy to say that at last he had partly succeeded. From about the 15th of this month the whole district would be re-opened for those who had lived there before up to the time the hostilities

commenced/

commenced, that is, for foreigners and their Chinese domestics. He was addressing a letter to the Senior Consul about the matter. A certain number of somewhat elaborate rules and regulations had been laid down. However this was only the first step and he hoped that shortly the whole district would be opened up for residential, commercial and every other purpose. At first he had been trying to effect the re-opening by stages, Hongkew, Wayside and Yangtszepoo but he had succeeded in getting all three areas re-opened at the same time for former residents and their servants.

The Consul-General for Great Britain observed that it was very satisfactory to get this information and he hoped it would not be long before all restrictions were removed.

The Consul-General for Japan observed that the next step would probably be the opening of the Hungjao Road area.

The Consul-General for Great Britain enquired if special passes to enter those areas could be issued by the Japanese authorities to the Consuls-General and their staff?

The Consul-General for Japan replied that he thought the matter could be arranged, at least so far as the International Settlement north of the Soochow Creek was concerned. He asked if two photographs of each applicant for such passes could be forwarded to his Consulate, but added that he could probably arrange for the passes without the photographs, if necessary.

The Consul-General for Great Britain reiterated that he hoped it would not be long before the various districts concerned would be completely re-opened and he was relying on the good offices of his Japanese colleague in this connection. He pointed out that big ships were now returning to Shanghai and mentioned that he was being pressed every day over the question of re-opening.

Mr. Phillips also drew Mr. Okamoto's attention to the fact that the importance of the matter could be gauged by the fact that it had been discussed in the House of Commons.

The Consul-General for Japan repeated that he would do his utmost in this regard.

The Consul-General for Switzerland remarked that the question of removing goods from the areas north of the Soochow Creek was in his opinion, quite as important as the re-opening for the return of residents thereof and he earnestly urged that the one question be given the same degree of attention as the other. He mentioned that some of his nationals had been waiting many weeks to remove goods.

The Consul-General for Japan replied that the question of removing merchandize would be next in order, and he would keep in mind the representations of his Swiss Colleague.

The Consul-General for Switzerland observed that the insufficiency of personnel for purposes of convoy seemed to be a difficulty and suggested the personnel might be augmented. The Consul-General for Japan said he would take note of that.

The Senior Consul mentioned goods stored at the China Merchants Wharf belonging to Norwegian concerns.

His Japanese colleague asked that he be approached concerning the case.

The Senior Consul announced that draft replies to the Council to the letters of the 4th and 7th December, first discussed would be circulated for approval.

The Consul-General for Great Britain raised the question of the seizure by the Japanese Navy of small craft flying foreign flags. He urged that reference should be made to the Consulate concerned if the Japanese authorities entertained doubt as to the right of any such craft to fly a foreign flag and that each Consulate should decide the question. Speaking for the British authorities he declared that they would not countenance any abuse of the British flag and would gladly cooperate with the Japanese authorities to this end. However they themselves desired to remove the British flag from any craft not entitled to display it. He urged therefore that the Japanese authorities should not seize any such craft until abuse had been established by the national authority concerned.

Continuing/

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Continuing he explained that as there were a large number of British small craft scattered in the surrounding waterways it was difficult to compile an accurate or complete list of them.

The American Consul-General said he was in a similar position. Some of the American owned small Craft were registered at his Consulate but as there was no compulsory registration, that is no law or penalty to enforce registration he could not undertake to compile a complete list of such craft. Moreover, some of the American-owned small craft, probably belonging to missionaries, might be in the area of the present hostilities but outside his consular district. He supported his British colleague's assertion that the national authority concerned should be allowed to decide whether or not any such craft was entitled to fly the foreign flag. The American authorities would act in good faith in any case referred to them.

The Consul-General for Japan observed that he quite appreciated the difficulties which his colleagues might experience in compiling a complete list of small craft but it would greatly help if they could furnish him with such lists as they could prepare, especially including any well-known craft. His naval authorities were pressing for such information and so he wished to ask for the cooperation of his colleagues in furnishing it as soon as possible. He had already made representations to his naval authorities regarding their seizures of small craft and had asked that he be consulted beforehand. He did not think there would be any further seizures (unless legitimate) on the Whangpoo but there might be some difficulty with craft in distant places like Soochow, Chinkiang, etc., where it would be impractical to get into touch with the national authority concerned. His naval authorities were anxious to see that none of these small craft were used by the Chinese side because of the abuse of a foreign flag.

The Senior Consul remarked that it would save trouble for the owners if the desired lists were given to the Japanese authorities. An incomplete list would be better than no list at all, and he thought the owners themselves in their own interests should help in ensuring as complete a list as possible.

A discussion ensued on the desirability of issuing a communication to the press regarding the two incidents referred to in these minutes with the object of allaying public anxiety and apprehension and the text of such communication was agreed upon.

Due to the subsequent objection of the Consul-General for Japan however, this communication was not sent for publication.

The Senior Consul concluded the proceedings by saying that while they all had their difficulties during this abnormal period, and, of course, not everybody could be satisfied, he nevertheless thought a wholehearted tribute should be paid to his Japanese colleague for his helpful and cooperative attitude in dealing with the various matters presented to him and his unfailing courtesy to his colleagues. As Senior Consul, particularly, he had good cause to be grateful and appreciative in this regard.

The meeting endorsed these sentiments.

THE MEETING THEN TERMINATED.

E. A. Long,
Secretary, Consular Body.

Circulated: December 22nd, 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

Encl # 5

URGENT

(CIRCULAR 243-G-VII.)

THE SENIOR CONSUL PRESENTS HIS COMPLIMENTS TO HIS HONOURABLE AND INTERESTED COLLEAGUES AND HAS THE HONOUR TO CIRCULATE THE FOLLOWING FOR THEIR APPROVAL. FAILING THE RECEIPT OF ANY OBJECTION BY TUESDAY AFTERNOON (DECEMBER 14TH), WHICH MAY BE TELEPHONED TO THE SECRETARY, APPROVAL WILL BE ASSUMED.

(Letter from the Senior Consul to the Chairman, S.M.C.)

C. S. Franklin, Esquire,
Chairman, Shan hai Municipal Council,
Shanghai.

Sir:

I have the honour to refer to your letter of December 4th, which communicates the alleged facts concerning the parade of Japanese troops through the International Settlement on December 3rd and the bombing incident which occurred at the time and makes certain representations in relation thereto.

I may mention, at the outset, that I personally had no knowledge of the proposed military parade until I read an announcement of it in the newspapers on the morning just prior to its occurrence and that I did not receive your official report concerning it until 8 P.M. the following night. Had I known officially beforehand that it was intended to hold this parade I am confident that my interested colleagues would have desired me to join the Settlement Municipal Authorities and the local foreign (non-Japanese) Military Authorities in representing the undesirability of holding it. However neither I, nor my Interested colleagues, have been deterred on this account from making immediate and energetic representations to the Consul-General for Japan based on your report against the action of his military authorities (a) in occupying for such a protracted period as eight hours a congested part of the Settlement and hampering the Shanghai Municipal Police in the exercise of their legitimate functions, thus causing alarm and lack of confidence among the civilian population of the Settlement and (b) presenting and impelling the Commissioner of Police to sign a statement containing wholly inadmissible declarations on the part of the Japanese military of intention to disregard the administrative rights of the Settlement authorities and the authority of the Council.

An hour after the receipt of your letter under reply, namely at 9 P.M. on December 4th I made oral representations to my Japanese colleague on certain points presented in the letter and accompaniments and received in reply very gratifying assurances which served to allay my immediate apprehensions thereon. After a consultation with my interested colleagues I invited the Consul-General for Japan to attend a meeting of those colleagues. He accepted the invitation and there repeated the assurances mentioned, intimating that he was making them with the knowledge and concurrence of his military authorities. He explained that the prolonged occupation of the Settlement area referred to was caused by the excitement engendered among his military authorities consequent on the bombing attack and the necessity for consultation between those present and the higher authorities, also that the memorandum which was signed by the Commissioner of Police was intended as a record of the conversation which took place on the spot between that official and the Japanese military authorities. My Japanese colleague has asserted that this memorandum may be

DECLASSIFIED: E.O. 11652, 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

may be disregarded as the Japanese authorities have no intention of taking any further steps in regard to the matter. He has also assured his interested colleagues that no further march of Japanese troops through the Settlement is contemplated in the near future and certainly none without previous notice thereof to the Shanghai Municipal Police.

In expressing his deep regret over these occurrences, he added his complete satisfaction with and appreciation of the arrangements made and services rendered by the Shanghai Municipal Police both in connection with the parade itself and during the bombing incident and subsequent investigation.

My interested colleagues, therefore, relying with confidence on the assurances of the Consul-General for Japan, hope that the complaints arising out of your letter and its accompaniments may be now considered as satisfactorily determined.

I have the honour to be, etc.,

Senior Consul
and Consul-General for Norway.

Circulated: December 11th, 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

DDM

TELEGRAM RECEIVED

GRAY

PEIPING via N. R.

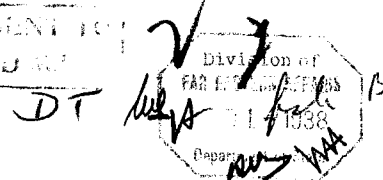
Dated February 1, 1938

FROM

Rec'd 7:40 a.m.

Secretary of State
Washington

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



79, February 1, 4 p.m.

One. A secretary of the Japanese Embassy informed a member of my staff at 11 p.m. last night that the Japanese military stated that several Chinese planes had bombarded Yuanping, sixty miles north Taiyuan, earlier in the evening; that Chinese planes had subsequently bombed Taiyuan; that Chinese planes had flown over Paoting later; that they might be intending to bomb Peiping; that the lights of Peiping had therefore been extinguished; and that it was desired that the lights of the Legation quarter also be out. While the request was being complied with, information was received from the Japanese Embassy that the danger was past.

Two. The Embassy was informed this morning by the above mentioned secretary that the Japanese military then said that only Yuanping had been bombed; immediately he corrected this, saying that Chinese planes had merely passed over Yuanping and requesting that the matter be kept confidential. Still later the local Japanese military spokesman informed a press correspondent that there had been no visit by Chinese planes to the places named but that

793.94/12270

FILED
FEB 4 - 1938

F/FG

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

DDM -2- #79, February 1, 4 p.m. from Peiping

that the report was a part of the air defense maneuvers
which the Japanese military have been conducting at
Peiping during the past two or three days.

Repeated to the Ambassador. By mail to Tientsin and
Tokyo.

LOCKHART

DDM

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

1591

TELEGRAM RECEIVED

JR

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

Dated February 1, 1938

Rec'd 9:10 a.m.

Secretary of State, *of paraphrase*

SENT TO

Washington.

in strict confidence

63, February 1, 1 p.m. *DT*

My unnumbered telegram January 31, 5 p.m., via
Shanghai.

One. The period of military and political quiet in
China which has existed since the Japanese Government's
announcement of policy on January 14 has begun to raise
in the Japanese popular mind some perplexity and doubt
as to future developments. The official announcements
had been preceded by several weeks of mysterious
discussions within the Government and had a somewhat
theatrical setting. For a short time it was believed
that the ground was being prepared for some powerful
blow which was to be dealt to China either in a political
sense or in a military sense or both. Continued
inactivity is therefore tending to become anticlimatic
and is having adverse effect on public morale.

Two. It is therefore in an atmosphere tinged
with some degree of pessimism and perplexity that reports
were received of discussions between Great Britain, France
and

and

793.94112271

F / FG

1592

-2- #63, February 1, 1 p.m., from Tokyo.

and Soviet Russia with regard to some form of systematic aid to China. If such an arrangement were reached it is obvious that it could not be ignored by Japan without risking a collapse of public confidence in Japan's ability to meet any challenge from European quarters. The logical step for Japan to take to support that confidence would be to declare war. It is realized by the Japanese that such measure would not facilitate the prevention of the entry of arms from Indo China and Soviet Russia and that the closing of the Hong Kong route would merely divert the traffic to the other routes. The practical results would be small but the belief prevails amongst many Japanese that if Japan were not to take formal cognizance of any such arrangement if made the moral consequences in Japan itself would be extremely serious.

Three. We have no information with regard to the degree to which the building up of a consensus of opinion within the Government has developed and we would be inclined to advise the Department to discount reports from correspondents affecting to know that a decision to declare war has been reached if a specified condition of affairs should occur. Certainly the statement of the

Prime

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

4593

-3- #63, February 1, 1 p.m., from Tokyo.

Prime Minister reported to the Department might warrant
such a conclusion but we do not believe that "inside"
information will be permitted to leak out.

Repeated to Shanghai for Hankow.

GREW

KLP:WWC

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

b
 [CONFIDENTIAL]

PARAPHRASE

A telegram (no. 63) of February 1, 1938, from the American Ambassador at Tokyo reads substantially as follows:

Some doubt and perplexity with regard to future developments is beginning to appear in the Japanese popular mind as a result of the period of political and military quiet in China which has existed since the announcement of policy on January 14 by the Japanese Government. Several weeks of mysterious discussions within the Government preceded the official announcements which had a rather theatrical setting. It was thought for a short time that plans were being made for some powerful blow, either in a military sense or in a political sense or both, which was to be dealt to China. Therefore, continued activity is having a tendency to become an anticlimax and the public morale is thereby being affected adversely.

Reports of discussions between Great Britain, France, and the Soviet Government concerning some form of systematic assistance to China were received, therefore, in an atmosphere tinged to some degree with perplexity and pessimism. It is obvious that, if an arrangement to extend some form of systematic assistance to China were arrived at, Japan could not ignore such an arrangement without running the risk of bringing about a collapse of public confidence

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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-

confidence in the ability of Japan to meet any challenge from Europe. A declaration of war would be the logical step for the Japanese Government to take to support public confidence. The Japanese realize that a declaration of war would not assist in preventing the entry into China of arms from Soviet Russia and Indochina and that traffic in arms would merely be diverted to the other routes by the closing of the Hong Kong route. Although the practical results of a declaration of war would be small, there prevails among many Japanese the belief that, if Japan did not formally take cognizance of an arrangement, if made, to extend aid to China, the moral consequences would be very serious in Japan itself.

The statement of the Prime Minister reported in the Embassy's telegram of January 31 might warrant the conclusion that a decision to declare war has been reached in case a specified condition of affairs should come about, but the Ambassador is of the opinion that "inside" information will not be permitted to leak out. The Ambassador has no information concerning the degree to which the building up of a consensus of opinion within the Government has developed and he is inclined to advise the Department that reports from press correspondents affecting to know that such a decision has been reached/should be discounted.

793,94/12271
E.C.C.
FE:ECC:HES
2-2

AGP
FE

0705

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Blustein 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

1938 FEB 1 PM 4 17

Washington,

February 1, 1938.

793.94/12271

AMERICAN CONSUL

SHANGHAI (CHINA) *via NR*

93

Tokyo's/63, February 1, 1 p. m. to Depart-
ment, also relayed to Shanghai, refers to Tokyo's
unnumbered telegram January 31, 5 p. m. sent via
Shanghai. This message has not been received by
the Department. Please advise if you have received
and transmitted it.

*Full
(R4S)*

DCR:DAS:MJP

FE

MP

Enciphered by

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

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/12271

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

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

Tokyo

Dated February 1, 1938

Rec'd 9:10 a.m.

Secretary of State,
Washington.

63, February 1, 1 p.m.

My unnumbered telegram January 31, 5 p.m., via
Shanghai.

One. The period of military and political quiet in
China which has existed since the Japanese Government's
announcement of policy on January 14 has begun to raise
in the Japanese popular mind some perplexity and doubt
as to future developments. The official announcements
had been preceded by several weeks of mysterious
discussions within the Government and had a somewhat
theatrical setting. For a short time it was believed
that the ground was being prepared for some powerful
blow which was to be dealt to China either in a political
sense or in a military sense or both. Continued
inactivity is therefore tending to become anticlimatic
and is having adverse effect on public morale.

Two. It is therefore in an atmosphere tinged
with some degree of pessimism and perplexity that reports
were received of discussions between Great Britain, France
and

-2- #63, February 1, 1 p.m., from Tokyo.

and Soviet Russia with regard to some form of systematic aid to China. If such an arrangement were reached it is obvious that it could not be ignored by Japan without risking a collapse of public confidence in Japan's ability to meet any challenge from European quarters. The logical step for Japan to take to support that confidence would be to declare war. It is realized by the Japanese that such measure would not facilitate the prevention of the entry of arms from Indo China and Soviet Russia and that the closing of the Hong Kong route would merely divert the traffic to the other routes. The practical results would be small but the belief prevails amongst many Japanese that if Japan were not to take formal cognizance of any such arrangement if made the moral consequences in Japan itself would be extremely serious.

Three. We have no information with regard to the degree to which the building up of a consensus of opinion within the Government has developed and we would be inclined to advise the Department to discount reports from correspondents affecting to know that a decision to declare war has been reached if a specified condition of affairs should occur. Certainly the statement of the
Prime

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

-3- #63, February 1, 1 p.m., from Tokyo.

Prime Minister reported to the Department might warrant
such a conclusion but we do not believe that "inside"
information will be permitted to leak out.

Repeated to Shanghai for Hankow.

GREY

KLP:WMC

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

THE WHITE HOUSE FEB 1 - 1938
WASHINGTON DIVISION OF COMMUNICATIONS

CONFIDENTIAL

January 29, 1938.

793.94
MEMORANDUM FOR

THE SECRETARY OF STATE *gm*

This telegram greatly disturbs me. I am inclined to think that the time has come for Phillips officially to ask the Italian Government whether it is true that a large number of Italian aircraft and Italian airmen have been ordered to Japan. And if the Italian Government denies that this has been done by government orders, to ask categorically whether any Italian airmen, belonging to the Italian regular or reserve forces, have gone or are going to Japan with the approval or knowledge of the Italian Government.

I am inclined to think also that this query should be made in writing with the request that it be answered in writing.

F. D. R.

793.94/12272

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

NC

GRAY
(Milan)
Chiasso

Undated

Rec'd 4:19 a.m.

January 29, 1938

Secretary of State

Washington

Eighty Italian aircraft and fifty Italian airmen, some recently returned from Spanish front, it would appear, have been ordered to Japan. Embassy was informed aircraft shipments January 25 last. My British colleague called upon me today. His figures place aircraft sent at 50. This telegram from Swiss boundary.

SHOLES

KLP

HPD

793.94/12272

F/FG/12272

2711

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

FEB 3 - 1938

793.94/12272

My dear Mr. President:

Reference is made to your confidential memorandum of January 29, 1938 suggesting that further information be obtained from the Embassy in Rome concerning the telegraphic report from the Consul General at Milan to the effect that eighty Italian aircraft and fifty Italian airmen have been ordered to Japan.

The Embassy in Rome was requested to investigate the accuracy of this report. A copy of the Embassy's reply is transmitted herewith.

For your convenience, I am enclosing copies of the report of the American Military Attaché in Rome of December 17, 1937, no. 16,374, and of the pertinent section of the Embassy's despatch no. 679 of December 2, 1937, which are mentioned in the Embassy's telegram.

I am also attaching a copy of report no. 16,400 from the Military Attaché in Rome dated January 13,

1938

The President,

The White House.

793.94/12272

F/FG

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

-2-

1938 concerning the appointment of an Italian mission
to Japan and the manufacture of airplane engines by
the Fiat Company in Turin for Japan.

Faithfully yours,

Cardeell Hull



Enclosures:

1. Telegram no. 17 from Rome, February 1, 1938.
2. From Military Attache, Rome, no. 16,374, December 17, 1937.
3. From Embassy, Rome, no. 679, December 2, 1937.
4. From Military Attache, Rome, no. 16,400, January 13, 1938.

GR
FEB 3 1938

Eu:JNH:LF
2-2 g.h.

ANT *[initials]*

JMB
FE
m m l.

DECLASSIFIED: E.O. 11652, 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 ~~TOO~~ SENT TO FROM SECOND BRIGADE USMC

February 1, 1938

Rec'd 11:50 a.m.

ACTION: CINCAF (ADM)

OPNAV

743.94
INFO: AMCONSUL SHANGHAI CHINA
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
FEB 1 - 1938
Department of State

8601.. No change positions Northern Section Tsinpu railway. On Southern section reports indicate Chinese positions North bank Hwai River intact and heavy fighting in progress vicinity Ming Kwang with Japanese making slow progress on either side of railway, Japanese for third time claim capture of Linhwaikawan. Believe Chinese have recaptured Mengyin south central Shantung and have pressed northward ten miles, Chinese claim Chinese mobile unit has retaken Kaoyang 19 miles southeast Paotungfu Hopei. 1914.

WWC

793.94/12273

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

JR
This telegram must be
closely paraphrased be-
fore being communicated
to anyone. (C)
FROM Rome
Dated February 1, 1938
Rec'd 2:20 p.m.

Secretary of State,
Washington.

17, February 1, 6 p.m.

Department's 7, January 31, 7 p.m. /12248

I learn that Consul General Sholes secured his
information from British colleague in Milan but upon
inquiry the British Embassy advises me that they have
as yet received no information on this subject from Milan
or from any other source. Nor has any other confirmation
of the Milan report been received as yet. The Embassy
is, however, making every effort to secure the
information desired.

Rumors such as reported by the Military Attache on
the occasion of Baron Okura's visit, see Military Attache
report of December 17, 1937, number 16,374 and by the
Embassy in connection with the visit of the Japanese
military mission, see despatch No. 679 of December 2,
1937, have been prevalent to the effect that supplies
of munitions have gone forward from Italy to Japan but
no reliable evidence is available that any members of
the armed forces of Italy or Fascist militia have gone
to China for service with the Japanese forces. It
might

793.94/12274

F/FG

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

-2- #17, February 1, 6 p.m., from Rome.

might, however, be of interest if it could be determined whether the Caproni airplane factory near Shanghai, where until recently Italian pilots were employed by the Chinese as teachers and demonstrators of Italian planes, have reopened under Japanese auspices. If this is the case it is of course possible that Italians may be returning to their former activities in this connection.

The Embassy has also learned from reliable sources that a bonus of 15000 lire per month has been offered to at least one Italian pilot if he would proceed to China to join the Japanese forces but it is not known in what capacity he would go nor whether the bonus has been offered by the Japanese or Italians.

PHILLIPS

CSB

WFB
3-1-38

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS
January 22, 1938.

PA/H:
Mr. Howbeck.

S
Mr. Secretary.

There is attached the
summary prepared in the War
Department (G-2) in regard to
the Sino-Japanese situation
January 16-22.

I suggest that you read
the section entitled "General",
pages 1-3, and the section
entitled "Comment", on the last
page.

LMH/REE

0715

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

G-2 Summary of Information

3100-Japanese Situation

January 16-22, 1938

RECEIVED

JAN 31 1938

JAN 22 1938

DEPARTMENT OF STATE

GENERAL

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793.94 / 12275

F/FG

FIELD

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The Chinese Government disclosed at Hankow January 21 that 40 high ranking Chinese officers, half of them division Commanders,

0718

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

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had been tried by courts martial and eight had been sentenced to death. Rumors persist that Han Fu-chu has been executed but there is no official confirmation.

The Chinese Ambassador left Tokyo on January 20. The Japanese Ambassador is leaving for Tokyo after a visit to Nanking. Despite the Japanese announcement that it would no longer recognize the Chinese Central Government, and the withdrawal of the ambassadors under instructions from their governments, both embassies will continue to function at Tokyo and Shanghai under Charge d' Affaires.

A Berlin dispatch states that German mediation activities had been engaged in at the solicitation of both Japan and China. The issue of the Japanese manifesto on January 16 (denouncing the Central Government and stating she would deal only with another regime) now precludes further German intervention. Nor is Germany prepared to enter into a Paris-suggested four-power intervention by France, England, Germany, and the United States, because Germany feels that the other three powers mentioned do not appreciate the Japanese viewpoint and hence cannot be considered neutral. It is believed in Berlin that the German military advisers now in China will be recalled.

Baron Goh, president of the Japanese Economic Federation at Tokyo on January 19 warned Japan that the present situation is the gravest the country has ever faced and that the nation must be prepared to undergo future hardships in carrying out the war. He pointed out that demobilization of troops after the war will present an even more serious problem. He stressed the points that Japan must maintain the value of the Yen, that international payments must be balanced, and that if bonds are to be absorbed, the market must first be assured.

The Japanese War Office and Naval Ministry are studying a program which will increase the possible enlistments in the military forces by about 25 per cent. Koreans will now be permitted to volunteer for service in the Japanese military and naval forces.

Admiral Noda, spokesman for the Japanese Navy, in a press conference on January 20 announced that Japan was unwilling to take part in a naval arms race. Instead she stood ready to participate in a limitations conference in which she would adhere to the principle of equal navies. He refused to deny or affirm reports of the building of Japanese 43,000-ton super battleships. Information from presumably reliable Russian and Chinese sources in Japan state that the original plans on these ships called for 40,000-ton vessels with 18" guns. Due to disputes with naval officers who advocated less costly smaller craft and aircraft, work is now being held in abeyance.

CONFIDENTIAL

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until this question is settled. Reports from London dated January 21 state the British Ambassador at Tokyo has been instructed to ascertain if the Japanese were actually constructing battleships of more than 35,000 tons.

The Japanese press expressed concern over reports of British maneuvers at Singapore and American naval participation in the ceremonies attending upon the opening of the Singapore naval base.

Reports from Amsterdam state that Netherlands air and naval forces in East Indian waters had been "intensified" because of increasing numbers of Japanese fishing vessels in areas which are important to the Netherlands defense plans.

Peng Hsueh-pei, Vice Minister of Communications at Hankow, on January 19 informed the press that a sweeping program of communication development was now in progress. The most important project is a highway to Russia across Sinkiang. Another project is a road from Yunnanfu into North Burma to connect with the British railway there. This road is expected to be completed in 3 or 4 months. The Chungking-Kweichow-Yunnanfu highway was opened January 9 and will facilitate the movement of supplies arriving via the French Indo-China railway. A railway connecting the Canton-Hankow line with the French Indo-China border at Lungcho via Kweilin is now being rushed and will be ready in four months. Air lines are also being expanded. The Chinese press reports that Russia will build a railway from Russian Turkestan to Chungking and that she will supply all building materials as a loan.

Rsinking reports state that Outer Mongolia is preparing a heavily manned and fortified defense line along the southern border. Civilians living near the frontier are compelled to move into the interior to discourage espionage by Japanese agents. Hankow reports that both Chinese and Soviet authorities deny the reports that Outer Mongolian troops are aiding the Chinese and these authorities state that there is no military activity of any kind in Outer Mongolia.

NORTH CHINA

About 10,000 Japanese troops have been landed at Tsingtao since the city was occupied on January 11. It is believed these are being assembled for a drive southwest to the eastern point of the Lunghai railway. All of these troops are equipped for winter operations. Further reports on the Lunghai front will be given below.

Thirty Japanese warships and transports are reported in Tsingtao harbor. The Japanese Navy has taken over the exclusive use of the port facilities remaining after the Chinese sabotage. The airfield is being repaired for use.

In Shansi, organized Chinese troops are reported to be

3720

DECLASSIFIED: E.O. 11652, 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

withdrawing south of Taiyuan. Guerrilla bands, however, continue their activity on the Chengtai railway and on the Ping-Han railway in Hopei.

Japanese troop movements through Tientsin for the two weeks ending January 18 are estimated as follows: In, 60 earloads of artillery and 70 trucks; Out, 1,500 troops, 50 trucks and 1,200 casualties. All above movements were by rail. Chinese also report that 20,000 Japanese troops have been withdrawn from the Ping-Han and from Shansi to reinforce the drive down the Tsin-Pu on Suchow.

The Japanese are becoming dissatisfied with Wang Ke-min who is the top man in the "Provisional Republic" at Peiping. They are now looking with favor upon Chen Yun-peng, who was Premier of China from 1919 to 1921. Masayuki Tani, ex-Japanese Minister to Austria, now on a political mission in Peiping, intimated that Japan will not recognize the puppet regime until a President is elected, and that he was seeking a candidate.

The Tientsin Chinese and Japanese newspapers published an order from the East Hopei Government that special trade (a polite name for smuggling) will cease as of January 20. This may indicate an early announcement of revised tariff rates in North China. The East Hopei Autonomous Government has not yet been absorbed into the "Provisional Republic" due to reported objections from its creators, the Kwantung Army.

An Anglo-Japanese dispute occurred at Tientsin on January 19. Japanese authorities demanded the surrender of certain Chinese in the British Concession and when refused, threatened to take the Chinese out by force. The British replied that they would resist violation of their concession and Japanese backed down. Later ten Chinese gunmen said to be in the employ of the Japanese military police entered the British Concession and raided the residence of Li Tu, an ex-subordinate of Ma Chan-shan and a former guerrilla leader in Manchuria. Li was out but the gunmen shot three Chinese, one fatally.

LUNGHAI FRONTS

According to Japanese reports the Chinese have a total of 400,000 troops defending the Lung hai area. Chinese report the Japanese have 60,000 troops in their drive on the north side of the Lung hai and that these are being reinforced by 20,000 additional troops, mostly cavalry and artillery, withdrawn from Shansi and the Ping-Han railway. Snow and sleet have put a damper on military operations the latter part of this week. Japanese however have not been making much progress for the past two weeks. North of the

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

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Lunghai, they are still being held in the vicinity of Tsining, Tenghsien on the Tain-Pu railway, and Mengyin and Chuhsien, east of the railway. A Japanese column is reported moving southwest from Tsingtao. Lincheng is a key point in the Chinese defense north of the Lunghai and when and if that point falls, a Chinese withdrawal west from the eastern portion of the Lunghai railway is inevitable.

South of the Lunghai the Japanese drive north from Nanking is still held up at Linhwaiwan on the Tain-Pu and at Kaoyu on the Grand Canal north of Chinkiang. Linhwaiwan was reported in Japanese hands last week but late reports place that point in Chinese hands. The Japanese report that they have repulsed two Chinese counterattacks at Mingkwang, 70 miles north of Nanking.

Until grounded by blizzards the latter part of the week, Japanese aircraft were active in bombing Chinese defensive positions and lines of communications north and south of the Lunghai.

The Japanese military spokesman at Peiping on January 20 explained the present inactivity of Japanese troops in Shantung as due to the preparations necessary to start a determined offensive. Stiffened Chinese resistance is also evident.

CENTRAL CHINA

Japanese military activity in this area consisted mainly of repulsing increasing guerrilla attacks by Chinese troops. Chinese units are reported within five miles of Wuhu, close to Hangchow, and in the vicinity of Hsien (where the Panay was sunk). Japanese forces are also engaged in mopping up irregular units on the Pootung peninsula and just west of the International Settlement. Seven thousand Chinese troops were reported within a few miles of Hangchow on January 18 and heavy Japanese reinforcements were rushed there to meet the threat. Three thousand Chinese irregulars are on the Pootung peninsula, where they are reported to have captured a village garrisoned by 270 Japanese troops. They are holding the prisoners as hostages against aerial attack.

Yunnanese troops, well equipped with arms and French steel helmets brought in via French Indo-China, are reputed to be constructing and manning an elaborate defensive position in the vicinity of Poyang Lake to defend the Chinese air base at Nanchang. A new river barrier on the Yangtze has been completed near the entrance to Poyang Lake.

Japanese aircraft bombed Changsha, Yencheng, Nanchang, and Sackan, 30 miles northwest of Hankow on the 16th. Chinese are reported to have bombed Wuhu on January 16, inflicting losses. Bad

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weather the latter part of the week hampered air activity. One hundred Soviet airplanes manned by Russian pilots under their own officers are reliably reported at Nanchang. These have been conducting raids on Japanese air bases. No results have been reported.

Reports from Nanking state that despite assurances and promises from local Japanese consular authorities and Tokyo officials, Japanese soldiers continue to force their way into American property and commit depredations. Strong protests at Tokyo have elicited a statement from the Foreign Office that a special representative from the War Office will be sent to Nanking to put a stop to the outrages. The continuance of these serious breaches of discipline, despite the apparently sincere assurances of the highest Japanese military authorities in Tokyo, is illuminating.

The Japanese-sponsored local government at Nanking is taking over the activities of the International Relief Committee, which administered the refugee zone, on the grounds that the organization was really a semi-official Chinese government organ and that arms had been found in the zone. Reported atrocities of poorly disciplined Japanese soldiers continue to discourage the rehabilitation of the area between Shanghai and Nanking. This once populous region is practically denuded of human life except for the Japanese military.

General Matsuda is reported to be in Shanghai as adviser and organizer of a projected regime for Central China to be set up about February 1. Tang Shao-yi, Wang Tze-wei, Wang Shai-lai and Li Su-hao are among the Chinese being considered in the new government. Chinese sources assert that General Doihara, famed "Lawrence of Asia," who had been reported killed in action, is now at Shanghai conducting his usual intrigue.

The Japanese high command at Shanghai suggested that the British forces evacuate their defense sector on the western border of the Settlement, stating that Japanese troops in the vicinity could take over the duty. The British refused to accede.

SOUTH CHINA

Japanese air activity continues in South China with daily attacks on the roads and railways leading into Canton.

The British Ambassador at Tokyo was informed by the Japanese Government that concentrated air attacks would be conducted on that portion of the Canton-Kowloon road lying outside of British leased territory. British citizens at Hongkong have been instructed to inform the local British authorities when they intend to use the road. The British authorities will then notify the Japanese.

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An attempted landing by Japanese sailors at Yuling harbor, Hainan Island, on January 20 was repulsed by Chinese troops. A dispatch from Paris states that France will ask the Japanese Government for details regarding attempted landings on Hainan Island.

New highways covering Kwangtung, Kwangsi, Kiangsi and Hunan, giving several routes to Hankow, are reported completed. New military trucks recently received in large quantities from American and German sources are expected to make increasing use of the Hongkong-Canton road and the roads leading north.

COMMENT

Despite overwhelming Japanese military successes, the seventh month of the undeclared war shows few signs of an approaching peace. The Chinese Central Government avows it will continue to resist to the bitter end, and the Japanese Government is girding its loins and schooling its people for a long drawn out and costly campaign. The Japanese, in spite of desperate efforts, are still experiencing difficulty in finding suitable reputable Chinese to man an effective puppet government. The creation of puppet governments in the occupied areas apparently will not have any immediate effect on the situation. Guerrilla bands will continue to harry the Japanese lines of communication and assassins will continue to discourage Chinese participation in Japanese-controlled governments.

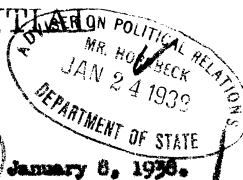
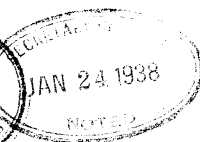
There are three Japanese armies involved in the operations in China: First, the Kwantung Army, which completely controls Manchoukuo, exercises complete jurisdiction over the additional puppets it has created in North Shansi, Inner Mongolia and East Hebei; second, the North China District Army under General Terauchi at Peiping, is in the process of carrying out for itself an empire to dominate, similar to the one the Kwantung Army now controls; third, in Central China, General Matsui's army, whose mission, apparently, was the destruction of the Central Government's military force and with it China's will to resist.

These three armies seem to be complete entities with aims and objectives which while not necessarily divergent, have possibilities of friction. This is particularly true where the boundaries of empire of the Kwantung and the North China armies meet. It is interesting to speculate as to just how much control the Japanese Government and G.H.Q. have over these powerful leaders and their staffs and by what means coordination and correlation of aims is achieved.

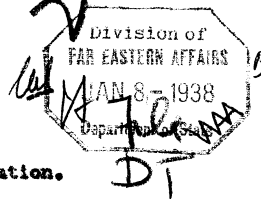
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

G-2/2657-15-139

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January 8, 1938.



MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

793.94/12276

1. Herewith are Summary and Situation Map covering events in China for the period January 4 - 8, 1938.

2. The outstanding developments for this period have been:

a. Continued advance of Japanese forces southward through Shantung.

b. Increasing activity of Chinese aircraft in the lower Yangtze Valley.

c. Continued and enlarged Japanese demands on International Settlement authorities at Shanghai, and growing British-Japanese friction there.

793.94/12276

2 encls.

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

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OSD letter, May 3, 1972
By 89 NARS Date 3/9/23

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3-2 Summary of Information
Sino-Japanese Situation
January 4-8, 1938

GENERAL

Chinese sources claim that the recent reorganization of the Chinese Government has strengthened Chiang Kai-shek's power, despite his relinquishment of his post as chairman of the Executive Yuan in favor of H. H. Kung. In his capacity as head of the Supreme War Council and Commander-in-Chief of the Army, Chiang will continue to exercise plenary powers over both military and civil affairs, while left wing elements have not been given important posts in the new government.

Chinese recruiting is being pushed on a large scale. Chinese sources report that they expect to have 80 full divisions, well equipped, in the field by spring. Reliable reports state that Chiang has requested his German advisers to make plans for the immediate reorganization of 28 divisions. The German advisers are still very much in evidence and appear thoroughly loyal to Chiang. There are rumors again that the German Government will soon order the recall of the advisers.

Chinese reports at Shanghai state that 80 million dollars worth of orders for munitions have been placed abroad. The munitions include artillery, machine guns, rifles and ammunition, and shipments will be made through French Indo-China and through Russia.

Chinese reports state that French aircraft is being assembled in French Indo-China and ferried into China.

Most of the rolling stock of the Tsin-Pu, Shanghai-Hangchow, and Nanking-Shanghai railways was removed before Japanese occupation. A part of the railway equipment is concentrated in the Nanchang-Hankow area. Other equipment is now held on the western section of the Lunghai railway. It is reported that the Japanese are changing the narrow gauge Cheng-Tai railway (running from Shihchiachuang to Taiyuan) to standard gauge and that work would take approximately one year. Only one locomotive is available for use on the Cheng-Tai railway at the present time. Nineteen "small" locomotives were shipped into North China during the week ending January 4. These may be narrow gauge locomotives for use on the Cheng-Tai railway and in Shanai.

The Chinese Government protested to Japan against alleged raids on Chinese consulates at Gensan and Pusan in Korea in which

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official documents were seized and consular staffs forced to flee. The protest included a threat to close all Chinese consulates in Japan and Korea if the Japanese continued their coercion to force Chinese consular officers to declare themselves representatives of the "Provisional Republic" at Peiping.

Reports from London state that 16 Japanese transports originally destined for Russia as payment for the Chinese Eastern Railway will be diverted to the Italians for use in the Mediterranean.

Tokyo press states the reasons for the proposed increase of United States naval strength are due to the present internal situation in the United States, such as the depression and the failure of New Deal policies. A Tokyo Foreign Office spokesman stated that any increase in United States or British naval strength would not be welcome because Japan wishes to avoid an arms race. However, the spokesman said, Japan is not really concerned because her naval force is now strong enough.

The Japanese Foreign Office announced on January 7 that Admiral Suetsugu's blasts against the supremacy of the white races, and against the aid Great Britain was extending to China, were made before the Admiral took office as Home Minister, and that his statements did not represent the views of the Japanese Government.

A statement issued in Tokyo after a conference by the Premier with the War, Navy, and Foreign Ministers on January 6, said that the "Chinese Government was showing increasing evidence of an intention to sue for peace." Nothing in dispatches from China or other sources indicates any contemplated peace overtures by the Chinese Government.

NORTH CHINA

The Japanese drive in Shantung continues. Two strong columns are pushing southward, one down the Tsin-Pu railway toward Tsuchow and one west of the railway with Kweichow on the Lung-Hai railway as the probable objective. Taian was captured on January 3 and the Japanese are reported to have pushed through Yenchow (Tsuyang) and now claim to be in possession of Tsouhsien, Sining, 25 miles southwest of Yenchow, and Sintai, 35 miles southeast of Taian. Chinese forces continue to retreat southward and little resistance may be expected short of Lincheng, 50 miles north of Tsuchow, where a Chinese defensive position is reported. Han Fu-chu's troops are retreating along the Tsin-Pu railway and Han himself is reported to have left his forces and flown to Kaifeng. Yu Hsueh-chung's troops are moving southwest by road and the bulk of his forces are now southwest of Chuhsien. Admiral Shen is reported to be en route to Suchow by car.

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

Late reports from Hankow state that the Japanese occupation of Tsining brings them within striking distance of Kweichow and threatens the left flank of the forces holding Szechow. The Chinese may find it necessary to abandon the strongly fortified line from Lienyun, near Haichow, to Szechow, and to withdraw west along the Lunghai toward Chengchow.

There appears to be little activity on the Tsinan-Tsingtao railway though the Japanese are reported in the vicinity of Weihai and Kiamoi. Except for small remnants practically all Chinese troops are now well south.

Chinese reports state that 5 divisions have been sent to reinforce the defenders in the vicinity of Haichow, eastern terminus of the Lunghai railway. Lienyun, a newly constructed port for Haichow, was dynamited by the Chinese.

Japanese aircraft continued to bomb towns on the Tsia-Pu and Lunghai railways, and to harass the retreating Chinese troops.

Tokyo broadcast January 5 reported that the Japanese consuls at Tsingtao and Tsinanfu would return to their posts and reopen their consulates immediately. This indicates that the Japanese do not anticipate any military action at Tsingtao or east Shantung.

Reports from Peiping state that the Chinese guerrilla campaign along the Ping-Han railway and in Shansi is assuming serious proportions. Chinese report a company of Manchoukuo troops, stationed south of Taiyuan, deserted and joined the Chinese irregulars.

The "Provisional Republic," Japanese puppet government, at Peking continues to grow. From a skeleton cabinet of 6 men three weeks ago, it now has 41 officials, though none are Chinese of standing. Kuo Wei-ling assumed office as Chairman of Hopei on January 1, with the provincial capital at Tientsin. Yu Chin-ho is slated to be Mayor of Peiping and Pan Yu-kwei, Mayor of Tientsin. The recent assassinations of two Chinese connected with the Shanghai puppet government have the Chinese leaders in the North China puppet government thoroughly scared.

Japanese are reported intent on acquiring real estate in Peiping. They usually pay cash but offer prices far below actual value which the Chinese owners are coerced into accepting.

The railway between Tangku and Tientsin is now being double-tracked. It is reported that when this section is completed the work will be extended to Peiping and ultimately to the Ping-Gui railway. The double-tracking of these lines is probably due to strategic reasons as the present and prospective commercial hauls do not warrant the expense.

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CENTRAL CHINA

While the Japanese report their drive north on the Tsin-Pu railway and on the Grand Canal has started, there are no reports of the capture of towns north of the positions held last week. At that time they were reported meeting stiff Chinese resistance at Haishan and Laoyu. The Japanese should be able to make a junction of the drives south from Shantung and north through Kiangsu, in the vicinity of Suchow within two or three weeks.

Chinese air activity has been resumed in Central China. Five heavy bombers bombed Nanking on January 2, and air attacks were made on Wuhu on January 3 and 5. The Chinese claim that two Japanese gunboats were sunk by their bombs at Wuhu on January 3. Hangchow and Anshing were reported bombed on January 6. Chinese have requested that they be kept informed of the location of foreign ships on the Yangtze. It is probable that most of the airplanes used in these attacks are of Russian origin.

In retaliation for the Chinese air attacks, Japanese planes raided Nanchang twice on January 3 and once on January 7, and conducted mass bombing with 40 planes at Hankow on January 4 and on January 6. Several Chinese planes were reported destroyed, but other damage was comparatively light. Soviet fliers reported to be at Hankow did not participate in the defense of the city. The Chinese arsenal at Hanyang was reported to have been covered by a protective smoke screen during the Japanese air attacks.

The American Embassy at Nanking was reopened on January 6. The American consular officers were met by cooperative representatives of the Japanese military, naval and consular headquarters. The Embassy reports all Americans safe and that while there had been considerable looting of American property by Japanese soldiers, the situation has improved.

Related reports from Wuhu and Hangchow state of further misbehavior of Japanese soldiers at those points after their occupation. The reports cite looting, wanton killing and raping by intoxicated Japanese soldiery.

New demands for increased control in the Shanghai International Settlement were made by the Japanese authorities on January 4. The demands were based on a feeling on the part of the Japanese expeditionary forces that municipal authorities lacked earnestness and ability to suppress the anti-Japanese elements in the Settlement. Therefore the Japanese authorities demand:

1. That the Municipal Council raise the positions and authority of Japanese in the police force and to increase their numbers.

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2. To place Japanese in controlling positions in all important matters of the Council.

3. The maintenance of rigid control over the Chinese Chamber of Commerce, Chinese General Labor Union, and the Special Citizens Federation, and a requirement that these organizations publicly retract their recent opposition to the Japanese-sponsored local government.

4. To take appropriate measures to eradicate expressions of anti-Japanism in the Settlement and the maintenance of rigid control over newspapers whether foreign or Chinese.

Replies to the demands are now being considered by the Municipal Council. The foreign consuls have also referred these demands to their home governments for study and for such action as may be possible.

British authorities at Shanghai reported that two British municipal policemen, who had been summoned to the Japanese barracks on December 25 were beaten by the Japanese. Two other British municipal policemen were manhandled by Japanese soldiers on January 7. A British military sentry was reported to have been dragged off his post by 6 Japanese soldiers and beaten. British military authorities protested these incidents to the Japanese.

Admiral Yarnell on January 5 protested to Admiral Hasegawa against the announced Japanese policy to permit only Japanese merchant vessels to proceed up the Yangtze River.

The Japanese have established censorship of cables and radio in Shanghai. The Chinese staff at the communication center is reported to have walked out on orders from the Minister of Communications. Traffic is now being routed via Tokyo.

SOUTH CHINA

Japanese continue air raids on the Kwangtung railways. Most of the bombs dropped during the past week have been 500-pound bombs. Some 100-pound bombs were also observed, and one foreign observer stated that several 1,000-pound bombs were dropped on January 1.

A new bridge linking Chinese and British sections of the Hongkong-Canton motor road was opened January 1. Hundreds of American and German trucks have been driven through carrying supplies, American and Italian bombing planes, and Italian bombs to Canton.

Reports from Canton state that the projected Japanese invasion scheduled for about January 1 had been postponed. Thirty thousand troops were moved from Shanghai to Formosa in preparation for landing on South China. These have been diverted to Manchoukwo

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

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last week, it is reported, because the Japanese consider it necessary to reinforce their north garrisons.

Yunnan reports state that a road has been completed between Talifu and Burma. Another is being constructed from Kaiyuan, Yunnan to the Kwangsi border.

Mail reports state that the Central Aviation Academy formerly at Hangchow is now conducting an advanced training school at Yunnanfu. The primary training school is located at Lichow, Kwangsi.

Chinese report that five Japanese warships bombarded Amoy January 3.

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

TELEGRAM RECEIVED

LMS

FROM

COMYANGPAT

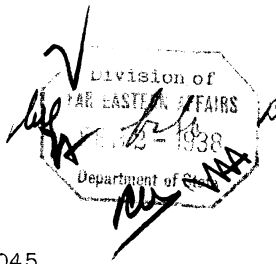
COPIES SENT TO
O.N.I. AND M.I.D.
DT

February 1, 1938

Rec'd 8:47 p. m.

ACTION: OPNAV
INFO: CINCAF ADMINISTRATIVE
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SMS:NPL

793.94/12277

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

TELEGRAM RECEIVED

LMS

COMSOPAT

FROM

COPIES SENT TO

February 1, 1938

Rec'd 7:37 p. m.

ACTION: OPNAV
INFO: CINCAF ADMINISTRATIVE
2nd BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
AMAMBASSADOR TO CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
FEB 1 - 1938
Department of State

0001 South China ports quiet 2000

SMS:NPL

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FEB 4 - 1938

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Department of State letter, August 10, 1972
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PLATT and GRAY

Shanghai via N. R.

AMEMBASSY HANKOW

FROM

COPIES SENT TO
CNL AND WLD

Dated February 1, 1938

Rec'd 7:35 p. m.

Secretary of State,

Washington.

177, February 1, 11 a. m.

Following from Tokyo:

"January 31, 5 p. m. Please relay the following

to the Department and repeat to Ambassador Johnson:

"My 25, January 13, 6 p. m., paragraph No. 3.

One. In view of recent developments at Geneva the Department may be interested in the statement made in the Diet on January 25 by the Minister for Foreign Affairs as follows: 'The first point of the present interpellation was a question of the significance of calling the present Sino-Japanese relations an incident and not a war. As is well known, the present trouble arose from the Lukowkia bridge incident, becoming gradually aggravated until turned into a general conflict. Up to the present time, if we look at the situation between Japan and China, it is clearly a great struggle, for the Far East an extraordinary struggle. However as you know the situation in the Far East is not one like

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

LMS 2-No. 177, February 1, 11 a. m., from Shanghai.

like that of Europe based on concepts of international law. Speaking from racial as well as other considerations the relations of these two countries cannot be regulated by war. Actually Japan has from the outset of this incident announced that it was combatting the anti-Japanese movement as represented by the Chiang regime and the military cliques. On the one hand there has arisen in North China a government which, friendly to Japan, is adopting a joint anti-Communist policy. Arguing from this standpoint it is beyond need of proof that the relations between China and Japan are not a war in which the Chinese Government and its people are looked upon as enemies. Ordinarily, according to the dictates of international law, in the case of war it is usual to make a declaration of war at the outset or later. As ^a result of the declaration of war it is customary for third countries to assume the obligations of neutrals. In the present situation in the Far East the advantages and disadvantages of the application of the principles of international law to this situation must be considered carefully. In the light of the situation in China and in international relations we have not yet taken the step of declaring war. However, depending on developments
this

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

LMS 3-No. 177, February 1, 11 a. m., from Shanghai.

this step may become necessary. Consequently it is unnecessary to repeat that both internally and externally the present struggle is in fact a war. Accordingly the question of the steps to be taken at the termination are the same as those of war. If we look at the attitude of the Chinese National Government up to the present time we see that it lacked entirely any sincere intention to negotiate with Japan and we therefore severed all international intercourse with it. However from the standpoint of actual fact the relations between Japan and China must be postponed. Having reached this state, Japan with extraordinary determination is urging the reflection of all China and is building everlasting peace in the Far East. Japan cannot lend an ear to effort by a third power to intervene at this time. I can hardly imagine there would be such a third country. However with respect to relations between China and third countries in the past there are a number of countries which have had very many cultural or material interests in China. Considerable reflection is necessary as to what degree these countries will maintain the interests they have had

had

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LMS 4-No. 177, February 1, 11 a. m., from Shanghai.

had in China up to the present time. Should, through the action of a third country, there result aid being given to China this will only serve to prolong the incident and would have a deplorable effect on the restoration of peace in the Far East, to be sure, ^{may} ~~may~~, on the restoration of peace in the world. We are trying to get the various countries to understand fully the present situation in the Far East and to adopt policies in conformity with the new situation. In this respect in the past in the relation between China and third countries it is a fact that there have been such things as the supplying of armaments. It appears in the majority of cases that third countries and China, not being subject to the restrictions of laws of neutrality, regard this trade in arms as undertaken purely as a commercial transaction. However this is a matter of theory. Actually those countries with kindly intentions, desiring a quick solution of the present situation, restoration of the peace in the Far East, and maintenance of world peace, are for the most part restricting voluntarily the supplying of arms. Those who are not so doing have had the situation explained to them and have had attention called to this fact. Various countries are cited and we often are asked which country

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LMS 5-No. 177, February 1, 11 a. m., from Shanghai.

country is the principal supplier of armaments. Recently in a communication received from England it has been explained that in Hong Kong which is supposed to be the principal import source of arms to China, at the present time the armaments of English manufactures occupy but a small portion of the whole. We must recognize that almost the entire amount comes from other countries. To look upon this as an act of commercial character and to simplify it and with folded arms can only result in the prolongation of the present trouble between Japan and China and I am constantly calling this to the attention of various foreign countries, the countries concerned. As the situation develops I believe that these countries can be made to have a more comprehensive understanding, particularly as a result of making clear our attitude that we would have nothing to do with Chiang Kai Shek, that with different administration as the center we would assist in the reconstruction of China, I believe that the business of various countries who have been supplying the armaments to the national movement for purely profit motives will reflect seriously. This will constitute my answer to the above interpellation.'

Two.

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

LMS 6-No. 177, February 1, 11 a. m., from Shanghai.

Two. As reports from Geneva state that Eden, Delbos, and Litvinov have assured Koo that their respective countries are prepared to assist China by continued supplies of arms and munitions considerable significance is being attached to a statement made by the Prime Minister on January 29 before the Budget Committee of the lower house. No official text of the statement is available but it was reported in the press to have been as follows:

'With reference to a declaration of war, it is possible by methods of diplomacy to prevent to a certain degree third countries helping China by the supply of munitions and we are employing various appropriate means to convey to such countries a correct conception of Japanese position in China. However as I stated on a previous occasion we intend to request that His Majesty declare war if Chiang Kai Shek's future attitude and other developments, both internal and external to Japan, should warrant such action.' Comment will follow shortly." Grew."

GAUSS

SMS:NPL

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/110 FOR Despatch #1116

FROM Shanghai (Gauss) DATED Dec. 8, 1937
TO NAME 1-1127 070

REGARDING: Sino-Japanese situation: Report on -, for
month of November, 1937.

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

Relations with Japan

Military Operations. The military situation changed rapidly during November; and Chinese resistance, which had been well organized and extremely stubborn, crumbled perceptibly. This change was caused by a sudden Japanese landing in force along the southern shore of the Houtung peninsula and the rapid advance of mechanized columns

against

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

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against the Hangchow-Shanghai Railway and the strategic city of Sungkiang. This maneuver forced a Chinese withdrawal from the Soochow Creek sector and from Pootung and was followed up with such vigor and speed that the Chinese, seemingly unable to consolidate themselves along any of their prepared positions, in quick succession lost Kashing, Soochow, Changshu, Suhsing, Wusih, and Hsiangyin with the result that as the month closed the entire Taihu Lake area was dominated by the Japanese.

The small wedge which the Japanese succeeded in driving into the Chinese lines on the south bank of Soochow Creek was gradually extended, although the operation was slow because of determined Chinese opposition and the rainy weather which prevailed for the first few days in November. (8) The strength of Chinese opposition made it clear that it was their intention to hold the Soochow Creek sector as long as possible; and it was generally anticipated that to dislodge them would prove to be a costly operation for the Japanese and would result in the destruction of much valuable foreign property in the Sungjao district. The sudden landing of a considerable Japanese force on the southern shore of Pootung peninsula a little to the northeast of Chapu on the morning of November 8th effected a radical change in the military situation. (9) The ease with which the Japanese effected a landing indicated that the Chinese, who had long anticipated just such a maneuver, had grown careless and had taken inadequate precautions. The maneuver was skillfully and efficiently carried out by two divisions of troops brought down from North China. A false landing was staged on the south bank of the Yangtze

River

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

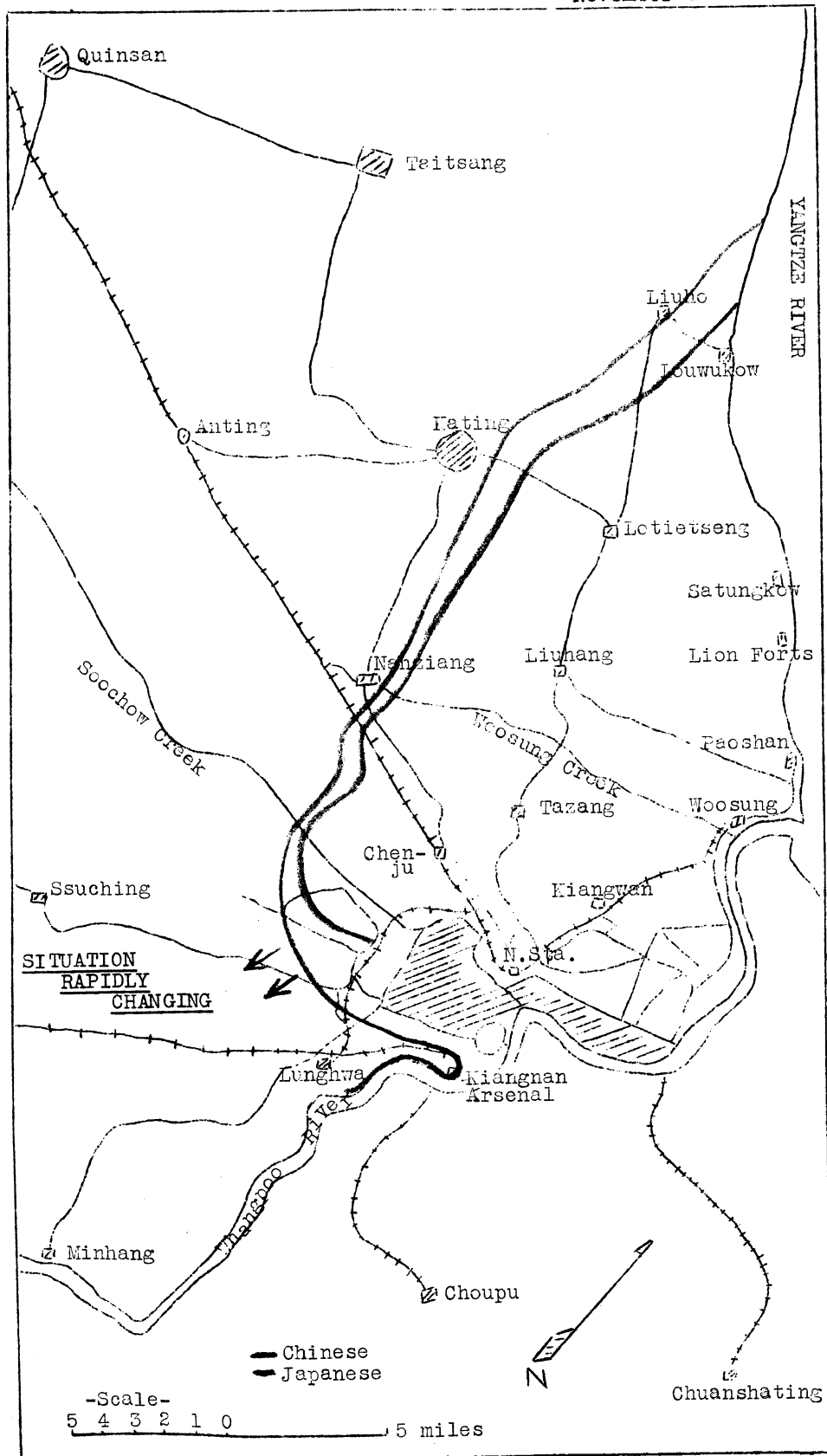
-11-

River above Liuhø, while a large number of Japanese fishing boats and landing craft slipped down the Whangpoo and around Pootung peninsula during the windy, rain-swept night of November 4th and rapidly landed several thousand men under cover of a heavy naval barrage. The Chinese appear to have been taken by surprise and were so unprepared that little or no resistance was offered to the initial landing. (10) Japanese mechanized units rapidly pushed north toward the Whangpoo River and the city of Sungkiang; the two Chinese divisions holding Pootung peninsula under the command of General Chang Ka-kwei rapidly withdrew from Pootung and attempted to stem the Japanese advance. Other Chinese troops from the Hangchow area were reported to be converging on the Japanese units which were pushing toward Sungkiang. However, the Chinese appear to have failed to make any coordinated and concerted attack on these Japanese units in spite of the fact that they were ordered and urged to do so by their German military advisers with a view to destroying the Japanese column before it had sufficiently increased in strength to menace the entire Chinese position in the Shanghai area.

The immediate result of this virtually unchecked landing operation was to cause a withdrawal of Chinese troops not only from Pootung but also from the Soochow Creek sector. (11) This latter took place during the night of November 8th. The following morning the Japanese were in complete control of the Hungjao district and were rapidly following up the retreating Chinese troops, some of whom withdrew in the direction of Sungkiang and others to the west. (See map on page 12.) By November 10th the Japanese forces advancing

-12-

November 9



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advancing from the Lungwa-Hungjao district had effected a junction near Ninghong on the Whangpoo River with the Japanese columns advancing on Sunghiang, which fell before a combined Japanese aerial and infantry assault on the same day. The environs of Shanghai were thus clear of Chinese troops with the exception of a mixed force consisting of troops, Peace Preservation Corps units, and police numbering approximately five thousand, who elected to make a final stand in the Nantao area to the south of the French Concession.(12) This force was commanded by General Tsai Ting-chun, the Chinese Commissioner of Police, who announced that he would hold Nantao to the last man-- a dramatic but futile gesture. From a strictly military standpoint, the defense of Nantao had no significance whatever and merely resulted in a mass evacuation of the Chinese population, immense destruction of property, and extremely heavy losses to its citizens. After advising the Consular Body of the intended bombardment of Nantao, the Japanese commenced to shell and bomb that area heavily on the afternoon of November 10th. Hundreds of shells were thrown into Nantao by Japanese firing over the Settlement and French Concession, while Japanese bombers droned overhead and deliberately and methodically released tons of high explosives over this once populous area.(13) After thirty-six hours of heavy bombardment, Japanese tanks and infantry attacked; and by the morning of November 13th Nantao was completely in Japanese hands. The great majority of the defenders of Nantao laid down their arms and entered the French Concession, where they were interned.(14) During these operations the Footung district

-14-

trist was taken over by the Japanese; and in consequence, by November 15th Shanghai was completely encircled by Japanese armies. Hostilities immediately around Shanghai were thus terminated exactly four months after their commencement on August 15th. Shanghai stood ringed by a wide area of utter destruction and desolation, awaiting the future and the dictates of its new master with the utmost anxiety.

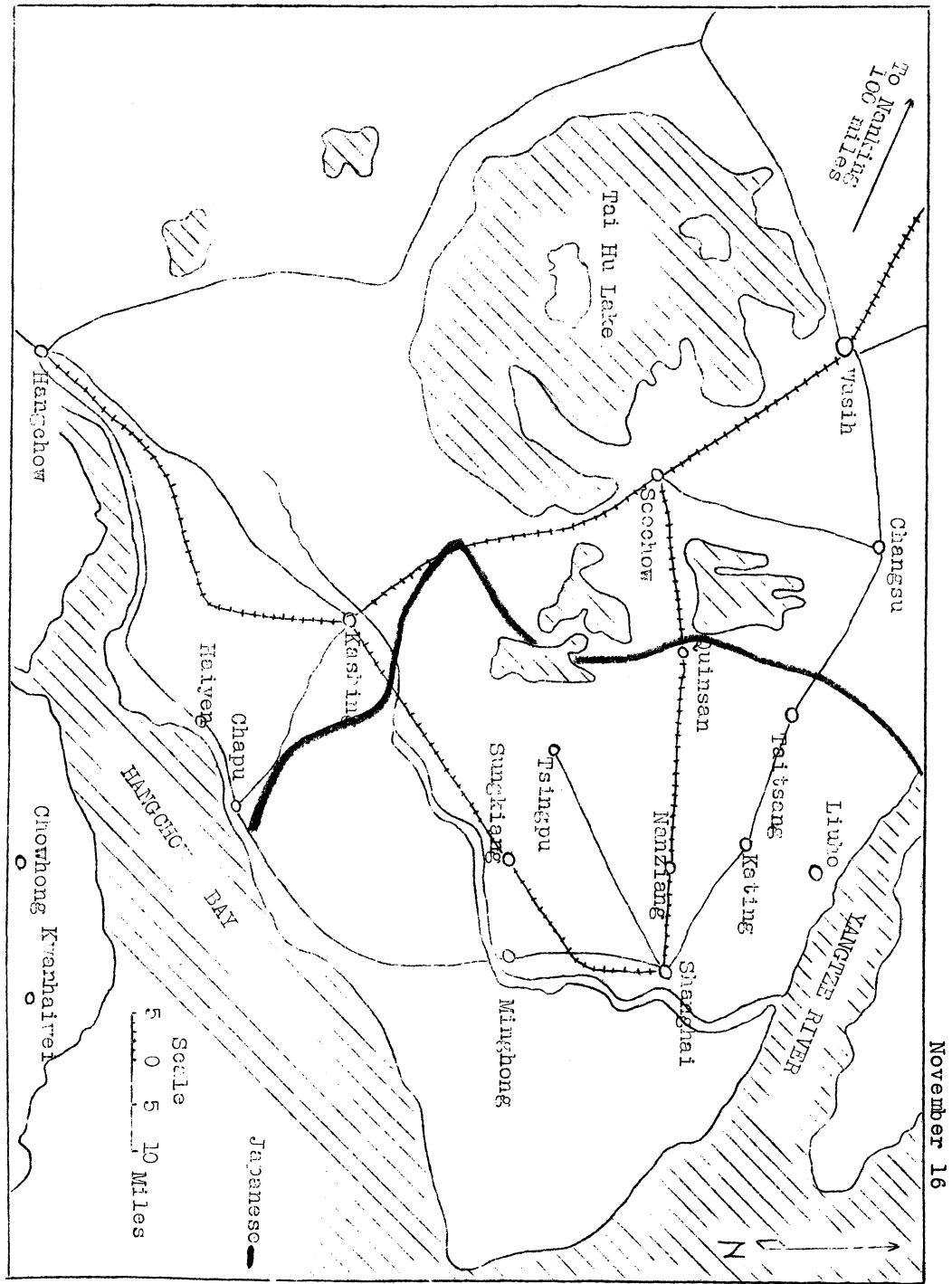
The warfare, which for four months had been a daily actuality, rapidly passed beyond the audible and visible range of the citizens of Shanghai. Japanese mechanized units and airplanes pursued the Chinese relentlessly; and it soon became apparent that the Japanese thrust from Hangchow Bay had developed in such strength and with such rapidity that the whole Chinese system of prepared defenses in the vicinity of the lake region was in a most precarious position. Japanese columns from Hangchow Bay, after effecting a junction with the Shanghai units, pushed west along the Shanghai-Hangchow Railway. Another column operating farther to the north also pushed west and by the use of motorized sampans and boats cut through rapidly by waterway to the highly important and strategic lateral Nanking-Soochow Railway; while a third column, after capturing Nanxiang, Xixing, and Fumshan, advanced on Soochow and Changshu. (15) On November 18th Changshu fell, largely because of the mutiny of three divisions of former Northeastern troops. With the fall of Changshu, the Japanese converged on Soochow from three sides and occupied that famous city on November 21st. In the meantime, the Japanese column operating farther south along the Shanghai-

Hangchow

-15-

Hangchow Railway had captured Kashing. The entire Kashing-Soochow-Changshu line, which was extremely strong and from all reports had been well fortified, fell into Japanese hands less than two weeks after hostilities were concluded in the Shanghai area. (16) (See map on page 16.)

The Chinese retreat from the Soochow-Changshu front was precipitate; but the majority of the troops in this area were able to reach the strongly fortified Kiangyin-Wusih line, where a more determined effort was made to check the rapid Japanese advance. (17) South of the Lake, following the capture of Kashing, the Chinese were forced to retreat along the lake shore and the Shanghai-Hangchow Railway towards Wuhsing (Huchow). The Japanese also carried out an operation across the Lake in motorized boats and sampans. This was highly successful, the Chinese offering little or no resistance, although it was reported that there were several Chinese gunboats on the lake. The operation enabled the Japanese to gain a foothold on the west shore; and, as reinforcements were brought up, they were able to consolidate their positions and later to out-flank the Chinese lines to both the north and the south of the Lake. Wuhsing fell on November 24th as the result of a combined frontal and flank attack, the latter being launched by the Japanese units which had crossed the Lake and landed on the west shore to the north of the city. (18) Following the fall of Wuhsing, a Japanese column encountering very weak resistance moved rapidly west and by the end of the month was reported to have occupied Kwangteh, Anhwei. North of the Lake the Japanese succeeded in piercing the Kiangyin-Wusih line to the north of Wusih and captured



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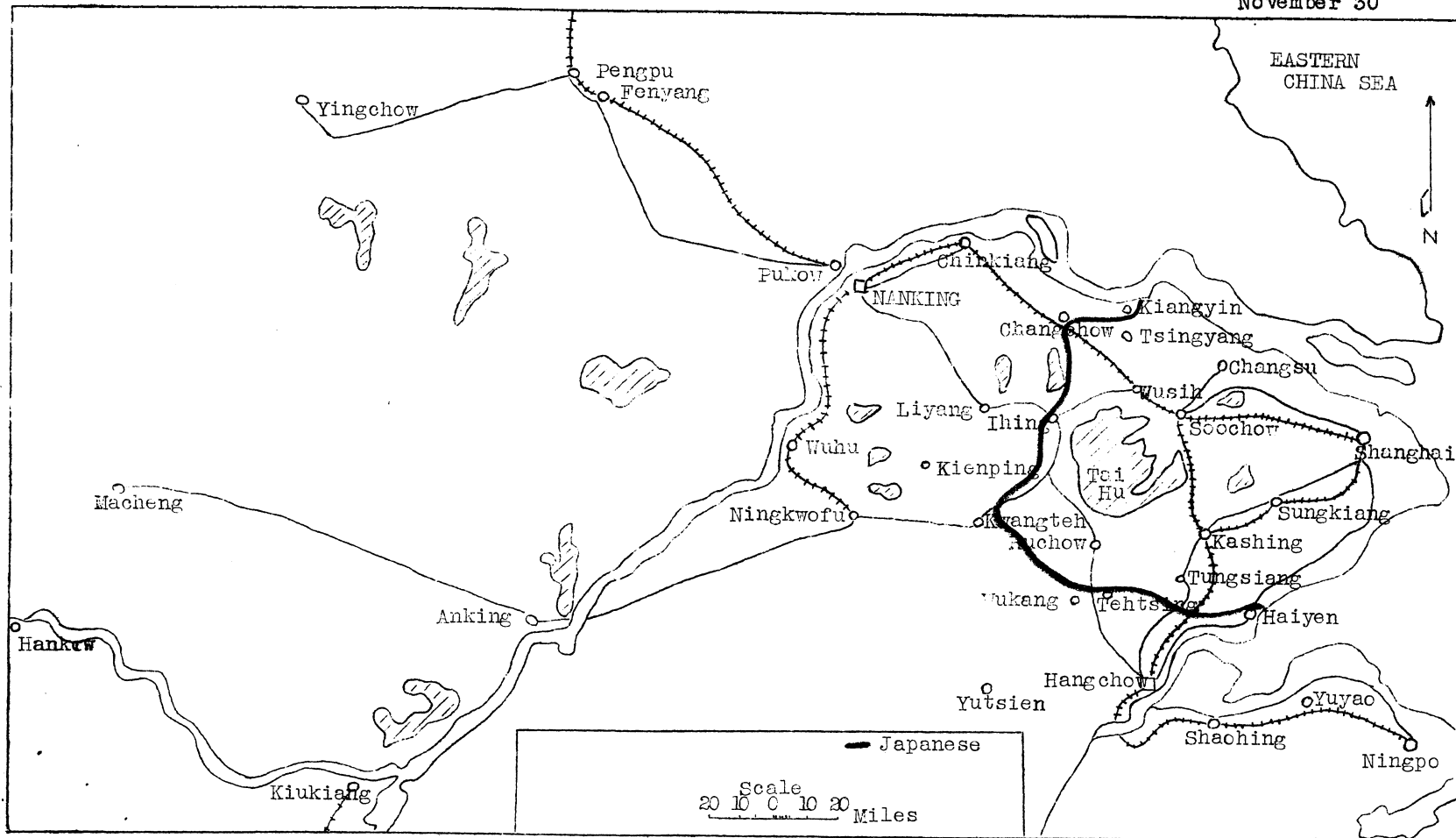
captured that city on November 28th after sanguinary street fighting. The Chinese then retreated along the Shanghai-Nanking Railway to Wutsin (Changchow) and were also forced to withdraw from Hing, which is to the west of Lake Taihu and is an important junction on the Hangchow-Nanking and the Shanghai-Nanking motor highways. (19) As the month closed, the line ran from Kiangyin on the south bank of the Yangtze River, which was still in Chinese hands, to the outskirts of Wutsin; from Wutsin south to a point a few miles west of Hing; from Hing to Kwangteh; from Kwangteh to Wukang, approximately twenty-five miles north of Hangchow; and from there to Saiyen, which is on Hangchow Bay, approximately fifty miles east of Hangchow. (See map on page 18.)

In the campaign around the Lake region, the Japanese undoubtedly displayed sound strategy; for, once having forced the Chinese to withdraw precipitately from the environs of Shanghai by the strong, rapid thrust from Hangchow Bay, they followed up this advantage by pressing the Chinese without respite. In these operations their mechanized units and their airplanes, which both destroyed and demoralized retreating troops, played a very important role. Much of the Japanese success may also be attributed to the good use made of the canals and creeks with which this entire area is intersected, Japanese units being transported by these waterways to several strategic points and thus being enabled to outflank strong Chinese positions. In this connection it should be remarked that the Chinese apparently were not prepared for such use of waterways and seemingly made little or no effort to block them or

render

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By Mr. D. A. [unclear] Date 12-18-75

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-12-

render them unnavigable. In other words, no defenses appear to have been prepared against use of this very important means of communication by an invading force. Japanese naval units were of material assistance to the Japanese Army in the conduct of its operations. Japanese naval vessels vigorously shelled Chinese positions along the south bank of the Yangtze River and along the north shore of Hangchow Bay and made possible landings in both localities. It was apparent from the number of Japanese reinforcements which were poured into this area, and which brought the total Japanese effectives up to approximately two hundred and thirty thousand men, that a smashing drive through to Nanking would be undertaken.

Japanese Intentions Regarding Shanghai. The statements which General Matsui, Commander in Chief of the Japanese Expeditionary Forces to Shanghai, is reported to have made regarding Japanese intentions with respect to Shanghai in an interview granted to foreign news representatives on November 11th created a profoundly disturbing impression both here and abroad. General Matsui told correspondents that he was now virtual master of Shanghai and felt free to take "any steps" dictated by military necessity in the International Settlement as well as in Chinese territory. This thought was reiterated several times during the course of the interview. With respect to foreign rights and interests in Shanghai, he is reported to have said that he preferred not to interfere with the rights of foreign countries and that he would protect such interests within the boundaries of the Settlement. However, his remarks on this point were enigmatic,

for him.

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for he is further quoted as having said that "generally speaking and as a principle, I respect the interests of third powers but if the necessity arises, we shall have to take steps to remedy the situation". General Matsui complained at the lack of cooperation displayed both by the representatives of the powers in Shanghai and by the Shanghai Municipal Council, which he intimated he thought had not remained neutral in the present conflict. He also intimated that, so far as the International Settlement was concerned, he saw no difference between the area north and the area south of Wooshow Creek and stated that he intended to use Wooshow Creek for the transportation of troops and supplies. With respect to the Chinese Maritime Customs, he stated that he did not intend taking it over for the moment but that he would probably give the matter consideration later. As regards censorship of the postal, telegraph, and cable services, General Matsui said all depended upon the "attitude" of those despatching messages and letters. (20)

The general impression created by General Matsui's statement was that the Japanese intended to do practically as they pleased in Shanghai and, while prepared in principle to give consideration to the rights of third powers, were not disposed to let such rights hamper them unduly. The Japanese Foreign Office endeavored to allay the general apprehension caused by this interview by announcing that General Matsui had been misquoted. It is not improbable that news representatives overemphasized some of General Matsui's remarks; but it is believed that in general the statement represented fairly accurately the attitude

End

-21-

tude of the Japanese military authorities regarding the international settlement, the rights and interests of third powers, and the postal, telegraph, and cable services. It might be noted further that the statements made by Japanese officials in Japan and the action taken by the Japanese authorities in Shanghai have in general confirmed the Japanese position so enigmatically outlined by General Matsui.

Japanese Action vis-a-vis the Chinese Maritime Customs. On November 15th, the Japanese naval authorities seized twelve preventive vessels belonging to the Maritime Customs. (21) This was taken to be a prelude to further action in regard to the Customs; but nothing developed until November 23rd, when it was learned that the Japanese had intimated to the (British) Commissioner of Customs that he was expected to enter into negotiations with the Japanese Consul General and present a concrete plan for "supervision" or "control" of the Customs which would satisfy the Japanese. (22) Shortly after negotiations were opened between the Commissioner and the Japanese Consul General, several senior Japanese members of the Chinese Maritime Customs service were transferred to Shanghai and assigned to key positions in the Custom House. The Administrative Commissioner, being the executive officer of the Customs establishment, is now a Japanese. (23) A number of subordinate Japanese members of the Customs staff have also been assigned to the Shanghai Customs. It is not yet known whether this represents the extent to which Japanese supervision or control is to be applied.

An important question of discussion has been the disposition

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position of the Customs revenues, now deposited in the Hongkong & Shanghai Banking Corporation. The Japanese have insisted that the Commissioner open accounts for all revenues in the Yokohama Specie Bank, the stated reason for this being a desire to prevent the transfer of funds to the Chinese Government or their hypothecation for the purchase of military supplies. (24)

The plain intimation by the Japanese Consul General that third-power representatives would not be permitted to participate in the discussions and negotiations between the Commissioner of Customs and the Japanese Consul General caused much concern in Washington, London, and Paris. (25) Repeated representations were made both at Tokyo and locally in an effort to impress upon the Japanese authorities the very grave concern felt by the interested powers for the maintenance of the integrity of the Customs service and for the security of the Customs revenues, which service foreign loans and indemnities as well as China's domestic indebtedness.

By the close of November, the situation had reached a point where, while declining to admit third-power representatives in the negotiations between the Japanese authorities and the Commissioner of Customs, the Japanese Consul General was prepared to hold informal conversations with his interested colleagues to learn their desiderata; but no assurance could be obtained that the final arrangements as negotiated with the Commissioner of Customs would be submitted for the concurrence of the interested foreign third-power representatives before being made effective. (26)

Japaneset

-23-

Japanese Take Over Control of the Chinese Posts, Radio, and Telegraph Services. A spokesman for the Japanese authorities announced that the Chinese postal, radio, and telegraph services in Shanghai would be taken over on November 27th.

In so far as the Chinese postal service was concerned, the main post office located on the north bank of Soochow Creek was inspected by the Japanese military on November 15th.(27) Following the inspection, the Japanese troops were withdrawn. The Japanese made it plain that they had the right to enforce a censorship of the mails but announced that they did not wish to interfere unduly with the postal service and would not censor mail unless it appeared to them necessary to do so. While no censors or police have been placed in the post office, it is understood that Japanese members of the local post office must be consulted in regard to the operation of the service.

On November 27th the Japanese dispatched inspectors and technicians to the main and various branch offices of the Chinese Government Telegraph Administration located in the International Settlement and thus technically assumed control of this communications service of the Chinese Government.(28) In the majority of telegraph offices they left one or two men to prevent the destruction or removal of equipment. At the same time, the Japanese announced they hoped that the Chinese staffs would remain and cooperate with them in order that there might be no disruption of the telegraph service. However, the entire Chinese staff of the main office and many attached to the branch offices walked out; and all telegraph service between Shanghai and the interior

-24-

the interior was stopped. As the month closed, the Japanese had made no effort to resume the service. The Japanese also visited the offices of the Chinese Government Radio Administration located in the International Settlement and announced themselves technically in control of the Chinese Government service. It was recognized, however, that various foreign interests, including R.C.A. Communications and the Radio Radio and Telegraph Company, as well as French, German, and British radio companies, have definite traffic and other contractual commitments with the Chinese Government Radio Administration; and the suggestion that the foreign interests concerned be permitted to organize temporarily for the continued operation of this essential public service is being given consideration. Any such arrangement, however, will involve the appointment of Japanese censors in substitution for the Chinese censors who have heretofore functioned and the impounding of that portion of the revenues which would ordinarily go to the Chinese Government.

The Japanese also announced to the foreign cable companies their assumption of the supervision heretofore exercised by the Chinese authorities and intimated that arrangements must be made for the substitution of Japanese censors for the Chinese who have heretofore functioned and for the impounding of the portion of the revenues which would normally be paid over to the Chinese Government industry concerned. (B)

Japanese

-25-

Japanese Actions Affecting the International Settlement and French Concession. The statements made by General Matsui regarding the International Settlement gave rise to fears that the Japanese military intended to seize the Settlement. Subsequent developments did not greatly allay these fears, but it did not appear that the Japanese actually contemplated any such arbitrary action.

The first step taken by the Japanese affecting the Settlement was a request made to the Shanghai Municipal Council to take immediate measures to suppress all forms of anti-Japanese propaganda in the Settlement and to take similar action vis-a-vis anti-Japanese organizations located therein.(30) The Council took prompt and effective measures to comply with this not unreasonable request. Warnings were issued to all Chinese papers, magazines, radio broadcasting stations, and National Salvation or other anti-Japanese organizations. As a result, all but four Chinese papers closed down and over fifty anti-Japanese or National Salvation associations closed their offices and ceased to function. Later the Japanese announced that they had taken over the offices and functions of the former Chinese newspaper censors and requested Chinese and foreign papers and publications to follow the procedure which had obtained in the past.(31)

The Japanese expressed themselves as being satisfied with the prompt action taken by the Shanghai Municipal Council; but, although the French municipal authorities--to whom the same request was made--are believed to have taken similar action, it was apparently not entirely satisfactory to the Japanese in as much as the local Japanese

BTB:1

-26-

press on several occasions asserted that the French Con-
cession was harboring numerous anti-Japanese organizations.

During the latter part of the month, the Japanese
military and naval authorities informed the foreign mili-
tary commanders that they intended to dispatch troops into
the various foreign sectors with a view to guarding Japa-
nese lives and property; it was also intimated that Japa-
nese troops might be marched through the foreign sectors.

(32) Representations were made by the foreign military
commanders and consular representatives in an attempt to
dissuade the Japanese authorities from taking action which
might well lead to incidents and serious disturbances. It
was also pointed out that Japanese lives and property in
the foreign sectors had been fully protected during hostil-
ities and that there was no reason to believe that adequate
protection could not be continued. As the month closed,
there was some reason to hope that the Japanese would not
press these matters, at least for the moment; but the so-
called "victory march" of some six thousand Japanese troops
through the heart of the Settlement on December 3rd and
the action taken by the Japanese military following an
incident which occurred during the march indicated that
the more extreme Japanese elements were determined to
demonstrate that they are "masters" of Shanghai.

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

TELEGRAM RECEIVED

JR

FROM SECOND BRIGADE USMC

February 2, 1938

Rec'd 10:05 a.m.

ACTION: CINCAF (ADMIN)
CINCAF
OPNAV

INFO: AMCON SHANGHAI
COMSUBRON FIVE
COMYANGPAT
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIING

2
Division of
FOR LIAISON AFFAIRS
FEB 3 1938
ny
B

8602. No change northern Tsinpu front. On southern section Japanese unit west of railroad has forced evacuation Mingkwang and is advancing northward, Japanese claim their troops have occupied Fengyang and are attacking Tingyuan. Reliably reported every Japanese effort cross Chientang river vicinity Hangchow has been repulsed. 1631.

CSB

793.94 / 12281

F/FG

EB 5 - 1938

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

793.94

DOCUMENT FILE

NOTE

SEE 894.20211/199 FOR Letter

FROM Navy Department () DATED Jan 25, 1938
TO NAME 1-1127 ***

REGARDING: Propaganda, dealing with Far Eastern conflict, currently being distributed by Japanese Consul, Chicago: enclosing copies material; questions the propriety of distribution of one of enclosures.

793.94 / 12282

FRG.

12282

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

793.94

DOCUMENT FILE

NOTE

SEE 890.00/78 FOR Memorandum

State Department
Far Eastern Division

FROM (Jones) DATED Jan 29, 1938
TO NAME 1-1127 ***

REGARDING: Situation in the Far East:- Sino-Japanese conflict.
Review of the past week.

FRG.

793.94 / 12283

12283

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

793.94

DOCUMENT FILE

NOTE

SEE 893.71/187 FOR #1101

FROM Shanghai (Gauss) DATED Dec 7, 1937
TO NAME 1-1127 ***

REGARDING: Relations of Shanghai Postal authorities with Japanese: re-
marks of Mr. A.M. Chapelain, Shanghai Director of Posts of
the Chinese Postal Administration.

FRG.

793.94 / 12284

12284

DECLASSIFIED: E.O. 11652, 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 893.24/350 FOR Telegram #87, 6 p.m.

FROM Japan (Grew) DATED Feb. 2, 1938
TO NAME 1-1127 070

REGARDING: Sino-Japanese conflict: Percentage of war supplies
sent into China via Hong Kong for Chinese army
given, for certain countries.

aa

793.94/
12285

793.94
12285

DECLASSIFIED: E.O. 11652, 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

JR

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

Tokyo

Dated February 2, 1938

Rec'd 8:45 a.m.

note
793.94 Secretary of State,
Washington.

67, February 2, 6 p.m.

CONFIDENTIAL.

My British colleague informs me in confidence that
the percentage of war supplies sent into China via Hong
Kong for the Chinese army is by countries as follows:
Germany 62 per cent, Italy 21 per cent, France 12 per
cent, Great Britain 3 per cent, United States and
Belgium make up the trivial balance.

Craigie has taken particular pleasure in
communicating these figures to the Vice Minister for
Foreign Affairs.

Repeated to Shanghai for Hankow.

GREW

DDM:WVC

350

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

TELEGRAM RECEIVED

LMS

COMYANGPAT

FROM February 2, 1938

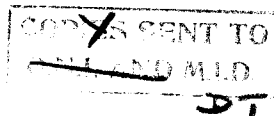
Rec'd 5:18 p. m.

ACTION: OPNAV, WASHINGTON
INFO: CINCAF
2nd BRIGADE USMC
YANGPAT
COMSUBRON 5
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

793.94

0002 Yangtze River ports quiet. 2025

SMS:NPL



793.94/12286

F/FG

EX-5 - 1938

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

TELEGRAM RECEIVED

LMS

COMSOPAT

FROM

February 2, 1938

Rec'd 5:20 p. m.

ACTION: OPNAV, WASHINGTON.

INFO: CINCAF

2ND BRIGADE USMC

COMSUBRON 5

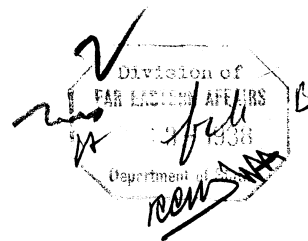
COMDESRON 5

COMYANGPAT

AMAMBASSADOR CHINA

USS MARBLEHEAD

ALUSNA PEIPING



0002 Railroads bombed vicinity Canton. Two BSP
sighted. Other South China ports quiet 2000

SMS:NPL

Y
A.D.
DT

793.94/12287

F/FO
FEB 5 1938

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

TELEGRAM RECEIVED

LMS

FROM RAIN

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

Chefoo via N. R.

Dated February 2, 1938

Rec'd 5:22 p. m.

AMEMBASSY, HANKOW
AMEMBASSY, PEIPING
AMCONSUL, SHANGHAI

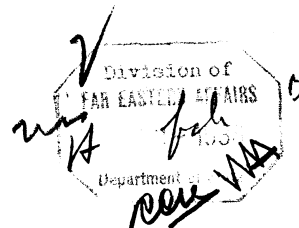
Secretary of State,
Washington.

February 2, 4 p. m.

I am reliably informed that Japanese troops in motor trucks proceeded yesterday from Chengyang on Shantung Railway to Laiyang, midpoint on Tsingtao Chefoo motor road. Report indicates that part of Japanese force today proceeded northwest to Chamyuan and remainder of force proceeded north without opposition and reached Fushan eleven miles from Chefoo at 3:30 this afternoon. Although a number of armed police are concentrated in Chefoo, local Chinese businessmen are working to avoid danger of violence in the event that Japanese enter Chefoo.

ALLEN

SMS:NPL



793.94/12288

F/FG

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

TELEGRAM RECEIVED

LMS ***

FROM PLAIN

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMERICAN CONSUL, CANTON

Swatow via N. R.

Dated February 2, 1938

Rec'd 4:45 p. m.

Secretary of State,

Washington.

February 2, 2 p. m.

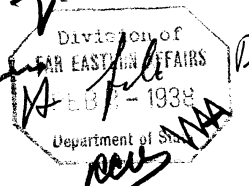
Five Japanese planes scouted over city for fifteen minutes today at 1:45 p. m., but no bombing attempted.

KETCHAM

SMS:NPL

COPIES SENT TO
ONI AND A.I.D.

DT



793.94/12289

F/FG

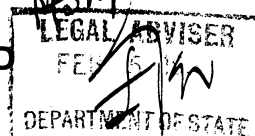
FEB 2 - 1938

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

TELEGRAM RECEIVED

JR

GRAY



COPIES SENT TO
O.N.I. AND
DT

FROM

Canton via N. R.

Dated February 3, 1938

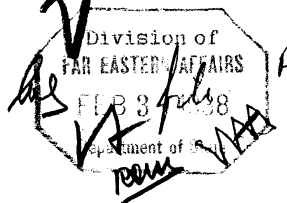
Rec'd 7:55 a.m.

Secretary of State,

Washington.

PRIORITY.

February 3, 5 p.m.



Military headquarters has advised all commercial foreign vessels to leave Canton and pass Bocca Tigris before dark tonight "by reason of increased tension", No other reason given but rumors are rife the Japanese intend to bomb Canton. Three Standard Oil Company vessels here will not be discharged until 10 p.m., tonight; will leave Canton for Hong Kong at daybreak tomorrow. I am informed that British Hong Kong river steamer will not leave Canton until 8 a.m., tomorrow ~~night~~, regular sailing time. It is hoped that Hankow refugee train will arrive in time to place passengers on boat.

LINNELL

RR

793.94/12290

F/FG

NR
3-1-38
4/20/38

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

FROM PLAIN

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL SHANGHAI

Chefoo via N. R.

Dated February 3, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

February 3, 7 a.m.

Japanese army forces occupied Chefoo without
opposition in early hours this morning. Chinese Chamber
of Commerce representatives will meet Japanese at eight
o'clock to arrange removal of armed Chinese police who
have concentrated in southern suburb of Chefoo. Japanese
are dropping printed information from aircraft and affixing
posters advising against resistance.

ALLEN

JS

793.94/12291

F/FG

4594

TELEGRAM RECEIVED

JR

PLAIN

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL SHANGHAI

Chefoo via N. R.

Dated February 3, 1938

Rec'd 6 a.m.

Secretary of State,
Washington.

February 3, 10 a.m.

Division of
FAR EASTERN
AFFAIRS
FEB 3 1938

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

793.94
note
693.002

Naval landing parties from a force of nine Japanese
naval vessels are completing occupation of Chefoo. Japanese
have hoisted Japanese flag over all Chinese public
buildings. Commissioner of Customs intends to protest
against raising of Japanese flag over Chinese Customs on
grounds of international interest in customs and customs
revenue. I do not believe that Japanese action constitutes
an infringement of American rights in customs integrity
and customs revenue which would warrant a protest from me
at this time. Posters distributed by Japanese forces show
five barred flag and bear Chinese characters "Republic
reborn Peking".

ALLEN

JS

793.94/12292

F/FG

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Febr. 4, 1938.

JWB

The wording of the enclosure to Hong Kong's Despatch No. 63, of December 31, 1937, is identical with the wording in the enclosure to a letter addressed to the President by one S. Ichida on December 20, 1937.

(811.001-Roosevelt, F.D./5874)

ARR

ARR

DECLASSIFIED: E.O. 11652, 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. 63

RECEIVED
DEPARTMENT OF STATE

AMERICAN CONSULATE GENERAL

Hong Kong, December 31, 1937.
PM 1 58

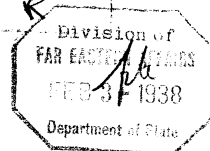
SUBJECT: Transmitting Unique Japanese Propaganda.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:



1/

I have the honor to transmit herewith, as of possible interest to the Department, a copy of a printed letter received by Mr. J. B. Emmert, a local American resident, from a fellow philatelist in Japan.

This letter is believed to be significant in that it shows the lengths to which the Japanese will go in spreading their propaganda, and the unique form it is taking among foreigners in the Far East.

Respectfully yours,

Addison E. Southard
Addison E. Southard
American Consul General

Enclosure:

1/ From Sohichi Ichida,
December 15, 1937.

Original and four copies to Department
Copy to Embassy, Tokyo
800.
JCP/mm

793.94/12293

F/EG

12293

DECLASSIFIED: E.O. 11652, 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. 63
of December 31, 1937, from the Con-
sulate General, Hong Kong to the
Department of State, Washington.

SOCHICHI ICHIDA

157, Higashi-Tamagawa,

Setagaya, Tokyo, Japan

15th Dec. 1937

My dear fellow Philatelist,

I feel it an honour to write you as a Japanese member of American Philatelic Society, to explain the true statement of facts in regard to the present dispute between Japan and China and trust that it will arouse your right judgment and recognition of Japan's real motive, just as you do in matters relative to philatelics.

Contrary to your imagination, China is not a civilized and orderly ruled country. Her people are suffering from unreasonable heavy burdens, her natural products lay buried and moreover her people are constantly exposed to bandits who are appearing everywhere and against which the Chinese army is almost powerless. We, Japanese, have retained an affectionate friendship for the Chinese people for more than a thousand years. Even now despite the complicated political situation our ultimate aim is to secure a serene and lasting peace in Orient.

China, however, is tramping over international treaties in the persecution of our residents in China, the boycotting of Japanese goods and as a result of the anti-Japanese (sic) propaganda by redicals, reds and student classes causing (sic) open and premeditated murders.

On the other hand, I must point out the temporary penetration of communism into China, the Orient and the

attempt

- 2 -

attempt to enter Japan. As communism is against our imperial principles and is also the greatest enemy of peace in the Orient, we feel it our solemn responsibility to eradicate it.

We, Japanese, as leaders of peace in the Orient, are striving to bring China to understand her present situation and condition.

We were forced to take military action for the sake of justice and humanity but only after every other means of peaceful settlement had been exhausted.

Now I wish to place before you some facts to explain the Japanese situations:

Do you not know that--

- (1) China is trying to stir the sympathy of other countries by means of her fabricated and unscrupulous propaganda.
- (2) The Chinese army reported that Japanese army is using dum-dum and poison gas, murdering the Chinese non-combatants which is absolutely false and without foundation. However to the contrary these inhuman tactics are used only by the Chinese Army.
- (3) Several hundred Japanese residents with many women and children, were massacred by the Chinese army at Tsushu near Peng-King in a single day.
- (4) Where-ever our army marches in, public peace is restored and the Chinese inhabitants welcome our army by waving Japanese flags. Immediate fratenis^(sic)ing/takes place and our army takes care of the needs of the inhabitants.
- (5) Our army is feeding the Chinese residents and protecting them from the unruly Chinese army.
- (6) We respect the rights and interests of other countries and have withheld often times our attack on account

of

- 3 -

of the presence of foreigners.

(7) You may ask why we are bombing Chinese universities. Because they have been changed to barracks or armoury of the Chinese army.

(8) Chinese capital, Nanking, is one of the most powerful cities protected against air-raids which fact the Chinese try to hide.

I believe that you will be able to agree with my statement which I wish assure you is a true statement of the present situation.

I shall be satisfied if you can understand clearly that Japan is not the aggressor but is chastising the Chinese army and on the other hand asking the people of China for a genuine mutual understanding. What we want in the Orient is peace and friendly relations with our neighbours the Chinese people.

Therefore, if China will reflect and agree to act in concert with us for our mutual benefit, there will be no reason for a conflict between Japan and China whose people come from the same racial stock.

I earnestly hope that I may have the opportunity of meeting you sometime to discuss the many interesting matters about Japanese stamps and the Chinese Problems as well.

Please do not hesitate to write me at any time, as I shall be happy to answer all your question about both matters to the best of my ability.

Trusting this finds you in the best of health and looking forward to your further kind favours.

With best regards.

SOHICHI ICHIDA
(Signed) S Ichida

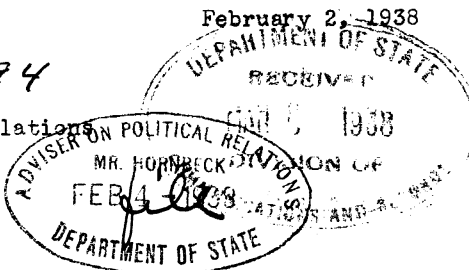


DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

793.94/12294

Mr. Stanley K. Hornbeck
Adviser on Political Relations
Department of State
Washington D. C.



Dear Mr. Hornbeck:

I thank you for your explanation and promise to respect your request regarding the source of information. I am glad I did not publish the contents of Madame Chiang's letter in any newspaper because the misunderstanding about the airplanes might have aroused public sentiment unnecessarily. You will find enclosed a copy of the letter which I am sending today to Madame Chiang Kai-shek.

It might interest you to know that I was: In 1918 - 1919 Assistant Chief of the Statistics Department of the U. S. Employment Service in Washington, and in 1919 - 1920 the first B.A. and first woman Research member of the Legislative Reference Service of the Library of Congress. I imagine that even now in the files you could find my "History of Strikes and Lock-outs for 10 Years for Fifteen Different Countries", which I wrote for Representative Smith of Michigan; my long translation from an Italian article on The Nitrogen Problem, and many other reports for different Senators and Representatives. At the end of the war, *Acting Librarian* Appleton Prentiss Clark Griffin and I each translated one half of the "Reply of the Allied and Associated

793.94/12294

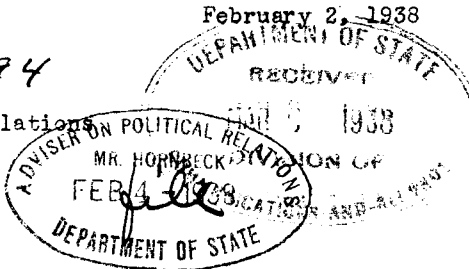
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

February 2, 1938

793.94/12294

Mr. Stanley K. Hornbeck
Adviser on Political Relations
Department of State
Washington D. C.



Dear Mr. Hornbeck:

I thank you for your explanation and promise to respect your request regarding the source of information. I am glad I did not publish the contents of Madame Chiang's letter in any newspaper because the misunderstanding about the airplanes might have aroused public sentiment unnecessarily. You will find enclosed a copy of the letter which I am sending today to Madame Chiang Kai-shek.

It might interest you to know that I was: In 1918 - 1919 Assistant Chief of the Statistics Department of the U. S. Employment Service in Washington, and in 1919 - 1920 the first B.A. and first woman Research member of the Legislative Reference Service of the Library of Congress. I imagine that even now in the files you could find my "History of Strikes and Lock-outs for 10 Years for Fifteen Different Countries", which I wrote for Representative Smith of Michigan; my long translation from an Italian article on The Nitrogen Problem, and many other reports for different Senators and Representatives. At the end of the war, *Acting Librarian,* Appleton Prentiss Clark Griffin and I each translated one half of the "Reply of the Allied and Associated

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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

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

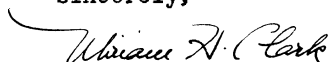
Mr. Stanley K. Hornbeck - 2 - February 2, 1938

Powers to the Remarks of the Austrian Delegation on the Peace Treaty" for the Foreign Relations Committee of the Senate. My desk was in an alcove of the Senate Reading Room of the Library of Congress. From 1920-1921 I was Assistant Librarian and Researcher for the Carnegie Endowment for International Peace under James Brown Scott, at 4 Jackson Place. Your State Department Librarian coached me in library technique.

Miss Alice Matthews, Librarian of the Carnegie Endowment, Miss Grace Gardner Griffin of the Library of Congress, Ex-Senator George H. Moses and Roger W. Babson know me well.

Your kindness in taking the time to answer my letter without having even the above references has been greatly appreciated. If I can be any kind of a helpful "Intermediary" in relations with China -- please make use of my services.

Sincerely,



Mrs. Charles Meldon Clark

MHC/AC
Enclosure

DECLASSIFIED: E.O. 11652, 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 letter to Madame Chiang Kai-shek

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

February 2, 1938

Madame Chiang Kai-shek
Headquarters of the Generalissimo
Hankow, China.

Dear Mayling:

I was very glad to hear from you and have tried to place your message where it will help you most. We Americans -- especially we women and most especially we Wellesley graduates admire you and the ideals which you have been transferring to your people. We have read almost breathlessly every magazine and newspaper article to which you have contributed. "Right" must win, Mayling, and because it must -- surely something will happen soon to stop the terribly wrong slaughtering of human beings. Besides, you are Wellesley bred and you are going to keep the spirit of Wellesley and its ideals alive in China.

My motto has been "There is no such word as 'can't!'" ever since in High School I had to learn a story in French: "Impossible n'est pas francais." I've never forgotten the story which ran: "Napoleon Premier dit un jour à un jeune lieutenant une ordre difficile à exécuter. L'officier hésite et murmure, 'Sire, l'exécution de cet ordre est impossible!' 'Impossible!' crie Napoleon, furieux, 'Impossible! Ce

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

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

Madame Chiang Kai-shek - 2 - February 2, 1938

not n'est pas francais!" Impossible n'est pas
Chinese!!

I happen to know, Mayling, that the American Government has taken no action to prevent the shipment of airplanes to China, and that American airplanes have been and are being purchased in this country and shipped to China.

The planes you mentioned as yet not received must be the shipment of airplanes destined for China which, in September, was removed from the S.S. Wichita, a vessel owned by the American Government, before that vessel sailed for China. This action was taken following a public statement made by President Roosevelt on September 14, 1937, that merchant vessels owned by the Government of the United States would not thereafter until further notice be permitted to transport to China or Japan any of the arms, ammunition or implements of war which were listed in the President's Proclamation of May 1, 1937. Airplanes were listed in the President's Proclamation of May 1, 1937. Subsequently the airplanes in question were transshipped to another vessel, a vessel not owned by the Government of the United States, and those planes should, therefore, have already reached China.

Please do not feel that if China loses -- it

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

MRS. CHARLES M. CLARK
 183 DORSET ROAD
 WABAN, MASSACHUSETTS

Madame Chiang Kai-shek - 3 - February 2, 1938

will be the fault of the United States! Can't you see that we are still suffering from the effects of the World War? We do not want war for ourselves or our children. We hate war and sympathize with you but we advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We believe in respect by all nations for the rights of others and performance by all nations of established obligations.

You lived in Wellesley under our U.S. Government for four years, Mayling. You were happy here, you seemed to like us and we certainly liked you. You know we wouldn't as friends, as a college, or as a nation make a move to hurt you or your people. But please remember that our government, having the responsibility of protecting all the various types and nationalities within its borders (just as when you yourself were here) must avoid entering into alliances or entangling commitments.

To us American Women you are the "Joan of Arc" of China. No matter what the future holds, you have done a "swell job" as we say in American slang.

If I can help in the tiniest way by sending you my insignificant letters, reply by China Clipper.

178
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

Madame Chiang Kai-shek - 4 - February 2, 1938.

Realize, too, that in this letter I am sending you the
love of all the Wellesley Graduates I have been able to
reach since receiving your letter. Remember: Impossible
n'est pas Chinese!!

Lovingly

Charles M. Clark

Mrs. Charles M. Clark

MHC/AC

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



Mr. Stanley K. Hornbeck
Adviser on Political Relations
Department of State
Washington, D.C.

FE

Personal

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

MRS. CHARLES M. CLARK
183 DORSET ROAD
WABAN, MASSACHUSETTS

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

Division of
FAR EASTERN AFFAIRS
JAN 21 1938
Department of State

Dear Sir:

JANUARY 31 1938

You will find enclosed the copy of a letter which I have just received from Madame Chiang Kai-shek via the China Clipper.

I feel that her message was meant not for me alone but for you, for the Department of State and for our United States.

What does she mean in her statement about the airplanes from this country, and why do we not fulfill an order for which we have evidently been paid?

Won't you please consider some kind of immediate action? How can you and I sit back and enjoy our homes after reading such an appeal?

Mayling Soong Chiang lived in my dormitory at Wellesley College and spent many hours with my roommate and with me. To one who has known Mayling - United States' inaction seems very wrong and selfish.

Very truly yours
Mildred H. Clark
Mrs. Charles Meldon Clark.

January 24, 1938.

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
JAN 28 1938
DEPARTMENT OF STATE

793.94/12294

DECLASSIFIED: E.O. 11652, 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 OF THE GENERALISSIMO

Hankow, China
January 5, 1938.

Mrs. Miriam H. Clark,
183 Dorset Road,
Waban, Mass.,
U. S. A.

Dear Mrs. Clark,

I have just received your Christmas card with the photographs of your two daughters, and your garden. They are adorable children, and your garden, with its prospects, completes what I should think are delightful surroundings for you.

I remember the "Mims" well, but, as you can imagine, the conditions under which I am living to-day, are far different from those of the days when we were in college.

We are doing our best with limited equipment and resources to fight for our freedom. The wholesale and unrestricted slaughter of non-combatant men, women, and children, is beyond belief and is continuous.

The Japanese, by not declaring war, believe that they can employ all modern weapons of warfare with complete ruthlessness and disregard of all international law and human rights. The amazing thing is that the world so far has done no more than express condemnation of this barbarity.

When the slaughter started it was thought to be accidental, but as time went on, it became apparent that it was all part of a deliberate intention to wipe out as many of the Chinese people as possible. When Japan decided to try and take China she started off by swamping the northern part of the country where she was dominating, with opium and narcotics. This effort was to demoralize the people and deprive them of powers of resistance. Since hostilities broke out the Japanese have discovered that with machine guns and high explosives--they could definitely remove thousands upon thousands of people quite easily. So, they began to bomb and machine gun all cities, towns, and villages--and refugees fleeing from their homes to safety. Now they have gone further than that. They are shooting all able-bodied men, singly and in batches, between Shanghai and Nanking. Very few able-bodied men survive and these have been forced to labor for the Japanese. At Nanking they butchered thousands in cold blood. Similar massacres have been going on throughout North China, and they will continue while the Japanese think they can keep the world in a state of fear. That is the tragedy of the whole situation.

FILED

1938

7 7 8

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

Mrs. Miriam H. Clark,
Waban, Mass., U. S. A.

2.

The Japanese feel certain that the people of America and Great Britain have lost their fighting spirit and are craven before Japanese strength and power. We believe that this is untrue, of course, and we realize that neither nation wishes to be precipitated into warfare at this time. Yet, we Chinese, cannot help but feel that if America and Great Britain could speak with one voice to Japan there need be no war. We may be wrong, but we feel that the turning of a few financial screws would put sufficient pressure upon Japan to make her change her policies. Thoroughgoing condemnation by the world could be impressed upon Japan by the civilized nations withdrawing their embassies as a protest.

We, in China, will fight while we can get supplies. If we are unable to get supplies, we will be defeated, but the defeat will not be by Japan but because America, Great Britain, and other countries have materially assisted Japan to beat us to death. We do not understand why the American Government stopped aircraft, which we bought and paid for before hostilities began, from coming to China. Those airplanes are not here yet. This, and similar actions, are what is giving Japan encouragement and confidence. We do not know when the great powers are really going to do something to uphold the sanctity of treaties, preserve international law, and safeguard human rights, but if they do not do it soon you can be sure that what has been happening in China will, in course of time, happen in other democratic countries.

I hope that the beautiful homes in America will be safeguarded against such horrible happenings as those that are befalling my country. With best remembrances to you and deep thanks for your good wishes,

Yours very sincerely,

Mayling Soong Chiang

(Madame Chiang Kai-shek)

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

JANUARY 31 1938

In reply refer to
FE

My dear Mrs. Clark:

The receipt is acknowledged of your telegram and letter, both under date January 24, 1938, in regard to a letter received by you from Madame Chiang Kai-shek. Your courtesy in forwarding to the Department a copy of Madame Chiang's interesting letter to you is very much appreciated.

With regard to the matter of shipments of airplanes to China, it would appear from the statement in Madame Chiang's letter and the inquiry in your letter that there exists a misunderstanding of the situation. The American Government has taken no action to prevent the shipment of airplanes to China, and, as a matter of fact, American airplanes have been and are being purchased in this country and shipped to China. No doubt Madame Chiang has reference to a shipment of airplanes destined for
China

Mrs. Charles Meldon Clark,
183 Dorset Road,
Waban, Massachusetts.

note
893.24
893.248

793.94/12294

0788

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

-2-

China which, in September, was removed from the S.S. Wichita, a vessel owned by the American Government, before that vessel sailed for China. This action was taken following a public statement made by President Roosevelt on September 14, 1937, that merchant vessels owned by the Government of the United States would not thereafter until further notice be permitted to transport to China or Japan any of the arms, ammunition or implements of war which were listed in the President's Proclamation of May 1, 1937. Airplanes were listed in the President's Proclamation of May 1, 1937. Subsequently the airplanes in question were transshipped to another vessel, and the Department is without information which would indicate that those planes have not already reached China.

With regard to your general queries concerning our attitude toward the present unfortunate situation in China, there are enclosed copies of several of the Department's releases to the press which it is hoped will be of interest and assistance to you.

The Department follows with the closest attention developments in the Far East and gives careful consideration to the various views which are being presented to it

0789

DECLASSIFIED: E.O. 11652, 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-

it in regard to the course which this Government should pursue. It appreciates the motives which have prompted you to express your views.

As you will realize, the Department, in replying to the questions which you have raised, is simply endeavoring to inform you of the facts pertinent to the points with regard to which you have inquired, and although you may make use of the statements contained in this letter as statements of fact, the Department would request that you not quote therefrom or make reference to the Department as your source of information.

Sincerely yours,

For the Secretary of State:

Stanley K. Hornbeck
Adviser on Political Relations

Enclosures:

1. Press release of July 16, 1937,
Statement by the Secretary of State.
2. Press release of August 23, 1937,
Press Conference Statement.
3. Press release of January 10, 1938,
Text of letter from the Secretary
of State to the Vice President.

OR ✓
JAN 31 1938. FE

FE JCV:NN

FE

CA

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

TELEGRAM RECEIVED

1938 JAN 24 AM 10 57

FROM

19wu pn 27

SECTION OF
EXTRA COMMUNICATIONS
AND RECORDS

Waban Mass 416p Jan 24 1938

Hon Cordell Hull, Personal Dont phone

Washdc

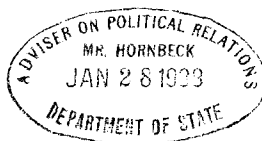
Am sending air mail copy of letter just received from

Madame Chiang Kai Shek please give it your personal and
immediate attention

Miriam H Clark 183 Dorset Road Waban Mass

448p

F.W.



FW-

793.94/12294

FILED
MAR 4 1938

179
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 693.002/470 FOR Memorandum

FROM State Department (Hull) DATED Jan. 26, 1938
TO Secretary NAME 1-1127 GPO

REGARDING: Conversation with Chinese Ambassador concerning
situation in Far East -
He stated that a rather serious development seems
to be in prospect in connection with the understanding
that Japanese puppet government located at Feiping is
undertaking to lower or abolish certain tariffs.

dt

793.94 / 12295

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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. Amoy/123 FOR Despatch #143

FROM Amoy (Altaffer) DATED Dec. 20, 1937
TO NAME 1-1127 000

REGARDING: Sino-Japanese relations: Report on-, for November, 1937.

793.94/ 12296

aa

793.94
12296

1. Relations with Japan

(a) Continued attacks on Hu-li-shan and an-shih
forts, and Wu Tung on Amoy Island.

743.94
Japanese warships and planes operating from Amoy Island (金 門) were unusually active during November in bombing the fortifications of Amoy and points on Amoy Island. The Hu-li-shan (胡里山) and an-shih (鰲 石) forts and the vicinity around Wu Tung (五 通) on Amoy Island came in for most of the attacks. Wu Tung, which is the landing place for ferries plying between Amoy Island and the mainland route to Foochow, is now said to be the center of considerable Chinese troop concentrations. It is said that these troops in this vicinity were building gun emplacements and otherwise fortifying the vicinity around Wu Tung, and that the Japanese warships were bombarding this area to slow up or stop these works.

This

- 4 -

This vicinity was bombarded by Japanese warships on November 8, 14, 20, 23, 24 and 28, killing an old Chinese woman and child, and causing very little damage during the entire operations. The moy forts were bombarded by warships and planes on November 10, 13, 14 and 24. The local press reported that the Japanese several times attempted to land boats at Wu Tung without success.

(b) Conditions on Amoy Island.

A local newspaper stated that Chinese refugees reported that business has been practically suspended on Amoy Island after the occupation by the Japanese. Since trade intercourse was practically cut off with the mainland and with Amoy prices are said to have gone up more than 100 per cent. Hundreds of refugees from Amoy are reported to have gone abroad.

(c) Evacuation of Chinese from Cities on or near Fukien Coast.

Toward the end of November, the Fukien provincial authorities ordered all people living on the coast of the province to remove their families to the interior. A local newspaper reported that many families had evacuated Amoy, Chuen Chow (泉州), Chang Chow (漳州) and other towns, in obedience to this order. During November, it was calculated that more than half the population of Amoy had evacuated, as Amoy during November consumed only about 300 bags of rice a day compared with a consumption of about 800 bags during normal times.

(d)

- 5 -

(d) Chinese refugees from Formosa.

On November 21, a local press report stated that about 800 Chinese arrived in Amoy from Formosa.

2. Relations with Italy.

Chinese workers refuse to refuel Italian warship.

The Italian mine layer "L. LANTO" arrived in Amoy on November 24, from Haiphong and departed for Shanghai on November 26, 1957. A local newspaper reported that Chinese transportation coolies and lighter men refused to load 400 tons of motor fuel which the "L. LANTO" purchased from the Standard-Vacuum Oil Company, Amoy. It was also reported that local beef sellers found it impossible to supply this warship with 300 pounds of beef and other provisions. The commander of the "L. LANTO" was reported to have asked other foreign naval authorities in Amoy to tell the local Chinese authorities here that the provisions were wanted for the personnel of the ship only.

3. Relations of a General International Character.

Nothing to report.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. /120 FOR Despatch #74

FROM Swatow (Ketcham) DATED Dec. 22, 1937
TO NAME 1-1127 890

793.94/

REGARDING:

Sino-Japanese relations: Report on-, for November, 1937.

(c) Relations with Japan.

Eastern Kwangtung remained undisturbed by Japan throughout the month, although the air-raid alarm was sounded on November 16, **when a Japanese reconnaissance plane was sighted flying down the coast.

Two fishing junks, which ventured outside the harbor early in the month, were reported to have been captured by a Japanese destroyer, but the fishermen were released.

79394
12297

12297

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

TELEGRAM RECEIVED

COPIES SENT TO
DOLL AND MLD.
DT

COMYANGPAT

FROM February 3, 1938
Rec'd 8:33 p. m.

ACTION: OPNAV
INFO: CINCAF, ADMINISTRATIVE
and FLAG

YANGPAT
COMSUBRON 5
COMDESRON 5
COMSOPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
FEB 4 1938
Department of State

793.94

0003 Yangtze River ports quiet 1900

SMS:NPL

793.94/12298

F/FG
FILED
FEB 3 1938

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

TELEGRAM RECEIVED

LMS COM V SENT TO COMSOPAT
February 3, 1938
FROM DT
Rec'd 8:34 p. m.

ACTION: OPNAV
INFO: CINCAF, ADMINISTRATIVE
and FLAG
COMSUBRON 5
COMDESRON 5
COMYANGPAT
AMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
FEB 4 1938
Department of State
WAA

793.94

0003 Air raid railroads north of city Canton dis-
turbed by rumors of attack other South China ports
quiet 2000

SMS:NPL

793.94/12299

F/FG

FILED

FEB 3 1938

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

TELEGRAM RECEIVED

LMS

COPY SENT TO

FROM

SEC MARINE BRIGADE

February 3, 1938

Rec'd 8:37 p. m.

ACTION: GENCAF, ADMINISTRATIVE

OPNAV

INFO: AMCONSUL SHANGHAI

CONSUBRON FIVE

COMDESRON FIVE

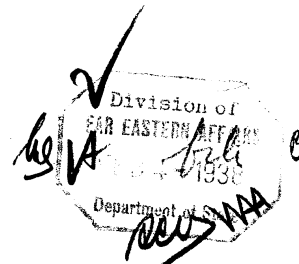
COMYANGPAT

COMSOPAT

AMEMBASSADOR CHINA

USS MARBLEHEAD

ALUSNA PEIPING



793.94

8603 Japanese northward advance Tsinpu line
succeeded capturing Fengyang, Tingyuan, Pengpu. No
evidence any Japanese crossing Whai River, north
Pengpu. Chinese continue reinforce Lunghai defense
seven additional divisions arrived Hsuchow area past
week 1851

SMS:NPL

793.94/12300

FEB 3 1938

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

Shown to Major
Wayne J. MIB

1595

TELEGRAM RECEIVED

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

HANKOW Via N.R.

Dated February 3, 1938

FROM

Rec'd 6:50 p.m.

Secretary of State,

Washington, D.C.

76, February 3, 2 p.m.

Tokyo's 63/ February 1, 1 p.m.

Seventeen months have elapsed since the incident at the
Marco Polo bridge precipitated the present invasion of
China by Japan. Japanese armies have succeeded ^{during} this time,
at enormous cost in lives, material and treasure, in
driving the ^{Nationalist} ~~Central~~ Government of China and its armies
away from the coast, from Shanghai to Shanhaikwan, and
have occupied the ruined and depopulated cities of Hang-
chow, Shanghai, Soochow, Wusih, Nanking, and Wuhu. They
hold Tsingtao, Tsinan, Taiyuan, Tientsin and Peiping. They
have systematically destroyed Chinese industry in these
areas. They control the railways between Shanghai and
Suiyuan, and a good part of the Peiping Hankow Railway.
Japanese bombing planes based within this area are able
at will to bomb practically all of the other commercial
centers of China. It is believed that Japanese military
forces, if disposed to do so, and at further considerable
expense of lives, material and treasure, can in time
occupy the Lunghai Railway, Hankow and the rest of the
railway between Peiping and Hankow. If this happens
Japanese

793.94/12301

F/FG

WB
5-5-38

793.94

4596

JS

-2-

From Hankow, #76.

Japanese military forces will then have occupied practically the whole of the Yangtze and Yellow River valleys where the bulk of China's population lives and from which it draws the bulk of its food supply. But the Japanese military will still be a long way from conquering or occupying the whole of China.

The intellectual life which has dominated the areas thus occupied and which has given character to modern nationalist China will then have been driven into the western, more mountainous and less fertile areas. There is no apparent evidence that this intellectual leadership and what is left of its armed forces are prepared to capitulate and make peace. It is true that what is left of China's armed forces will be without equipment ^{necessary} to enable it to wage effective offensive war on the plains, but it will still have access to sufficient quantities of small arms and ammunition to enable it to equip mobile units which will roam the country attacking trains, destroying crops and supplies, attacking Japanese and those working with them. The Japanese military will therefore have to garrison its holdings and police every mile of the lines of communications along which supplies for its forces must be carried. The future prospect for the plains occupied by the Japanese during the next three or four years promises little in the way of peaceful development. I believe that conditions throughout those areas will be chaotic in the

extreme

WB
5-5-74

JS

-3-

From Hankow, #76.

1597

extreme, with robberies, assassinations, and kidnappings.

The prospect for the immediate future is hopeless unless Japan is prepared to send far greater forces into China to enable her to garrison and police the occupied areas. Trade is and will continue to be completely disrupted. Chinese industry no longer exists. Travel in the interior is already well nigh impossible.

The situation as between China and Japan at the present time is therefore at a ~~stalemate~~ ^{stalemate}, with Japan's armies carrying destruction into the very areas from whose population she apparently expected to receive cooperation and where she expected to market her goods.

A declaration of war will not in my opinion materially affect this situation. It will have its effect upon trade through Hong Kong and possibly Hanoi, but it will not lessen the necessity for Japan to continue the present heavy expense and future military operations. It will not close China's back doors through India, Burma and ~~Indochina~~ ^{Turkestan}. Japanese hostilities have entered the stage of long time operations to pacify immense areas where the populations have been impoverished and terrorized. Japan must soon come to a realization that up to the present time all that her efforts have netted her has been hostility abroad and expense in China. Japan can hardly expect to recoup this expense from Chinese trade in another twenty or thirty years.

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

4598

JS

-4-

From Hankow, #76.

years.

Repeated to Peiping and Shanghai. Shanghai please
relay to Tokyo and show to Commander-in-Chief.

JOHNSON

SMS NPL

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

b
 [CONFIDENTIAL]

STRICTLY CONFIDENTIAL

PARAPHRASE

A telegram (no. 76) of February 3, 1938, from the American Ambassador at Hankow reads substantially as follows:

It has been seven months since the occurrence of the incident at Marco Polo Bridge which precipitated Japan's present invasion of China. At a very great cost in lives, treasure, and material the armies of Japan have this time succeeded in driving the Chinese armies and the Central Government of China away from the coast in the area from Shanghai to Shanhaiwan and have occupied the depopulated cities of Wuhu, Wusih, Hangchow, Soochow, Shanghai, and Nanking. A large part of the Peiping-Hankow Railway and the railways between Shanghai and Suiyuan are controlled by the Japanese. Peiping, Tientsin, Taiyuan, Tsingtao, and Tsinan are held by the Japanese who have systematically destroyed Chinese ^{industry} in these regions. Japanese bombing planes, based within this area, can at will bomb almost all of China's other commercial centers. If the Japanese military is disposed to occupy the Lunghai Railway, Hankow, and the remainder of the Peiping-Hankow Railway, it is believed that it can in time, at a further considerable cost of lives, treasure, and material, do so. Although, in case this happens, Japan's military forces will have occupied then almost all of the valleys of the Yellow and Yangtze Rivers, whence China draws the greater part of its food supply and where most of the population lives, Japanese military forces will still be far from occupying or conquering all of China.

793.94/12301

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

-2-

By that time the intellectual life which has given character to modern nationalist China and which has dominated the regions thus occupied will have been driven into the less fertile, more mountainous western areas. No evidence is apparent to indicate that this intellectual leadership and what remains of its military forces are ready to give up and make peace. Although it is true that the remnant of the Chinese military forces will lack the equipment necessary to make possible the waging of an effective offensive war on the plains, it will still have access to small arms and ammunition in sufficient quantities to make possible the equipment of mobile units which will wander over the country destroying supplies and crops, attacking Japanese and those working with them, and attacking trains. Therefore, it will be necessary for the Japanese military to police every mile of the communications lines over which supplies for Japanese forces must be carried and to garrison Japanese holdings. There is little promise in the way of peaceful development in prospect during the next three or four years for the plains areas occupied by the Japanese. That conditions in those areas will be extremely chaotic with kidnappings, robberies, and assassinations is the opinion of the Ambassador.

Unless Japan is ready to send into China much greater forces to enable her to police and garrison the occupied areas, the prospect for the near future is hopeless. Already travel is well nigh impossible in the interior. Trade

is

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

-3-

is entirely disrupted and will continue to be so. Chinese industry exists no longer.

Therefore, with the armies of Japan carrying destruction into the very regions where she looked forward to selling her goods and from whose population she expected apparently to receive cooperation, the situation at the present time as between Japan and China is at a stalemate.

The Ambassador is of the opinion that this situation would not be materially affected by a declaration of war. A declaration of war will not close the back doors of China through Turkestan, Burma, and India, although it will affect trade through Hong Kong and possibly Hanoi. It will not make any less necessary the continuance by Japan of the present heavy expense and future military operations. The stage has been reached in Japanese hostilities of operations extending over a long period of time to pacify huge areas in which the people have been terrorized and impoverished. Before long Japan must realize that expense in China and hostility abroad are all that her efforts have up to the present time netted her. Japan can hardly look forward to reimbursing herself from Chinese trade in another twenty or thirty years for this expense in China.

793.94/12301

FE:EGC:HES
2-5

FE

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

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,

1938 FEB 4 PM 5 15

February 4, 1938.

7 pm

AMEMBASSY

HANKOW (China). *van R.*

✓ 52

For the Ambassador.

The Department appreciates receiving, and has read with interest and benefit, the summary and evaluation of the situation contained in your 76, February 3, 2 p.m.

Hull

743.94/12301

793.94/12301

SW
FE:UCV:VCI

RM
FE
m/h

PA/H
list

Enciphered by _____

Sent by operator _____ M., _____, 19____

F/FC

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

TELEGRAM RECEIVED

JS

Gray

SHANGHAI Via N.R.

FROM

Dated February 3, 1938

Rec'd 6:40 p.m.

Secretary of State, *DI*

Washington, D.C.

195, February 3, 7 p.m.

My telegram No. 163, / *12247* January 28, 5 p.m.

Following the arrival of Japanese reinforcements

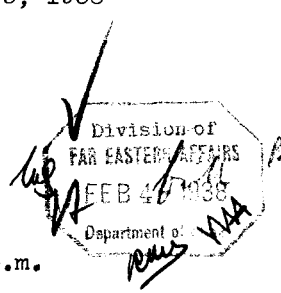
on the southern section of the Tsinpu front the Japanese launched several vigorous attacks and claim to have captured Mingkwang and Fengyang. An American who recently returned from Hangchow states that while Chinese guerilla operations continue around that city thus far they have not been in sufficient strength seriously to threaten Japanese positions. He states also there are no present indications that the Japanese contemplate launching the campaign along the Hangchow front.

A number of bombing incidents occurred on January 29 and 30 but the special precautions taken by the police of the Settlement and Concession prevented further acts of terrorism during the China New Year holidays. Two of the incidents were apparently directed against the Japanese but the missiles exploded harmlessly and thus far the Japanese have not protested them.

Repeated to Hankow and Peiping.

GAUSS

NPL SMS



793.94/12302

F/FG
FILED

FEB 8 1938

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

JS

TELEGRAM RECEIVED

SHANGHAI Via N R

Dated February 3, 1938

FROM 8:30 p.m.

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

in strict confidence

Secretary of State

Washington, D.C.

199, February 3, midnight.

Following from Tokyo: February 3, 6 p.m. Please repeat
to Department as Embassy's 73, February 3, 6 p.m.

STRICTLY CONFIDENTIAL. The following report from
the British Consul at Nanking dated January 28 is repeated
to the Department as possibly amplifying the Department's
information concerning conditions there:

"The situation at Nanking is far more difficult and
abnormal than had been anticipated. The atrocities com-
mitted during the first two weeks after the occupation
of the city were of a nature and on a scale which are
almost incredible. Conditions as regards military un-
ruliness are slowly improving but isolated cases of murder,
and other barbarities continue. Within the last three days
houses occupied by Germans and Americans and flying the
national flags of the two countries have been forcibly
entered by the military and from one American house a
Chinese was summarily removed without consultation with
the United States Embassy.

The city is entirely under military domination. The
military are in a sinister mood and bitterly hostile
towards

Gray

*Pertinent portions
given to Mr. Swift
orally and in confidence*

LEGAL ADVISER

DEPARTMENT OF STATE

Division of
AFFAIRS

1938

Department of

795.94/12303

F/FG

JS

-2-

From Shanghai, #199.

towards the British consular authorities. They remonstrated with the German Consul privately for his eccentricity in arriving in Nanking in the British Consul's company. The Embassy officials are friendly and helpful as far as circumstances permit. The autonomous committee was organized as agreed upon and was accorded grudging recognition some time after its formal inauguration on 1st January. So far as the British Consul can learn it is still in the process of finding its feet and it may be some time before it begins to function effectively.

The Chinese, mostly of the poorer classes, are congregated in the safety zone. Their number is estimated at about 200,000. The work accomplished by the American and German members of the zone committee transcends all praise. There can be no doubt that their presence alone has secured the comparative safety of the zone and many of the attacks on individuals were averted by their gallant intervention. There is a strong movement to get rid of them and of course the only eventual solution is for the Japanese to undertake the care of the remaining civilian population and civil administration in general so soon as proper arrangements can be made.

The military are firmly opposed to the return of any foreigners except officials and it is obvious in any case in the circumstances above-described that it would be inadvisable and quite futile for any British subjects to return.

JS

-3-

1601

From Shanghai #199.

return. Any revival of business activities must depend on the restoration of some measure of confidence among the Chinese and it is impossible to say when that may come.

(The remainder of the telegram deals with proposed arrangements for the continuance of British consular representation in Nanking)".

Following is a further appreciation of the situation at Nanking by the British Consul as of January 29:

"Military lawlessness continues due to a lack of centralized control. Majority of cases are of ransacking. Ronins (civilian hangeron of the army) have appeared on the scene and are likely to prove a source of future trouble.

The problem of 250,000 Chinese civilian refugees must disperse before 4th of February. Most of them have no where to go and no means of subsistence and any hasty action by the Japanese authorities may lead to rioting and more atrocities.

The Japanese continue to resent violently any observation of their activities by foreigners. There is considerable ill-feeling against the United States and German Embassies.

The Japanese have a plan for segregating troops in a specified area in the center of the town." Grew.

GAUSS

SMS NPL

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

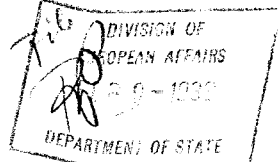
FE
ED
R.W/c

~~TKR~~

No. 3825

LONDON, January 26, 1938.

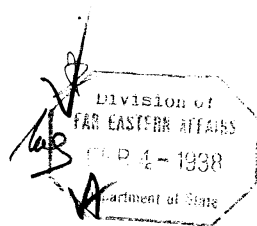
SUBJECT: Press comment on the Far East.



For Distribution List		Yes	No
Grade			
For			
		to C.S.A.	
		✓	
		ONI-MID	

RECEIVED
DEPARTMENT OF STATE
FEB 7 AM 11 50
1938

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



793.94/12304

DEPARTMENT OF STATE
FEB 10 1938
ASSISTANT SECRETARY
OF STATE

Honorable
Secretary of State,
Washington, D. C.
Sir:

FILED
FEB 10 1938

With reference to the Embassy's despatch No. 3790
of January 18, and previous despatches giving British
press comment on Japanese policy in China, I have the
honor to report that the newspapers have published
further editorials on the subject since the despatch
under reference.

The Daily Telegraph and Morning Post, referring to
the

F/FG

12304

-2-

the statement of Prince Konoye on January 20 that Japan would continue to attack the Central Chinese Government and refrain from other dealings with it, says:

"Stripped of its verbal wrappings, then, the situation stands out fairly clearly. The military defeat of Marshal Chiang Kai-shek has not created a rout or a surrender, nor has it provoked that spontaneous revolt against his authority which the Japanese hoped would be the first sign of Chinese war-weariness. The peace negotiations carried on with the Chinese Government through the intermediary of the German Ambassador, Dr. Trautmann, have failed. . . . Japan regards the unification of China so unexpectedly stimulated by Japanese aggression as a temporary phenomenon which increased aggression will be likely to dispel.

"Yet it is evident from scrutiny of Prince Konoye's recent statements of Japanese policy that he recognises something of the magnitude of the task."

An article by Scrutator in the Sunday Times refers particularly to the strategical position of Great Britain in the Far East and the hope of assistance from the United States. Referring to the three American cruisers which are to be present at the opening ceremony of the Singapore base, this paper states:

"Mindful that the worst disservice that can be done to the chances of active American friendship with us is to seem to run after it, one must be cautious before attaching especial political significance to their presence.....

"It is enough now to say that it is easy to imagine circumstances in which Singapore and its fortifications would be as serviceable to the United States as to ourselves. A hostile Power at

Singapore

DECLASSIFIED: E.O. 11652, 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-

Singapore and at the more vulnerable Manila could bar all access to Chinese waters, both to Europe and America."

Turning to the subject of Japanese policy and the recent statements in Tokyo, the Sunday Times says:

"Japan, therefore, now proposes to "ignore" Chiang - that is to say, she will not follow him indefinitely into the interior of China.....

"It will be a very slow and costly business; already Japan has a third of her whole army in China, and as yet she has only succeeded in strengthening patriotic resistance....."

As regards the rumors of the construction of new Japanese battleships exceeding the treaty categories, this paper states that it is in the highest degree unlikely that Japan would wait for the result of a shipbuilding competition in which she would certainly lose. The Sunday Times continues:

"Two conclusions seem to follow. The first is that a combination between this country and America could prevent a major war in which either of us would be involved; the second that to be effective plans of action must be concerted beforehand, and that the political conditions under which we are prepared to put them into execution should be announced beforehand, and not left to be decided by contingencies."

.....
"If both our countries and such other countries as care to join us issued a declaration in that sense, and at the same time concocted measures for carrying it into effect, they would have done no more than their duty to their own people and they would probably be met by Japan. China might or might not be saved, but her future, after all, depends far more on her own tenacity of purpose than on

anything

-4-

anything that we or America, or both of us, seem likely to do for her."

The Socialist Daily Herald claims that all the peaceful forces of the world have acted as if they were utterly impotent to stop one nation, not a very strong nation at that. The refusal of the British Military Commander at Tientsin to permit the Japanese to enter the British concession and the preparations to defend Hong Kong are examples of how Great Britain is risking war.

This paper continues:

"Yet we will not cooperate with a number of other powerful countries in imposing economic sanctions against Japan, though we know Japan would have to call the war off if they were imposed."

The Liberal Manchester Guardian discusses the question of the supplying of arms to China and points out that this is one of the principal Japanese charges against Great Britain and Soviet Russia. For this reason it thinks that an article published in the Japanese "Asahi Shimbun" and written by its correspondent in Hong Kong must have caused considerable embarrassment to the Japanese Government:

"The correspondent, who has made a thorough inquiry, gives a list of explosives shipped to China by various countries between December 25 and January 15. It is true that Britain has

second

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

-5-

second place on the list, but the first and third places are taken respectively by those warm friends of Japan Italy and Germany....."

After referring to the statement from Tokyo that both Italy and Germany have stopped sending arms, the editorial concludes as follows:

".....Italy, too, after some hesitation, has withdrawn her military mission from China, but the German mission remains at Hankow, cooperating cheerfully with the Soviet airmen (if there are any) and no doubt ordering arms from Krupp when necessary. It looks as though Japan will have to free China from her friends as well as from her enemies."

Respectfully yours,

Herschel V. Johnson

Herschel V. Johnson
Chargé d'Affaires ad interim

HM/ALC

A

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

TELEGRAM RECEIVED

JR
AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCONSUL CANTON

PLAIN AND GRAY
FROM
Swatow via N. R.

Dated February 3, 1938

Rec'd 7 a.m., 4th.

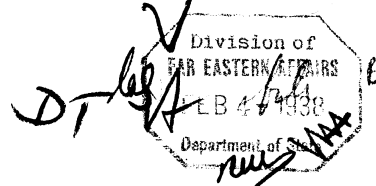
Secretary of State,
Washington.

February 3, 11 p.m.

Two air raid alarms today at 10 a.m., and 1 p.m. On
second alarm three seaplanes were sighted apparently on
scouting mission. I have just been informed by fairly
reliable source that a Japanese landing near Swatow is
feared in near future.

KETCHAM

DDM



793.94/12305

F/FG
FILED
FEB 8 1938

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

JWB

4602

X

TELEGRAM RECEIVED

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

FROM

Hankow via N.R.

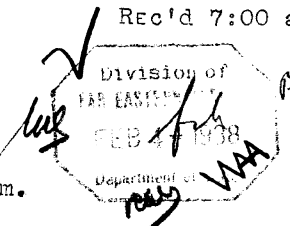
Dated February 4, 1938

Rec'd 7:00 a.m.

Tel to Hankow

Secretary of State,
Washington.

79
79, February 4, 9 a.m.



In recent conversation with Vice Minister Hsu Mo lat-
ter informed Peck that the Secretary of State had said to
the Chinese Ambassador in regard to reports that Great
Britain, France and the Soviet Union were discussing plan
for assisting China to resist Japan, that the United States
would go as far as other powers in aiding China but de-
clined to commit itself in regard to any plan still in
stage of discussion. The remark of the Vice Minister was
made casually in a general conversation but may be of
interest.

JOHNSON

RR:KLP

793.94/12306

F/FG

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

JR

GRAY AND PLAIN

Canton via N. R.

AMEMBASSY PEIPEI
AMEMBASSY HANKOW
AMCONSUL SHANGHAI

TELEGRAM RECEIVED

Dated February 3, 1938

Rec'd 7 a.m., 4th.

FROM

Secretary of State,

Washington.

February 3, 4 p.m.

Japanese air raiding has continued daily except

January twenty-ninth and February first. Three raids on Whampoa. Hankow railway, southern section, heavily raided once and Samshui railway twice by average thirteen planes January thirty-first. In latter raid small pursuit planes flew only a few feet above the ground and machine gunned enemy on railway. Hankow line not seriously damaged but damage and casualties along both lines reported considerable. Numerous minor raids at points along Hong Kong and other highways. Extensive daily scouting over delta regions and sections near Canton.

Bocca Tigris forts shelled February first for half hour by two Japanese destroyers forts replying. No damage reported.

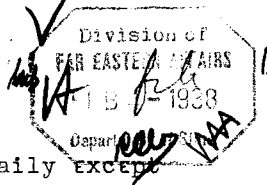
Referring to my January 29, 12253 6 p.m., press reports French warship arrived Hoihow January thirtieth.

China New Year's celebrated usual manner but very restricted scale due to poor business. Patriotic parade staged New Year's eve.

Mailed Hong Kong, Swatow.

KLP

LINNELL



793.94/12307

F/FG

FILED

1938

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

TELEGRAM RECEIVED

JR

SECOND BRIGADE USMC

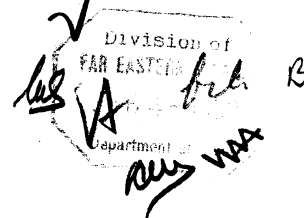
FROM

February 4, 1938

Rec'd 9:35 a.m.

ACTION: CINCAF (ADMIN)
CINCAF
OPNAV

INFO: AMCON SHANGHAI CHINA
COMSUBRON FIVE
COMDESRON FIVE
COMYANGPAT
COMPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA CHINA



8604. Fighting continues northern section Tsinpu front north of Tenghsien. Chinese based on Mengyin driving toward Sintai 16 miles to northward and Szeshui 34 miles to westward. No change southern Tsingpu sector, Japanese reorganizing to continue advance, Chinese counter attacks continue Wuhu area, fighting reported near Tikanchen 24 miles southwest Wuhu. 1833.

CSB

793.94/12308

F/FG

FE

TELEGRAM RECEIVED

JR

GRAY
FROM

AMEMBASSY HANKOW
AMEMBASSY PEIPING
AMCON CANTON

Swatow via N. R.

Dated February 4, 1938

Rec'd 10:40 a.m.

Secretary of State,
Washington.

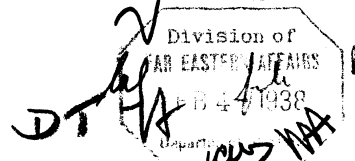
February 4, 5 p.m.

There were five air alarms today commencing at
8:40 a.m., and continuing to 4:30 p.m., when four planes
were sighted. Four bombs dropped at Chaochowfu but
damage was reported slight. Shelling was heard this
afternoon in direction of Haimun Bay twelve miles south
of Swatow. In view of evident activity this area
consider it advisable presence American gunboat at Swatow.
Canton please inform Comsopat.

KETCHAM

KLP:MWC

NOTE
8/11/30
Asst. Sec.
Fleet



793.94/12309

F/FG
FILED
FEB 8 1938

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

793.94

DOCUMENT FILE

NOTE

SEE 841.00 P.R./527 FOR #3810

FROM Great Britain (Johnson) DATED Jan. 24, 1938
TO NAME 1-1187 670

REGARDING: British Labor's attitude toward Far Eastern situation.
Decision of executive leaders of all sections of
British Labor and Trade Union movements to ask
for presentation of-

mb

793.94 / 12310

12310

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

British Labor's Attitude toward Far Eastern Situation

In continuation of this subject, at a meeting on January 20 of the executive leaders of all sections of British Labor and Trade Union movements, it was decided that a deputation would ask to present Labor's views regarding Japanese aggression to the Prime Minister. It was later reported that the Prime Minister had arranged to receive the deputation during the coming week. It was indicated that the Labor delegation desires the British Government to take the lead at the League Council, meeting

on

-7-

on January 26, in calling for immediate action to restrain Japanese aggression. The Labor leaders were criticized by the Daily Mail for their ineptitude in handling foreign affairs and it described their policy of demanding sanctions against Japan as an "utterly unreal outlook" on the Far Eastern situation, in view of past experiments showing that the application of sanctions is quite impracticable.

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

DOCUMENT FILE

NOTE

SEE 846d.00 P. R./66 FOR Despatch #358

FROM Singapore (McEnelly) DATED Jan. 7, 1938
TO NAME 1-1127 ***

REGARDING: Sino- Japanese conflict. The absorbing topic in Malaya during the past two months has been, -. The sentiment of the European population which consists mainly of British nationals, is strongly anti- Japanese.

fp

793.94/12311

12311

DECLASSIFIED: E.O. 11652, 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

COMSOPAT

GPO

FROM February 4, 1938

Rec'd 7:43 p. m.

ACTION: OPNAV, WASHINGTON
INFO: CINCAF
2nd BRIGADE USMC
COMSUBRON 5
COMDESRON 5
CINCAF
COMYANGPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

COPIES SENT TO
CINCAF M.I.D.

Division of

FOR EASTERN AFFAIRS

1-1-38

Department of

NAVY

793.94

0004 Air raids railroads vicinity Canton. Ten
DSP eleven BLP sighted. Destroyers attacked Fort
Bocca Tigris. Bombing vicinity of Swatow. Other
South China ports quiet 2355

SMS:RGC

793.94/12312

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

LMS

This telegram must be London
closely paraphrased be-
for being communicated FROM Dated February 4, 1938
to anyone. (C)

Rec'd 6:47 p. m.

Secretary of State,

Washington.

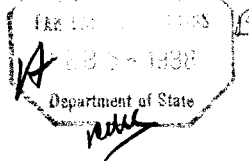
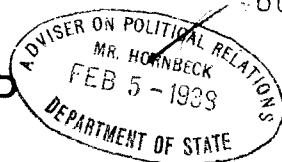
99, February 4, 11 p. m.

STRICTLY CONFIDENTIAL.

Mr. Hugh Wilson informs me that, when talking
privately with Mr. Eden for a moment this afternoon,
Mr. Eden told him that if the Japanese attacked Hong
Kong they would act at once in its defense; that this
might mean the withdrawal of substantial forces from
the Mediterranean but that the British could not do
otherwise. He further said that the British would
act to defend Hong Kong if attacked regardless of what
American action might be.

JOHNSON

SMS:NPL



793.94/12313

793.94
741.94

FILED
FEB 9 - 1938

F/FG

K

DECLASSIFIED: E.O. 11652, 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

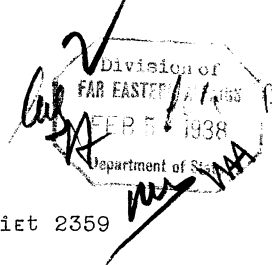
LMS

COMYANGPAT

FROM February 4, 1938

Rec'd 7:43 p. m.

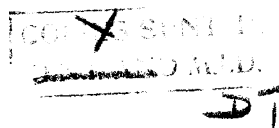
ACTION: OPNAV, WASHINGTON.
INFO: CINCAF
COMSUBRON 5
COMDESRON 5
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING



793.94

0004 Yangtze River ports quiet 2359

SMS:RGC



793.94/12314

F/FG

0828

DECLASSIFIED: E.O. 11652, 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

1604
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN

Department of State

793.94
AMEMBASSY,
TOKYO (JAPAN). 894, 032

Washington,
1938 FEB 4 February 4, 1938

38
[PRIORITY]

An Associated Press report from Tokyo under date February 2 states that the Minister for Foreign Affairs, in reply to a question, made a statement in the Diet on February 2 as follows: QUOTE There is no Chinese Central Government recognized by Japan. A state of war exists between the two countries UNQUOTE. A further press report from Tokyo under date February 3 states that Prince Kondye, in reply to a question in the Diet, QUOTE indicated that Japan did not repeat not intend to declare war on China formally at present, but said it was reasonable to expect that under conditions which might arise in the future, a declaration might be issued UNQUOTE.

793.94/12314A

The Department has found most helpful your telegrams 63, February 1, 1 p. m., and your unnumbered telegram January 31, 5 p. m., via Shanghai, as well as previous telegrams in regard to developments relating to a possible declaration of war by Japan, and the Department desires that you continue to keep it currently informed of any significant developments, adding such comments of appraisal and interpretation as may be helpful.

1938 FEB 4 1038 PM

Enciphered by

Sent by operator M., 19

Hull

D. C. R.—No. 50
FE:MMH:REK

1-1462 U. S. GOVERNMENT PRINTING OFFICE
FE:MMH:REK

PA/H

F/FG

18

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

DOCUMENT FILE

NOTE

SEE 894.032/181 FOR Memorandum

State Department
FROM Far Eastern Division (Ballantine) DATED Jan. 25, 1938
TO NAME 1-1127 670

REGARDING: Sino-Japanese situation : Comments on address of
Mr. Hirota, Japanese Minister for Foreign Affairs,
before Imperial Diet on Jan. 22, 1938.

22

793.94/12315

12315

793.94

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

4605

TELEGRAM RECEIVED

MBo

GRAY

Tokyo

FROM

Dated February 5, 1938

Rec'd 8:27 a.m.

Secretary of State,
Washington.

79, February 5, 7 p.m.

My unnumbered January 31, 5 p.m. via Shanghai.

We were told at the Foreign Office that the Minister for Foreign Affairs replying to a request for clarification of his statement in the Diet of January 25 that "both internally and externally the present struggle is in fact a war", stated at a meeting this afternoon of the budget committee of the Lower House that: Japan has not claimed the rights of a belligerent and this position was not in any way changed by the government's statement of January 16 (see our 32, January 16, 3 p.m.).

Repeated to Shanghai for relay to Hankow.

GREW

CSB:

793.94/12316

FILED

FEB 10 1938

F/FG

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

TELEGRAM RECEIVED

MB0

GPO

FROM 2ND BRIGADE USMC

February 5, 1938

Rec'd 9:50 a.m.

ACTION: CINCAF (ADMINISTRATIVE)

CINCAF

OPNAV

INFO: ARCON SHANGHAI CHINA

CCISUBRON 5

CCIDESRON 5

COMYANGPAT

CCISOPAT

AMEMBASSADOR CHINA

USS HARELEHEAD

ALUSNA PEIPING

793.94

8605. Japanese resumed northward drive Tsingpu line, made unsuccessful attempt cross Hwai River between Pengpu and Linhwaiwan. Japanese claim occupied Hwaiyuan ten miles west Pengpu, Nipponese column advancing westward from Tingyuan effort envelope Hofei Yuki Railway. Other sectors quiet. 1838.

CSB:

793.94/12317

F/FG
FILED
FEB 10 1938

TELEGRAM RECEIVED

JR

A portion of this telegram Canton via N. R.
must be closely paraphrased FROM
before being communicated Dated February 4, 1938
to anyone. (A)

Rec'd 8 a.m.

AMEMBASSY PEIPING
AMEMBASSY HANKOW
AMCONSUL SHANGHAI

Secretary of State, in confidence
Washington.

February 4, 8 p.m.

Bocca Tigris forts bombarded intensely today by three
Japanese ships. Foreign vessels starting this morning
from Hong Kong to Canton and Canton to Hong Kong returned
to port of departure, those from Canton under orders of
Chinese military authorities. Understood Pearl River not
physically blocked as yet. Official notices has been
received that the channels into the West River have been
completely blocked and it is reported from Kongmoon that
this has been done (END GRAY) in anticipation of
surprise attack. Local authorities there say they expect
about 100 fishing junks and motor boats to come from
Formosa with 7000 marines.

Military has been recently removing airplanes repair
factory and other military equipment from Canton, southward
troops movements evidently to meet expected Japanese naval
attacks below Bocca Tigris and Bias Bay are reported.

(GRAY) Strict

793.94/12318

F/FG

507

-2- February 4, 8 p.m., from Canton.

(GRAY) Strict martial law enforced last night, police and gendarmes searching and later stopping all street traffic. Restrictions relaxed today but authorities still displaying special vigilance. Informed by military headquarters spokesman (END GRAY) that precautions due to intelligence reports that Japanese have been assisting Chinese traitors in plot to organize anti-Central Government agitation ^{among} ~~awards~~ disgruntled statesmen, officials and National Council groups, timed to coincide with intensive air and naval attacks. Numerous arrests of Japanese spies at Canton reported. Likelihood of any pro Japanese coup believed remote.

WB
2-10-36

As predicted Japanese planes appeared over Canton today in repeated flights of small groups which scouted extensively over city at low ^{altitude} ~~altitudes~~ but dropped no bombs in city proper. Samshui Railway heavily bombed. Chinese ground fire most vigorous yet seen reportedly brought down two planes. Japanese scouting flights are becoming increasingly extensive. Yesterday about forty planes in small groups engaged in some fifteen flights over all railways principal highways delta and other points but actual raiding practically confined to a few bombs on main railways. Mailed Hong Kong.

WB
2-10-38

LINNELL

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

b [CONFIDENTIAL]

P A R A P H R A S E

A telegram of February 4, 1938, from the American Consul General at Canton reads substantially as follows:

On February 4 the Bocca Tigris forts were ^{intensely} bombarded by three Japanese ships. Foreign vessels starting on the morning of February 4 from Hong Kong to Canton and Canton to Hong Kong returned to port of departure, those from Canton under orders of Chinese military authorities. It is understood that Pearl River is not physically blocked as yet. Official notice has been received that the channels into the West River have been completely blocked and it is reported from Kongmoon that this has been done in expectation of a surprise attack. Authorities at Kongmoon state that they anticipate the arrival from Formosa of about one hundred motor boats and fishing junks with seven thousand marines.

Recently military equipment, including airplanes repair factory, has been moved from Canton by the military. It is reported that there are movements southward of troops, evidently to meet Japanese naval attacks which are looked for below Bias Bay and Bocca Tigris.

Strict martial law was enforced on the night of February 3; police and gendarmes were searching and later stopping all street traffic. Restrictions were relaxed on February 4 but authorities are still displaying special vigilance. Precautions are being taken, according

793.94/12318

DECLASSIFIED: E.O. 11652, 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-

According to a military headquarters spokesman, on account of intelligence reports to the effect that Japanese have been helping Chinese traitors in a plot to organize agitation against the Central Government among disgruntled officials, statesmen, and National Council groups. This plot is timed to coincide with intensive naval and air attacks. It is believed that there is little likelihood of any pro-Japanese coup. There are reports of many arrests of Japanese spies at Canton.

On February 4 Japanese airplanes appeared over Canton as predicted and in repeated flights of small groups scouted extensively at low altitudes over the city. No bombs were dropped in the city proper. There was heavy bombing of the Samshui Railway. According to reports, two planes were brought down by the Chinese ground fire, which was the most vigorous yet seen. Scouting flights of Japanese planes are becoming more and more extensive. Although about forty planes flying in small groups on February 3 made about fifteen flights over various points, including the delta, all railways, and principal highways, the dropping of a few bombs on the main railways was practically the only actual raiding.

793.94/12318

89C.
 FE:EOC:HRS
 2-7

FE

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

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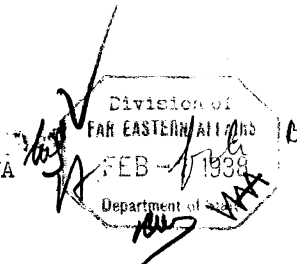
MBo

CONSOPAT

FROM February 5, 1938

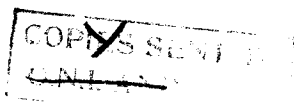
Rec'd 3:00 p.m.

ACTION: OPNAV WASHN
INFO: CINCAT
2ND BRIGADE USMC
CONSUBRON 5
CONDESRON 5
COMYANGPAT
AMBASSADOR CHINA
USC MARBLEHEAD
ALUSMA PEIPING



0005 Amoy bombed second and third, bombardment forts fourth, other south China ports quiet 2200.

CSB:



DT

793.94/12319

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

111

TELEGRAM RECEIVED

LMS

COPY SENT TO FROM
DT

COMYANGPAT

February 5, 1938

Rec'd 6:18 p. m.

ACTION: CPNAV
INFO: CINCAF (Flag)
CINCAF (Administrative)
YANGPAT
COMDESRON FIVE
COMSOPAT
AMAMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

Division of
FAR EASTERN AFFAIRS
FEB 7 1938
Department of State

0005 Yangtze River ports quiet 2100

NPL

793.94/12320

RECEIVED
FEB 7 1938

F/FG

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

FE

TELEGRAM RECEIVED

JR

PLAIN

COPIES SENT TO
ONL AND MID

Foochow via N. R.

FROM

Dated February 5, 1938

Rec'd 11:25 a.m.

DT

Secretary of State,
Washington.

February 5, 8 p.m.

Division of
FAR EASTERN AFFAIRS
FEB - 1938
Department of State

793.94

Following message just received from Amoy for
retransmission:

"February 4, 5 p.m. Four Japanese planes circled
over Amoy on afternoon of second, two flew over fort and
dropped nine bombs and other two dropped four bombs on
hillside of Amoy.

On February third Japanese planes based on vessels at
Quemoy flew over Amoy and its environs seven times dropping
thirty-eight bombs with total of about thirty civilian
casualties ten of which were killed outright. Amoy City
was bombed twice during the day with considerable property
damage around municipal buildings. All casualties were
reported in the city.

This morning a Japanese cruiser opened fire on Amoy
forts and after firing twenty guns moved back to Quemoy.
The forts replied with about nine guns with no damage
reported, Altaffar".

Since

793.94/12321

100 F/FG

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

-2- February 5, 8 p.m., from Foochow via N. R.

Since Amoy is now without naval radio facilities
copy of Embassy's February three, 5 p.m., mailed to it
yesterday repeated to Paiping and Hankow.

WARD

HFD

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

MJD

TELEGRAM RECEIVED

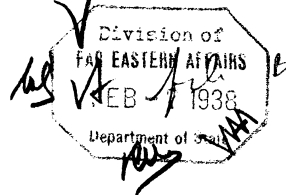
OPNAV, WASHINGTON

SENT

February 6, 1938.

FROM Rec'd. 9:18 a. m.

2ND BRIGADE USMC
 CINCAF
 CINCAF (ADM)
 INFO:
 AMCONSUL-SHANGHAI (CHINA)
 COMSUBRON 5
 COMDESRON 5
 COMYANGPAT
 COMSOPAT
 AMAMBASSADOR (CHINA)
 USS MARBLEHEAD
 ALUSNA PEIPING



8606....Japanese claim made successful crossing Hwai
 River north-east Pengpu with Chinese retreating in dis-
 order, other sectors quiet. Service expected be resumed
 Kiaotsi Railway future. 1826

NO SIGNATURE

HPD

793.94/12322

F/FG

184
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

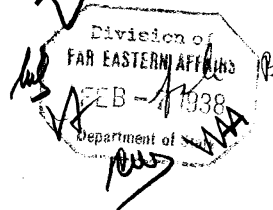
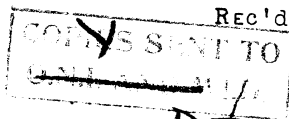
MJD

COMSOPAT

FROM February 6, 1938.

Rec'd. 10:33 a. m.

ACTION OPNAV
INFO
CINCAF (FLAG)
2ND BRIG USMC
COMSUTRON 5
COMDESRON 5
CINCAF (ADMN)
COMYANGPAT
AMAMBASSADOR CHINA
USS MARPLEHEAD
ALUSNA PEIPING



0006. West River blocked hill passage closed to
traffic believe latter action temporary connection defenses
Gacca Tigris. South China ports quiet. 2000

HPD

793.94/12323

E/F/G

184
DECLASSIFIED: E.O. 11652, 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

WJD

COMYANPAT

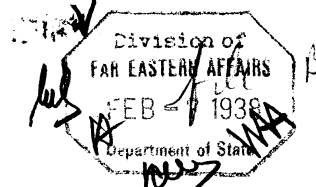
February 6, 1938.

GPO

FROM Rec'd. 11:22 a. m.

ACTION OPNAV
INFO
CINCAF (FLAG)
2ND BRIG USMC
YANGPAT
COMSUBRON 5
CINCAF (ADM)
COMSOPAT
AMEMBASSADOR CHINA
USS MARBLEHEAD
ALUSNA PEIPING

COPY SENT TO
CINCAF M.D.



0006 Yangtze River ports quiet 2020.

JLS

793.94/12324

FILED
FEB 9 1938

F/FG

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

RECEIVED
DIVISION OF FOREIGN
AFFAIRS
SEP 19 1938
DEPARTMENT OF STATE

TELEGRAM RECEIVED

GRAY
Chefoo via H. R.

Dated February 6, 1938.

FROM
Rec'd. 10:29 a. m.

Secretary of State,
Washington.

Division of
Far Eastern Affairs
FEB - 7 1938
Department of
State

February 6, 11 a. m.

One. Japanese army forces in motor trucks proceeded
west from Chefoo 5th and are probably in Lungkow today.

Two. Burglar who may have been Japanese entered
premises of this Consulate at six p. m. 5th and took
servant's clothing. I have requested cooperation of
Japanese in investigation.

Three. Inspector General of Chinese Maritime Customs
intends to transfer present Commissioner of Customs in
Chefoo who is a Swedish subject and replace him with a
Japanese. Sent to Paiping, Hankow.

ALLEN

HPD

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

793.94/12325

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

MJD

GRAY

1608

AF

Tokyo

TELEGRAM RECEIVED

Dated February 6, 1938.

Rec'd. 7:15 a. m.

FROM

Secretary of State,

Washington.

80, February 6, 3 p. m.

Department's 38, February 4, 5 p. m.

Division of
FAR EASTERN AFFAIRS

FEB - 7 1938

Department of the

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rel
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There was no session on February 2nd of either House of the Diet. There was a meeting on that day of the Budget Committee but we find no record of any statement made on that occasion by the Minister for Foreign Affairs even remotely resembling that quoted in the Associated Press report. The statement quoted together with that ascribed to the Prime Minister are probably excerpts from the addresses reported in our unnumbered telegram January 31, 5 p. m, via Shanghai.

HPD

GREW

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MICROCOPY

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ROLL

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