

MICROCOPY

976

ROLL

58

NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M976

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

Roll 58

1930-39

793.94/14251-14500
Oct.-Dec. 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.

1000

DECLASSIFIED: E.O. 11652, 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 890.00/116 FOR Memorandum
State Department
Far Eastern Division
FROM Penfield DATED Oct 22, 1938.
TO NAME 1-1127 ***

REGARDING: The situation in the Far East: Sino-Japanese relations.
Developments of the past week.

PRC.

795.94/ 14251

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

AUTHENTICATE

AMERICAN CONSULATE
TAIPEI, TAIWAN, JAPAN, SEPTEMBER 22, 1938.

CONFIDENTIAL.

Department of State

The Honorable

Joseph C. Grew,

American Ambassador,

Tokyo, Japan.

Sir:

in Confidence DT

I have the honor to report the following recent developments connected with the China Incident:

Governor General Concerning Amoy.

Governor General Kobayashi, on September 13, at one of his infrequent press conferences, and just prior to his departure for Tokyo on the 16th, had the following to say concerning the occupation and restoration of Amoy:

"Amoy has been occupied by the Navy primarily for military purposes. Therefore, it has been necessary to maintain peace and order and guarantee a safe livelihood to those there in such a way as not to obstruct the position or strategical operations of the Navy. Since diplomatic negotiations with foreign Consulates are not in the Navy's line, it has been considered necessary to entrust such dealings to interested quarters. Since Taiwan has had the most experience, racially and geographically, the Taiwan Government General has sent officials to Amoy to assist in internal administration. Those sent from here, including administrative secretaries, policemen, and police inspectors, are all made attaches of the Navy.

"A Restoration Society, for the prompt establishment of self-government by Amoy citizens, was organized at first with a self-governing board of Chinese alone. However, since Amoy is after all under military occupation, the board was assisted by a Japanese board made up from the Navy, Government General, Consulate General in Amoy, and others. The Japanese Restoration Board has formulated plans for the internal administration of Amoy, as well as for guidance in future restoration work. In accordance with these plans the Chinese self-governing Committee is carrying out administration. Details are not all settled, but the work of restoration has made steady headway in the four months since the occupation. Of course the present organizations are transitional. In the future, at the close of the China Incident, it is well known among persons interested in politics that South China, which Taiwan wants to be a pro-Japanese and anti-communist line of defence, cannot ignore Taiwan in matters of administration, because of its close relations."

Air

ASSISTANT SECRETARY
OF STATE

DEPARTMENT OF STATE

A-M-C

SEP 24 1938

793.94/14232

F/E/G

14352

-2-

Air Activities

Following the accident of September 2 and a rest on September 3, a group of thirteen twin-motored bombers and seven fighters in formation left Taihoku on September 4 at 8 A.M. in a WSW direction, and since then no bombers have either returned to or left Taihoku. Several fighting planes continue to train almost daily over the city.

South China Investigation Bureau

At the same press conference the Governor General also made the following remarks concerning this new bureau:

"The South China Investigation Bureau has been established with appropriations for South China and South Seas activities and for the investigation of economic conditions in South China. If the war extends to South China, this organization will have a chance to show its efficiency. It will also be able to contribute to post-war continental development."

C.N.A.C. Plane

At no time has any account been made by the local press or radio that Japanese planes had downed the C.N.A.C. plane by machine-gunning near Hongkong. JFAK, the local government radio station which broadcasts in English at 11:05 P.M. daily, said that it wasn't expected that the Japanese rejection of the protest by the U.S. Government would arouse American public opinion, since the U.S. were too preoccupied in European affairs to pay much attention to such a trivial incident.

Visit by General Inoue

General Inoue, Retired, Commander of the Japan Reservist Association, has been inspecting Taiwan Reservists during the past week. Incidentally, he inspected the old Dutch fort

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

-3-

fort which is the office of the British Consulate in
Tansui.

Respectfully yours,

Gerald Warner
American Consul.

File No. 800
GW/HW

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 D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

gpo

FROM

COMSOPAT

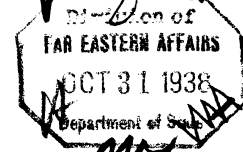
October 31, 1938

Rec'd 6 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
USS ASHVILLE
USS TULSA
USS MARBLEHEAD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

793.94



793.94/14253

0030. Rear Admiral T. Sukigara in minelayer number eighteen arrived Canton city quiet operations continuing through delta into west river planes bombing this area H.M.S. ROBIN escorting three British river steamers with British nationals on board but no Americans left Wuchang downstream at one p.m., thirtieth Japanese are objecting to this movement ROBIN has orders to anchor five miles up river from Samshui until situation is clarified.
2359.

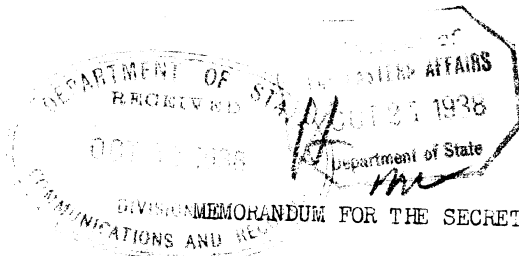
DDM

NOV 1 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

THE WHITE HOUSE
WASHINGTON



MEMORANDUM FOR THE SECRETARY OF STATE:

It will be appreciated if the Department will be good enough to forward the enclosed letter to Dr. Kung through the Chinese Ambassador here, as suggested in your note of October twenty-fifth.

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

793.94/14254

F/FG

793.94

See
793.94/14212

7004

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

COPY: LAW: PR *b*

THE WHITE HOUSE
WASHINGTON

October 26, 1938

My dear Dr. Kung:

Mr. K. P. Chen has kindly delivered to me your letter of August 30 in which you inform me of the nature of his visit to this country and thoughtfully avail yourself of the occasion to convey cordial personal greetings to me. I recall with pleasure the call which you made upon me last year and appreciate very much your friendly message.

Since his arrival, Mr. Chen has been engaged in discussions with the Treasury Department and I am sure that the matters brought forward by him are receiving most careful and sympathetic consideration.

Your expression of gratitude for the humanitarian services which the American people have rendered Chinese who have suffered as a result of the unfortunate conflict in China is appreciated as are also your generous comments concerning our efforts to contribute toward the attainment of international peace. It is my hope and firm conviction that the friendly and mutually beneficial relations which have always existed between China and the United States will through cooperative endeavor continue to develop in strength.

With kind regards, I am,

Very sincerely yours,

FRANKLIN D. ROOSEVELT

His Excellency
Dr. H. H. Kung,
President, The Executive Yuan,
Chungking, China.

793.94/14254

F/F G 14254

0007

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

C

October 29 1938.

My dear Mr. Ambassador:

In compliance with the wishes of the President,
I am sending you herewith a letter addressed by the
President to His Excellency Dr. H. H. Kung, President
of the Executive Yuan, in reply to Dr. Kung's letter
of August 30, which was personally delivered by Mr.
K. P. Chen.

I should be obliged if you would forward the
President's letter to its destination.

I am, my dear Dr. Hu Shih,

Sincerely yours,

Enclosure:
Letter to
Dr. Kung.

GEORGET SUMMERLIN

CR
OCT 29 1938.

His Excellency

Dr. Hu Shih,

Chinese Ambassador.

PR:DBE:LAW
10/28/38 793.94/14212

Run
FE 11/1/38

793.94/14254

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

GPO

FROM

JR

This telegram must be
closely paraphrased be-
fore being communicated

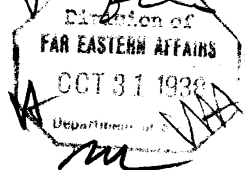
MARDET TIENTSIN

October 31, 1938

Rec'd 11:08 a.m.

ACTION: NAVY DEPT

INFO: CINCAF
FOURTH MARINES
MARDET
AMEMBASSY PEIPING



793.94

0031. No Jap troop movements reported at Chinwangtao
25-31 October 1938. 0915.

CSB

793.94/14255

NOV 3 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

GPO

FROM

JR

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

Secretary of State,
Washington.

1381, October 31, 3 p.m.

Does Department wish me to inform Admiral Yarnell
of Chungking's 515, ¹⁴²¹⁶October 27, 11 a.m., and Tokyo's
688, ¹⁴²³⁹October 28, 9 a.m.?

GAUSS

CSB

Effect of Munich agreement on Japan.

Shanghai via N. R.

Dated October 31, 1938

REC'D 11:08 a.m.

Division of
FAR EASTERN AFFAIRS
OCT 31 1938
Department of State
B
Telegram to Shanghai

793.94/14256

F/FG

NOV 2 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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to See Confidential Code.

It is to be carefully paraphrased before
being communicated to anyone. Perm

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
"Br"

Washington,

1938 OCT 31 5 54 October 31, 1938.
6 PM

AMERICAN CONSUL,

SHANGHAI (China). Via N.R.

✓ 602

Your 1381, October 31, 3 p.m.

Yes. Please do so.

Hull
(7.7.1)

793.94/14256

FE:JWB:REK

FE

7.7.1

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

793.94/14256

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

REB

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

CANTON VIA N.R.

FROM

Dated October 31, 1938

Rec'd 12:50 p. m.

Secretary of State,

Washington.

37, October 31, 5 p. m.

Reference is made to my two telegrams numbers 34, October
30; and 35, today.

The British Consul General has now informed me that the
Chinese Army have stopped the ROBIN at Shinling on the West
River and warned it that there are mines in the river between
there and Howlik about seven miles above Samshui. Also an
officer from the Japanese headquarters called today on the
British Consul General and stated that joint military and
naval headquarters at Tokyo had sent instructions that river
was closed irrevocably and that no vessels could pass at
Samshui and referred further to the general notification
of October 22. SEE Gauss' October 22, 5 p. m. Information
sent to Chungking, Peiping and Hong Kong.

LINNELL

WWC

RR

793.94/14257

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

Confidential

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 37) of October 31, 1938, from the American Consul General at Canton reads substantially as follows:

On October 31 a Japanese headquarters officer called on the British Consul General and informed him that instructions had been received from the joint military and naval headquarters at Tokyo that no vessels could pass at Samshui and that the West River was irrevocably closed. The Japanese Consul General made further reference to the general notification of October 22 (see telegram of October 22 from Shanghai).

Information has now been received from the British Consul General to the effect that the British gunboat Robin was stopped at Shinling (on the West River) by the Chinese military who warned that the river is mined between Shinling and Howlik, a point about seven miles above Samshui.

793.94/14257.

g.c.
 FE:EC:JPS
 11-1

KP
 FE
raw

793.94/14257

DECLASSIFIED: E.O. 11652, 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

REB

GPO

FROM COMYANGPAT

October 31, 1938

Rec'd 3:25 p. m.

ACTION: CINCAF, OPNAV

INFO: YANGTZE PATROL
 COMSOPAT
 FOURTH MARINES

COPIES SENT TO
 NAVY AND
 DT

RECEIVED
 FAR EASTERN AFFAIRS
 NOV 1 - 1938
 Department of State

773.9
 not
 570-3393

1031. Japanese ships present Hankow two minelayers,
 three gunboats, three torpedoboats, two minesweepers,
 two auxiliaries, twenty-three transports, twelve tugs, two
 tankers, twenty supply ships, one hospital and five
 hundred eighty-five small craft. 2250.

HPD

793.94/14258

F/FG

RECEIVED
 NOV 2 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

GPO

FROM

COMYANGPAT

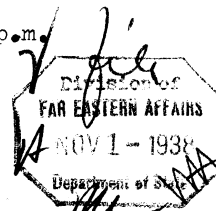
October 31, 1938

Rec'd 3:25 p.m.

ACTION: CINCAF
OPNAV

INFO: YANGPAT
COMSOPAT
AMAMBASSADOR CHINA
FOURTH MARINES

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



0031. Situation unchanged, Hankow quiet. 1648.

DDM

793.94/14259

NOV 2 1938
RECEIVED

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

FROM

GRAY

Foochow via N. R.

Dated October 31, 1938

Rec'd 9:24 p.m.

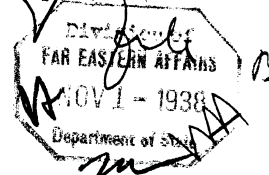
Secretary of State,
Washington.

1, October 31, 6 p.m.

It is widely rumored here that Japanese forces have affected a landing at or near Futsing on inlet close to the Amoy Foochow road, about thirty miles south of Foochow; an earlier report which has since been denied was to the effect that Haitan Island had been occupied at 1:20 this afternoon. Tension in Foochow is very marked and rapidly mounting but no accurate account is as yet forthcoming. Repeated to Chungking and Peiping.

WARD

RR



793.94/14260

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

GPO

FROM COMSOPAT

November 1, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS MARBLEHEAD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

COPY SENT TO
O.N.L. AND M.L.D.
DT

DISPATCHED
FAR EASTERN AFFAIRS
NOV 1 - 1938
Department of State

0031. Vice Admiral K. Shiozawa in Myoko vicinity
Boca Tigris directing naval operations Delta and rivers
Japanese Consul General Okazaki arrived Shameen Canton
quiet considerable troops and equipment moving through
city to north naval and air activities continue Delta
and West River H.M.S. ROBIN with river steamer CAMBAY
Prince Tin Sang Yong so anchored off Shiuhing in convoy
are five refugee British nationals and two Americans
the latter taken on board at Takhing Japanese refuse
to permit any movements naval or merchant vessels river
and delta areas. 2358.

DDM

793.94/14261

F/FG

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

TELEGRAM RECEIVED

JR

GRAY

GPO

FROM Foochow via N. R.

Dated November 1, 1938

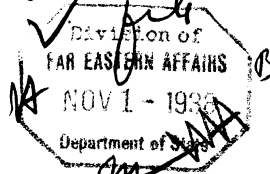
Rec'd 9 a.m.

Secretary of State,
Washington.

2, November 1, 5 p.m.

193-94
note
1938-11-5

A very circumstantial report which has now been officially recognized as having been over-exaggerated to the effect that a landing of an unknown number of Japanese troops had taken place at Futsing yesterday evening and that fighting was in progress there caused the Provincial Government to issue an order late last night urging the populace of Foochow to evacuate. A large scale exodus then began and continued throughout the rest of the night and most of the day today. Nearly all of the shops in the city were closed and a general air of tension and expectancy prevailed until this afternoon when reports were received that the reported landing was probably only a foraging party. Well informed local Chinese still appear to believe however that an attack may be imminent. All Americans safe. To Chungking, repeated to Peiping. Canton please inform (?).



793.94/14262

F/FG

W.C:PEG

WARD

NOV 6 1938
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

FROM

JR

GRAY

Tsingtao via N. R.

Dated November 1, 1938

Rec'd 10:30 a.m.

Secretary of State,
Washington.

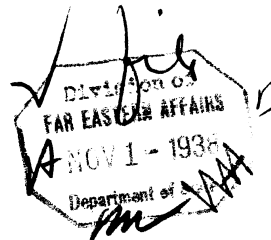
5, November 1, 10 a.m.

Review for October follows:

One. Outstanding activities of the month in Shantung were the energetic campaigns against guerrillas in widely separated places in which increasing numbers of Chinese mercenaries are being used. As a result Japanese have reoccupied several important places in the province from which it will be easier to continue efforts to eradicate guerrillas and bandits all of whom reliable sources indicate are more a scourge to the countryside than a threat to Japanese.

Two. The events of the month at Canton and Hankow did not outwardly move the Chinese masses; if anything, there appears to be a distinct weakening of a hostile spirit and strong indications that the people are weary and long for a settlement which will bring peace.

Three.



793.94/14263

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

-2- #5, November 1, 10 a.m., from Tsingtao via N. R.

Three. Japanese continued to refuse permission to American company to purchase leaf tobacco in the interior. Control over shipments abroad still exercised by Japanese naval authorities and no improvement in respect to harbor facilities. Permission denied American company to berth tank steamer at wharf for discharge of bulk gasoline and kerosene.

Four. Plans promoted for establishment of Japanese controlled company to act as sales agent for all coal produced in Shantung.

Five. Business in Tsingtao unusually quiet for this time of year. Federal Reserve currency issue increasing and gaining in favor locally and along the railway. Prospects for greater circulation improving.

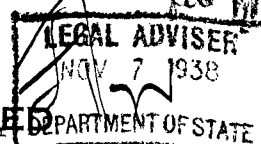
Six. The Japanese are inexorably strengthening their grip on this province. Their gains may be slow and costly but reports during the month indicated that their hold was tightening and that any and all kind of Chinese opposition was weakening and losing ground.

Seven. Repeated to Peiping, mailed to Tokyo and Chungking.

WLC:RR

SOKOBIN

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



JR

TELEGRAM RECEIVED

Hankow via N. R.

FROM Dated November 1, 1938

Rec'd 1:20 p.m.

Secretary of State,
Washington.

34, November 1, 4 p.m.

News from Wuchang so far ~~conservative~~. Estimated

over 100 fires and explosions Wuchang on October 25. Several prominent government buildings however were not destroyed. Considerable looting shops and Chinese houses by Japanese soldiers. Of the 20 American citizens in Wuchang all have been heard from directly except two at Seventh Day Adventists in outskirts Wuchang. Those heard from report themselves and their property safe with the following exceptions: Catholic Mission at Tatikou, Wuchang considerably damaged by Chinese explosion on adjoining property. Headquarters property Christian and Missionary Alliance entered by Japanese soldiers and articles removed. Have made representations to Japanese Consul General. Saint Saviour's church and school property of American Christian Mission reported occupied by Japanese troops, but am waiting for further particulars.

Repeated to Chungking and Paiping.

RR:WWC

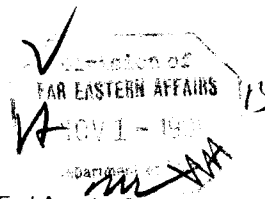
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incomplete



102

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

TELEGRAM RECEIVED

REB

FROM COMSOPAT

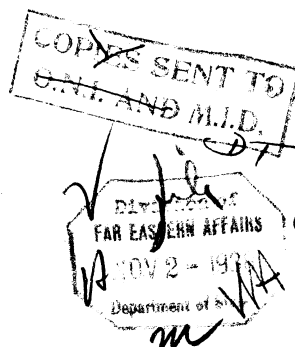
November 1, 1938

Rec'd 8:25 p. m.

ACTION: CINCAF

73.94

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMEMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS MARBLEHEAD
USS JOHN D. FORD
COMDESDIV FIFTEEN
ALUSNA PEIPING



73.94/14266

0001. Canton quiet. Troop movements to north and towards Fatshan Samshui operations against remnant and guerrillas peninsula south of Sheklung air raids delta and towns west river bombing north of Tsungfa. Ten thousand Chinese refugees cared for safety zones with limited rice as Japanese have taken over supplies. H.M.S. ROBIN and convoy anchored off Shiuhing. Canton continues cut off no ships allowed to move. 2330.

NPL

JRL

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

~~1~~

TELEGRAM RECEIVED

JR GPO FROM PLAIN

Peiping via N. R.
Dated November 2, 1938
Rec'd 7:30 a.m.

Secretary of State,
Washington.

Div. *file*
FAR EAST. Aff. *B*
NOV 2 - 1938
Department *m* *WAA*

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Canton's 38, November 1, 4 p.m., has been repeated
to Tokyo. Sent to Chungking.

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793.94/14267

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NOV 8 1938

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102

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

2657-H-439
1002

American Embassy
Office of the Military Attache
Canton, China
September 27, 1938

Subject: Weekly Intelligence Report for September 24.

To: Assistant Chief of Staff, G-2,
War Department,
Washington.

1. Air Raids. Feature of this week, as of last, was the continued attention paid to Kwangsi objectives. Raiding along the Kwangtung railways, and at Wuchow, Kwangsi, was carried out by planes from the Chungshan area; raids on Nanning, Liuchow, and other points in Kwangsi were made by planes from carriers off Pakhoi.

September 18: Li-tung on the Hankow line was bombed by a squadron of 17 planes, 5 of which then proceeded to the Kowloon railway and bombed Namkong, destroying part of the line so that traffic was suspended for 24 hours. Nine planes from Chungshan thoroughly reconnoitered the Tak-hing area on the West River, but no bombing was reported. From Pakhoi, 20 or more planes raided Liuchow in three separate squadrons which bombed the airfield outside the city. Chinese reports of the damage were meager, and Domei reports, which allege extensive damage to hangars and planes on the ground, are entirely untrustworthy, but it appears that three buildings were damaged, no deaths reported. The same day, in an afternoon raid, 39 planes -- the number is probably exaggerated -- raided Nanning. Some 30 bombs were dropped on the south bank of the river opposite the city, 10 more were released over the suburbs, and handbills were dropped in the city proper. Thereafter some of these planes bombed Sai-heung, where the Kwangsi Militia Administration Training School is located, about 7 km. from Nanning.

September 19: Nine planes from Chungshan raided Wuchow where they dropped 20 bombs directed at Kwangsi University, badly damaging three buildings, demolishing the school water tank, and many civilian houses in the vicinity. About 15 more bombs were dropped in other sections of town and across the river. The casualty list was reported at 172. Also from Chungshan, 13 planes bombed the Hankow line at Loktung, Kwantien, Ngan-chaan-au, and Pakong; and 22 planes later scouted over Namkong on the Kowloon line, then went to Yuentan on the Hankow railway where they dropped "many" bombs, thereafter scouting over Tsing-yuen and Fayuen. Some damage was done to the line in these raids and several freight cars and coaches were damaged or destroyed. By night, however, trains were able to run.

On the same day, 12 planes from Pakhoi raided Nanning, where the principal objective seemed to be the site of the military academy which removed months ago to Wuming, 30 km. north. Scores of buildings in the city were demolished, and not less than 200 casualties incurred in the city itself.

During this raid, according to Chinese reports, 2 Japanese planes were winged by AA fire at Nanning, both being forced down only slightly damaged. One was located at once and the two occupants captured. The other was later found just over the Kwangtung border near Hoppo.

September 20: Overcast skies, rain, and low ceiling prevented raiding. One plane made a brief reconnaissance over Sheklung and Namkong.

September 21: Seven planes from Pakhoi raided Yamchow for the first time. Eight or ten bombs caused considerable property damage and many casualties. The same day ten planes raided the Lungchow area, dropping no bombs on the city which was merely reconnoitered, but confining their attack to the main highway from Indo-China, and the railway under construction, both about 30 km. from the city of Lungchow. Damage was not reported, altho the newspapers asserted that railway construction shacks were demolished, etc.

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

September 22: Nine planes from Chungshan raided Kwantien and Ngan-chaan-au and dropped about 20 bombs without much damage. From Pakhoi, 6 planes raided Yamchow where 9 bombs caused very little damage in the outskirts. Later in the day, however, 3 planes machine gunned the town and dropped about 10 bombs which caused 80 casualties, demolished more than 20 buildings. Also from Pak-hoi, 21 planes raided Nanning: 10 bombs dropped in the south part of the city where there were about 60 casualties and considerable damage in a poor district; 10 bombs at Sai-heung damaged the militia school as well as several buildings in the adjacent town; and 10 bombs at Wuming damaged some of the buildings used as temporary barracks for the Kwangsi Branch of the Central Military Academy, and caused other damage in the town. Total casualties at these three places were not less than 150.

September 23: From Chungshan, 13 planes raided the Hankow line and dropped 30 bombs at the railway between Yuentan and Pakong, and 9 bombs at Pakong itself. There was no material damage. Yamchow was also raided by planes from off Pakhoi but details are lacking.

September 24: Because of weather conditions, there was no raiding in Kwangtung or Kwangsi, only one plane making a reconnaissance over the West River.

2. Japanese Naval Activities. Last week's report that the plane carrier Chia Ho had returned to Kwangtung from Formosa is found to have been incorrect. Chinese intelligence now state that this carrier proceeded from Formosa to Yokohama, and that the two plane carriers off Pakhoi are the Jo Kung (), last week erroneously given as (), described as a seaplane carrier of about 7500 tons displacement, carrying 19 planes, with three 3" guns, and three 45 mm AA guns; and the Feng Niao, another seaplane carrier with 17 planes. The latter arrived off Pakhoi September 20, and the next day sent 10 planes out on the first Lungchow raid.

Recent activities: Sept. 16: from 1 ship off Tai-chaan, 2 boats with about 40 marines tried to land near Shekwan, but were driven off. The same day, one light cruiser, one submarine, and 2 converted merchant ships arrived off Hoihow and sent motor boats to attack and destroy unwary fishing craft, whose crews they pitched into the water. September 18, between Hoihow and Pakhoi, a total of 9 Japanese warships was reported. According to a military report September 20, 2 warships were patrolling the south and north harbors at Swatow, 2 more were in the north harbor, 1 off Chilin. During the week, Japanese submarines were reported off Hoihow and in the vicinity of the Paracel Islands. On the 20th, 2 cruisers, 1 destroyer, and several motor boats were reported in Hainan Strait, the crews of the motor boats engaged in putting red flags on the numerous sand bars to mark the channel.

According to vernacular press reports, the Japanese, having consolidated their positions in Namoa, have converted the salt field to use as an airfield. Other activities on the island included construction of a wharf; organization of a bogus government; impressment of all remaining inhabitants as coolies or local guards, etc.

Most attention was focussed on Waichao Island off Pakhoi. According to the best information available, when the Japanese first occupied the island on September 13, two ships put only about 100 marines ashore. On the 17th, however, another ship arrived, and an additional 200 men landed, so that the garrison, according to the Intelligence Section of the 4th Route Army, now consists of upwards of 300. Further information indicates that the island is very rocky and hilly; hence it will be very difficult for the Japanese to construct an air base of any size.

3. Munitions Shipments thru Indo-China. On request of this office, an American foreign service officer who travelled thru Indo-China last month, reports that at Hanoi he interviewed Gen. Gaston Huang, Central

1025

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

Government representative in charge of munitions shipments, and that according to the latter, the situation with regard to such shipments is as follows: Almost no supplies for the central government have gone thru to Yunnan by rail from Haiphong since early spring, tho several shipments have been made to Kunning for local use. Exception was the remainder (some 1400 tons) of the Russian shipment, which was finally released after about four months of negotiation. NO objections are made to shipments via Langson and thru Kwangsi, but the truck convoys available are unable to handle any large volume of munitions. Most shipments are therefore still sent thru Hongkong. Gen. Huang also stated that if and when the Kowloon--Canton--Hankow rail route is out or put out of commission, the best route for importing supplies will be the Burma road, provided it can be put in shape for heavy traffic by that time. The French attitude on shipments by any means or route thru Indo-China is very annoying to the Chinese, and the trouble seems to be, not with the local officials ("who can be induced to cooperate if approached in the right way"), but with the Paris authorities.

(Comment: If the Kwangsi highway route cannot handle a large volume of traffic, it is difficult to see how the Burma road -- a much longer and much more arduous route -- can be relied on for shipment of any great amount of munitions. In this connection, it should perhaps be noted that on the Canton--Hankow railway, one train of 20 thirty-ton cars will carry 600 tons of supplies, which would require a fleet of 120 five-ton trucks; and also that not less than three such trains are usually despatched northward every night. Use of both the Kwangsi and the Burma highways will not by any means take the place of the railway.)

4. Defense Measures. On September 19 a militia instructors' conference was convened in Canton, including Gen. Tsou Hung, chief of staff of the Kwangtung Army Recruiting Headquarters, and about 100 militia instructors. Gen. Yu and Gov. Wu attended the first session. Objects of the conference were to get reports on the progress of militia training throughout the province, and to study ways and means of improving courses and methods. Gen. Yu stated that training, especially in rural districts, has not been very satisfactory. Main reasons, he said, were 1) lack of funds, and consequent shortage of competent instructors; and 2) incomplete or inefficient census-taking in the interior districts, resulting in incomplete registration of able-bodied citizens. These deficiencies, Gen. Yu directed, must be eliminated.

Recent instructions from the National Military Affairs Commission include the following provisions: 1) no bandits are to be enrolled as troops except on specific authorization of the Commission; 2) troops will not commandeer arms which are being used for purposes of self-defense, e. g., in the self-defense corps units; 3) the mass training program must be carried out as expeditiously as possible.

The gist of a press interview with Gen. Huang T'ao, charged with the defense of eastern Kwangtung, with regard to Namoa, was stated as follows: Altho the regular troops and regularly-organized militia have withdrawn, there are still several hundred guerrillas in the hills of the island, whence they issue forth sporadically to harass the Japanese. He added that the occupation of Namoa was not important, the reason for the stubborn resistance being that they wanted to show the Japanese the high military spirit of the Kwangtung troops and people.

In this connection, the three officials of Namoa who were tried as being responsible thru neglect of duty for the fall of the island on June 20, 1938, recently received sentences: the Pao An Tui commander was executed; the magistrate got five years imprisonment; and the police commissioner also received a prison sentence.

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

The Air Defense Bureau of Canton has announced that it will increase the number of loudspeakers installed over the city from 40 to 150 so that the public may be kept informed as to the number and whereabouts of raiding planes during the time a signal is "on". Chances of panic will thus be lessened and people can proceed about their business except when the planes are actually in the vicinity.

5. Miscellaneous. The officers and men of the 4th Route Army recently subscribed one day's pay -- about NC\$20,000 -- to the guerrilla troops of the Northeastern Provinces (Manchuria).

The 18th of September (anniversary of the Japanese occupation of Manchuria) was observed by Canton with 1) a memorial service at 5 a. m., attended by government officials and other prominent people, including Mme. Sun Yat-sen; and 2) in the evening with a torchlight parade and mass meeting of some 200,000 people. The meeting sent telegrams of encouragement and appreciation to Chiang Kai-shek, troops at the front, all war wounded.

Li Yu-k'uan (), chief of the 6th administrative area, and an army officer for long with Gen. Yu Han-mou, was recently appointed Police Commissioner of Canton, vice Li Kit-tse () who was transferred to duty with the Central Military Transportation Bureau. The latter is famous as the first man to condemn Ch'ien Shi-t'ang for non-cooperation in 1936, and to go over to the Central Government.

S/ F. N. Roberts
 F. N. Roberts
 Capt., Inf., D.O.L.
 Asst. Military Attache

002

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6-2

ERFAC

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
OCT 29 1938
DEPARTMENT OF STATE

October 28, 1938

OSD letter. b6

743.92

WAA

- 793.94/14269

- a. Publication of a United States note delivered to the Japanese Government on October 6 protesting the discrimination against American enterprise in China.

- c. Conclusion of a definite phase of the Sino-Japanese hostilities marked by:

- NOV 3 - 1938

- # CHILD

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

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F / FG 269 -

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

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C-2 Digest of Information
Sino-Japanese Situation
October 22-28, 1938

W. H. Hoffman *March 1973*

MISCELLANEOUS

There was released on October 27 the text of a strong note presented by U. S. Ambassador Crew to the Japanese Foreign Office on October 6. The note demanded discontinuance of Japanese practices discriminating against American trade and enterprise in China. No reply has been received and the fact of publication may be regarded as a measure to increase pressure on the Japanese Government. Publication of the note also followed swiftly on President Roosevelt's radio indictment of the use of force in international relations. To date the note has not been published in Japan.

On October 27 the United Brethren Mission at Tungpeh, Honan, some forty miles northwest of Sinyang, was bombed incident to Japanese air attack on that town. One missionary, Mr. Phoeze, was killed and two women wounded. All are Americans. Complete details on the attack are not yet available.

On October 24 the Japanese-controlled customs at Shanghai revoked clearance on the Dollar Line steamship "President Coolidge," claiming that silver bullion valued at more than \$1,000,000, which had been loaded aboard her was the property of the Chinese Government and as such should remain in Shanghai at the disposal of the de facto Japanese supported administration. The Chase National Bank, shipper of the bullion, had asked for and obtained a U. S. Marine guard to protect the loading operation. To avoid delaying the ship, the silver was unloaded. The U. S. Consul General at Shanghai protested to the maritime customs against the revocation of clearance which had been already granted for the bullion. The exact ownership of the silver has not yet been determined.

On October 24 the British gunboat "Sandpiper," stationed at Changsha, was bombed by six heavy Japanese bombers. While no direct hits were scored and no casualties were reported, considerable damage was done to the ship's superstructure. British naval authorities regarded the bombing as intentional and a vigorous protest on this basis was made to the Japanese Foreign Office by the British Ambassador to Japan. The Japanese have deplored the attack and have promised to investigate the attendant circumstances with a view to determining intent.

Related word has come that on October 19 the Standard Oil steamer Wei Sin and the company's loading pontoons at Changsha were machine gunned by Japanese aviation. There were no casualties.

On October 24 it was announced at Geneva that Japan would not be represented at the sessions of the League of Nation's Mandates Commission which opened on that date to hear reports on mandated territories.

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Subsequent to her withdrawal from the League, Japan had continued to report on the mandates she holds for the Marshall, Caroline and Marianne Islands. Pending before the commission was a Chinese inquiry as to the extension of the Japanese mobilisation act to mandated territories.

Press dispatches of October 27 mentioned Kenzo Sawada as Japan's new vice minister for foreign affairs. Sawada is a career diplomat who comes to his new post from Peiping, where he was adviser on foreign affairs to the Japanese forces in North China. The post of minister for foreign affairs continues vacant.

NORTH CHINA FRONT

No operations of importance have been reported in the past week. The Japanese have engaged in punitive combat against guerrillas in the Miyun region, northeast of Peiping. Reports from a number of independent sources indicate a slackening of the intensity of guerrilla operations in the provinces of Hopei, Shantung and northern Honan. These areas are those longest dominated by the Japanese forces in China proper.

YANGTZE FRONT

The week's operations on this front have comprised abandonment by the Chinese of defense of the Wuhan area and their successful withdrawal to the northwest and southwest.

Hankow was occupied by the Japanese on October 26. The first forces to enter the city apparently belonged to the column which had been proceeding along the north bank of the Yangtze river and which detoured to the north of the many ponds and lakes along the river, out the Ping-Han railway and proceeded down it to Hankow. Their arrival practically coincided with that of the advance elements of the south bank column, which with naval support came directly along the river. Chinese resistance to these forces was much weaker than had been the case previously and perhaps may have been limited to delaying action.

To the north, the Japanese force endeavoring to advance down the Ping-Han line from Sinyang was successfully being held at the passes crossing the mountains on the Hupeh-Honan border pending the Chinese withdrawal.

To the northeast, the Japanese column operating along the axis Shawo-Bacheng has followed up the Chinese general withdrawal but apparently has not been able to fix any considerable portion of the Chinese forces on their front.

South of the Yangtze the Japanese thrust up the Fu river valley and across the mountains which border the Canton-Hankow railway

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made considerable progress. It was unquestionably this threat which induced the Chinese decision to withdraw. While the Japanese advance claims to the contrary, it is not believed that their drive has succeeded to date in obstructing the long corridor between the front and the Yangtze-Tungting Lake water line.

The Japanese have continued pressure on the Iolan front without making material progress.

The Chinese main forces are believed to have withdrawn practically intact. Those north of the Yangtze are reconcentrating in the Han river valley, with headquarters reported to be at Hsiang Yang on that river. Those south of the Yangtze face a more difficult problem as they must move across the victorious enemy's front. If successful, they will probably restabilize their defense along the general line Wanchang-Tungting Lake.

The Japanese are engaged in mopping up and consolidating their hold on the Wu-Han area. They have given as yet no indication of their future intentions.

The fall of Hankow occurred without personal injury to foreigners. To date there have been no excesses there by Japanese troops, who are holding the cities of Hankow, Hanyang and Wuchang with light forces. Prior to evacuation the Chinese are said to have removed 50 per cent of the industrial plant there. During the evacuation extensive demolitions of military, commercial and industrial facilities were executed and extensive incendiarism instituted, notably in the Japanese concession.

CANTON FRONT

Canton was entered by approximately one company of Japanese tanks and a motorized infantry regiment at 2:30 P.M., October 21. So small was this force that its presence in the city remained unverified for some hours. They had advanced well to the north, cut the Canton-Hankow railway and entered the city from that direction, meeting no effective opposition.

The main body of the Japanese forces ashore concentrated near Tsenghsing, ten miles north of Sheklung, sent a few reinforcements into Canton and advanced to the northwest, apparently on Pakonghow, where they cut the Canton-Hankow railway and communications on the North river simultaneously.

Upon the fall of Canton, the coastal fortifications at the Boca Tigris were abandoned by the Chinese and were seized by the Japanese. A large convoy of Japanese naval and merchant vessels is reported as slowly moving up the Pearl river, sweeping for mines as it goes, with Whampoa and Canton as its apparent destination.

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The Chinese withdrew to the north up the Canton-Hankow railroad and to the west along the West river. There is no evidence of any close contact between the opposing ground forces in the operations to date. The Japanese claim their casualties for the campaign total less than two hundred.

Prior to evacuating Canton, the Chinese executed some demolitions and set extensive fires which burnt large portions of the city. The Japanese are reported as trying to control the fires but as not being present in sufficient strength to do effective work. No foreign casualties occurred and no Japanese excesses are recorded.

The ineffectiveness of Chinese resistance around Canton has aroused extensive rumors of treachery, chiefly directed against Yu Han-mou, commanding the defense. There has not been to date and there may never be confirmation of these rumors, but it is certain that the collapse of the Chinese defense of Canton can only be ascribed to treachery or to monumental inefficiency. It is possible that the Chinese high command may have equated the integrity of its armies in the Canton area against the value of the vulnerable territory involved and decided to give up ground in exchange for time; but there still is no excuse for their failure to have exacted from the Japanese an adequate price in blood and munitions expenditure for their landing and advance.

COMMENT

The capture of the Canton and Wuhan areas marks a distinct phase in the course of Sino-Japanese hostilities. China has sustained a body blow and Japan is presented with her first opportunity to halt and consolidate her gains since the fall of Nanking last winter.

The effect on China's will to continue the struggle is not completely apparent now and probably will not be susceptible to analysis for a term of days or weeks. This much, however, is clear. The fall of Hankow has been effectually discounted in Chinese official and public opinion; that of Canton probably has not. The loss of Canton has cut the main channel of Chinese munitions supply from overseas. Minor embarrassments caused by shortages of critical items may be expected to develop almost at once. Serious major shortages should appear in a few months. Large bodies of Chinese troops, perhaps totaling more than a million, remain intact. The primitive degree of Chinese military and socio-economic organization permits their armies and their people successfully to sustain shocks which would cripple a high-strung western nation. It is the fabric of their Government which is exposed to the greatest immediate strain. Indications of the moment point to a continuance of Chinese resistance under the leadership of Chiang Kai-shek. However, as already stated, the full effect of the blow is still to be felt and at the very least should result in some reorganization of the Chinese Government and probably in an increase of the influence of its radical element.

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If the Japanese were Occidentals there could be no doubt that at this point they would halt, reorganize and consolidate their gains. In itself this is a task sufficient to tax their entire military strength now on Chinese soil. But the Japanese are Orientals, not men of the West, and it is impossible to gauge the degree of provocation which a hostile Chinese government in being may present to them, or to determine the degree of control which their statesmen may be able to maintain over the victory-flushed armies. A Chinese governmental collapse would unquestionably halt their course; but if surrender does not materialize the temptation to continue the advance may prove irresistible. There can be no doubt that they are prepared to go forward if the word is given. In the Wuhan and Canton areas their dispositions are equally adapted for advance or consolidation. The Japanese people have been steelled to further military effort if necessary. The economic, financial and social strain of the war have been borne successfully to date.

If and when hostilities are continued, the obvious Japanese objective is the seizure of the entire length of the Canton-Hankow railway, that is the valleys of the Hsiang and North rivers, thus dividing Southeast and Southwest China. The Chinese will then be committed to the defense of four separate and semi-detached theatres of operations, with roughly parallel lines of communication. From north to south these are:

- a. The Honan-Shansi-Shensi theatre with communications Russia-Lanchow-Hsian.
- b. The Szechwan theatre with communications Chungking-Ichang.
- c. The Kweichow-Hunan theatre with communications Indo China-Kweilin-Hengyang.
- d. The Kwangtung-Kwangsi theatre with communications Indo China-West River.

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

TELEGRAM RECEIVED

JR

USS MONOCACY

November 2, 1938

FROM

Rec'd 3:18

COPIES SENT TO
CINCLANTFLT

FAR EASTERN AFFAIRS

NOV 3 - 1938

Department of State

ACTION: COMYANGPAT

PASSED TO CINCAF BY COMYANGPAT PASSED TO OPNAVY BY CINCAF

793.94

1001. Week ending last midnight all activities reduced except for shipments upriver arrived few troops in twenty-eight steamers departed down river fifteen of latter period three minesweepers three torpedo boats two mine layers one destroyer and one mine laying cruiser passed through en route upriver at daylight today Okinoshima with flag left upriver. Lieutenant Commander Kanoe on staff and not Takata has been liaison officer here. 1520.

WTC

793.94/14270

F/FG

1034

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

5196

TELEGRAM RECEIVED

JR DIVISION OF FOREIGN
SERVICE ADMINISTRATION
GPO

NOV 3 - 1938

DEPARTMENT OF STATE

Secretary of State,
Washington.

GRAY

FROM Canton via N. R.

Dated November 2, 1938

Rec'd 1:38 p.m.

39, November 2, 4 p.m.

793.94
not
793.811

In an interview with press representatives yesterday the Japanese Consul General is reported to have said that the situation with regard to the Pearl River would be the same as that on the Yangtze; no foreign vessels would be permitted to proceed to or from Hong Kong for a number of weeks but Japanese vessels would soon bring in cargoes of foodstuffs and supplies. When foreigners did go out to Hong Kong they would probably not (repeat not) be permitted to return. He added that the Japanese would not hinder the establishment of a local government by the Chinese but would prefer that the status quo (with the Japanese military in power) should continue for the present.

There have been movements of Japanese troops the past two days northward, of the Canton-Hankow Railroad and south toward Samshui. Apparently defenses against guerrilla attacks are being constructed all around Canton and sandbag defenses are placed in the streets at the posts

FOR EASTERN AFFAIRS

NOV 3 - 1938

Department of State

793.94/14271

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

5197

-2- #39, November 2, 4 p.m., from Canton.

posts occupied by guard units.

Please inform Mrs. C. J. Armentrout, Warrensburg,
Missouri her daughter Lois is well and safe. Repeated
to Chungking, Peiping, Hong Kong.

LINNELL

CSB

*file sent
11/3/78*

1034

DECLASSIFIED: E.O. 11652, 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

MG

GRAY

FROM Peiping via N.R.

Dated November 2, 1938.

Rec'd 3:18 p.m.

Secretary of State,
Washington.

654, November 2, 3 p.m.

Embassy's 614 October 27, noon.

One. Although comprehensive accurate information is lacking, reports received here indicate that guerrilla activities in North China have been continued during last few weeks much as before, with no apparent general increase and in eastern Shantung with some decrease in operations.

Two. Minor skirmishes in the Peiping area have continued to occur from time to time west and south of this city; the Pinghan railway south of Paotingfu has suffered repeated attacks; the guerrillas in South Hopei have reportedly effected a general movement northward; those in East Hopei have remained for the most part away from the railway and the Japanese claim to have completed in that area a mopping up campaign, but it is believed that most of the guerrilla units which they have attacked succeeded in withdrawing and were not annihilated. The Peiping

Mukden

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

✓
FAR EASTERN AFFAIRS
NOV 3 - 1938
Department of State

743.94

795.94/14272

F/FG

703

DECLASSIFIED: E.O. 11652, 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- #654 from Peiping, November 2, 3 p.m.

Mukden line has been comparatively free from disturbance since October 10.

Three. In Chahar the Pingsui line has been attacked and interrupted several times and a battle of some size between Japanese and irregulars was recently reported as going on north of Nankow.

Four. Tsingtao reports an improvement along the Kaotsi and Tsinfu railways in Shantung and cites an American missionary traveller who visited Tsinfu, Tenghsien, Tsining and Yihsien as finding improvement in business at Tsining, lessening of the hostile attitude of the population toward Japanese, better treatment of the people by Japanese and a resultant growing popular confidence which was encouraging the people to return to their normal activities. On the Tsinfu line in Hopei, however, travel has continued to be hazardous. An entire passenger train was destroyed by guerrillas on October 9, and all trains on that line have since been guarded by armored diesel motor cars.

Five. Repeated to Chungking, by mail to Tokyo, Shanghai.

LOCKHART

CSB

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

DOCUMENT FILE

NOTE

SEE 846g.00/35 FOR Telegram #36, 9 a.m.

FROM Hong Kong (Southard) DATED Nov. 1, 1988
 TO NAME 1-1127 ***

Sino-Japanese relations.

REGARDING:

Developments and events in Hong Kong relative to
 situation with reference to Sino-Japanese hostilities:
 Report for month of October, includes Japanese invasion
 of South China at Bias Bay culminating in occupation
 of Canton.

aa

793.94/14273

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

FE

JR

GRAY

Hong Kong via N. R.

Dated November 1, 1938

Rec'd 7:30 a.m.

Secretary of State,
Washington.

36, November 1, 9 a.m.

The Department has instructed this office to send you monthly a brief telegraphic summary of developments and events at or near Hong Kong which have relation to China. The following is our summary for October.

One. Promulgation of Hong Kong emergency regulations to prepare for efficient handling of refugees expected from China and to control prices in the event of a food shortage. Neither the influx of refugees nor the food shortage has importantly materialized.

Two. Severance of rail, road and river traffic between Hong Kong and Canton caused by Japanese invasion and resulting in cessation of the considerable flow of Chinese imports and exports through this colony with particular reference to the transshipment of war materials for the Chinese Government.

Three.

Note
793.94

8469.00/35

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

-2- #36, November 1, 9 a.m., from Hong Kong via N. R.

Three. Routine visit of British Ambassador of
China from Shanghai who left on October 23rd for
Chungking via Haiphong.

Four. Japanese invasion of South China at Bias
Bay beginning October 12th and culminating in occupation
of Canton on October 22nd. Copies of our several
telegraphic reports to the Department on this invasion
have been repeated to Peiping for the information of the
Embassy and I assume no further comment on it is
required.

Sent to Peiping.

SOUTHARD

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

apo

FROM

JR

COMSOPAT

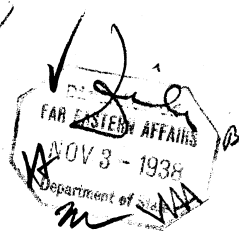
November 3, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS JO FORD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

793.9d



793.94/14274

0002. No material change Canton city quiet
H.M.S. ROBIN and CONVOY proceeding to vicinity
Howlick below Ling Yang gorge H.M.S. CICALA en route
Kongmoon. 2315.

DDM

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

FROM

JR

COPY SENT TO
 C.S. AND M.I.D.

✓ *File*
 FAR EASTERN AFFAIRS
 NOV 3 - 1938
 Department of State
m

COMYANGPAT

November 3, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF

INFO: OPNAV

793.94

0002. In Okinoshima Vice Admiral Oikawa arrived
 we sent boarding officer who was informed that since
 Japanese Cino staying only two or three days desired
 dispense with exchange of calls until next meeting.
 Many Jap civilians including number of exHankow
 business men arriving authorities claim all are
 working for military. 2230.

DDM

793.94/14275

NOV 3 1938
 RECD

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

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

TELEGRAM RECEIVED

5198

NOV 7 1938
DEPARTMENT OF STATE

FROM

~~FE~~
FA
B
DIVISION OF
EASTERN AFFAIRS
NOV 3 - 1938
Department of State
m

JR

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

PLAIN

Canton via N. R.

Dated November 3, 1938

Rec'd 7:30 a.m.

Secretary of State,
Washington.

793.9d
note
293.1115

40, November 3, 9 a.m.

Reference is made to my 37 of October 31, 5 p.m.,

14257

and preceding telegrams on the same subject the British
Consul General informs me that the ROBIN is now at
Howlik with Mrs. H. E. Boyle and son American citizens
and certain British subjects on board.

The Japanese authorities at Canton last evening
again stated that the vessel would be stopped if she
attempted to pass Samshui. The CIOCALA (see my 34,
October 13, 4 p.m.) has now proceeded from Canton to
Kongmoon and arrived there without incident.

Repeated to Chungking, Peiping and Hong Kong.

LINNELL

DDM

NOV 8 1938
FILED

793.94/14276

F/FG

0044

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

PREPARING OFFICE
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Collect

Charge Department
 OR

Charge to
 \$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Al

Washington,

November 2, 1938.

AMEMBASSY,

TOKYO (Japan), VIA SHANGHAI. NAVAL RADIO.

INFO: AMEMBASSY, CHUNGKING (China).

373 CONFIDENTIAL.

This cable was sent in confidential Code.
 It should be carefully paraphrased before
 being communicated to anyone. A-1

One. The Department believes that the time has come for this Government to take up with the Japanese Government the whole broad question of freedom of navigation on the Yangtze River. This question, in so far as navigation on the lower Yangtze is concerned, was referred to in your note of October 6 to the Japanese Government on the subject of the Open Door. Japanese armed forces have now advanced up the Yangtze River to Hankow and there are no longer major hostilities on the river or along the banks of the river below Hankow. Japanese ships in large numbers have proceeded up the river to Hankow and there were present at Hankow on October 31 according to this Government's information two mine layers, three gunboats, three torpedo boats, two mine sweepers, two auxiliaries, twenty-three transports, twelve tugs, two tankers, twenty supply ships, one hospital ship and approximately six hundred small craft. Moreover, Japanese armed forces, following their arrival at Hankow,

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1482 U. S. GOVERNMENT PRINTING OFFICE

793.94/14276A

F/FG

793.94
 note
 893.811
 394.115

CC
 100.811

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

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 PARTAIR
 PLAIN

- 2 -

Washington,

have had ample time in which to systematize the movement of Japanese national vessels on the river.

While active hostilities were taking place on sections of the Yangtze River below Hankow, we refrained from exercising our right to freedom of navigation on the river. We now consider that it is only reasonable that the Japanese Government should no longer place obstacles in the way of the exercise of this American right. The Yangtze River is the main artery of communication in central China. It is a highly important channel for the movement of persons, goods, and vessels. It is a river of width sufficient to take care of the traffic needs of all concerned. Under present circumstances this Government perceives no reasonable basis in support of restriction by the Japanese Government of the free use of this river.

Two. The Department desires that you take this matter up vigorously and in person at the earliest opportune moment with the Minister for Foreign Affairs along the general lines indicated above. The question whether your presentation should be by formal note or orally is left to your discretion. If the presentation is oral, please leave

Enciphered by

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

0046

DECLASSIFIED: E.O. 11652, 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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OR
Charge to
\$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

- 3 - Washington,

with the Minister for Foreign Affairs an informal memorandum
as record of what you say. This Government will not be
satisfied with a reply of an indefinite character and you
should press for a favorable reply which will include the
naming of ^{27 early} ~~late~~ date after which the Japanese Government will
place no obstacles in the way of freedom of navigation on
the Yangtze River below Hankow.

Three. The Department is informing the British
and French Governments through our Embassies in London and
in Paris of the approach which you have been instructed to
make. The Department suggests that in your discretion you
withhold your approach for a few days to ascertain whether
your British and French colleagues receive instructions to
make similar but separate representations.

Shanghai please inform the Commander-in-Chief.

Handwritten signature

FE:MMH:REK
Enciphered by _____
Sent by operator _____ M., _____, 19____
D. C. R.—No. 50
1-1462 U. S. GOVERNMENT PRINTING OFFICE

Handwritten notes:
VAA
FE
7.7.4.
GE
W
H

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

November 3, 1938.

To: Admiral Leahy.

From: Mr. Hamilton.

SCR
 file
 MMH

MMH:EJL

793.94/14276a

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

Confidential

P A R A P H R A S E

A confidential telegram of November 2, 1938, to the American Embassy at Tokyo reads substantially as follows:

(The substance of this telegram is to be communicated to the Commander in Chief by the American Consul General in Shanghai.)

The question of freedom of navigation on the lower Yangtze River was mentioned in your Open Door note to the Japanese Government of October 6. Believing that the moment has arrived for the American Government to raise the broad entire question of Yangtze River freedom of navigation with the Government of Japan, the Department wishes you personally to take up this matter in a vigorous manner with the Foreign Minister at the earliest opportunity. It is suggested that in your discretion you postpone this action for a few days to find out whether or not the French and British Ambassadors in Tokyo are instructed to make separate approaches along similar lines. This suggestion is made in view of the fact that the French and British Governments are being notified through our appropriate diplomatic missions of these instructions to you. Your presentation may be oral or by formal note in your discretion but if you decide on the former an informal memorandum to serve as a record of your remarks should be left with the Foreign Minister. You should press for a reply of a favorable nature which should include

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

- 2 -

include the setting of an early date subsequent to which the Government of Japan will not impede free navigation of the Yangtze from Hankow to its mouth. The American Government will not be satisfied with an indefinite reply.

Your approach should be along the following general lines: Armed forces of Japan having now moved up the river to Hankow there remains no large-scale fighting on or along the banks of the river below Hankow. These forces have had ample time since arriving at Hankow to systematize movements on the river of national ships of Japan. Large numbers of Japanese vessels have gone upriver to Hankow. According to information in possession of the American Government there were there on October 31 about 600 small craft, 2 auxiliaries, 2 tankers, 2 mine layers, 2 mine sweepers, 3 torpedo boats, 3 gunboats, 1 hospital ship, 12 tugs, 20 supply ships and 23 transports.

Inasmuch as we did not exercise our right to navigate the river freely during the period of active hostilities we now regard it as only reasonable that the Government of Japan should from now on stop impeding the exercise of this American right and we can see no reasonable basis for the restriction by the Government of Japan of free navigation of the Yangtze River.

The Yangtze is a very important channel for the movement of vessels, goods and persons, is Central China's principal

DECLASSIFIED: E.O. 11652, 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-

principal communication artery, and it is wide enough
to provide for the traffic needs of all concerned.

FE:JJP:JPS
11-3

FE
Milton

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

PREPARING OFFICE
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Charge to
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
☒ CONFIDENTIAL CODE
☐ NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Washington,

November 2, 1938.
3pm AI

AMEMBASSY,

PARIS (France).

RUSH. *828*
 Confidential. ✓

The Department is today telegraphing our Embassy at Tokyo as follows:

QUOTE (Telegraph Section: Please insert here the complete text of the attached telegram to Tokyo.) UNQUOTE.

Please take this matter up ^{*promptly*} ~~urgently~~ with the Foreign Office, informing it orally of the general nature of the instructions sent to Ambassador Grew, and state that the Department wishes to afford the Government to which you are accredited an opportunity to send, should it so desire, similar instructions to its Ambassador at Tokyo.

Hull
(7/7/4)

FE:MMH:REK

FE

Enciphered by _____

Sent by operator _____ M., _____, 19____

793.94/14276B

F/FG

0052

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

PREPARING OFFICE
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 OR
 Charge to
 \$

TELEGRAM SENT

5199

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PARTIAL
 PLAIN

Department of State

Washington, 2
 November 2, 1938. *Arad*
3 pm

AMEMBASSY,

LONDON (England).

RUSH. 672

Confidential.

The Department is today telegraphing our Embassy at

Tokyo as follows:

QUOTE (Telegraph Section: Please insert here the complete text of the attached telegram to Tokyo.) UNQUOTE.

Please take this matter up ^{promptly} with the Foreign Office, informing it orally of the general nature of the instructions sent to Ambassador Grew, and state that the Department wishes to afford the Government to which you are accredited an opportunity to send, should it so desire, similar instructions to its Ambassador at Tokyo.

STRICTLY CONFIDENTIAL. Please state also that, should the British Government decide to issue such instructions and should the Japanese reply be unfavorable and indicative of an unreasonable attitude on the part of the Japanese Government, we would appreciate being informed of such further measures as the British Government believes it would be useful and practicable to take in the matter.

The Department has sent the same telegram to Paris, omitting the concluding strictly confidential paragraph.
 Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.-No. 50

FE:ATH:REK

1-1462 U. S. GOVERNMENT PRINTING OFFICE
 WAA
 FE
 2/2/4

793.94/14276C)

F/FG

This cable was sent in confidential Code.
 It should be carefully paraphrased before being communicated to anyone. *G+C*

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

TELEGRAM RECEIVED

EDA
 DIVISION OF FOREIGN
 SERVICE ADMINISTRATION

NOV 4 1938

DEPARTMENT OF STATE

Secretary of State
 Washington

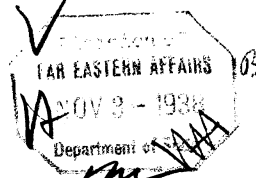
41, November 3, 10 a.m.

PLAIN AND GRAY

CANTON VIA N.R.

Dated November 3, 1938

Received 3:15 a.m.



I have received word from Linhsien, Kwangtung, that the Bradshaws and Fusons are safe and well. Shanghai and Hong Kong please inform Presbyterian Mission. I have also received a telegram from Governor Wu Te Chen which has been translated as follows:

"Following the occupation by Japanese troops of Canton this Provincial Government has telegraphically obtained from the Nationalist Government permission to transfer government office to Linhsien in Kwangtung to continue exercising its authority. Unless it is signed by me before promulgation, any order concerning administrative matters or any illegal organizations in territories occupied by enemy troops as well as any activities of such organizations will be considered null and void in the future by the Kwangtung Provincial Government.

Accordingly, I have the honor, et cetera.

Signed Wu Te Chen, Chairman of the Kwangtung Provincial Government."

Repeated to Chungking, Peiping, Shanghai, Hong Kong.

EDA:DDM

LINNELL

793.94/14277

F/FG

193.94
 893.01
 393.1115

705
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5200

TELEGRAM RECEIVED

EDA
This telegram must be
closely paraphrased
before being communi-
cated to anyone (A)

FROM

PARIS

Dated November 3, 1938

Received 9:22 a.m.

Secretary of State

Washington

RUSH.

1856, November 3, noon.

CONFIDENTIAL.

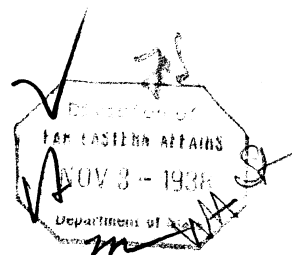
Your 828, November 2, 3 p.m.

I have just discussed this question with Hoppenot
Chief of the Far Eastern Division at the Foreign Office.
He stated that he was glad that we were taking this
matter up with the Japanese Government and was also glad
that we were informing the French Government in advance
in order that they might have an opportunity to take
similar action.

The French have only two or three ships on the Yangtze
but these have encountered all manner of obstacles from the
Japanese. Hoppenot stated that the Foreign Office will
cable instructions today to the French Ambassador at
Tokyo to consult with his American and British colleagues
and to take similar but separate action. Repeated to
London.

WILSON

DD:EDA



005

DECLASSIFIED: E.O. 11652, 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

Department of State

This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone. "A"

Washington,

TO BE TRANSMITTED
✓ CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTIAL
PLAIN
NAVAL RADIO
"A"

November 3, 1938
6 PM

AMEMBASSY,

TOKYO (JAPAN) VIA SHANGHAI + N.R.

~~SECRET~~ INFO ~~SECRET~~ AMEMBASSY, CHUNGKING (CHINA)

376
CONFIDENTIAL

~~SECRET~~ /14276a

Department's 373, November 2, 4 p.m.

With reference to the last paragraph of the Department's telegram under reference London has telegraphed that Cadogan has expressed pleasure over our interest in this question and has stated that it was almost certain that the British Government would desire to instruct Craigie to make similar but separate representations and that he thought he could let us know the Foreign Office's decision by November 4, and he expressed the hope that you would meanwhile hold your hand.

Paris reports that Hoppenot said he was glad that we were taking up this matter with the Japanese Government and were affording the French Government an opportunity to take similar action. He also said the Foreign Office will cable instructions today to the French Ambassador at Tokyo to consult with his American and British colleagues and to take similar but separate action.

Repeated to Chungking
FE:JWB:JPS

FE
m m H.

Hull
SKT

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

793.94/14278A

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

*Sham to Major
 Betts 7/11/10.*

TELEGRAM RECEIVED

FE

EDA

A portion of this tele-
 gram must be closely
 paraphrased before being **FROM**
 communicated to anyone (Br)

HANKOW VIA N.R.

Dated November 1, 1938

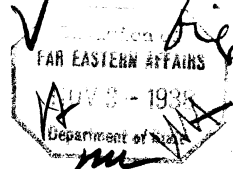
Received 8:05 p.m. 2nd

Secretary of State

Washington

November 1, 3 p.m. (PLAIN).

October resume.



793.94

One. American lives and properties affected by hos-
 tilities subject of my October 13, 11 a.m., October 17,
 10 a.m., October 26, 11 a.m., October 28, 10 a.m., October
 30, 6 p.m. American naval landing force cooperation with
 British in guarding gates leading into ex-Russian con-
 cession October 25 and 26. SEE also No. 30, October 29,
 3 p.m. Reaction to Under Secretary speech October 7,
 11 a.m.

Two. The Japanese claim to have occupied Sinyang
 on October 12, Ocheng 22, Macheng 25, Seining 27, Tehan
 28. Wuhan cities were entered by Japanese army and navy
 landing forces October 26. No Chinese resistance was
 offered. (END PLAIN).

Three. Not before about the 20th of the month was
 it evident that the Chinese did not plan to offer deter-
 mined resistance to the Japanese advance on Wuhan. The
 Canton debacle shook but did not break morale here.

The

793.94/14279

F/FG

NOV 3 1938

7057

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

EDA - 2 - November 1, 3 p.m. from Hankow

The Chinese withdrawal from the defense of this center was expertly executed. The official reason for this retreat is set forth in my No. 12, October 25, 2 p.m. The Sianning sector held until most if not all of the south bank defense had successfully pivoted around it to the west and south. So far as can be learned forces north of the Yangtze either did not make so successful a withdrawal or in accordance with a likely new plan of campaign several divisions have designedly remained behind the Japanese lines in the Tapien mountains to conduct mobile warfare (see also my telegram No. 1, October 22, 2 p.m., paragraph five). The main Chinese forces remain intact, are resisting further Japanese advances and will continue fighting. Their greatest handicap is a limited future supply of war materials. Activities of air forces much the same as in September the Japanese keeping up a constant bombing of Chinese troop concentrations and military objectives including the Canton-Hankow Railway terminal at Wuchang while the Chinese air force was almost totally inactive. Further comment on military situation (GRAY) in my October 14, 2 p.m., last paragraph, October 20, 3 p.m.; Numbers 1, October 22, 2 p.m.; 2, October 22, 5 p.m., military situation; October 24, 10 a.m., 9, October 24, 8 p.m., 10, October 25, 9 a.m. (END GRAY).

Four.

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

EDA 0 3 0 November 1, 3 p.m. from Hankow

Four. No evidence of increased Russian assistance or influence excepting in Sinkiang. My October 15, 11 a.m.

(GRAY) Five. The United front is more consolidated now than before. My October 9, noon. The second National People's Political Council was convened on October 28 at Chungking and upheld continued resistance to Japanese invasion. October 10 was celebrated in Hankow with an impressive massing along certain streets of about 60,000 people representing various occupations reviewed with characteristic personal courage by General and Madame Chiang Kai Shek in an open automobile (END GRAY).

Six. Dynamiting and fire caused by ^{Chinese agents} ~~agents~~ on the afternoon and night of October 1, destroyed most of the Japanese concession, parts of the Chinese city and a few Chinese utility and industrial establishments. The British naval authorities removed dynamite not only from Japanese buildings within the former British and Russian concessions but also from structures in adjoining territory which was not included in the "notified area". No looting by retreating Chinese soldiers has been reported. Further comment on municipal developments (GRAY) in my numbers 3, October 23, 5 p.m., 7, October 24, 4 p.m., October 25, 10 a.m., 16, October 26, 9 a.m., 21, October 27, 10 a.m., 27, October 27, 7 p.m., 28, October 28, 9 p.m., 30, October 29, 3 p.m.,
 October

1051
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

EDA - 4 - November 1, 3 p.m. from Hankow

October 31, 5 p.m., October 30, 6 p.m.

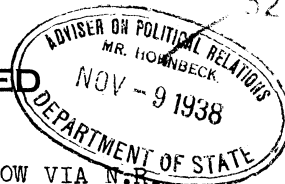
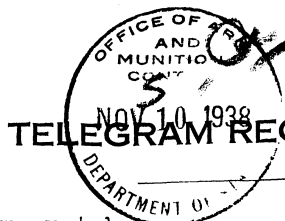
SEVEN. Legislative Yuan published October 6 graduated inheritance tax beginning at one percent on inheritance five thousand yuan in value to fifty percent on more than ten million yuan. See also my 5, October 24, 6 p.m.

Sent to Peiping, Chungking.

JOSSELYN

KLP:CSB .

7061
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



EDA

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

FROM

HANKOW VIA N.R.

Dated November 2, 1938

Received 3:15 a.m. 3rd

Secretary of State

Washington

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

Ch
Division of
FAR EASTERN AFFAIRS
NOV 3 - 1938
file
Department of State

35, November 2, 2 p.m.

193.94

Conversations before the capture of Wuhan with sources close to General Chiang Kai Shek have left the strong impression that the Generalissimo genuinely believes that he is fighting not only in defense of China but also on behalf of the democracies the vital interests of which, he feels, will be affected by the expansion and overweening ambitions of Japanese militarism. He is said to appreciate the unwillingness of the democratic powers to take military measures to check the expansion of Japanese militarism but is bitterly disappointed in these states because of their continued supply of war materials to Japan, which action he views as hostile not only to China's resistance but also as directly contrary to the national interests of the democratic powers themselves.

Before the fall of Hankow and Canton competent foreign observers here viewed China's resistance to Japan as primarily a defense of Chinese sovereignty. They now feel

793.94/14280

F/FG

106

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

5202

EDA - 2 - #35, November 2, 2 p.m. from Hankow

feel that China is unmistakably fighting not only her own battle but, perforce, also that of the democracies. It is believed that the stage may soon be reached where the Japanese military may be able to convert the organizations of China now conquered into an economic base for avowed further expansion. It is questioned whether Chinese resistance, which will continue but in a weakened form, will be sufficiently effective to prevent Japanese militarism from exploiting at least those resources necessary for the aggrandizement of its military power.

Economic restraints on Japan exerted by the United States and Great Britain, these sources believe, can still check Japanese militarism before it consolidates its position in China and launches further adventures more closely affecting the democratic powers. It is suggested that once Japanese militarism has begun to draw strength from China's resources the democracies may no longer, if confronted with Japanese action jeopardizing their vital interests, be able to choose the comfortable alternative of effective persuasion through economic pressure.

Repeated to Chungking, Peiping, Shanghai.

JOSSELYN

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

Confidential

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 35) of November 2, 1938, from the American Consul General at Hankow reads substantially as follows:

Prior to the capture of Canton and Hankow by the Japanese, competent foreign observers in Hankow considered that in resisting Japan the Chinese were in the first place defending their own sovereignty. Now these observers feel that beyond doubt the Chinese are of necessity fighting the battle of the democracies as well as their own battle. The strong impression that General Chiang Kai-shek truly believes that he is battling for the democracies as well as for the Chinese was gained before the capture of Wuhan in conversations with persons close to Chiang who feels that the vital interests of the democracies will be influenced by the Japanese military's overweening ambitions and expansion. It is understood that Chiang considers the action of the democracies in continuing to supply war materials to the Japanese as exactly contrary to the national interests of the democracies themselves and as inimical to Chinese resistance and he is thereby bitterly disappointed in the democracies although he understands their unwillingness to take military steps to stop the extension of Japanese militarism.

Competent foreign observers in Hankow feel that the time may come soon when the Japanese military may be able, for the purpose of declared further expansion, to turn the already

793.94/14280

DECLASSIFIED: E.O. 11652, 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

-2-

already conquered Chinese organizations into an economic base and, although Chinese will continue a weakened resistance, it is doubtful whether this resistance will be adequate to keep the Japanese military from utilizing at least such resources as enlargement of their military power requires. It is suggested that when Japanese militarism has once begun to obtain strength from the resources of China the democratic powers may be able no longer to make the comfortable choice of effective persuasion by means of economic pressure if faced with action by Japan endangering their vital interests. These observers are of the opinion that before Japanese militarism strengthens its position in China and begins further action affecting the democracies more closely it can still be checked by economic restraints exerted by Great Britain and the United States on Japan.

793.94/14280.

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

5194

TELEGRAM RECEIVED

JR

GPO

FROM

GRAY & PLAIN

Canton via N. R.

Dated November 1, 1938

Rec'd 1:20 p.m.

Secretary of State,
Washington.

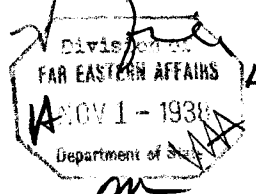
38, November 1, 4 p.m.

Mr. Okazaki, Japanese Consul General, has arrived and opened his office in the French concession. The Japanese military have today seized the customs cruisers moored off Shameen.

Representatives of the Japanese Gendarmerie called on me today and received a map and description of the American properties and places in Canton where Americans are living. They promised to see that these are protected.

It has not been possible up to the present to make any arrangements for the movement of vessels, passengers or mail to or from Hong Kong and it is believed this matter will have to be dealt with by higher authorities than those now at Canton. Certain American official movements are awaiting opportunity, e. g. ten American naval enlisted men are in Hong Kong waiting passage to Canton and six on the MINDANAO

are



793.94/14264

RECEIVED

NOV 8 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

5195

-2- #38, November 1, 4 p.m., from Canton via N. R.

are to be transferred as soon as passage to Hong Kong
can be secured. American Vice Consul Espy should
proceed at once to Yunnanfu, and Consul General
Myers is expected to arrive at Hong Kong on November
third. Repeated to Chungking and Hong Kong.

LINNELL

CSB

7064

DECLASSIFIED: E.O. 11652, 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 5203

JR
DIVISION OF FOREIGN
SERVICE ADMINISTRATION
NOV 7 1938
DEPARTMENT OF STATE

COPIES SENT TO
ONLINE

FROM GRAY

Hankow via N. R.
Dated November 3, 1938
Rec'd 11:25 a.m.

Secretary of State,
Washington.

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
NOV - 4 1938
DEPARTMENT OF STATE

NOV 4 1938
FAR EASTERN AFFAIRS
DEPARTMENT OF STATE

November 3, 5 p.m.

Following for Tokyo: My 24, October 28, 9 a.m.

British Naval reports from Kiukiang indicate that
foreigners on Kuling numbering about 125 persons,
including 30 Americans, are in an *very* situation due
principally to shortage of food among Chinese forces
there who are said to number between 1000 and 3000.
It is feared that soldiers may forcibly take supplies
of food from foreigners with consequent disorder.
Japanese have entirely surrounded mountains on which
Kuling is situated but are making no move to occupy
it, preferring apparently to let the situation develop.
While total evacuation foreigners believed not
practicable due to number invalids at Kuling it is hoped
certain number will leave if suitable arrangements
can be made. To this end the assistance of the Embassy
at Tokyo is requested to bring matter before Foreign
Office and request that Japanese military authorities
Kiukiang

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NOV 4 1938
RECEIVED

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

5204

-2- November 3, 5 p.m., from Hankow via N. R.

Kiukiang be asked to render assistance to efforts of Commanders British and American naval vessels at Kiukiang to assist foreigners on Kuling. British Consul General here is also communicating with Tokyo.

Sent to Shanghai, Repeated to Chungking.

JOSSELYN

RR:DDM

(*) Apparent omission.

0068

DECLASSIFIED: E.O. 11652, 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
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TELEGRAM SENT

5205

Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ✓
PARTAIR
PLAIN

Department of State

Washington,

50 November 3, 1938.

5 PM

AMEMBASSY,

TOKYO (Japan).

RUSH.

375

One. The press of last night and this morning carries the text of a statement made public by the Japanese Government in regard to the situation in the Far East. The opening paragraph of the statement reads as follows:

QUOTE By the august virtues of His Majesty our naval and military forces have captured Canton and the three Wuhan cities [~~Hankow, Wuchang and Hanyang~~]; all other vital areas in China have fallen into our hands. UNQUOTE

The concluding paragraph reads as follows:

QUOTE Such the government declares to be the immutable policy and the determination of Japan. UNQUOTE

The Department desires to receive from you at the earliest possible moment a brief telegram reporting whether the Japanese Government issued such a statement and by whom or from what government ^{agency} ~~department~~ it was issued.

Two. The press today also carries reports of a speech by the Prime Minister in which the Prime Minister is said to

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/14281 A

F/A

0069

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

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

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TELEGRAM SENT

5206

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PARTAIR
PLAIN

Department of State

Washington,

- 2 -

have maintained a close parallel with the government
statement on Chinese policy. Please telegraph the
Department promptly the significant passages in the
Prime Minister's speech.

H. ell

Sket

FE:MMH:EJL

Jur
FE
m/p.

Enciphered by _____

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

7070

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



November 4, 1938.

~~MMH~~

Reference attached telegram from Shanghai, November 3, noon, quoting a note addressed to the American Ambassador by the Japanese Embassy in regard to the location of neutral vessels on the Yangtze. The note requests that information concerning the positions and movements of all neutral vessels now on the Yangtze above Hankow as well as on the waters adjacent thereto be given to the Japanese through the Japanese Senior Naval Officer stationed at Shanghai. The note refers particularly to vessels on the upper Yangtze as far inland as Shasi and Changsha.

There is nothing new in the Japanese request. Similar requests have been received and dealt with before and our Ambassador to China and the American naval authorities in China are fully aware of the Department's position in the matter. It is suggested that the American Ambassador be permitted to use his discretion in replying to the communication from the Japanese Embassy.

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-222

Left

I have just telephoned Commander Creighton of O.N.I. He informs me that the Luzon is at Hankow, the Monocacy at Kiukiang, the Oahu at Shanghai, and the Tutuila at Chungking. It will thus be seen that the only vessel we have above Hankow is at Chungking far above the zone particularly mentioned by the Japanese.

VAA
FE:AGams:HES

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

TELEGRAM RECEIVED

FROM

JR

GRAY

Shanghai via N. R.

Dated November 3, 1938

Rec'd 10:25 a.m.

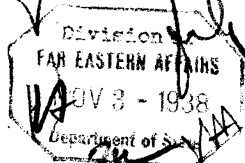
Secretary of State,
Washington.

November 3, noon.

The Consulate General this morning received the Japanese Embassy's letter GO 13, dated Shanghai November 2, addressed to the American Ambassador transmitting, at the request of the Japanese naval authorities, the following memorandum:

"(One). During the campaign for the capture of Hankow, heavy fighting took place in the waters above Hankow up as far as the neighborhood of Changsha. Following the fall of that city, the upper Yangtze as far inland as Shasi and Changsha, as well as all of the waters adjacent thereto, has become the zone of hostilities. It being anticipated that intense fighting will take place in this zone; we desire to request that steps be taken to have all neutral vessels now in this zone take refuge as far up stream as possible.

(Two).



793.94/14282

F/FG

NOV 8 1938
FILED

793.94
note
793.811

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

5208

TELEGRAM RECEIVED

FROM

JR *2* NOVEMBER 3, noon, from Shanghai via N. R.

(Two). It is requested that information concerning the positions and movements of all neutral vessels now on the Yangtze above Hankow, as well as in the waters adjacent thereto be given through the Japanese senior naval officer stationed at Shanghai.

(Three). While the hearty cooperation which certain powers have hitherto accorded us in our efforts to prevent the occurrence of incidents with third powers is deeply appreciated, it is earnestly hoped that those powers which have not heretofore informed us regarding their vessels will, in view of our frequent requests, give us closer cooperation in the future.

In the requests we have made in the past, information was asked concerning the positions of vessels 'on the Yangtze above X point'. And in view of the fact that there is now no section of China over which Japanese planes can not operate, we desire to call attention to the fact that what has been desired is information of vessels in the 'whole stretch of the river above X point', irrespective of the distance at which such vessels are located."

Sent to Chungking. Repeated to Peiping, Tokyo and Hankow. Copy to the Commander-in-Chief.

701

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

5209

TELEGRAM RECEIVED

EDA

A portion of this tele- FROM LONDON
gram must be closely
paraphrased before being
communicated to anyone (A)

Dated November 3, 1938

Received 1:18 p.m.

Secretary of State

Washington

RUSH.

1280, November 3, 4 p.m.

(One). (GRAY) The information embodied in your
672, November 2, 3 p.m., was brought to Cadogan's atten-
tion this afternoon. (END GRAY).

(Two). He expressed pleasure over this evidence of
our interest in the question and stated that it was almost
certain that the British Government would desire to
instruct Craigie to make similar but separate representa-
tions. He thought that he could let us know the Foreign
Office's decision by tomorrow.

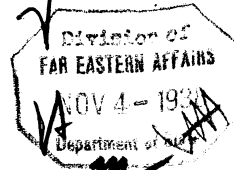
(Three). He expressed the hope that Grew would
meanwhile hold his hand.

Copy by mail to Paris.

KENNEDY

KLP:WWC

Freedom of navigation on Yangtze River



793.94/14283

F/FG

NOV 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

REB

GRAY

FROM

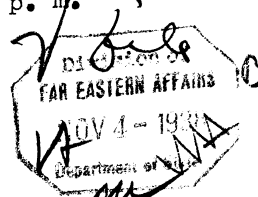
Peiping via N. R.

Dated November 3, 1938

Rec'd 2:40 p. m.

Secretary of State,
Washington.

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



656, November 3, noon.

Embassy's 640, October 27, 1 p. m.; paragraph two.

793.94
According to a reliable foreigner who recently visited Shansi, the Japanese forces there are attempting now in self-defense to enforce an economic blockade against the Chinese irregular and other forces. Three times this year the Japanese have conducted major campaigns in Shansi with success in effecting the capture or recapture of certain towns and in forcing the withdrawal of Chinese troops. They have not, however, destroyed the Chinese troops believed to number over 200,000 and have after each major drive experienced great difficulty in holding such towns with small garrisons and in maintaining lines of communications and supplies; in many cases they have failed with the result that the general task had to be undertaken again.

Two. The informant states that the economic blockade tactics being employed by the Japanese are

identical

793.94/14284

NOV 8 1938

RECEIVED

F/FG

107

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

REB

2-#656, From Peiping, Nov. 3, noon.

identical with those which Chiang Kai Shek used in 1933-34 against the Chinese Communist forces in Kiangsi. They include: embargoes on shipment of goods except under Japanese certificate; embargoes on export from Japanese occupied area of military supplies, tools, machinery, or other articles likely to be useful to guerrillas; restriction of shop sales to prevent the individual purchaser from buying more than he himself could normally use; control of transfers or carriage of currency. Rigid inspection systems have been established Chinese carriers and shopkeepers operate under guarantees and disobedience of the regulations means punishment (by?) charges death. As the Japanese control the principal channels of communication, the main cities and towns and the eastern and southern provincial boundaries they expect that the blockade will force the guerrillas to retreat in a short time westward into Shensi.

Three. Parts of Hopei Province are also reportedly being blockaded and according to a Japanese source the Japanese military plan to use similar tactics in all guerrilla sections behind Japanese front lines.

Four.

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

REB

3-#656, From Peiping, Nov. 3, noon.

Four. Repeated to Chungking. By mail to Tokyo,
Shanghai.

LOCKHART

WWC

PEG

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

TELEGRAM RECEIVED

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COMSOPAT

FROM

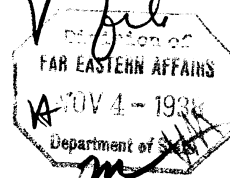
November 3, 1938

Rec'd 8:40 p. m.

ACTION: CINCAF, OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS J. D. FORD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

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



0003. Military operations to north and to west from
Canton as a base city quiet. H. M. S. ROBIN and convoy
at anchor off Howlick west river. 2300.

NPL

793.94/14285

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NOV 8 1938
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10 / 8

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

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5210

TELEGRAM RECEIVED

JR

FROM GRAY

Tokyo

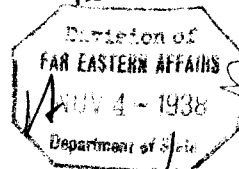
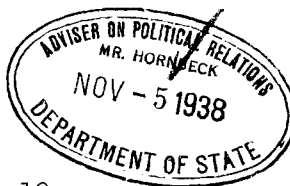
Dated November 4, 1938

Rec'd 3:25 a.m.

Secretary of State,
Washington.

RUSH.

703, November 4, 10 a.m.
Department's 376, November 3, 5 p.m.



One. On the night of November 2 the information section of the Foreign Office issued to the press for release in yesterday morning's papers a written statement described as "statement of the Japanese Government." This is the statement of which the opening and concluding paragraphs are quoted in the first paragraph of the Department's telegram under reference. Earlier on November 2 United Press correspondent informed us that he would cable release textually when given out.

Two. At 9 o'clock yesterday morning the Prime Minister made a radio address which is presumably the "speech" referred to in the second paragraph of the Department's telegram. This address was replete with generalities, but the significant passages thereof, together

795.94/14286

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

5211

-2- #703, November 4, 10 a.m., from Tokyo.

together with comment on both statements, will be found in a separate telegram which follows.

Three. We ascertained yesterday morning from the American correspondents that the full text of the written statement and substantial portions of the radio station address had been cabled to the United States. Furthermore, the publication until this morning of editorial comment on the official statement was forbidden. We, therefore, concluded to withhold until this morning our telegram giving the Department our comment and views on these two statements of Japanese policy. In doing so we had in mind previous occasions where we did not (repeat not) report material previously telegraphed by press agencies to the United States. In the absence of specific instructions to report all such statements as these by telegraph we have exercised discretion with a view to avoiding duplication of press despatches. However, as in this particular instance our failure to confirm press reports which appeared from this end to convey all the pertinent information available may have embarrassed the Department, we shall hereafter follow the practice of telegraphing all public statements either in full text or in partial text.

RR

GREV

0080

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138

TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE ☒
 PLAIN

Collect
 Charge Department

Department of State

OR

Charge to
 \$

Washington,

November 6, 1938

AMEMBASSY

LONDON (ENGLAND)

683

✓ Please communicate, as under instruction, to the British Foreign Office for its information a copy of the text of my statement to the press of November 4, 1938, reading as follows: QUOTE In response to requests by the press for comments on the statement issued by the Japanese Government in regard to the situation in the Far East, the Secretary of State said that he felt it very important to view the situation in accurate and comprehensive perspective. The attitude of the United States and the position of the American Government in relations both with China and with Japan, as with other countries, are, he said, governed and guided by the generally accepted principles of international law, by the provisions of treaties to which the United States and numerous countries - among them China and Japan - are parties, and by principles of fair dealing and fair play between and among nations. This country's position with regard to the situation in the Far East has, he said, repeatedly been declared,

793.94/14286

F/FG

Enciphered by

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

Index Bu.—No. 50.

U. S. GOVERNMENT PRINTING OFFICE: 1935 1-138

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

1-138
 PREPARING OFFICE
 WILL INDICATE WHETHER

TELEGRAM SENT

1-138 TO BE TRANSMITTED
 CONFIDENTIAL CODE
 NONCONFIDENTIAL CODE
 PLAIN

Department of State

Collect
 Charge Department
 OR

Charge to
 \$

Washington,

-2-

and this position remains unchanged. UNQUOTE /

Hull
(m.m.t.)

Telegraph Section: Please send same telegram to AMEMBASSY,
 PARIS, ^{at # 840, Nov 6, 4 pm} substituting for the words
 "British Foreign Office" the words
 "French Foreign Office".

FE:MMH:AR:SS

*Approved by Mr. Hornbeck
 and by the Secretary
 11/14*

Enciphered by

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

0082

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

PREPARING OFFICE
 WILL INDICATE WHETHER

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 OR
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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 PARTIAL
 PLAIN

Washington,

1938 NOV 5 12 31

November 5, 1938.

AMEMBASSY

TOKYO (Japan).

Your 703, November 4, 10 a.m., paragraph three.

With regard to the question of reporting important
 official statements issued by the Japanese Government,
 it will be sufficient if, when the Embassy is informed
 that such statements are being telegraphed to the United
 States by news agencies, the Embassy will promptly report
 that fact by telegraph. When the statements or the sig-
 nificant portions thereof are not being telegraphed by
 press agencies, the Embassy ^{will of course} should telegraph the text in
 full or in part. The Embassy's comment on such state-
 ments, which the Department finds very helpful, may be
 telegraphed subsequently.

The Department's 375, November 3, 5 p.m. was sent
~~simply~~ because press reports here in regard to the
 statement under reference were not clear.

793.94/14286

FE:UDS:VCI

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1402 U. S. GOVERNMENT PRINTING OFFICE

793.94/14286

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008

DECLASSIFIED: E.O. 11652, 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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PREPARING OFFICE
WILL INDICATE WHETHER
Collect
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TELEGRAM SENT

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Gray
TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE ☒
PARTAIR
PLAIN

Department of State

Washington,

NOV 4 1938

November 4, 1938.

5 PM

AMEMBASSY,

TOKYO (Japan).

379

The Department issued to the press today a statement
reading as follows:

QUOTE In response to requests by the press for comments
793.94/14286
on the statement issued by the Japanese Government in regard
to the situation in the Far East, the Secretary of State said
that he felt it very important to view the situation in
accurate and comprehensive perspective. The attitude of the
United States and the position of the American Government in
relations both with China and with Japan, as with other
countries, are, he said, governed and guided by the generally
accepted principles of international law, by the provisions
of treaties to which the United States and numerous countries
- among them China and Japan - are parties, and by principles
of fair dealing and fair play between and among nations.
This country's position with regard to the situation in the
Far East has, he said, repeatedly been declared, and this
position remains unchanged UNQUOTE.

793.94/14286

FE:MMH:REK
Enciphered by

FE

Sent by operator M.,

19

D. C. R.-No. 50

1-1362

U. S. GOVERNMENT PRINTING OFFICE

NOV 4 1938. PM

F/FG

793.94/14286
11/4/38
711.94

Hull
Gray

PA/

108

DECLASSIFIED: E.O. 11652, 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

FOR THE PRESS

NOVEMBER 4, 1938
No. 532

In response to requests by the press for comments on the statement issued by the Japanese Government in regard to the situation in the Far East, the Secretary of State said that he felt it very important to view the situation in accurate and comprehensive perspective. The attitude of the United States and the position of the American Government in relations both with China and with Japan, as with other countries, are, he said, governed and guided by the generally accepted principles of international law, by the provisions of treaties to which the United States and numerous countries - among them China and Japan - are parties, and by principles of fair dealing and fair play between and among nations. This country's position with regard to the situation in the Far East has, he said, repeatedly been declared, and this position remains unchanged.

793.94/14286

708
DECLASSIFIED: E.O. 11652, 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

FROM

Peiping via N. R.

Dated November 3, 1938

Rec'd 7:40 a.m., 4th.

Secretary of State,
Washington.

657, November 3, 3 p.m.

A Japanese spokesman here announced yesterday

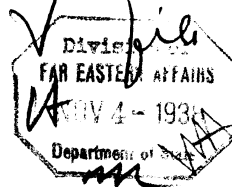
the following figures totaling more than one hundred
ten thousand of the Japanese civilian population in
North China: Tientsin thirty-three thousand; Peiping
twenty-nine thousand; Tsingtao nineteen thousand five
hundred; Kalgan nine thousand two hundred; Tsinan seven
thousand seven hundred including Koreans and Formosans;
Shihchiachuang six thousand four hundred; Haiyuan three
thousand nine hundred; Hsuehow, Shantung, one thousand
seven hundred; Linfen, Shansi, three hundred and twenty.
He states that "hotel keepers, restaurateurs and
those engaged in entertainment industries" greatly
outnumber Japanese in other industries. In Peiping,
the monthly income received by Japanese restaurants,
geisha houses and brothels of which there are more
than three hundred is stated by Japanese to exceed a
million dollars local currency.

Repeated to Chungking, by mail to Tokyo, Shanghai.

DDM

LOCKHART

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O.N.I. AND I.D.
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793.94/14287

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NOV 8 1938

708

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

5214

TELEGRAM RECEIVED

JR

GRAY

Tokyo

FROM

Dated November 4, 1938

Rec'd 9:15 a.m.

Secretary of State,
Washington.

RUSH.

704, November 4, 2 p.m.

Department's 375, November 3, 5 p.m., and our

703, November 4, 10 a.m. /14286

One. The following are significant passages
from the Prime Minister's speech.

"The key to the future of China is in the hands of
Japan. What Japan desires is not to destroy China,
but to help her to progress; not to conquer China, but
to cooperate with her.

The great central area of China, with the seven
largest cities (***) are now in our hands (***) the
Chiang regime has thus now become only a local regime.

Japan wishes to cooperate with the awakened
Chinese people to establish a **stabilized East Asia**.
It is the eager desire of Japan to recognize the racial
sentiment of the Chinese people and the need of
perfecting China as an independent nation. Japan,
Manchukuo and China, three neighboring nations, should

REVEAL

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G.N.I. AND M.I.D.

Division of
FAR EASTERN AFFAIRS
NOV 4 - 1938
Department of State

793.94/14288

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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

b

-2- #704, November 4, 2 p.m., from Tokyo.

reveal their individual features and join firmly for the common mission of maintaining the integrity and peace of East Asia. It is, however, a great regret of Japan and the entire East Asia that the materialization of this great ideal has been hindered by the mistaken policy of the Kuomintang Government.

The basic policy of the National Government has been insincere (***) while Japan does not wish the tragedy of two eastern peoples fighting each other, she has been obliged to take up arms against the Chiang regime. Japan now wishes China to awaken to realize her mistake. The patriots of China should also rise to bring her back to the proper path and to exert efforts for the common welfare of the Orient. Already at Peiping and Nanking the spirit of revival is seen and in Mongolian districts there has appeared a movement for the revival of the Mongols (***) if the National Government returns to the original spirit of Chinese race and makes personal and political reforms, thus attempting to reconstruct China as a new regime, Japan will not reject it.

793.94/14288

The

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

-3- #704, November 4, 2 p.m., from Tokyo.

The nations of the world should also recognize the new situation in the Orient. In the past China has been an area stamping to the imperialistic ambitions of other powers. Japan recognizes the need of making a fundamental change in this condition and wishes to establish new peace and order in East Asia based on justice.

Japan does not reject cooperation with other powers, neither intends to damage the interests of third powers. If such nationals understand the true intention of Japan, and adopt policies suitable for the new conditions, Japan does not hesitate to cooperate with them for the sake of peace in the Orient.

The world knows that Japan intends to fight and destroy communism (***) Germany and Italy, with whom we have concluded the anti-Comintern Pact, have given spiritual support to Japan, and we feel grateful to them, and also realize the need of further strengthening this pact.

What the world needs today is the establishment of peace, justice and equality (***) it is well known that international agreements such as the League of Nations Covenants have already lost their dignity,
because

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

-4- #704, November 4, 2 p.m., from Tokyo.

because of irrational principles. There must be brought about a new peace system based upon realities, covering trade, immigration, resources, culture and other fields of human life (***).

We should never mistake the meaning of the duty which we shoulder for establishing a new system based upon a moral foundation uniting all nations and peoples of the Orient. If there is any one who thinks that with the fall of Canton and Hankow, peace will come soon, he does not realize the great meaning of the incident. Japan which is to undertake the construction of a new East Asia, has now entered the period of establishing a new life among the people. In this sense the true war has just begun. To become a really great people we must proceed bravely and firmly toward the adjustments and construction of both domestic and foreign affairs". (END SECTION ONE).

GREW

HPD

C
EDA

TELEGRAM RECEIVED

5215
TOKYO

FROM

Dated November 4, 1938

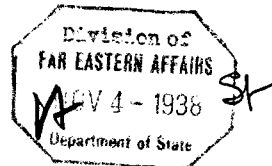
Received 10:12 a.m.

Secretary of State

Washington

RUSH

704, November 4, 2 p.m. (SECTION TWO)



Two. For the past few weeks much attention has been given in the press and elsewhere to the need for reformulation of Japanese policy in the light of "the changed situation in the Far East" in order that (a) the foreign powers might realize that the future security of their interests in China is to be conditioned upon their recognition of the "changed situation"; (b) China be discouraged from assuming that there is to be any relaxation of Japanese determination to eliminate a government of China hostile to Japan and ; (c) the need be emphasized to the Japanese people for making sacrifices which the full development of Japanese policy will entail. In our view the two statements, which might properly be regarded as a single expression of Japanese policy, address in each of these three directions a separate message. The Japanese people are told that the war has only just begun and that they will be expected to make

793.94/14 288

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

5216

EDA - 2 - #704, November 4, 2 p.m. from Tokyo Section two

make the necessary sacrifices an injunction which this Government pointed up by a separate warning of the Minister of Finance that taxes are to be increased. The Western Powers are warned that Japan will cooperate with only those powers which "really understand" the position of Japan and shape their policy "in accordance with the new situation in East Asia", while China is urged to abandon its leaders and associate itself with Japan in the creation of a "new order".

Three. The reference in the statements to future Japanese attitude toward foreign powers must we believe be studied in the light of creditable forecasts in several papers this morning of a further statement which is reportedly to be made shortly by the Minister for Foreign Affairs, when he is to declare that "Japan can no longer acquiesce in economic and political encroachments on China by the Western Powers under the guise of the open door and other false principles set out in the Nine Power Treaty, and that as Japan can no longer conform to the Treaty it must be regarded as having lapsed". (Note: Necessary action by the Privy Council to permit of withdrawal from that Treaty has not as yet been taken or so far as we know requested.) One paper adds that the Japanese Government will state in its reply to our note of October 6 that although "Japan has

5217

EDA - 3 - #704, November 4, 2 p.m. from Tokyo Section two

has no objection to the maintenance in the economic field of the principle of the open door, it cannot admit demands regarding the principle which in reality cloak political ambitions". There is in the foregoing press stories and elsewhere sufficient warrant for the belief that the two statements issued yesterday are to be the first of a series of overt moves by the Japanese Government seeking to eliminate the open door as even a nominal guiding principle in the regulation of foreign rights and interests in China. Unfortunately the editorials this morning barely touch upon those portions of the statements dealing with relations with third powers, but the brief comment made tends to confirm the probable accuracy of our analysis.

Four. Some surprise along with much satisfaction is reflected in editorials that it was preferred in these statements to address China in terms more conciliatory than would have been the case if there had been further emphasis on Japan's determination not to "deal with" the Chinese Government. Approval is given to the stressing of the "re-birth of the Chinese Government" and of the "creation of a new order", as contrasted with the underscoring in former statements of the "destruction of the Chinese Government" and "surrender". The conclusion is drawn by one or two papers that the invitation to the Chinese people to

reconstruct

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

5218

EDA - 4 - #704, November 4, 2 p.m. from Tokyo section two

reconstruct the Chinese Government is clear notice that the Japanese declaration of January 16, that Japan will no longer "deal with the Nationalist Government of China", does not exclude further cooperation with the latter government if Chiang Shek along with communist and other anti-Japanese elements are eliminated therefrom.

Paragraphs two to four repeated to Peiping for Chungking.

(END MESSAGE).

GREW

HPD

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

TELEGRAM RECEIVED

JR

COMYANGPAT

GPO

FROM

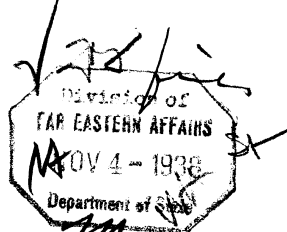
November 4, 1938

Rec'd 1:20 p.m.

ACTION: CINCAF
OPNAV

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

INFO: SUBRON FIVE
CONSOPAT
AMAMBASSADOR CHINA
FOURTH MARINES



793.94
note
793.102 Hankow

0003. Gates on boundary ex-British concession

remained closed throughout most of day. Unimpressive
celebration Meiji anniversary and fall of Hankow
confined to Japanese concession, audience sparse
Chinese remaining indoors. General Hata, new Jap
army commander Hankow area, arrived by plane today.
2330.

HPD

793.94/14289

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NOV 8 1938
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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 890.00/117 FOR Memorandum
State Department
Far Eastern Division
FROM (Penfield) DATED Oct 29, 1938.
TO NAME 1-1127 ***

REGARDING: The situation in the Far East: Sino-Japanese conflict.
Developments of the past week.

FRG.

793.94 / 14290

14290

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

HRE

5219

TELEGRAM RECEIVED

This message should be closely paraphrased before being communicated to anyone (br) Canton VIA N. R. Dated November 4, 1938

Secretary of State
Washington

FROM Rec'd 5 p.m.
of paraphrase
COPIES SENT TO
O.N.I. AND M.I.D.
in confidence

Division of
FAR EASTERN AFFAIRS
NOV 5 - 1938
Department of State

44, November 4, 4 p.m.

The Japanese Consul General, Katsuo Okazaki (repeat Katsuo Okazaki) called on me yesterday and also on other consuls general. He stated that the Canton area was now a military zone and would be treated as such. It was the intention of the Japanese to isolate Canton completely and not attempt to rehabilitate it. Barriers and mines were being placed throughout the delta to prevent small junks et cetera from slipping through carrying information. The main channel of the Pearl River would be opened and it was thought that soon foreign war vessels would be allowed to move on giving notice of their intention as they did when the Chinese were in control.

I spoke to him of our desire to send an American boat to Hong Kong soon, probably the Standard Vacuum Oil Company tug COMET with Vice Consul Espy, certain United States Navy personnel and other Americans on board and he intimated that this might be arranged directly with the rear admiral in charge here; accordingly Captain Stapler,
Commander

793.94/14291

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

6220

HRE

2-#44 From Canton Via N.R. Nov 4, 4 p.m.

Commander South China Patrol United States Navy, has made an appointment to call upon the rear admiral November 5 when the matter will be discussed.

Japanese authorities here will give no information concerning present disposition of troops or places where fighting is in progress but movements of ^{Japanese} troops and supplies continue thru Canton to the north along the line of the Canton-Hankow Railway and west toward Samshui.

A large number of transport vessels came to Canton yesterday loaded chiefly with supplies and some of them went on up the river toward Chungfa.

Repeated to Peiping, Chungking, Hong Kong.

LINNELL

EMB:NPL

WAB
1/26/59

DECLASSIFIED: E.O. 11652, 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

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 44) of November 4, 1938, from the American Consul General at Canton reads substantially as follows:

No information can be obtained from the Japanese authorities in Canton in regard to places where fighting is going on or the present location of troops. However, movements of supplies and troops continue through Canton west toward Samshui and northward along the Canton-Hankow Railway. On November 3 a large number of transport ships loaded principally with supplies came to Canton. Some of these ships proceeded on up the river in the direction of Chungfa.

On November 3 Katsuo Okazaki (the Japanese Consul General) called on consuls general in Canton including the American Consul General. During the course of Okazaki's call the American Consul General mentioned to him that it was desired to send to Hong Kong in the near future an American boat (most likely the tug Comet belonging to the Standard Vacuum Oil Company) with various Americans on board, including Vice Consul Espy and certain of the personnel of the United States Navy. As Okazaki appeared to think that this matter might be taken care of directly by the Japanese rear admiral in charge at Canton, the Commander of the South China Patrol of the United States Navy, Captain Stapler, has arranged to

793.94/14291

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

-2-

CONFIDENTIAL

to call on November 5 upon the Japanese rear admiral to discuss the matter.

During the course of his call Okazaki remarked that the Canton area now is a military zone and would be treated as such. In order to keep small junks and such from slipping through to carry information, mines and barriers are being placed throughout the delta. The Japanese do not plan to try to rehabilitate Canton and they intend to isolate the city entirely. The main channel of the Pearl River is to be opened and it was thought that before long permission would be granted foreign naval vessels to move after having made known their intentions as they did when the Chinese were in control of this area.

793.94/14291.

29C.
FE:EGG:JPS
11-5-38

81P
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

793.94

DOCUMENT FILE

NOTE

SEE 894.00 P.R./130 FOR #3308-

FROM Japan (Grew) DATED Oct 6, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING: Sino-Japanese relations: developments of the month of September, 1938.

FRG.

793.94/14292

14292-

(c) China.

(1) Military Operations.*****

793.94
(13-16) Military operations in China during the month of September occupied practically the same theatres as that described in the Embassy's report for last month.***** In southwest Shansi the Japanese forces continued fighting close to the Yellow River but did not effect a crossing. At Yuanku Chinese forces pushed across the Yellow River and took refuge in the mountains to the north.

This

* Embassy's despatch No. 3237, September 14, 1938.

** Embassy's despatch No. 3257, September 22, 1938.

*** Embassy's despatch No. 3268, September 22, 1938.

**** Embassy's despatches No. 3254 and No. 3267 of September 22, 1938.

***** Embassy's despatch No. 3248, September 21, 1938.

***** Prepared with the cooperation of the Military Attaché's Office.

***** Embassy's Monthly Report for August, pages 12, 13 and 14.

-14-

This resulted in a diversion of Japanese forces from their main drive toward the railway south of the Yellow River to a "mopping up" campaign against these Chinese. Little or no progress was made by the Japanese in this area.

In a similar manner the push from Luchow seemed to have "bogged down" and made very little progress during September. The mountains in front of Hankow, the objective, are for the time being proving to be an effective barrier. This particular movement has been divided into two groups, one, going westward at right angles to the direct line to Hankow, succeeded on September 16 in taking Kwangchow. The second group, which is following a more direct line towards Hankow, turned into the mountains to the southwest, making Maching its objective.

The Japanese forces on the north bank of the Yangtze were able by September 29 to capture the river fort at Tienkiachen, a point roughly 70 miles by air line from Hankow. They met with stiff resistance on the part of the Chinese forces. The Japanese moving up the river on the south bank were successful in occupying positions approximately corresponding to those on the north bank.

The Japanese forces south of the Yangtze River, which had turned southward toward Teian also were experiencing vigorous resistance and were making only slight progress at the expense of a considerable number of casualties. The appearance of a group of Japanese forces to the west of Teian indicated a movement looking to the surrounding and cutting off of Teian. While this flanking movement to the south has little direct importance in the actual capture of Hankow, it is effective in maintaining large numbers of Chinese forces in that area and preventing their aiding in a direct defense of Hankow and at the same time serves as an effective

screen

-15-

screen to protect the main advance following the river.

Guerrilla activities throughout all the areas under occupation continued to be a definite problem to the Japanese. It is to be noted, however, that the number of engagements with guerrillas reported in the Japanese press was considerably smaller than that reported for last month. Most of the incidents of clashes with irregular Chinese forces which were noted in the Japanese press centered around Hangchow and in Shantung Province. Considerable publicity was given to the sending of a very large contingent of Japanese forces which landed at Tangku in September for the express purpose of wiping out the guerrilla activities in North China in general. The actual destination of these forces is, of course, a military secret. Undoubtedly the publicity given at the time of their arrival in China has considerable political significance.

Aerial operations followed the general pattern since the beginning of hostilities in that Army planes continued to cooperate with front line troop operations whereas the Navy devoted most of its aerial activities to long range bombing as well as assisting in the levelling of Chinese forces obstructing the advance of gunboats up the river. It was reported in the Japanese press that Canton was raided some 38 times during the month of September.

2. General Relations.

In line with various reports reaching the Embassy, as well as stories contained in the Japanese press to the effect that there would soon emerge in China strong governments with which Japan could carry on relations in a friendly manner, there was inaugurated in Peiping on September 26 a Federated Committee composed of representatives of the two provisional governments, of Peiping and Nanking. While it seemed obvious that there would not be an amalgamation of the two governments this development did indicate further cooperation

-16-

tion between these two provisional régimes under the auspices of the Japanese military authorities in control in those areas.

Plans continued to be made for the prosecution of Japan's economic development of the occupied areas in China. On September 24 it was announced in the JAPAN ADVERTISER that the Cabinet Planning Board had decided on liquidation of the Kochu Koshi which will be absorbed by the North China Development Company. A Domei report of September 28 stated that two former officials of the South Manchuria Railway Company, Mr. Tsunetaka Komuchi and Mr. Tsuneo Yamanishi, have been selected as Vice Presidents of the North China Development Company and that their names have been submitted to the Cabinet.

A Domei despatch from Tientsin on September 27 stated that hereafter all inhabitants and travellers in North China would be forced to use federal bank currency only. This is one of the measures designed to prevent the flow of yen currency to Shanghai and to increase the circulation of Federal Reserve Bank currency. It was further stated that the cooperation of the Japanese Army authorities would be sought to prevent the flow of yen currency into Shanghai from North China.

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

TELEGRAM RECEIVED

EG

FROM COMSOPAT

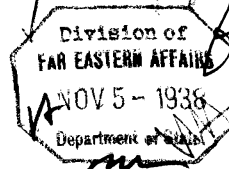
November 4, 1938

Rec'd 11:45 p.m.

ACTION: CINCAF
OPNAV

793.94

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA
SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS J D FORD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING



793.94/14293

0004. Small steamers and trawler type transports arriving Canton with troops, stores and equipment. Military activities to north and to west, bombing planes sighted north bound on Hankow railroad, Canton quiet, HMS ROBIN and convoy off Howlick West River five British two American refugee nationals now on board ROBIN HMS CICALA at Hong Moon. 2315.

DDM

NOV 8 1938
RECEIVED

F/FG

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

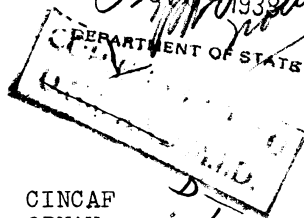
TELEGRAM RECEIVED

EG

ACTION: CINCAF
OPNAV

INFO: YANGTZE PATROL
COMSOPAT
AMAMBASSADOR CHINA
FOURTH MARINES

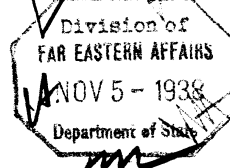
DIVISION OF FOREIGN
SERVICE ADMINISTRATION
FROM



COMYANGPAT

November 5, 1938

Rec'd 6:45 A.M.



0004. Vice Admiral Oikawa in Okinntshima

departed downriver and Rear Admiral Tondo in Ataka
departed upriver. Nineteen foreign newsmen including
six American left for Shanghai in Jap navy plane today,
two foreign news representatives remaining, one an
American woman. Water supply Hankow not operating
since departure Chinese, no prospect of being resumed
in near future, sanitary condition becoming bad, re-
fugees being moved from ex-foreign and French con-
cessions and new refugee zone in Chiaokou suburb of
Hankow on Han River, Canton quiet. 1250.

DDM

793.94/14294

F/FG

NOV 9 1938

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

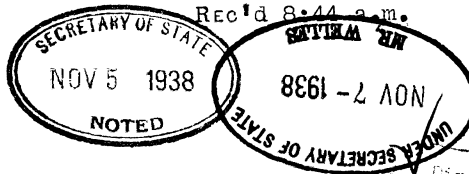
TELEGRAM RECEIVED



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

FROM London
Dated November 5, 1938

Secretary of State,
Washington.



1289, November 5, 11 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY OF STATE.

My 1280, November 3, 4 p.m.

I have just talked with Cadogan. Last night the
Foreign Office sent word to Craigie to see Grew, get
the gist of his instructions and make similar repre-
sentations. Craigie will follow Grew's lead as to
whether they should be made in writing or orally. They
have also advised the French that they have so instructed
their Ambassador.

Copy by mail to Paris.

KENNEDY

GW:KLP
Freedom of navigation on Yangtze River.

793.94/14295

FILED

NOV 15 1938

F/FG

TELEGRAM RECEIVED

NC

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

CANTON via N. R.

Dated November 4, 1938

Rec'd 11:45 p.m.

Secretary of State
Washington

COPIES SENT TO
O.N.I. AND M.I.D.
Partially in Paraphrase
in confidence (DT)

Division of
FAR EASTERN AFFAIRS
NOV 5 - 1938
Department of State

(GRAY) 43, November 4, 3 p.m.

On the night of October 11 the Japanese troops landed at Bias Bay commencing the invasion of Kwangtung that had been rumored as imminent since beginning of the month. By the 13th Tamshui was taken and on the 16th Waichow also fell. Kwangsi as well as Kwangtung troops were rushed up to resist the attack on Canton and according to Chinese officials prepared fortifications west of Waichow were to be manned to stop the advance. Effective relief however, did not materialize for on the 21st a vanguard of Japanese tanks entered the city and on the following day Canton was occupied by Japanese troops. Mechanized, intensive aerial and artillery bombardment greatly facilitated the rapid execution of the invasion and some defection of Chinese troops at Waichow and in the outskirts of Canton was reported.

As the Japanese forces progressed inland the civil population left Canton in daily increasing numbers.

During

793.94/14296

F/FG

NC -2- #43, from Tsingtao, November 4, 1938 3 p.m.

During the night of the 20th and throughout the 21st the ^{civil authorities} military and all ~~the~~ departed and the evacuation became a mass flight (reportedly under Government instructions that Canton be destroyed by the Chinese). When the Japanese entered Canton all shops and houses had been closed, industry and commerce suspended and the city deserted except for an estimated twenty to thirty thousand mainly indigent people. Nearly eight hundred thousand people had left in ten days. On the last day the fleeing Chinese blew up or destroyed by fire military supply depots, public utilities and provincial and municipal industries. Fires were also set in the city which, in the week following October 21st, destroyed nearly all its wholesale district and a large part of the financial and retail center. With the dissipation of all control over the city wholesale looting was carried on until towards the end of the month Chinese self defense corps organized themselves and restored some order and the Japanese military began patrolling the city to some extent.

The losses incurred in the city during this period are tentatively estimated at from fifty million to one hundred million dollars American currency. Heavy capital investments will have to be made not only to rebuild the burnt

out

NC -3- #43 from Tsingtao, November 4, 1938 3 p.m.

out sections but as well to replace the Wongsha Railway yards and station, the water works, the post office, the electric light system and the industrial plants such as the sugar, textile, paper, cement and others. Finally the general looting has bankrupted many firms whose buildings were not destroyed and funds will have to be provided to reestablish their businesses.

The Mok River had been blocked by the Chinese at Boca Tigris forts on the 13th and the railway, highway, telegraph and telephone communications to Hong Kong were disrupted shortly afterwards. The only neutral port to Hong Kong open until the fall of the city was that via Sheikkia and Macao.

The Consulate General on October 12 requested that all women and children in Canton and its vicinity leave for Hong Kong and also sent a general circular to all Americans urging evacuation unless their remaining was necessary and the latter left in the following days. On October 21st seventeen Americans were sent to Sheikkia by the Consul General in a launch he had taken over and their safe conduct himself via Macao to Hong Kong. In the meantime arrangements have been made in case of necessity to bring Americans to the Consulate

NC -4- #43 from Tsingtao, November 4, 1938 3 p.m.

Consulate General and also to Lingnan University compound on Honan Island. Eighty-nine Americans were evacuated during the month and the number registered in the consular district at the end of the month was 255 of which 67 lived in Canton and its suburbs.

An American British Refugee Committee was established and the Consul General forwarded to the Japanese Consul General at Hong Kong the committee's request that places of refuge be established at Lingnan University, Pakhoktung and Holy Trinity School and for medical work at Hackett Memorial Hospital and Canton/^{Hospital.} The Japanese Government agreed to "give favorable consideration" to the centers except Pakhoktung and work to care for Chinese refugees was carried on. As refugees had already congregated at Pakhoktung it was maintained as a refugees center and another request made to Japanese authorities that it be respected. The Mingsum for the Blind at Fongchuen and the old Puiyi School at Fati, ^{both} ~~the~~ American properties, were also later turned into refugee centers. At the end of the month Chinese refugees chiefly women and children in the various centers totaled about 10,000.

The

NC -5- #43 from Tsingtao, November 4, 1938 3 p.m.

The Chinese board of Directors of Lingnan University, which had taken over the University from the American Foundation returned the property to the American Foundation since it was no longer possible for the former to carry out the terms of the agreement between the Directors and the Foundation.

Soon after the occupation of the city the Consul General in a conversation with the Japanese military commander outlined the work done in the refugee centers, discussed the reestablishment of a limited telephone service and gave the latter a map showing the location of American property in Canton. The commander made the statement that foreign properties would be protected. A duplicate map has also been given to the commander of the Japanese gendarmerie.

In reply to a message received from the Chairman of the Executive Committee American Presbyterian Mission, Hainan Island, stating that Chinese civilians had been ordered to evacuate into the interior of the Islands and that the French Consul at Hoihow expected an invasion there, the American women and children and such men as could be spared were advised to go to Hong Kong.

At the end of the month Canton remained a lifeless city; no sign was seen of any return of its inhabitants and only a small garrison of Japanese troops were stationed here.

The

NC -6- #43 from Tsingtao, November 4, 1938 3 p.m.

The telegraph communication with Hong Kong was reestablished but the railway, highway and telephone communications were still disrupted. (EID GRAY)

Confidential. Looting and raping by Japanese soldiers was reported particularly in the outlying villages. ^{boom} ~~the~~ at Bocca Tigris had been breached by the Japanese navy and small ships and launches arrived in the harbor, the control of which was promptly taken. Japanese naval authorities informed the British Consul General that the joint naval and military headquarters at Tokyo had sent instructions that the river was irrevocably closed to navigation. Japanese military forces had occupied Fatshan and Samshui to the west, Chungfa to the northwest and had gone a short distance north of Canton along the Canton-Hankow Railway. The Chinese forces had reportedly fallen back after the retreat from the city to the west and northwest. The Kwangtung Provincial Government was removed to Linhsien in the northwest ^{corner} ~~of~~ of the province.

LINNELL

HBD

(*) ~~apparent omission~~

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

CONFIDENTIAL

CANTON via N. R.

Dated November 4, 1938

Rec'd 11:45 p.m.

Secretary of State

Washington

43, November 4, 3 p.m.

On the night of October 11 the Japanese troops landed at Bias Bay commencing the invasion of Kwangtung that had been rumored as imminent since beginning of the month. By the 13th Tamshui was taken and on the 16th Waichow also fell. Kwangsi as well as Kwangtung troops were rushed up to resist the attack on Canton and according to Chinese officials prepared fortifications west of Waichow were to be manned to stop the advance. Effective relief however, did not materialize for on the 21st a vanguard of Japanese tanks entered the city and on the following day Canton was occupied by Japanese troops. Mechanized, intensive aerial and artillery bombardment greatly facilitated the rapid execution of the invasion and some defection of Chinese troops at Waichow and in the outskirts of Canton was reported.

As the Japanese forces progressed inland the civil population left Canton in daily increasing numbers.

During

*Pages 2 to 5 incl.
 as rec'd from code
 room.*

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

-6-

The telegraph communication with Hong Kong was reestablished but the railway, highway and telephone communications were still disrupted.

PARAPHRASE. It was reported that after the Chinese forces retreated from Canton they fell back to the northwest and to the west. The Provincial Government of Kwangtung was moved to Linhsien (in the northwest part of the province). Japanese troops had gone a short distance along the Canton-Hankow Railway north of Canton, and had occupied Chungfa to the northwest and Fatshan and Samshui to the west. There were reports of raping and looting by Japanese troops especially in the villages around Canton. The Japanese Navy had breached the (*) at Boca Tigris and launches and small ships came into the harbor, control of which was taken promptly. Under instructions from the joint military and naval headquarters at Tokyo the river was closed to navigation irrevocably, according to information given to the British Consul General by Japanese naval authorities.

LINNELL

793.94/14296

egc.
 FE:EGC:JPS

XI-7-38

8/15/75
 FD
renew

Confidential

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

DOCUMENT FILE

NOTE

SEE 865.00/1779 FOR Despatch #1129

FROM Italy (Phillips) DATED Oct. 27, 1938
TO NAME 1-1127 ...

REGARDING:

Sino- Japanese relations. In regard to recent events in the Far East, a tone of jubilation over Japan's achievements is not disguised in the Italian press. Interpretation of Japanese successes.

fp

793.94/ 14297

14297 -

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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

As regards the recent events in the Far East, a tone of jubilation over Japan's achievements is not disguised in the Italian press. The Japanese successes are generally interpreted as a set-back to the democratic powers, who are accused of having stimulated China to a vain and suicidal resistance and there is an inclination to see in the Chinese collapse a severe threat to Great Britain's position in the Orient. Thus, Virginio Gayda finds the Canton defeat "a disagreeable surprise for Chang Kai Check and his verbal friends, the great democratic governments" since Canton was not only the center of the strongest Chinese opposition to Japan but also the leading base for war supplies afforded China by England, France and the United States "in exchange for China's silver and Chinese promises...

-- 4 --

promises of an open door to further future political monopolies". China, Gayda adds, still has promises of Soviet assistance but it may be doubted whether they will save it a square foot of territory. The GAZETTA DEL POPOLO of October 23rd is even more jubilant, publishing an editorial under the title "Rome, Berlin and Tokyo on the terrain of victory". This editorial, claiming that England and France are still paying for the blunders of a policy personified by Anthony Eden, states that the Japanese occupation of Canton is not only decisive in the Sino-Japanese conflict, since it cuts off Chinese supplies from England, France and the United States, but means as well the decline of occidental prestige in China. The GAZETTA adds that the Chinese collapse will result in great damage to British interests in South China and will weaken British and French security in the Far East. The principal note of Italian satisfaction over the collapse of Chinese resistance, however, remained to be underlined by the Fascist Grand Council when it met on the evening of October 25th. At that meeting the following resolution was approved:

"The Grand Council of Fascism, on the occasion of the military victories won by the Japanese armed forces at Canton and Hankow, sends its best wishes to Japan, to whom the Italian people feel themselves bound by a deep and clear-cut ideological, spiritual, and political solidarity which has found and continues to find concrete expression in the Italo-German-Japanese pact of Rome."

Sympathy for China is alone to be found in the Italian press in the OSSERVATORE ROMANO of October 27th. After criticizing the military tactics of the Chinese, the Vatican newspaper adds that tactical mistakes in no way discredit the valor of the Chinese army, which has for

fifteen...

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

-- 5 --

fifteen months held out against one of the world's
strongest and most efficient armies, and that the Chinese
defeat by no means affects the possibilities of China's
future.

1121

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

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NOV 4 1938 NEW YORK, N. Y. FE

BRUNO SCHWARTZ
General Manager

Cable Address
TRANSPACIF

October 22, 1938

JAPANESE ATROCITIES IN NANKING AUTHENTICATED BY READER'S DIGEST; NEW BOOK TO GIVE COMPLETE DOCUMENTARY PROOF OF INVADERS' INHUMAN WARFARE ON CHINESE CIVILIAN POPULATIONS

AS the Japanese armies are pushing their relentless drives on Hankow and Canton, two of China's most populous cities, the horrors which the Japanese soldiers have committed in Nanking since the fall of that city last December are being revealed here for the first time in any detail.

IN the October issue of the popular national magazine Reader's Digest, letters are printed from Americans who stayed in Nanking during the first days of Japan's reign of terror. These first-hand eyewitness accounts of Japanese looting, raping, mass killing and torture of Chinese civilians substantiate an earlier article, "The Sack of Nanking," which Reader's Digest reprinted from the magazine Ken.

ACCORDING to the editors of Reader's Digest, they have taken considerable pains to collect these letters which were written by a surgeon "inured to bloody scenes and trained in scientific accuracy of statement," by missionaries and teachers reporting to their mission boards, and by Y.M.C.A. workers. They added that the material they have seen would fill an entire issue of their magazine, all of it corroborating these letters.

IN a current issue, Life, the picture magazine, says: "Japanese atrocities in China have been slurred over rather than exaggerated in press reports." In Harper's Magazine, Nathaniel Peffer, noted authority on the Far East, writes: "Atrocity reports generally must be discounted by three-quarters. In this war they have been understatements."

SOON to be published by the Modern Age Books is a complete volume of documented letters and other material on Japanese atrocities in Nanking and other Chinese cities. The book is compiled and edited by H.J. Timperley, correspondent in China for the Manchester Guardian and the Christian Science Monitor and advisory editor of Asia magazine. The book has appeared in England under the title, "WHAT WAR MEANS: THE JAPANESE TERROR IN CHINA" (Victor Gollancz, London). It is now on the press in America and orders for copies may be placed with Modern Age Books, Inc. 155 East 44th Street, New York City.

IN the following are reproduced the letters which appeared in the October, 1938 issue of Reader's Digest:

The writer of the first group of letters is a missionary surgeon: December 18

Today marks the sixth day of the modern Dante's Inferno, written in huge letters with blood and rape. Murder by the wholesale and rape by the thousands of cases. There seems to be no stop to the ferocity and lust of the brutes.

Last night the house of one of the Chinese staff members of the University was broken into and two of his women relatives raped. In the ---- School where there are 8,000 people, the Japs came in ten times last night, over the wall, stole food, clothing, and raped until they were satisfied. They bayoneted one little boy, killing him, and I spent an hour and a half this morning patching up another little boy of eight who had five bayonet wounds including one that penetrated his stomach. I think he will live.

One girl I have is a half-wit. She didn't have any more sense than to claw at a Japanese soldier who was taking away her only bedding. Her reward was a bayonet thrust that cut half the muscles of one side of her neck.

793.94/14298

F/FG

142912

October 22, 1938
Sheet No. B

December 19

Yesterday there were a number of fires, part of a big burning rampage. Today several large blocks near Tai-ping Road were ablaze and one house about 200 yards from us was burned. At least four American flags have been torn down today. At Hillcrest the flag was taken down and a woman raped and then bayoneted. All the food is being stolen from the poor people and they are in a state of terror-stricken, hysterical panic.

December 21

This is the shortest day in the year but it still contains 24 hours of this hell on earth. Yesterday a 17-year-old girl came to the hospital in the morning with her new-born baby. She had been raped by Japanese soldiers the night before at seven-thirty. (On December 30th this young girl developed a horrible case of venereal disease. Her baby was given temporarily to a girl who had lost a baby prematurely when she was stuck in the abdomen with a bayonet.)

December 23

Two patients were admitted this afternoon whose condition represents about the last word in fiendish, unmitigated, atavistic brutality. One is the sole survivor of 140 led from one of the refugee camps to the hills where they were first sprayed with a few shot and then soaked with gasoline and set afire. His head is burned to a hideous fixed stare minus the eyes, which are burned out.

Christmas Eve

One man who just got in today says he was a stretcher-bearer, one of 4,000 men marched to the banks of the Yangtze and machine-gunned. S---- says that the big trenches built for tank traps were filled with the bodies of dead and wounded soldiers and when there weren't enough bodies to fill them so the tanks could pass, the Japs shot the people living around there indiscriminately to fill up the trenches. He borrowed a camera to go back and take pictures to bear out his statement.

Good night and Merry Christmas!

February 10

Everywhere we go, people crowd around kneeling down and begging us to save them. We are getting a large number of women from 16 to 30, who are ridden with venereal disease from raping. I think the whole Japanese Army is infected.

February 13

Six Japanese soldiers entered a town some miles southwest of here, and proceeded with their usual system of rape and looting. The men of the town organized some resistance, killed three of the soldiers. The other three escaped but soon returned with several hundred who quickly threw a cordon around the town. Three hundred inhabitants were all tied together in groups of six or eight and thrown into the icy river. The Japanese then leveled the town so that there was not a wall standing.

February 27

It seems that the Japanese announced that they would sell some flour (seized as part of their booty) and about 2,000 people gathered to buy it. The Japs had about 100 bags which rapidly disappeared. Then they told the rest of the crowd to get out of the way, and emphasized their command with bayonet thrusts. One young woman was run through the back so that the point came out in front of the abdomen. She lived about five minutes after getting to the hospital. The second came in yesterday having a bayonet wound of the buttock and a tremendous bruise of the lower abdomen where a soldier had kicked her. The third case came in today -- a bayonet wound which went through a loop of intestine making holes in two places.

March 6

Two days ago, a man came into the hospital from Molingkwan. The town had been completely stripped of livestock and many of the inhabitants had fled to the hills. One old man had stayed with some of his family. They were visited daily and asked for girls and livestock. Early in February several soldiers, angered at his inability to produce that which he so obviously did not have, tied him up and strung him between poles about three feet off the ground. They built a fire under him. The flames burned all the skin off his lower abdomen and upper thighs and quite a bit of his chest and arms. One Japanese soldier took pity on him on account of his age and put out

0122

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

October 22, 1938
Sheet No. C

the fire, but did not release him. His family took him down after the soldiers had left; he had been tied up for about an hour. Eighteen days later he managed to get to the hospital.

May 3

One of our most delicate and difficult problems has been dealing with the cases of pregnancy as a result of rape.

Letter from a professor in the University of Nanking, to the Japanese Embassy:

I beg leave to approach you informally about problems of order and general welfare....More than 30 women were raped last night in our building by soldiers who came repeatedly and in large numbers. They demanded money, watches and women, at the point of a bayonet....

We believe that the Japanese Army has the power to maintain respectable conduct. We are unable to understand why it does not do so, before further damage is done to local people and to Japan's reputation.

Letter from the same professor to an American friend:

More than 10,000 unarmed persons have been killed in cold blood. Practically every building in the city, including the American, British and German Embassies, has been robbed repeatedly by soldiers. There is not a store in Nanking, save the International Committee's rice shop and a military store. Most of the shops, after free-for-all pilfering, were systematically stripped by gangs of soldiers working with trucks, often under the observed direction of officers, and then burned deliberately.

Most of the refugees were robbed of their money and at least part of their scanty clothing and bedding and food. That was an utterly heartless performance. You can imagine the outlook for work and life in this city with shops and tools gone, everything else plundered, no banks or communications, the people facing starvation.

Letter from Y.M.C.A. official:

What I am about to relate I believe has no parallel in modern history. December 14th the Japanese poured into the city, conquerors of China's capital and given free rein to do as they pleased. They burned, looted and killed at will. Vandalism and violence continue absolutely unchecked. Whole sections of the city were systematically burned. Soldiers seize anyone they suspect; callouses on hands are proof that the man is a Chinese soldier. Carpenters, coolies and other laborers are frequently taken. K----, who managed to slip out of the East Gate the other day, tells me that all the villages as far as he went, some 20 miles, are burned, and that not a living Chinese or farm animal is to be seen.

The Japanese army, with no background of Christian idealism, has today become a brutal, destructive force that not only menaces the East but also some day may menace the West. The world should know the truth about what is happening.

#

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.

BRUNO SCHWARTZ
General Manager

Cable Address
TRANSPACIF

October 26, 1938

CHINA'S COMMUNICATIONS CARRY ON UNDER FIRE

By Chang Chia-ngau
Minister of Communications of the Chinese Government

(The following article, a review of China's wartime communications facilities, was written by Mr. Chang Chia-ngau, Minister of Communications, on October 3, 1938, and dispatched here via clipper airmail.)

During the past fourteen months of China's armed resistance against Japanese invasion, the National Government has been pursuing a rigid and fearless policy in maintaining and improving her lines of communications. The keynotes have been the maintenance of military supply lines to the front until the last possible hour before their destruction in the face of an enemy advance, and strengthening transportation facilities in the rear, particularly in the southwest and the northwest. Despite numerous obstacles, such as lack of necessary equipment, indiscriminate enemy bombings and blockades, the Ministry of Communications has been largely successful in keeping the traffic arteries of the nation well linked up both internally and externally. A survey of its work since the war began follows:

1. RAILWAYS:--Except in the Peiping-Mukden and Peiping-Suiyuan lines where heavy property losses were unavoidable due to the sudden Lukouchiao outbreak last year, rolling stock damage suffered by the other seven national railways, the Shanghai-Nanking, the Shanghai-Hangchow, the Tientsin-Pukow, the Lunghai, the Peiping-Hankow, the Kiaochoh-Tsinan, and the Canton-Hankow lines, was rather small. Of the 826 locomotives owned by the seven railways, only 148 were lost in the war; while 154 out of 1,407 passenger cars and 2,495 out of 9,645 freight cars were either left behind the enemy lines through traffic disruption or were purposely destroyed. Most of the railway equipment and machine shops such as the engineering works of the Kiaochoh-Tsinan, the Shanghai-Nanking and the Tientsin-Pukow lines have been removed to the interior.

One of the Ministry's main feats in maintaining railway traffic at all costs is accomplished by trained repair crews who are rushed out to do whatever they can to restore service immediately after Japanese bombings. Save the few occasions when heavy damage was inflicted on railway bridges, traffic has never been put out of action for more than 24 hours. It has been estimated that from July, 1937 to June, 1938, the seven national railways were subjected to more than 2,800 enemy aerial raids. A total of 25,000, or five bombs for each kilometer of railway line, were dropped. The cost of the missiles alone would be at least 30 million dollars, Chinese currency.

The war disrupted China's five-year railway reconstruction program which called for building 8,477 kilometers of new lines in five years or 1,695 kilometers annually. It was fortunate, however, that the 283-kilometer Kiangsi-Hunan railway which links the Chekiang-Kiangsi and the Canton-Hankow line and the 15-kilometer junction between the Canton-Hankow and Canton-Kowloon railways, both of which were embodied in the first year of the program, were completed and opened for traffic when the war broke out. So was the 73-kilometer Soochow-Kashing railway which connects the Shanghai-Nanking and the Shanghai-Hangchow services and which served as a main Chinese military transport line when the war was centered around Shanghai.

793.94/14299

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14299

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

October 26, 1936
 Sheet No. B

2. TELEGRAPHY AND TELEPHONY:--Much has been done by the Ministry to improve telegraph facilities between Wuhan and other parts of the country, particularly with the fronts. Official messages handled by the Hankow Telegraph Administration, which functions as the wartime cable nerve-center of the nation, usually amount to more than 11,000 in every 24 hours. Since the war, 6,209 kilometers of telegraph lines have been constructed or repaired while another 4,000 kilometers are being built or planned. Meanwhile military long-distance telephone lines have been installed wherever necessary. There are at present more than 50 teams of repair crews standing by at all fronts for emergency work.

The Ministry is sparing no efforts to develop radio and radio-telephone services between the interior and the world. The Chengtu Short-Wave Broadcasting Station began its service with various European capitals last November. It is expected that before long direct wireless communication with America will be inaugurated. The Chungking Broadcasting Station and the Kunming Radio Station are two other powerful centers to hook up China's interior with the outside world by radio. A radio telephone service between Chungking and Hong Kong was successfully started late in September.

3. HIGHWAYS:--Since the war, China had constructed 1,602 kilometers of new highways and repaired another 1,622 kilometers of old roads. Particular attention has been given to the southwest and northwest where separate bureaus for directing highway transportation and road construction have been established in Kweiyang and Lanchow respectively. The roadbed from Lanchow in Kansu Province passing through Shensi's capital of Sian to Chungking in Szechuan Province has been greatly improved while the Burma-Kunming highway in China's southwestern frontier is fast nearing completion. There is also an intricate network of highways in China's inland, with the various provincial capitals as the radiating centers.

4. AVIATION:--Following the outbreak of hostilities last July a number of the airlines linking Peiping, Tientsin, Shanghai and Nanking were suspended. However, more airlines have been opened in the interior provinces by the China National Aviation Corporation, a Sino-American firm, the Eurasia Aviation Company, a Sino-German firm and the Southwest Aviation Company.

The three aviation companies operate twelve lines at the present time with a total length of 8,646 kilometers. The airlines operated by different companies are listed follows:

- (A) The China National Aviation Company:
 - a. Hankow-Chungking line via Changsha, Ichang and Wanhhsien, 827 kilometers.
 - b. Chungking-Chengtu line, 290 kilometers.
 - c. Chungking-Kunming line via Kweiyang, 880 kilometers.
 - d. The Hong Kong-Hanoi line, 835 kilometers.
 - e. Chungking-Kating line, 200 kilometers.
- (B) The Eurasia Aviation Company:
 - a. Sino-Hong Kong line via Hankow, Changsha and Canton, 1,800 kilometers.
 - b. Sian-Chengtu line, 600 kilometers.
 - c. Chengtu-Kunming line, 700 kilometers.
- (C) The Southwest Aviation Company:
 - a. Canton-Hanoi south line via Pakhoi and Fangchen, 749 kilometers.
 - b. Canton-Hanoi west line via Wuchow, Kweilin, Liuchow and Nanning, 900 kilometers.
 - c. Canton-Kiungchow (Hainan Island) line, 551 kilometers.

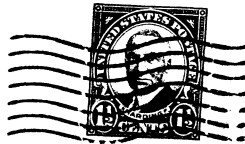
October 26, 1938
Sheet No. C

5. WATERWAYS:--Despite various booms and blockades, water transportation has been efficiently carried out under the Ministry's joint offices of River and Inland Lake Shipping. Traffic congestion on both the Canton-Hankow railway and the Hankow-Chungking steamer service has been greatly relieved by reviving the ancient Chinese junk trade. A number of these old-fashioned but nevertheless serviceable vessels have been installed with engines so as to increase their speed. Meanwhile a number of the important south China waterways such as the Tungting Lake affluents, the Siang-River and the Si-River, have been drained and made navigable.

6. POSTS:--Operating military postal services and facilitating civilian mails are the two main problems confronting the Chinese Post Office. Soon after the Lukouchiao outbreak, special military postal zones were established in Chahar, Suiyuan, Shansi, Hupeh, Shantung, Honan, Kiangsu, Anhwei and Chekiang. Meanwhile seven special postal inspection stations manned by 218 postal employees were established in those fronts to ease the flow of military mail bags.

In the rear, postal workers have been rivaling their comrades at the fronts in the efficiency of their public service. They are constantly fighting against time and transportation difficulties in getting the mails through with the least possible delay. Today in China's inland, new mail lines have been added and special truck services inaugurated to maintain the mail traffic. So far there has been no noticeable decrease in China's postal revenue except in the Japanese-occupied areas where the Chinese Government Postal Office is operating a greatly curtailed service at a loss, although it is still maintaining its pre-war staff.

TRANS-PACIFIC NEWS SERVICE



Mr. Maxwell M. Hamilton
Chief, Division of Far Eastern Affairs
State Department
Washington, D. C.

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

012

DECLASSIFIED: E.O. 11652, 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 893.102 Hankow/141 FOR Tel #39, 10 a.m.

FROM Hankow (Josselyn) DATED Nov. 3, 1938
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations.

Japanese martial law declared in Special Administrative District Three. This move considered to be the initial step in the larger Japanese policy of dislodging other foreign interests in China. Objections presented to Japanese Consul General.

aa

793.94/14300

14300-

DECLASSIFIED: E.O. 11652, 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
Cutter of MID.*

TELEGRAM RECEIVED

JR

This telegram must be Foochow via N. R.

closely paraphrased be-
fore being communicated
to anyone. (br)

Dated November 2, 1938

FROM

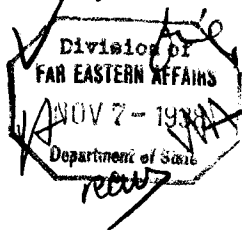
Rec'd 1:15 a.m., 5th.

Secretary of State,

Washington.

3, November 2, 6 p.m.

STRICTLY CONFIDENTIAL.



793.94

In the light of the crisis which developed in Foochow yesterday and the day before upon the receipt of information alleging Japanese military action at Futsing presumably presaging advance to Foochow, it seems likely that the authorities here have received some fairly clear intimation from the Japanese of their intention to act in this area soon although its precise form remains a matter of conjecture. According to an unconfirmed rumor General Ch'eni, who had returned just two weeks ago from a long conference with the Generalissimo, was given a Japanese ultimatum, *possibly by secret* ~~(to be)~~ representatives of the Nanking regime, demanding that he (one) secure the withdrawal from northern Fukien of Eightieth Route Army; (two) remove troops from Foochow; (three) preserve Japanese property; (four) cease boycott of Japanese goods, and (five) fly the flag of the new regime, all within a brief

*WAB
5/23/39*

*793.94
5/23/39*

793.94/14301

F/FG

1129

DECLASSIFIED: E.O. 11652, 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- #3, November 2, 6 p.m., from Foochow via N. R.

brief time limit on penalty of an attack on this city. It should be stated in this connection that the two ranking members of the Fukien Provincial Government as reported to have been despatched to the south seas are now stated never to have left Hong Kong where they have been engaged in various negotiations.

Whether or not such demands were received it is also evident that while Ch'ani is probably inclined against resistance certain other ranking officials here desire to fight. A responsible member of the Government has just informed me in strict confidence that he has opposed the war from the beginning; that he believes that after the fall of Canton to resist here would be useless; but that as a result of recent shifts effected by Generalissimo it is now no longer possible for any one person to decide for or against the issue. I am also informed that the greater part of the troops originally stationed between here and the coast have already been withdrawn to the interior and that in any case there will probably be little actual fighting in the vicinity of Foochow.

The

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

-3- #3, November 2, 6 p.m., from Foochow via N. R.

The feeling of panic in Foochow was probably in the first instance due to orders for the prompt removal of schools and other institutions from the city to the interior which were privately issued following a meeting of the Government council on Saturday at which the decision to begin withdrawal was reached the Chief of Staff of the Eightieth Route Army had predicted that an invasion would occur in a very short time. However, the chairman and the magistrate (?) here although the administrative offices have been moved and His Excellency is trying from (?) residence on Nant'ai

All Americans safe and well.

To Chungking and Peiping.

WARD

WWC:DDM

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

TELEGRAM RECEIVED

JR

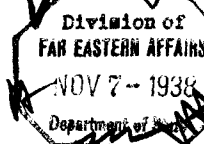
COPIES SENT TO
O.N.I. AND M.I.D.

FROM COMYANGPAT

November 6, 1938

Rec'd 7 a.m.

Secretary of State,
Washington.



0506. Vice Admiral Oikawa now at Kukian expects
arrive Shanghai about ten November ex-foreign
concessions and French concession cleared of refugees
few natives returning to villages outskirts city Hankow
quiet. 0853.

WWC

793.94/1 4302

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7 1 3

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

TELEGRAM RECEIVED 5222

JR

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

Tokyo via Shanghai & N. R.
FROM

Dated November 5, 1938

Rec'd 7:07 p.m.

Secretary of State,
Washington.

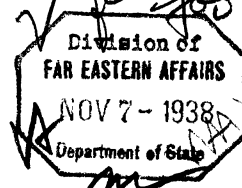
708, November 5, 6 p.m.

Department's 373, November 2, 2 p.m., and 376,

November 3, 6 p.m., navigation on the Yangtze River.

My British and French colleagues concur in the
Department's proposal and are prepared to act as soon
as they receive instructions. We propose to write
similar but not identic (?) notes and to present them
in person to the Minister for Foreign Affairs in
support of our vigorous oral representations. Arita
is to receive the diplomatic representatives ceremonially
on Monday afternoon November 7. We shall either act at
that time or if that is not practicable we shall ask for
separate appointments shortly thereafter. This (*)
of course assumes that the British and French instructions
are confirmatory. The French instructions are now being
decoded. The British instructions have not yet been
received. I hope to be able to report to the Department
definitely on this point tomorrow.

Sent to Chungking. Commander-in-Chief will be
informed.



793.94/14303

F/FG

FILED

NOV 10 1938

12

GAUSS

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



DEPARTMENT OF STATE
 DIVISION OF FAR EASTERN AFFAIRS
 November 10, 1938.

Reference Chungking's 526, November 4, 9 a.m.

The statement made on the next to the last page of this telegram to the effect that the United States expressed itself in general accord with the League resolution of October 6, 1937, in which it was recommended inter alia that League members refrain from action likely to weaken China's power of resistance and consider extending aid to China, contains an erroneous inference in so far as action by the American Government was concerned. In the statement issued to the press on October 6, 1937, the attitude of the Government of the United States was expressed in the concluding paragraph reading as follows:

"In the light of the unfolding developments in the Far East the Government of the United States has been forced to the conclusion that the action of Japan in China is inconsistent with the principles which should govern the relationships between nations and is contrary to the provisions of the Nine Power Treaty of February 6, 1922, regarding principles and policies to be followed in matters concerning China, and to those of

the

793.94/14301

0 1 3 4

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

- 2 -

the Kellogg-Briand Pact of August 27, 1928. Thus the conclusions of this Government with respect to the foregoing are in general accord with those of the Assembly of the League of Nations."

In its statement of October 6, ¹⁹³⁷ the American Government made no statement with regard to the recommendation in the League report of October 6 that League members "should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider how far they can individually extend aid to China."

m. m. h.

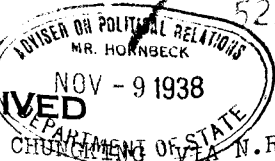
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

REB

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to anyone. (br)

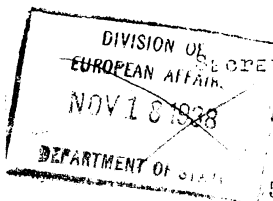
TELEGRAM RECEIVED



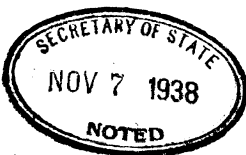
Dated November 4, 1938

Rec'd 2:30 p. m.

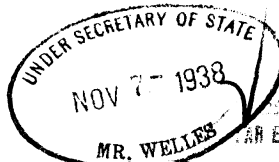
FROM



Secretary of State,
Washington.



526, November 4, 9 a. m.



CONFIDENTIAL FOR THE SECRETARY.

All types of intelligent Chinese are keenly appreciative of the popular sympathy shown throughout the States for the Chinese people in their desperate struggle for independence and against Japanese domination. It would be useless to deny, however, that the Chinese are at a loss to explain why this sympathy does not find expression in practical form (one) by refusing to supply war essentials to Japan and (two) by extending credits to China for such commodities. Thinking Chinese would doubtless argue that self-interest alone would incline the United States to refrain from assisting the Japanese army to invade the rights of American citizens as set forth in our note of October 6 to the Japanese Foreign Office. With reference to the matter of credits Peck November 3 inquired of Tsiang lately Chinese Ambassador in Moscow and now Director

General

NOV 23 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 O. Gustafson NARS, Date 12-18-75

5224

REB

2-#526, From Chungking, Nov. 4, 9a.m.

General of Political Affairs of the Executive Yuan what assistance was being given by other countries and was told in confidence as follows: France has sold the Chinese Government two lots of 30 military planes each on six years credit. The planes are not entirely satisfactory since on arrival parts were missing and during the crisis before the Munich agreement the Government of Indo-China temporarily detained some planes for possible use by France. On the whole this arrangement and the attitude of France are regarded as liberal and friendly. Great Britain has not extended credit but has given great assistance by permitting the passage of munitions through Hong Kong. The capture of Canton having closed this route the British are continuing cooperation in establishing the Burma motor road which is practically completed. He said that both this route and through Indo-China are expensive, the cost per ton from the sea to Yunnanfu being about Chinese dollars 1300 and 700 respectively or roughly American dollars 200 ~~future~~ *and 100 but the Burma cost of 200 dollars may in future* be decreased by improvement in details of shipping. Informant thought that the building of railways through ~~Indo~~ *Burma* or Chinese Turkestan had no practical bearing on present needs which are ~~Indo~~ *urgent and* immediate.

(END SECTION ONE)

JOHNSON

NPL

5225

TELEGRAM RECEIVED

REB

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

FROM

CHUNGKING VIA N.R.

Dated November 4, 1938

Rec'd 2:42 p. m.

Secretary of State,

Washington.

526, November 4, 9 a. m. (SECTION TWO)

In connection with the non-aggression pact of August 1937 China obtained from the Soviet Union an unconditioned credit of 1,000,000 Chinese dollars and in the following December a credit of 200,000,000 to be repaid in Chinese commodities without time limit. China refused a Soviet request that China share its available foreign exchange. This money has all been sent by the Chinese Government. Informant thought Stalin was invincibly opposed to military intervention on behalf of China although Voroshilov and Blucher are both thought to advocate war against Japan. Germany has supplied China with munitions through the medium of the first barter agreement and a second barter agreement was concluded just before the capture of Canton which event made the shipment of German goods into China almost impossible. This second agreement is more liberal than the first in that purchases may be negotiated with individual

1138
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

522S

REB

2-#526, From Chungking, Nov. 4, 9a.m.
(Sec. Two)

individual firms instead of only with the German Government and the firms look to the German Government for payment. Informant felt that the German attitude toward this conflict is ambiguous but he discredits a rumor he reported as coming from Europe to the effect that Germany has extended a loan equivalent to 10,000,000 pounds to Japan with which to purchase 1500 planes on the condition that Japan proceed to attack the Soviet Union simultaneously with a German attack in Europe. Italian aid to China has been negligible in value. Informant made no (repeat no) mention of a refusal by any nation to supply to Japan commodities it needs and he seemed fully conversant with the economic conditions which would make it ~~too~~ ^{extremely difficult} to comply with the popular Chinese desire that the United States curtail such exports. (Assistance given by the United States was not discussed otherwise the director would undoubtedly have acknowledged gratefully the silver purchases as other informed officials have done.)

740.00
741.94

(END SECTION TWO)

JOHNSON

EMB

NPL

5227

TELEGRAM RECEIVED

HM

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

FROM Chungking via N.R.

Dated November 4, 1938

Rec'd 4:29 p.m., 5th

Secretary of State,

Washington.

526, November 4, 9 a.m. (SECTION THREE).

Questioned in regard to the possibility of compromise with Japan Tsiang stated that of course the so-called Communist faction would refuse short of victory to cease fighting the Japanese invasion but he thought the general attitude of the representatives in the People's Political Council now meeting and probably of the country at large was adequately expressed by a member of the "Youth Movement" at the meeting of the second instant in saying that he would give unquestioning obedience to Chiang Kai Shek whether the latter decided for prolonged resistance or a compromise for peace. Questioned whether he thought any terms of compromise could be devised possible of acceptance by both sides informant refrained from discussing the matter beyond observing that such terms would be very difficult to frame.

My inference from informant's statements and other circumstances is that it can hardly be believed that in

practical

793.94/4306

114

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

5228

-2- #526, November 4, 9 a.m. from Chungking (Corrected copy)

practical matters any League member is seeking to implement the League resolution of October 6, 1937 recommending that it refrain from action likely to weaken China's power of resistance and that it consider extending aid to China (with which resolution the United States expressed itself in general accord) since I understand League members have not refused to supply Japan with the mechanized equipment or materials therefor that are undermining China's ability to resist. My opinion is the European nations that have assisted China including Germany and Italy, which did not join in the resolution, are convinced that the victory of the Japanese army would result in their partial or complete exclusion from trade with China and that they privately would prefer failure of the Japanese attempt to dominate China although their aid to China is nicely proportioned to avoid provoking war with Japan. Much less can I discern any initiative among them in practical matters on behalf of the "more fundamental interest" of orderly processes referred to in the Secretary's letter to the Vice President of January 8. I should say that while the United States is popularly regarded in China as being a more pronounced champion of China's independence than any European nation nevertheless Great Britain,

Russia

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

5229

-3- #526, November 4, 9 a.m. from Chungking (Corrected copy)

Russia and France are thought to be more powerful factors
in the Far Eastern situation because whatever their motives
their aid to China has been more widely known and more
publicly opposed by Japan. (END OF MESSAGE)

JOHNSON

GW:WW

TELEGRAM RECEIVED

JR ^{GPO}

FROM

This telegram must be
closely paraphrased be-
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to anyone. (br)

Chungking via N. R.

Dated November 4, 1938

Rec'd 4:29 p.m. , 5th.

See corrected copy

Secretary of State,

Washington.

526, November 4, 9 a.m. (SECTION THREE).

Questioned in regard to the possibility of
compromise with Japan Tsiang stated that of course
the so-called Communist faction would refuse short of
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At the meeting of the second instant in saying
that he would give unquestioning obedience to
Chiang Kai Shek whether the latter decided for prolonged
resistance or a compromise for peace. Questioned
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be devised possible of acceptance by both sides
informant refrained from discussing the matter beyond
observing that such terms would be very difficult to
frame.

My

793.94/14304

DECLASSIFIED: E.O. 11652, 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- #526, November 4, 9 a.m. (SECTION THREE) from Chungking.

My inference from informant's statements and other circumstances is that it can hardly be believed that in practical matters any League member is seeking to implement the League resolution of October 6, 19³⁷ recommending that it refrain from action likely to weaken China's power of resistance and that it consider extending aid to China (with which resolution the United States expressed itself in general accord) since I understand League members have not refused to supply Japan with the mechanized equipment or materials therefor that are undermining China's ability to resist. My opinion is the European nations that have assisted China including Germany and Italy, which did not join in the resolution, are convinced that the victory of the Japanese army (?) their partial or complete exclusion from trade with China and (?) privately would prefer failure of the Japanese attempt to dominate China although their aid to China is nicely proportioned to avoid provoking war with Japan. Much less can I discern any initiative among them in practical matters on behalf of the "more fundamental interest" of orderly processes referred to in the Secretary's letter to the Vice President of January 8. I should say that while
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-3- #526, November 4, 9 a.m. (SECTION THREE) from
Chungking.

the United States is popularly regarded in China as
being a more pronounced champion of China's
independence than any European nation nevertheless
Great Britain, Russia and France are thought to be
more powerful factors in the Far Eastern situation
because whatever their motives their aid to China
has been more widely known and more publicly opposed
by Japan. (END OF MESSAGE)

JOHNSON

GW:WVC

114

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

DEPARTMENT OF STATE

FOR THE PRESS

OCTOBER 6, 1937.

The Department of State has been informed by the American Minister to Switzerland of the text of the report adopted by the Advisory Committee of the League of Nations setting forth the Advisory Committee's examination of the facts of the present situation in China and the treaty obligations of Japan. The Minister has further informed the Department that this report was adopted and approved by the Assembly of the League of Nations today, October 6.

Since the beginning of the present controversy in the Far East, the Government of the United States has urged upon both the Chinese and the Japanese Governments that they refrain from hostilities, and has offered to be of assistance in an effort to find some means, acceptable to both parties to the conflict, of composing by pacific methods the situation in the Far East.

The Secretary of State in statements made public on July 16 and August 23 made clear the position of the Government of the United States in regard to international problems and international relationships throughout the world and as applied specifically to the hostilities which are at present unfortunately going on between China and Japan. Among the principles which in the opinion of the Government of the United States should govern international relationships, if peace is to be maintained, are abstinence by all nations from the use of force in the pursuit of policy and from interference in the internal affairs of other nations; adjustment of problems in international relations by process of peaceful negotiation and agreement; respect by all nations for the rights of others and observance by all nations of established obligations; and the upholding of the principle of the sanctity of treaties.

On October 5 at Chicago the President elaborated these principles, emphasizing their importance, and in a discussion of the world situation pointed out that there can be no stability or peace either within nations or between nations except under laws and moral standards adhered to by all; that international anarchy destroys every foundation for peace; that it jeopardizes either the immediate or the future security of every nation, large or small; and that it is therefore of vital interest and concern to the people of the United States that respect for treaties and international morality be restored.

In the light of the unfolding developments in the Far East the Government of the United States has been forced to the conclusion that the action of Japan in China is inconsistent with the principles which should govern the relationships between nations and is contrary to the provisions of the Nine Power Treaty of February 6, 1922, regarding principles and policies to be followed in matters concerning China, and to those of the Kellogg-Briand Pact of August 27, 1928. Thus the conclusions of this Government with respect to the foregoing are in general accord with those of the Assembly of the League of Nations.

ASSEMBLY ADVISORY COMMITTEE ON CHINA

SECOND REPORT

ADOPTED BY THE ASSEMBLY ON OCTOBER 6, 1937

In the report which the Subcommittee has already submitted to the Advisory Committee, the facts of the present situation in China and the treaty obligations of Japan have been examined. This report shows that the action taken by Japan is a breach of Japan's treaty obligations and cannot be justified.

The establishment of the understandings of international law as the actual rule of conduct among Governments and the maintenance of respect of treaty obligations in the dealings of organized people one with another are matters of vital interest to all nations.

The present situation in China is a matter of concern not only to the two states in conflict but to a greater or lesser degree to all states. Many powers are already directly affected in the lives of their nationals and in their material interests. But even more important than this is the interest which all states must feel in the restoration and maintenance of peace. This indeed is the fundamental purpose for which the League exists. It has thus the duty as well as the right to attempt to bring about a speedy restoration of peace in the Far East, in accordance with existing obligations under the Covenant and the treaties.

The Subcommittee has considered in the first place the obligations which the Covenant places in such circumstances upon Members of the League.

The Advisory Committee has been set up under the wide terms of Article III (3) of the Covenant, which authorizes the Assembly to deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

This article places no limit upon the action of the Assembly and Article XI which inter alia has been invoked by China provides that "the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations".

The Subcommittee has examined the situation with a view to determining what action would be "wise and effectual".

It cannot be admitted that the present conflict in the Far East, which has been shown to involve an infringement of Japan's treaty obligations, is one which can, as of right, only be settled by direct methods between the Chinese and Japanese Governments. On the contrary, the whole situation must be taken into the fullest consideration and in particular any appropriate means by which peace may be reestablished in conformity with the principles of the Covenant and of international law and with the provisions of existing treaties, must be examined.

The Committee is convinced that even at this stage

of

-2-

of the conflict, before examining other possibilities, further efforts must be made to secure the restoration of peace by agreement.

In attempting a settlement, by negotiation, of the present conflict, the League cannot lose sight of the fact that one party is not a Member of the League and has, in relation to the work of the Advisory Committee explicitly declined to cooperate in political matters with the League.

The Committee notes that under the Nine Power Washington Treaty, the contracting Powers, other than China, agreed inter alia to respect the sovereignty, the independence and the territorial and administrative integrity of China and that all contracting Powers including China agreed that whenever a situation should arise which involved the application of stipulations of the treaty and rendered desirable the discussion of such application, there should be full and frank communication between the Powers concerned. It appears, therefore, to the Committee that the first steps which the Assembly should take, in the name of the League, would be to invite those Members of the League who are parties to the Nine Power Washington Treaty to initiate such consultation at the earliest practicable moment. The Committee would suggest that these Members should meet forthwith to decide upon the best and quickest means of giving effect to this invitation. The Committee would further express the hope that the States concerned would be able to associate with their work other States which have special interests in the Far East to seek a method of putting an end to the conflict by agreement.

The States thus engaged in consultation may at any stage consider it desirable to make proposals through the medium of the Advisory Committee to the Assembly. The Committee recommends that the Assembly should not close its session and should declare the League's willingness to consider cooperation to the greatest extent practicable in any such proposals. The Advisory Committee should in any case hold a further meeting (whether at Geneva or elsewhere) within a period of one month.

Pending the results of the action proposed, the Committee invites the Assembly to express its moral support for China and to recommend that Members of the League should refrain from taking any action which might have the effect of weakening China's power of resistance and thus of increasing her difficulties in the present conflict, and should also consider how far they can individually extend aid to China.

✓

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

TELEGRAM RECEIVED

JR

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

FROM London

Dated November 6, 1938

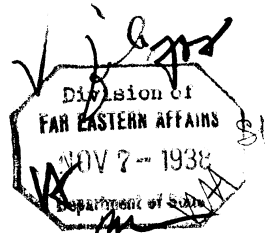
Rec'd 7:52 a.m.

Secretary of State,
Washington.

1290, November 6, 10 a.m.

STRICTLY CONFIDENTIAL.

793.94/142.76C
Your 672, November 2, 3 p.m.



The Foreign Office tells me that while it has
some concrete ideas as to possible eventual measures
in the event of an unsatisfactory reply to their
representations referred to in my 1289 of November 5,
11 a.m., it is not clear in its own mind "whether they
are quite the sort" and therefore desires to give the
matter further consideration. It will communicate with
me further on the subject as soon as possible.

KENNEDY

WWC

Re: Action of British Government in connection with
instructions sent to Mr. Grew at Tokyo.

793.94/14305

FILED
NOV 12 1938

F/FG

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

TELEGRAM RECEIVED

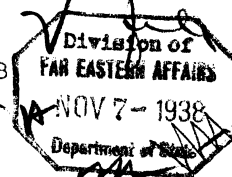
JR

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

FROM USS MONOCACY

November 7, 1938

Rec'd 7 a.m.



ACTION: COMYANGPAT

PASSED BY CINCAF TO NAVDEPT & FOURTH MARINES FOR INFO.

793.94
not
393.1115

0005. Brit SNO has taken up with Ray subject of obtaining access to Kuling, this has been passed on via Consul General to English Embassy Shanghai and their navy interviewing Jap admiral at latter place tomorrow, Cox has made statement situation rather serious and believe nothing could be done without American cooperation. November 3rd manager Standard Vacuum showed me letter from Allgood in which latter stated some our nationals there wished to leave for Shanghai and for him to do what was possible accomplish this, most Americans have sufficient provisions, other foreigners do not, slight intimation that Chinese soldiers becoming more aggressive, informed Benedict I felt that since Allgood knew we were here any communication requiring action our part should be addressed directly to ship and more definite information given as to conditions, number desiring to leave and attitude of Chinese soldiers, am told this has passed on, may

793.94/14306

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- 0005, November 7, 7 a.m., from USS MONOCACY.

may have better information near future. My opinion regarding situation is: 1, native population so reduced that possible shortage of food essentials not serious probably money to buy same is; 2, whether difficulties arise or not depends entirely on attitude of armed men present the longer existing status continues the more probable trouble as soldiers there responsible to practically nobody; 3, under ordinary circumstances Nips would clear area with aircraft but not doing so due foreign interests, situation now is to their liking; 4, Japs state if Chinese would deliver their arms and surrender situation would be cleared, this action unlikely; 5, Americans there unwilling to make any definite requests fearing that if anything done total evacuation would follow, feel this true as in June on delivery of State Department last notice we informed American school that undoubtedly Kuling would be cut off until December or later, reply was conditions were satisfactory and they desired be left own devices; 6, consider only solution near future would be through third power intermediary whereby soldiers in Kuling surrender arms for some guarantee then local government be established, do not believe Japs have any desire

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

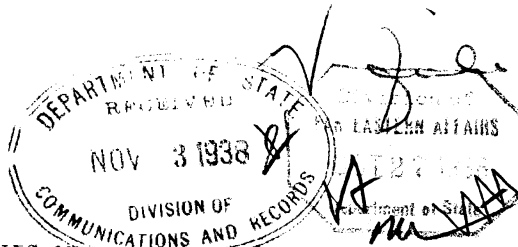
-3- #0005, November 7, from USS MONOCACY.

desire even to police area; 7, do not consider situation
serious with regard personal safety our nationals
although will always have possibilities of becoming so.
2116.

DDM

0152

DECLASSIFIED: E.O. 11652, 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 TELEGRAPHIC MESSAGE RECEIVED AT THE CHINESE EMBASSY
CHUNGKING, OCTOBER 26, 1938.

793.94

The Military spokesman announced that orderly evacuation from the Tri-cities of Wuhan (Hankow, Wuchang and Hanyang) had been completed yesterday and that a new line of defense had been established outside the area. He then gave the following explanations as to why Wuhan was evacuated when the Japanese were still outside the inner defense line of the Tri-cities. First, China's fundamental policy is based on a prolonged warfare, taking into consideration the whole scope of the military operations. Importance is not attached to the retention or loss of any particular city, but every effort must be made to prolong the warfare so as to wear out the enemy in the very process, and to preserve or strengthen the Chinese capacity of resistance. In the past six months Chinese forces have offered stubborn resistance at the outside defense line of the Wuhan area and have achieved the object of the war of attrition by inflicting heavy casualties on the enemy. Secondly, the significance of defending Wuhan lies in the protection given to the transfer of manpower and material resources from southwestern and central China to the interior. Since the removal of material resources and the evacuation of civilians from Wuhan have been successfully carried out, the duty of protecting the rear is ended. From the point of view of the entire scope of resistance the retention of Wuhan is no longer significant. Thirdly, the Chinese military strategy is based on the principle of retaining the initiative; Chinese forces must always retain the freedom of action and cannot afford to be cornered by the enemy. Having caused great losses to the enemy, and having protected the transfer of manpower and material resources to the interior, it is considered unnecessary to further defend Wuhan, lest the Chinese forces be forced to fight a decisive battle in Wuhan which is contrary to the purpose of a prolonged warfare. Last reason why the Tri-cities is not further defended is that it is the sincere desire of the Chinese authorities to minimize the peril of suffering which confronts the Chinese and foreign residents who cannot find means to evacuate. China's chief concern is to retain the initiative and conserve the fighting strength so that by closely following this policy, the Japanese military strategy may be gradually defeated, and the goal of our ultimate victory may be achieved in the end. Generalissimo Chiang Kai-shek safely left Hankow for yet undisclosed destination from where he will continue to direct further operations.

793.94/14307

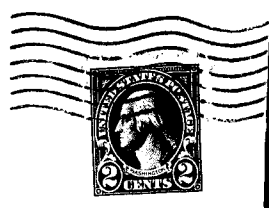
FILED

NOV 3 1938

14307

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

CHINESE EMBASSY
WASHINGTON, D. C.



37412

Mr. Maxwell M. Hamilton
Chief, Far Eastern Division
Department of State
Washington, D. C.

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

TELEGRAM RECEIVED

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

FROM: Tokyo via Shanghai & N. R.

Dated November 6, 1938

Rec'd 11:59 a.m.

Secretary of State,
Washington.

709, November 6, 6 p.m.

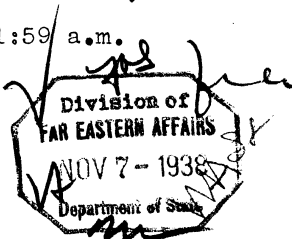
Our 708 November 5, 6 p.m., navigation on the Yangtze.

The British and French Ambassadors have both received
affirmative instructions and we shall all three present
similar but not identic signed notes to the Minister
for Foreign Affairs when calling on him separately
tomorrow.

Sent to Chungking. Commander-in-Chief will be
informed.

GREW

DDM



793.94/14308

NOV 7 4 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

TELEGRAM RECEIVED

JR

gpo

COMSOPAT
FROM

November 7, 1938

Rec'd 7 a.m.

ACTION: CINCAP
OPNAV

792.94

INFO: RUSNOS
COMSUEBON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS JO FORD
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

COPIES SENT TO
JAN 1 1939



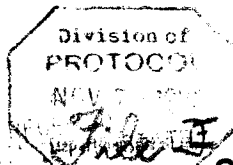
793.94/14309

0006. Canton quiet, thirteen thousand refugees
cared for Anglo American Committee, limited supply rice,
no foreign shipping allowed enter port, many Japanese
ships good tonnage using Pearl River increased flow
troops and supplies though Canton to north and to
west river military operations those directions unsettled
conditions guerrilla fighting area Waichow Bias Bay.
2345.

DDM

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



Handwritten initials 'RR' and a checkmark

CHINESE EMBASSY
WASHINGTON

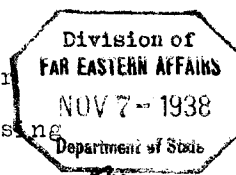
1938 NOV 7 AM 9 17

November 2, 1938.

DIVISION OF
COMMUNICATIONS
AND RECORDS

My dear Mr. Secretary:

793.94/14254



I beg to acknowledge the receipt of your Department's note of October 29, 1938, enclosing a letter addressed by the President to His Excellency Dr. H. H. Kung, President of the Executive Yuan, in reply to Dr. Kung's letter of August 30, which was personally delivered by Mr. K. P. Chen, and to say in reply that the letter is being forwarded to its destination.

I am, my dear Mr. Secretary,

Very sincerely yours,

Handwritten signature: Hu Shih

Honorable Cordell Hull,
Secretary of State.

793.94/14310

NOV 9 1938
FILED

F/FG

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

TELEGRAM RECEIVED

FROM

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

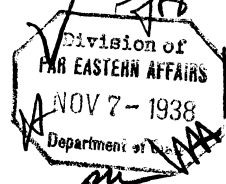
MARDET TIEN TSIN

November 7, 1938

Rec'd 10:20 a.m.

ACTION: NAVY DEPT

INFO: CINCAF
FOURTH MARINES
MARDET SHANGHAI



0007. No Nipponese troop movements reported week
terminating six November via Chinwangtao. 1130.

KLP:CSB

793.94/14311

F/F G

0158

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

5230

FE

TELEGRAM RECEIVED

JR

This telegram must be _____ Hankow via N. R.
 closely paraphrased be-
 fore being communicated Dated November 6, 1938
 to anyone. (br)

Secretary of State,
 Washington.

43, November 6, 3 p.m.

FROM
 COPIES SENT TO
 O.N.I. AND M.I.D.
 in confidence
 Division of
 FAR EASTERN AFFAIRS
 NOV 7 - 1938
 Department of State

An informed Soviet Russian source states that the Chinese have ammunition sufficient for six months more of war on the present scale. Other foreign and Chinese estimates are about eight months. Domestic production of rifle, mortar and machine gun ammunition and grenades will presumably augment the supply but only meagerly.

The same source gave the impression that no decisive assistance is to be expected from the Soviet Union. He anticipates Japanese occupation of Sian but declared with significant emphasis that any attempt to advance to Lanchow would cost the Japanese dearly.

Repeated to Chungking, Peiping, Shanghai.

JOSSELYN

DDM:RGC

793.94/14312

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

b
Confidential

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 43) of November 6, 1938, from the American Consul General at Hankow reads substantially as follows:

The impression that the Soviet Union will not render decisive assistance to China has been gained during the course of a conversation with an informed Soviet Russian. He expects that the Japanese will occupy Sian but he stated ^{significantly and} emphatically that it would cost the Japanese dearly if they tried to advance to Lanchow. This informant says that the Chinese have enough ammunition to carry on war on the present scale for another six months. Chinese and other foreigners estimate the time as about eight months. Presumably the supply of ammunition will be augmented although meagerly by domestic production of grenades and ammunition for rifles, machine guns and mortars.

793.94/14312
 793.94/14312.

egc.
 FE:EGC:JPS
 11-7-38

for
 FE
new

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



THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 3356

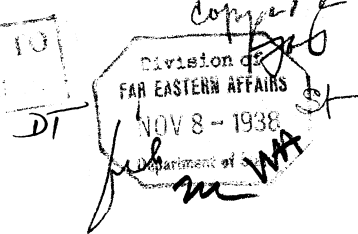
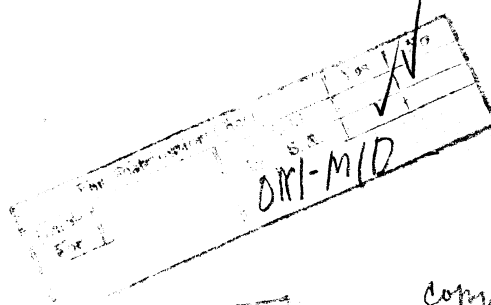
Tokyo, October 19, 1938

SUBJECT: PROTECTION OF FOREIGN RIGHTS AND INTERESTS
 IN HANKOW - PROPOSED SAFETY ZONE.

RECEIVED
 DEPARTMENT OF STATE

1938 NOV 7 PM 12 10

DIVISION OF
 COMMUNICATIONS



793.94/14313

The Honorable
 The Secretary of State,
 Washington

Sir:

I have the honor to refer to the Embassy's despatch no. 3263 of September 22, 1938, with which was transmitted a copy of a letter from the British Ambassador to the Vice Minister for Foreign Affairs concerning the boundary of the proposed safety area at Hankow, and to enclose a copy in translation of the Vice Minister's reply to that letter under date of October 11, 1938.

Respectfully yours,

Joseph C. Grew
 Joseph C. Grew

Enclosure:

Copy of communication from the Vice Minister for Foreign Affairs to the British Ambassador.

350

ES0:mg

Copy to Ambassador Johnson

Copy to Consulate General, Hankow.

NOV 23 1938

FILED

F/EG 14313

116
DECLASSIFIED: E.O. 11652, 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. 3356 of October 19, 1938,
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the
American Ambassador, Mr. Grew, October 13, 1938)
- - - - -

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

TRANSLATION

From: Vice-Minister for
Foreign Affairs.

11th October, 1938.

My dear Ambassador,

In your letter of the 19th September, Your
Excellency referred to my letter of the 11th January
last regarding the safety of the interests of third
countries in a specified area in Hankow and stated
that, as the result of conversations between the repre-
sentatives of the interests of third Powers in Hankow
and the Imperial Japanese Consulate-General in Shanghai,
agreement had been reached to regard the railway line
at the back of the present and former concessions in
Hankow as the landward boundary of the above-mentioned
specified area, since it was an easily distinguishable
landmark. But, according to reports received from the
Imperial Japanese Consul-General in Shanghai, although
private conversations have been held between members
of the Consulate-General staff and those concerned in
the efforts to define a "refugee area" in Hankow, an
understanding such as is described by Your Excellency
has not been reached. I therefore desire to inform
Your Excellency in reply that there has been no change
whatever in the area on which understanding was reached
between the Imperial Government and the Governments of
the countries concerned.

Believe me, etcetera,
Kensuke Horinouchi. L.S.
Vice-Minister for Foreign Affairs.

His Excellency
The Right Honourable
Sir Robert Craigie, K.C.M.G., C.B.,
His Britannic Majesty's Ambassador.

016

DECLASSIFIED: E.O. 11652, 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
rev
DIVISION OF FAR EASTERN AFFAIRS

LDS *W* November 15, 1938.

Reference Tokyo's 3357, October 19, 1938, entitled "Protection of Foreign Property in China and Reservation of Rights".

The enclosures, useful for documentary purposes, were fully covered in Tokyo's 657, October 12, 10 a.m.; 664, October 13, 4 p.m.; and 671, October 16, 3 p.m.

793.94/14314

FE:Schuler:HES

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

LEGAL ADVISER
NOV 15 1938
DEPARTMENT OF STATE

AMERICAN EMBASSY

No. 3357

Tokyo, October 19, 1938

SUBJECT: PROTECTION OF FOREIGN PROPERTY IN CHINA
AND RESERVATION OF RIGHTS.

793.94

RECEIVED
DEPARTMENT OF STATE

NOV 7 1938

1001-MID

Division of
FAR EASTERN AFFAIRS
NOV 8 - 1938
Department of State

793.94/14314

The Honorable
The Secretary of State,
Washington

Sir:

In confirmation of the Embassy's telegrams no.
793.94/14047 393.115/485
657, October 12, 10 a.m., and no. 664, October 13,

1/ 4 p.m., I have the honor to enclose a copy of a
statement which was brought to the Embassy by a
member of the Foreign Office staff on October 12
with the request that it be treated as a statement
made directly by the Vice Minister to me, as well

as

NOV 23 1938

FILED F/FG/4314

1164

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

-2-

- 2/ as a copy in translation of note no. 37 Go, Asia I,
dated October 12, 1938, from the Minister for Foreign
Affairs, both relating to certain steps which the
✓ Japanese Government desire to have taken by third
countries in China with a view to affording protection
to the rights and interests of their nationals in
areas in the line of a proposed Japanese attack.

- There is also enclosed a copy of my reply, note
3/ no. 1085, dated October 16, 1938, which was addressed
to the Foreign Minister in compliance with the De-
partment's telegraphic instruction no. 354, October
14, 7 p.m. (See the Embassy's telegram no. 671,
October 16, 3 p.m.)

Respectfully yours,



Joseph C. Grew

✓ Enclosures:
1,2,3 as stated.

350
ESC:mg

Copy to Ambassador Johnson
Copy to Consulate General, Shanghai
Copy to Consulate General, Hong Kong
Copy to Consulate General, Canton

0165

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

Enclosure no. 1 to despatch
no. 3357 of October 19, 1938,
from the Embassy at Tokyo.

Statement handed to Mr. Coville, Second Secretary of Embassy, by Mr. Tsuchiya of the Foreign Office, on October 12, 1938, with the request that it be considered as a statement made in person by the Vice Minister for Foreign Affairs, Mr. Horinouchi, to the American Ambassador, Mr. Grew.

With the imminent fall of Hankow and the elimination from Central China of the influence of the Chiang Kai-shek regime, which will thereby become a merely local regime, the Imperial Japanese forces have decided upon launching military operations along the coast of Kwantung Province with the object of dealing more effective blows at Chiang's regime and thereby accomplish the purpose of the present expedition.

The said operations are purely military and are to be undertaken for the sole purpose of intercepting the principal route of the arms and munitions supply for the Chinese forces and destroy the major points of hostile machinations against Japan.

The policy hitherto pursued by the Imperial Japanese Government with regard to the rights and interests of Third Powers in China remains unchanged, and of course the best of efforts will be done to prevent any damage to them in the pending operations.

The Imperial Government, therefore, request that Third Powers will understand the real intentions of Japan and pay special attention, extending cooperation to the efforts of the Imperial forces for minimizing as far as possible any damages to the rights and interests of Third Powers, with a view to precluding the occurrence of any untoward incidents, and at the

same

716
DECLASSIFIED: E.O. 11652, 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-

same time forestall Chinese machinations to drag
Third Powers into the maelstrom of armed conflict.

I hereby make informal notification of our
request, pending further notification of our request
in concrete form for the prevention of untoward
incidents which will be made in due course of time,
both at Tokyo and on the spot.

0 1 6

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

Enclosure no. 2 to despatch
no. 3357 of October 19, 1938,
from the Embassy at Tokyo.

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

Ministry of Foreign Affairs

No. 37 GO, Asia I.

October 12, 1938

Confidential

Excellency:

1. The Imperial Government previously communicated,
by its note dated June 20, as urgent desires of the
Imperial Government and from the viewpoint of pro-
tecting the rights and interests of nationals of third
countries that, in the area south of the Yellow River
and east of a line connecting Sian, Ichang, Hengchow,
and Pakhoi, which area, it was apprehended would become
in the future the scene of military land operations:

(a) Nationals of third countries not approach mili-
tary emplacements of the Chinese;

(b) Property of nationals of third countries be
clearly marked so as to be visible from the ground and
from the air, and notification of such property to the
Japanese authorities be expedited;

(c) In the event of the Chinese forces exploiting
property of nationals of third countries within such
area, the Japanese forces will be obliged to attack
such property; and in such cases the Japanese forces
cannot assume responsibility for protection of such
property;

(d) From the point of view of preventing the oc-
currence of incidents of all kinds, the withdrawal so
far as possible of nationals of third countries from

the

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

-2-

the area of actual hostilities to safe places is greatly to be desired.

The Japanese Government now has the honor, in view of the fact that military operations are actually being undertaken in South China, again to invite Your Excellency's attention to the communication above mentioned and at the same time urgently to request Your Excellency's Government to take appropriate measures especially in regard to the following points.

2. During the hostilities at Shanghai and Kiukiang, the Chinese Army deliberately constructed defensive emplacements contiguous to the property of nationals of third countries or employed property of nationals of third countries to offer resistance to the Japanese Army, which circumstances created for the Japanese Army the greatest difficulty in protecting such property. Accordingly, the Imperial Government urgently requests that Your Excellency's Government will be disposed to take appropriate and effective measures to the end that the Chinese Army be prevented from resorting, in the present operations in South China, to the practices above described.

With relation to this point the Imperial Government maintains the view that, if the Chinese Army should take position contiguous to the property of nationals of third countries, responsibility for any damage which might thereby arise must properly be borne by the Chinese Army.

Further

-3-

Further, the Imperial Government ardently desires that special measures will be taken to prevent acts of any kind (even though the Imperial Government is confident that such acts will not occur) which might give rise to suspicion on the part of the Japanese Army that Your Excellency's country is manifesting sympathy toward China.

3. The Imperial Government, being apprehensive lest movements of troops, vessels, and airplanes of third countries on Chinese territory, in Chinese waters and in the air over Chinese territory, in all that part of China extending from Swatow to Pakhoi give rise to unforeseen incidents with Japanese troops, vessels and airplanes, urgently desires that the countries concerned will, so far as possible, avoid all such movements. If it should be absolutely necessary to move troops, vessels, or airplanes of Your Excellency's country within the above indicated area, it is desired that the Japanese authorities be informed, so far as the communication facilities permit, at least ten days in advance.

4. In conclusion, as the possibility cannot be precluded that the Chinese forces may intend to utilize the territory, territorial waters or air over the territory of third countries, the Imperial Government confidently expects and urgently requests that any such designs on the part of the Chinese Army will not in any way be tolerated.

I avail myself of this opportunity to renew to

Your

017
DECLASSIFIED: E.O. 11652, 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-

Your Excellency the assurances of my highest consideration.

Prince Fumimaro Konoe (SEAL)
Minister for Foreign Affairs

His Excellency

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

(Copy to the British Ambassador, 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. 3 to despatch
no. 3357 of October 19, 1938,
from the Embassy at Tokyo.

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

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1085

Tokyo, October 16, 1938

Excellency:

I have the honor to refer to the statement to me on October 12, 1938, of His Excellency, the Vice Minister for Foreign Affairs, relating to the question of the rights and interests of Third Powers in China, and to acknowledge the receipt of Your Excellency's note no. 37 Go, Asia I, dated October 12, 1938, marked confidential, relating to the measures recommended for the protection of American nationals and property in the area of active military operations in China.

The foregoing note makes reference to the Japanese Government's note no. 18 Go, Asia I, dated June 20, 1938, relating to the same subject. In my reply thereto, no. 972, dated June 27, 1938, I ventured to recall to Your Excellency's predecessor the position taken by my Government that, although American nationals have been and are being advised to take certain measures for their safety and for the protection of their property, and that in so far as practicable and reasonable such nationals are doing so, nevertheless obligation to avoid injury to American lives and property rests upon the Japanese military authorities irrespective of whether American
nationals

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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-

nationals do or do not take such precautionary measures. I also stated that my Government holds, furthermore, that the presence of American nationals and property within the areas of military conflict and possible proximity to such American nationals and property of Chinese military personnel or equipment in no way lessens the aforementioned obligation of the Japanese armed forces.

With reference to the statement to me on October 12, 1938, of His Excellency, the Vice Minister for Foreign Affairs, I have the honor to inform Your Excellency that my Government takes special note of the statement that in the military operations under reference the Japanese Government intends to respect foreign interests and to make the "best of efforts" to prevent any damage to them. I am instructed to add that my Government will expect scrupulous observance of this assurance.

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

JOSEPH C. GREW

His Excellency
Prince Fumimaro Konoe,
His Imperial Japanese Majesty's
Minister for Foreign Affairs,
etc., etc., etc.

(Copy sent to the British Ambassador, Tokyo)
(Copy sent to the Portuguese Chargé d'Affaires, Tokyo.)

017

DECLASSIFIED: E.O. 11652, 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

AMERICAN EMBASSY

No. 3361 Tokyo, October 19, 1938

SUBJECT: PROTECTION OF FOREIGN RIGHTS AND INTERESTS
IN HANKOW (PROPOSED SAFETY ZONE).

793.94
1938.10.21
Hankow

RECEIVED
DEPARTMENT OF STATE
1938 NOV 7 PM 12 13

For Distribution and Approval		Yes	No
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In U.S.A.		<input checked="" type="checkbox"/>	<input type="checkbox"/>

Division of
FAR EASTERN AFFAIRS
NOV 8 - 1938
Department of
State
file

793.94/14315

The Honorable
The Secretary of State,
Washington.

Sir: 793.94/14030

With reference to the Embassy's despatch no. 3249
of September 21, 1938, and in confirmation of the
Embassy's telegram no. 672, October 17, 3 p.m., I have
the honor to enclose a copy in translation of note no.

1/ 97, Asia I, dated October 14, 1938, from the Ministry
of Foreign Affairs, concerning the proposed safety area
at Hankow and the question of responsibility for damage
to American rights and interests as a result of Japanese
military operations in that region.

Respectfully yours,

Joseph C. Grew

Joseph C. Grew

Enclosure:
as stated
350
ESC:mg

Copy to Ambassador Johnson
Copy to Consulate General, Hankow.

F/FG

14315

0 1 7 4

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

Enclosure no. 1 to despatch
no. 3361 of October 19, 1938,
from the Embassy at Tokyo.

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

No. 97, Asia I.

Ministry of Foreign Affairs

Note Verbale

The Imperial Ministry of Foreign Affairs presents its compliments to the American Embassy in Tokyo and has the honor to acknowledge the receipt of the latter's note verbale dated September 12, 1938, in which the views of the American Government concerning the safety of the rights and interests of third countries in a specified area at Hankow were set forth.

In the above-mentioned note verbale, the American Government urgently requested that the Japanese authorities so conduct their military operations in China as to avoid injury to the lives and property of American nationals. The fact that the Imperial military forces are already, ^{to}as great an extent as possible, strictly adhering to a policy of giving consideration to the safety of the lives and property of the nationals of third countries has previously been made clear by frequent communications and public statements by the Japanese Government, and has been substantiated by past examples. Accordingly, even if a lack of concurrence and cooperation on the part of the Chinese authorities should unhappily prevent the implementation of the arrangement between the Japanese Government and the Powers concerned looking toward the safety of the lives and property of the nationals of third countries as a whole in a specified area at Hankow, there will be of course no change in the policy followed up to the present.

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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-

When the Chinese military forces utilize the rights and interests of third countries for military operations, that is, when they offer military resistance from points in close proximity to such interests or use such interests as cover, it becomes practically impossible to avoid the occurrence of unforeseen damage to the rights and interests of third countries. Nevertheless, according to reports from all sources, the Chinese military forces are utilizing the rights and interests of third countries, within and without the area in question, they are building military emplacements, and they are storing arms, ammunitions, military supplies, et cetera. It is important that the Powers concerned, if they are desirous of securing the safety of those interests, should take effective and appropriate measures to prevent acts of the Chinese forces which can be anticipated to jeopardize or injure such rights and interests. If, on the contrary, measures which should appropriately be taken are not taken, and the Powers concerned demand of the Japanese Government alone satisfaction in regard to the results of damages to rights and interests, such demands cannot be said to be just. For this reason the Imperial Government must continue to hold the view, as set forth in its note verbale dated September 3, 1938, that in such circumstances the Japanese Government cannot assume responsibility for damages to rights and interests.

October 14, 1938.
(received October 16, 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

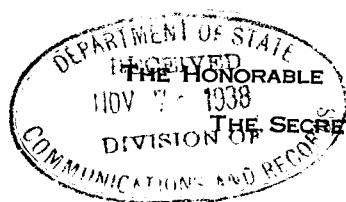
No. 1727 THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

793

For File	Check In U.S.A.	Yes	No
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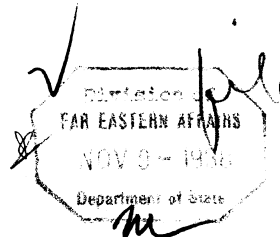
AMERICAN CONSULATE GENERAL
Shanghai, China,
October 3, 1938.

SUBJECT: Intelligence Summaries for the
Month of September 1938.



WASHINGTON.

SIR:



I have the honor to refer to my despatch no. 1644
1/ of September 2, 1938, and to enclose, as of possible
interest to the Department, copies of intelligence
summaries for the month of September 1938, prepared
by the Intelligence Officer of the United States
Fourth Marines.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

1/ - Intelligence summaries
for September 1938.

800
JSS:fc

In Single Copy.

Copy to Embassy, Chungking.

Copy to Embassy, Peiping.

793.94/14316

F/FG 14316

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Department of State letter, August 10, 1972
NARS Date 12-18-75

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1977
NARS Date Mar 19 1973

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

3 September, 1938

RESTRICTED

R. 2 REPORT, PERIOD 0800, 1 SEPTEMBER, TO 0800, 3 SEPTEMBER, 1938

1. Operations

On the 2nd heavy fighting developed south of Kiukiang extending on a front from the Kiukiang-Nanchang railroad bed eastwards through Liutashan, of the Lushan mountain range, to Tungkulung southwest of Singtze. The Japanese column which drove south from Juichang after capturing Tasokiapan on the 1st, is now reported to be attacking Mahweiling nine miles north of Tehan. The column moving on Tehan from Singtze is said to have driven Chinese units from Itzeshan and Tungking on the 1st. These two columns are slowly converging on Tehan with the Chinese stubbornly contesting every foot of ground. On the 31st Japanese naval units bombarded Chinese fortifications on the west bank of Poyang Lake south of Singtze and badly damaged them. An attempted landing was repulsed. A large Japanese force was reported landed opposite Anking near Kweichih on the 31st.

Japanese forces from Hwangmei are pushing westward along the southern slopes of the Tapien mountain range toward Kwangtsi on the Hwangmei-Hankow highway. By the 31st they had reached Shuanchengi, halfway between Hwangmei and Kwangtsi. Japanese reports of the 2nd stated that their troops were then attacking Kwangtsi.

On the northern slope of the Tapien Mountain range forces from Liuan advancing northwestwards on the 31st captured Hsukiatsi, 20 kilometers from Liuan, in the morning and then advanced and captured Huangkiatsi northwest of Hsukiatsi in the afternoon. Southwest of Liuan the forces were engaged at Kangchiapu, after having crossed the Pai River at Suchiapu. A Japanese flying column from Tushnchen engaged the Chinese two and a half miles north of that city on the 31st. On the 1st Japanese troops driving west from Liuan occupied Yekiatsi on the Honan-Anhwei border and on the highway leading to the Pinghan railway town of Sinyang. Tiaolimiao was captured in the morning of the same day. Another column driving northwest from Liuan is reported to have taken Wulungmiao, 30 miles northwest of Liuan, on the afternoon of the 1st.

In variance with Japanese reports, the Chinese state that they successfully attacked the Japanese on the 31st northwest and southwest of Juichang at Yangkungping and Loshan on the Hwangmei-Yanghsin highway. Another communique stated that Chinese forces on the 31st took the offensive against Japanese troop concentrations on the south bank of the Yangtze as they were preparing to advance on Matouchen and badly routed them before the troops could be organized for the westward drive. These troops were said to be retreating toward Juichang.

Following the Chinese offensives on the 31st in the Juichang sector there has been a lull in the fighting which is being used by both sides in bringing up reinforcements.

Japanese units now control all the important towns in south and southwestern Shansi. On the 31st they attempted to cross the Yellow River near Tungkwan, but Chinese artillery from the south bank halted this maneuver. Japanese units are now said to be moving eastward toward Pinglu with the possible intention of trying to cross the river at this point. In northern Honan Japanese artillery units have begun shelling Tiehhsieh, northwest of Liuan, from across the Yellow River. A Chinese report states that their units have begun an offensive southward from the Taihanshan Mountains in northwestern Honan against the Japanese and have captured the cities of Chiyuan and Sinyang. This report is taken with reserve.

On the 31st Japanese aviation units bombed Chuchow, Hunan; south of Changsha, along the Canton-Hankow railroad in the Yangtze area; the Chinese positions in the area north of Tehan; and south China points on the Canton-Hankow railway at Pitsungchwang, Paishih, Skektan and Yuantan. Aviation units continue to aid land forces in the Yangtze area.

A local Shanghai report states that guerilla units are active in the vicinity of Hangchow. The Japanese forces in east Hopei continue to have difficulties with the guerilla units along the railroad from Tientsin to Shanhaikwan, and from Tientsin to Peiping. Train service is badly disrupted in this area.

2. Miscellaneous

R Railroad traffic, which has been at a halt on the Canton-Hankow railway for almost two weeks due to the intensive bombing raids of Japanese planes on the bridges of the railroad, was resumed on the 29th. It is expected that train service along the Canton-Kowloon railroad will soon be resumed.

According to a local report, two to five smashed planes are seen daily in Hongkew, being towed eastward toward the Shanghai University airfield where the Japanese have extensive repair shops. It is thought that these planes are from the Yangtze front where they are cracked up on the bad landing fields in that area.

The China National Aviation Corporation passenger plane service between Hankow and Hongkong which was halted, following the attack on one of its planes, was resumed on the 1st of September, according to a Hankow report.

On the 1st of September there were 72,252 destitute refugees living in the International Settlement.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

0119

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

6 September, 1938

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

OSD letter, May 3, 1977

RESTRICTED

2 REPORT, PERIOD 0800, 3 SEPTEMBER, TO 0800, 6 SEPTEMBER, 1938

1. Operations

The offensive south of the Yangtze has developed rapidly in the past few days. Mahweiling, strategically located town at the junction of the Kiukiang-Nanchang railway and a highway to Sienning on the Canton-Hankow railroad, via Wuning and Hsiushui, fell before Japanese columns driving from Juichang to the northwest, from the Shaho sector to the north, and from Singtze to the northeast, on the afternoon of 3 September. Following the fall of this town the Nipponese are reported to have continued their drive toward the south pursuing the Chinese units retreating toward Tehan. They now claim to be within 2 miles of Tehan. These units which closed on Mahweiling from Juichang, from the north, and from Singtze, and are now advancing toward Tehan appear to have ignored the large numbers of Chinese troops concentrated in the Lushan Mountains to their rear.

Other Japanese columns were spreading out from Juichang in westerly directions on the 4th. One driving southwest toward Wuning was reported engaged at Shekialung, 10 miles to the southwest; a second column advancing west toward Yanghsin is said held up at Moshan and Hungshan Mountains while a third column is advancing on Matouchen toward the northwest and is said to be fighting at Tashangshan. North and northwest of Juichang other Japanese units were reported to have captured Meishan and Chengshan. To aid the drive on Matouchen, Naval landing party units on the 4th, in cooperation with the Army, made a landing on a narrow strip of land between the banks of the Yangtze and Chi Hu Lake, two and a half miles south east of Wusueh, and occupied Iwanpu. This column pushing westwards reduced Pichiashan near Wushan on the 5th.

In the Hwangmei sector Nippon forces advancing in three columns had reached Shuanchenyi with the right wing at Wangchiaho and the left wing at Poshankou by the 3rd of September. On the 4th these units were reported to be within three and a half miles of Kwangtsi their present objective.

The Japanese units which occupied Yehkiatsi on the northern slope of the Tahpieh Mountain range pushed into Honan province on the 2nd, and captured Miaokaoshan west of Yekiatsi on the afternoon of the third. Another column which took Welungmiao entered Honan and occupied Likatsi about 17 miles southeast of Kushi.

There have been no recent developments in the southern part of Shansi or in northern Honan. Reports however, state that the Japanese are consolidating their positions at the respective Yellow River fords in this sector. A Japanese communique claims two small towns between Menghsien and Wenhsien, northern Honan, were captured on the third. Wenhsien is still in Chinese hands.

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

Guerillas continue their efforts of harrying the Japanese rear in Shanghai-Nanking-Hangchow area, in the areas of northern Shensi and eastern Hopei and in Shantung. Skirmishes recently occurred southeast of Nanking near 'Ihing, while fighting is also said to be taking place in the Hsuehchow area of northern Szechuan where Chinese regulars and guerilla units have joined hands.

Aviation units materially aided land forces in the Yangtze sector on the third and fourth when some of the heaviest bombings and strafing of Chinese positions since the hostilities began took place. Most of the bombings occurred south of the Lushan Mountains blasting the way for the columns which advanced and occupied Mahweiling on the third. The Canton-Hankow railroad was raided by Japanese bombers on the 1st, 2nd, 3rd and 4th. Wuchow, Kwangsi, was bombed on the 2nd. On the 4th Japanese planes again raided the Canton-Hankow railway bridges at Yinchanyao and Yuantan. A special Eurasia passenger plane enroute to Yunnan from Hongkong was attacked by three Japanese pursuits on the 5th. The plane outdistanced the attackers, but was forced to land at Liuchow due to injured oil tanks. No injuries were sustained by the passengers.

R. A. Boone

R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

8 September, 1938

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

RESTRICTED

Ellis May 1973

R-2 REPORT, PERIOD 0800, 6 SEPTEMBER, TO 0800, 8 SEPTEMBER 1938

1. Operations

Nippon columns north of the Yangtze are steadily advancing westward. Kwangtsi fell before the on slaught of units operating from Hwangmei on the afternoon of the 6th. These units now threaten the important fortified town of Wusueh, to the south and on the north bank of the Yangtze, where a boom across the Yangtze prevents Japanese Naval vessels from proceeding up river. Wusueh is opposite Matouchen, the town guarding the boom on the south bank and which town is the objective of two columns, one advancing along the south bank of the river and one driving northwest from Juichang.

In western Anhwei the force that crossed the border into Honan advanced ten miles west of Yehkiatsi, Honan-Anhwei border town, and captured Shunhotien on the 6th. Another column advanced three and a half miles northwest of Yehkiatsi and attacked Chinese positions at Huangshihchiaio across the Shih River. The column which advanced northwest from Liuan occupied Nantakiao 6 miles to the southeast of Kushih on the 5th. A flanking detachment skirted the Chinese defenses to the southwest of Kushih and attacked from this direction. The columns closing in on Kushih captured the town on the afternoon of the 6th. The Chinese garrison withdrew to the northwest.

The flood waters of the Yellow River, south of the Lunghai railway line and east of the southern section of the Pinghan line in eastern Honan, have subsided sufficiently to permit military operations to be resumed in this area. As a result, the drive on the Pinghan line south of Chengchow, which was halted when the Yellow River flooded this area, has been renewed. This offensive was begun on the 4th of September when a column pushed forward and occupied Taikang 36 miles east of Hsuehchow on the Pinghan railway. A detachment from this force is said to have reached Fukow 18 miles east of the same city. Hwaiyang halfway between Luyi and Yencheng, and 18 miles south of Taikang, was also said to be occupied by a Japanese detachment on the same day. These towns are east of a flooded area which is between them and the railway. The water, however, is said to be shallow. N.B. All these points were occupied early in June, the floods forcing withdrawal.

In the Juichang sector, Japanese units claim that they occupied strong Chinese positions on Pichiashan, Kungshan and Tashan Hills on the 5th, and are now driving northwest on a line linking Shwangchuangsze and Shwangfengshien.

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

Columns are pressing on Tehan south of Mahweiling, one being engaged near Tuhungshan and Tashan Hills three and a half miles southwest of Mahweiling on the 5th. Contrary to the claim in the last report, that a column from Singtze formed a juncture with other forces in the attack and capture of Mahweiling reports now state that the column from Singtze is still held up in the vicinity of Tungkuling Hill where they hold Aikow, half-way between Singtze and Mahweiling.

Along the north bank of the Yellow River reports indicate that the Japanese are preparing to cross the river between Fenglingtu and Chengchow. Large numbers of Japanese troops are arriving in North China from Japan indicating that a crossing of the Yellow River in force may be contemplated. On the 6th the Japanese captured Wenhsien, northeast of Loyang. Chinese forces are said to have cut the dykes of the river midway between Menghsien and Wenhsien in order to impede the Japanese advance.

On the 5th Japanese bombing planes raided the Canton-Hankow railway at Pokonghow and Yochow stations, while in central China they aided ground forces in the vicinities of Nanchang, Tehan, Mahweiling and Juichang in Kiangsi province. They also strafed Chinese troops massed west of Shunhotien, Honan. Aviation units continued to aid land forces in the Yangtze area on the 6th in addition to bombing the Canton-Hankow railroad bridge at Yuantan and other south China points. Chinese planes, following a long period of inactivity, appeared over the Yangtze on the same day, bombing Japanese warships in the river.

Chinese mobile units were active along the Pinghan railway between Paoting and Shihchiachwang, Hopei, on the fifth and in the vicinity of Fengjen where the small guerilla bands are said to be forming into larger groups for the purpose of harassing the city of Fengjen. Armored railway tanks are patrolling the Peiping-Mukden line daily, but train service is still spasmodic.

TRA TSOON

R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

10 September, 1938

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
Date: May 3, 1972
Mar 19 1973

RESTRICTED

R-2 REPORT, PERIOD 0800, 8 SEPTEMBER, TO 0800, 10 SEPTEMBER, 1938

1. Operations

Following the capture of Kwangtsi, Chinese forces withdrew from the city to defense works in the vicinity of Cheihling between Kwangtsi and Kishui (Sishui). The Japanese in this sector are advancing west toward Kichun, on the north bank of the Yangtze west of Kwangtsi, and northward in the direction of Kishui. The troops moving on Kishui are said to be nearing Cheihling, halfway to their objective. Heavy engagements are reported 5 miles west of Kwangtsi, near Hengkanshan to the north and near Sungyangkiao. In contradiction to Japanese reports, Chinese communiques of the 9th claim the recapture of Kwangtsi.

In southeastern Honan, a Japanese column, which occupied Kushi and pushed westward, crossed the Chu River, seven miles west of the city on the 7th. On the eighth this column was engaged against Chinese entrenched in strong defense works 2 miles west of the river. Chinese units are now preparing elaborate defense lines running from a point six miles east of Kwangchow (Hwangchwan) to the southward in an endeavor to stop the westward advance on the Pinghan line.

Forces in the vicinity of Yehkiatsi are still held up by Chinese units on the northern slopes of the Tapien Mountains along the Anhwei-Honan border. However, Fukinshan, about 12 miles west of Yehkiatsi, has been captured. South of Yehkiatsi forces which crossed the Pai River are said to be making successful progress. Japanese troops on the 8th were said to be engaged at Fangkiatsi, 14 miles west of Likatsi, where they threaten the rear of the Chinese Army impeding the advance of the Japanese westward from Yehkiatsi.

There have been no reports concerning the offensive that has begun operations in central eastern Honan in a drive for the Pinghan near Yencheng. It was last reported now attacking Hwaitien, a village west of Hwaiyang.

The situation south of the Yangtze remains unchanged. The Japanese aided by their planes are still endeavoring to blast their way into Tehan, but are having little success. One Japanese column is said to have penetrated Chinese positions $2\frac{1}{2}$ miles southwest of Mahweiling. The Japanese forces southwest, west and northwest of Juichang seem to be making no progress. Japanese naval vessels, however, in the Juichang sector have shelled the Chinese positions guarding the Yangtze River boom at Wusueh and Matouchen.

2. Miscellaneous

Reinforcements continue pouring into Tangku. About one division arrived on the 8th, and another contingent on the morning of the 9th. These troops are thought to be destined for a drive across the Yellow River, and for duty against the Chinese mobile units of North China.

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

Three Chinese bombers out of six raiding the Japanese naval concentrations near Kiukiang were reported shot down on the 7th. On the same day Nipponese aviation units aided their land forces on the Yangtze near Kwangtsi, and bombed Kishui, 47 kilometers northwest of Kwangtsi, and several points east of Hankow. On the 8th naval aircraft continued its activity in the Yangtze area. A naval aerodrome in central Kiangsi was bombed. The Canton-Hankow railway and the outskirts of Canton were bombed on the ninth.

On the night of 8-9 September Chinese guerillas attacked a small Japanese outpost on the Shanghai-Hangchow railway just southwest of Siccawei. On the arrival of reinforcements, after about an hours skirmish, the guerillas withdrew.

The areas about Luanhsien, Tungshen and Fengjun continue to be the center of guerilla activities in eastern Hopei. Skirmishing is also reported in southern Shantung, in the vicinity of Hsuechow in northern Kiangsu, in the southern part of Pootung near Peitsaichen village, and near Taitzang, 30 miles north of Shanghai. Guerillas appeared in Singtze on the west bank of Poyang Lake south of Kiukiang during the past week.

On the 8th Japanese artillery units near Wenhsien firing across the Yellow River succeeded in demolishing a steel railroad bridge on the Lunghai railroad 26 miles west of Chengchow, thus isolating troops on the western section of the line from Hankow.

Chinese units during the last few days have been counter-attacking Japanese forces west of Kweichih and southeast of Tatung, Anhwei. The Japanese claim they have routed Chinese units in this area.

H. S. Walcott First Lieutenant,
 for
 R. A. BOONE,
 Captain, U. S. Marine Corps,
 Regimental Intelligence Officer.

0185

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

12 September, 1938

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By [Signature] NARS Date Mar 19 1973

RESTRICTED

R-2 REPORT, PERIOD 0800, 10 SEPTEMBER, TO 0800, 12 SEPT., 1938

1. Operations

Adding to the number of Nippon columns driving on the Pinghan railroad, one more has revealed itself. This column was launched on boats, the 30th of August, from Pengpu, driving up the Hwai River. It moved rapidly capturing Fengtai on the 31st, Chengyangkuan September 2nd, dispersed Chinese forces on the river, approximately 24 miles west of this city, on the 4th, and then proceeded to Juho near the Anhwei-Honan border the 5th. It drove further west appearing north of Kwangchow, Honan, on the ninth. This column has turned southward and is converging, together with the force advancing west from Kushi, on Kwangchow (Hwangchwan). In the Kushi sector the Japanese succeeded in advancing to Hutsupu, 12 miles west of Kushi on the 9th.

The Japanese force that occupied Taikang on the 5th, capturing Hwaiyang south of it, reached a line running between Fukow and Chowkiakow on the 9th; its vanguards are reported to be 42 miles west of Hsuechang and 120 miles north of Sinyang. This force was preparing to cross the new bed of the Yellow River on the 9th.

Forces driving west from Yehkiatsi are still held up in the mountains about 12 miles to the west in the Fukinshan sector. On the 11th Japanese forces in this area redoubled their efforts to advance westward by launching a large scale offensive.

Heavy fighting continues in the vicinity of Kwangtsi. Chinese reports claim that the city, following its recapture by the Chinese, was recovered on the 9th by Japanese forces, upon the arrival of reinforcements.

Northwest of Juichang, fierce fighting is occurring along the highway to Matouchen in the vicinity of Meangshan and Hoshanlao hills and near Chunchiashan and Tushihchieh, 6 miles northwest of Juichang. Fighting has also been reported at Tienhuishan (Angel's Hill) west of Juichang. Naval units on the 9th steamed to within a mile and a half of the Chinese fortifications of Tushueh and Matouchen and subjected them to bombardment. Chinese gunfire from shore positions is said to have finally forced these ships to retire down river.

Japanese forces south of Kiukiang are engaged near Sikuling and east of Mahweiling. Intense fighting has occurred at Sikuling where a Japanese column is attempting to push along the Singtze-Tehan highway in order to reach the latter city. Along the Kiukiang-Nanchang railway the Japanese are held at Tushikmen.

2. Miscellaneous

In southwestern Shensi Japanese forces engaged in "mopping up" the sector east of Hotsin, succeeded in capturing Chienchan

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

after routing Chinese guerillas in this area. Fighting was also reported near Lishih, 72 miles southwest of Taiyuan, on the 11th.

Japanese naval aircraft on the 9th and 10th successfully bombed south China railroad bridges at Yuantan and at Pitsunchuang, and also the rolling stock in these vicinities. In addition Japanese naval planes in central China aided land and surface craft along the Yangtze and bombed Kushan aerodrome in eastern Kiangsi. On the 10th naval bombers raided the southern section of the Pinghan railroad at Suchang and Yencheng between Chengchow and Sinyang. On the same day raids along the Yangtze continued while in south China the Canton-Kowloon railway was bombed. Japanese planes raided the Wuhan cities on the 11th, but heavy antiaircraft fire is said to have driven them off.

Guerilla units have been active in the vicinity of Yangchow on the north bank of the Yangtze between Yangchow and Hsienjumiao and Saopoh villages. In eastern Hopei mobile units captured Hsukouchwang station on the Peining railroad west of Tangshan on the night of 8-9 September. Skirmishes occurred north of Paoting, Hopei, along the Pinghan railroad on the 10th. Only a small portion of the seventy or eighty thousand troops which have recently arrived in Tientsin have been transferred west to Peiping.

M. D. Gustafson First Lieutenant,

for
 R. A. BOONE,
 Captain, U. S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

14 September, 1938

RECEIVED, May 3, 1972
Date

9/1973

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R-2 REPORT, PERIOD 0800, 12 SEPTEMBER, TO 0800, 14 SEPTEMBER 1938

1. Operations

In southeastern Honan Japanese columns continue to gain ground, particularly the one which is advancing toward Kwangchow from Kushi. This column succeeded in advancing to Sanchiaotien, about 14 miles west of Kushi, halfway to Kwangchow, on the 11th. Later on the same day units which turned southwest from Sanchiaotien advanced on and captured Chiaossukang, approximately 7 miles from Kwangchow. On the 12th a column advancing on Kwangchow reached Huangkangszu, 10 miles from its objective. To the south a unit attacked Wangchiatsi, 15 miles north of Shangchen. Farther south forces succeeded in capturing strongly fortified Fukinshan Mountain, one of two mountains guarding the only two roads approaching Shangchen from the east. Following the capture of this mountain the column advanced on Wumiaotsi, about 14 miles west of Yehkiatsi. It reached a point near Hsiakiatsi 5 miles west of Wumiaotsi on the 12th. N.B. Kwangchow and Shangchen are two important cities in the Chinese defense system protecting the southern section of the Pinghan railroad line. The column which drove up the Hwai River is continuing westward on the river and is prepared to strike at Kwangchow from the north.

In central eastern Honan the forces which are moving toward the Pinghan railway line north of Sinyang are said to have crossed the new bed of the Yellow River and occupied a village on the west bank 20 miles southeast of Hwaiyang on the 8th. Twelve miles west of Hwaiyang Japanese forces are concentrating at Litsi. Japanese detachments crossed the new bed of the Yellow River slightly south of Chowkiakow and also south of Fukow but both towns are still reported to be in Chinese hands. The new bed of the Yellow River is said to run east of Fukow and Chowkiakow and is from 3½ to 4 miles wide but is rather shallow.

Sikuling mountain, in the southern Lushan range of Northern Kiangsi, and Changchiashai, a Chinese stronghold on its southwestern slope were captured on the 11th and completely occupied on the 12th. The Chinese withdrew to Huatungshan. This mountain commands the Singtze-Tehan highway along which the Japanese are trying to advance on Tehan. West of Juichang, on the 11th, a Nipponese column was said to have reached a point 5 miles east of the Hupeh-Kiangsi border. A general offensive was reported launched against Chinese defenses northwest of Juichang on the 12th while at the same time a landing was made at Lichiawan southeast of Matouchen for the purpose of a combined drive on that city. Haishangneng, Kiangsi south of the Yangtse was claimed captured by Japanese detachments on the 13th which detachment pushed on west toward Peishan. A new Chinese line west of Juichang was formed on the 10th extending from the Juichang-Matouchen highway southwest to the Juichang-Wuning highway.

Chaotsun, Shansi, on the north bank of the Yellow river opposite Tungkwan was reported captured by Japanese troops on the 11th. Farther north Nippon detachments advancing west toward the Yellow River occupied Liulinchen, half way between Lishih and Chuntu, western Shansi. Other units in the same area are driving from Taiwuchen toward Sikowchen on the Eastern bank of the Yellow River. Still other troops are said to be engaged at Litsun between

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Sikowchen and Lishih. A Japanese spokesman on the 12th admitted that though all main bodies of Chinese troops on the north bank of the Yellow River have been dispersed, large bands of Chinese are still operating in this area. An especially large body of these soldiers is located in the vicinity of Yuanchu.

2. Miscellaneous

Chinese mobile units are active along the Kalgan-Pactow railroad between Holinkoerh and Liangcheng; in the Yenchow, Taiian and Chufu areas of Shangtung, and in the area west of Taihu lake southeast of Nanking. On the seventh fighting took place at Sanhokong on the north bank of the Yangtse 23 miles north of Woosung. On the ninth a railway train was derailed between Paoting and Kacpeitieh Central Hopei. Military train service on the Peiping-Hukden railway has been reported to be again back to normal.

Japanese army planes bombed the vicinity of Shangchen 24 miles southeast of Kwangchow on the 11th. On the same day planes attacked Chinese positions west of Sikuling and south of Juichang. Army planes continued cooperating with ground units south of Sikuling on the 12th.

A Japanese hospital ship (not the destroyer Higama as stated in the press) was towed up the Whangpoo to the Kiangnan dock yard on the 11th. The vessel had evidently been damaged by shell fire during Yangtse river operations.

In South China a Japanese landing on Waichow island due south of Pakhci on the 12th, has been reported.

R. A. Boone

R. A. BOONE
 Captain, U. S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

17 September, 1938

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E.O. 11652, Sec. 505 and 506 or 60
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R-2 REPORT, PERIOD 0800 14 SEPTEMBER, TO 0800 17 SEPTEMBER.

1. Operations

Chinese positions surrounding Shangcheng collapsed and the city was captured on the 16th. Meanwhile, on the evening of the 16th, forces advancing on Kwangchow from the North and East drove the Chinese defenders from Kwangchow and claimed its capture. The Chinese are said to have withdrawn toward Loshan. Kwangchow and Shangchen were the last important strongholds in the path of the Japanese juggernaut driving on the southern section of the Pinghan railroad.

Farther North the Japanese in eastern Honan are reported to have crossed to the West bank of the Chialu River which runs parallel to the Pinghan railroad and reached Kuchen, east of Hsuechang. Another column is trying to cross the same river southeast of Chowkiakow.

After being subjected to continual counter-attacks by the Chinese in the vicinity of Kwangtsi it is reported that the Japanese are again advancing West toward Kichun, and that they have reached Tiehshiintun, nine miles East of their objective. On the 16th Japanese forces launched a combined attack on Wusueh, on the north bank of the Yangtze, with aerial, naval and land units. Japanese naval landing party troops are claimed to have landed about one mile and a half below the city and are advancing towards it.

On the South bank of the Yangtze, the Japanese forces succeeded in capturing Matouchen following a combined attack of the Japanese Army and Naval forces. After capturing this village on the 14th they pushed West up the river bank capturing Kwantimiao and Miaokiatzu about three miles beyond the city on the same day. On the 15th these same forces advanced further West capturing Shaishan about five miles up stream from Matouchen.

Two detachments advancing west from Juichang are said to have crossed the Hupeh border, one capturing Chuanyenchi at noon on the 14th, while the other captured Chikiawan in the afternoon of the same day.

In the Tehan sector, South of Kuikiang, the Japanese column driving southwest from Singtze is held up at Sankiashan about two miles North of Aikow. Meanwhile it is reported that the Japanese are concentrating more troops in the vicinity of Mahweiling. A Japanese column is said moving north from Singtze toward the Lushan area.

Chinese troops have been active again near Tatung and Kweichow across the Yangtze from Anking. Japanese forces were landed in this vicinity on the 13th to engage the Chinese units here.

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

In Shansi the Chinese have breached the banks of the Yellow River on the North bank about twenty miles East of Tungkwan flooding the area to the North. Intense artillery fire has been concentrated on the Lunghai Railroad from positions near Fenglingtu on the north bank of the Yellow River opposite Tungkwan during the last week. According to Chinese reports the Japanese are bringing up heavy artillery pieces to the vicinity of Wenhsien, northern Honan, for the purpose of shelling the Lunghai railroad. Verifying this, reliable neutral sources report considerable 8 inch artillery landed and later seen on flat cars at Tangku last week. Farther north in western Shansi the Japanese units advancing West from Lishih have succeeded in occupying Chunlu the Yellow River Ford leading into Shensi.

Aviation units continue to confine most of their efforts toward aiding the land forces, taking the place of artillery in blasting out Chinese positions for the Japanese advances. They assisted them at Matouchen, Sikuling, and Kwangtsi on the 14th. Farther north they bombed the Macheng area of eastern Hupeh. On the 15th, Linkiachen, 18 miles upstream from Wusueh, Kichun, 21 miles above Wusueh, Chinese positions West and northwest of Wusueh, west of Juichang, and in the vicinity of Tehan, were all bombed. Several bombs were dropped at Hankow on the 16th.

2. Local

The Japanese gunboat Saga and the new torpedo boat Sagi were reported being towed down the Yangtze in damaged condition on the 14th.

Terrorists struck in Shanghai again on the evening of the 16th, when two grenades were thrown at the crowded corner of Szechuen and Soochow Roads. Nine Chinese, one Japanese and one Briton were injured.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

19 September, 1938

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 OSD letter, May 3, 1977
 1973

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R-2 REPORT, PERIOD 0800 17 SEPTEMBER, TO 0800, 19 SEPTEMBER, 1938

Wusueh, important Chinese stronghold on the north bank of the Yangtze, 27 miles above Kiukiang, was captured on the 17th by Japanese Naval Landing Party troops following a twenty-four hour bombardment of the city by Japanese artillery in position on the south bank near Matouchen, by naval gun-fire, and by aerial units. The Japanese now control both ends of the boom obstructing passage up the Yangtze at this point. Severe fighting was reported near Sungshanlou, northeast of Wusueh, in a communique of the 18th.

South of Kiukiang intense fighting continued the 17th along the Singtze-Tehan highway in the vicinity of Aikow. On that day Japanese troops occupied Shanchiashan hill, east of Aikow.

South of the Yangtze and west of Juichang the columns which entered Hupeh province on the 15th claimed to have captured Leishan and Chushihchai, two and a half miles west of the border, on the 16th. Another column drove the Chinese defenders from Chuchuling, one mile from Shamaoshan, on the same day. On the 18th Nipponese detachments in this same area reported the capture of Laoshan hill, near Lake Chiachi, adjacent to the Yangtze.

Chinese mechanized, artillery and infantry units are being rushed to the Sinyang area in southeastern Honan to stem the Japanese drive on the Pinghan railroad. According to the Japanese reports, Nipponese troops which occupied Shangcheng advanced west of that city to the Chu River on the 16th. The Japanese are now consolidating their gains in the Shangcheng and Kwangchow sector.

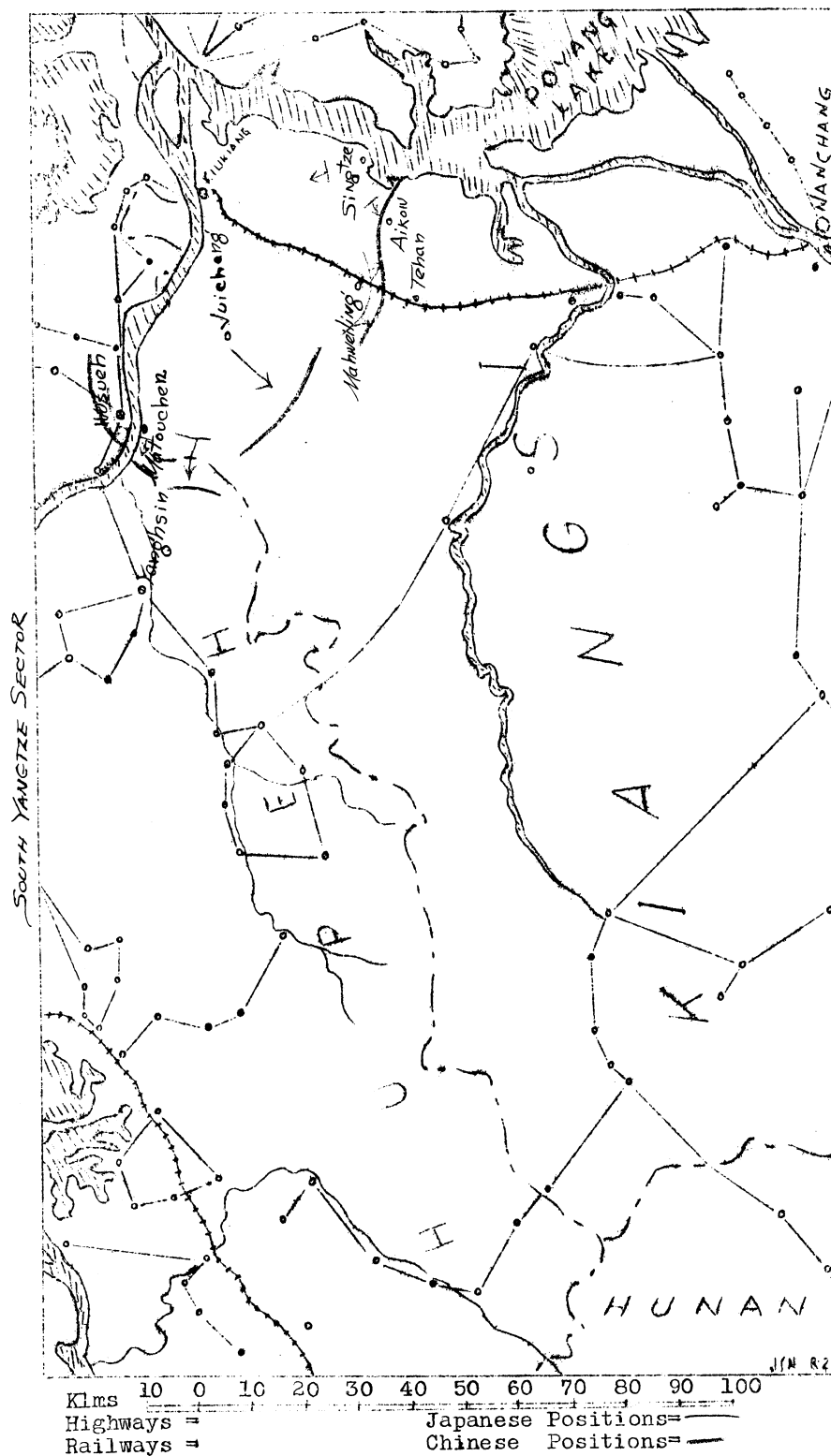
Japanese troops mopping up southwestern Shansi claim they are forcing the Chinese in that area to flee across the Yellow River between Pinglu and Yuanku fords. Further east, in northern Honan, Japanese artillery units continue to shell Chinese positions near Tiehsiehchiao, on the south bank of the Yellow River.

Heavy guerilla fighting occurred the night of 17-18 September about one mile southwest of the French Concession. Guerilla activities were reported near Weihsien, eastern Shantung and south of Paoting, Hopei, on the 16th, also near Lingshow, on the Hopei-Shansi border, on the 13th.

Japanese aircraft cooperated on the 16th and 17th with the land forces in the Yangtze area, southeastern Honan and bombed the Canton-Hankow railroad at Yuantan, 42 miles north of Canton, near Laiting and a bridge south of Hengshih on the 16th. The following day Wuchow in Kwangsi province, the Bocca Tigris aerodrome outside Canton, and the Canton-Kowloon railway were bombed by Japanese naval aircraft.

R. A. Boone
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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



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Department of State letter, May 3, 1977

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

21 September, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 19 SEPTEMBER, TO 0800 21 SEPTEMBER, 1938

1. Operations

In order to make a juncture with Japanese troops advancing west from Wusueh a column is advancing southward from Kwangtsi. Another column is pushing westward toward Sungshankou. The forces moving west from Wusueh have for their objective Tienchiachen, a strong position on the north bank of the Yangtze. Another boom obstructs passage up the Yangtze at this point. A Chinese communique of the 20th reports heavy fighting on this front. It also states that the Chinese have recaptured Lihsiawan, northeast of Tienchiachen, while the Japanese hold Yatzemiam and Shatzilao villages in the same area. The Japanese authorities admit that the Chinese on the 17th were still attempting to recapture Kwangtsi and Huangmei. (This makes Japanese claims of advances west and south from Kwangtsi very doubtful).

South of the Yangtze and west of Juichang the Japanese claim successes. They state that Paoshan dominating the Hupeh plain and in view of Yanghsin, was captured on the 20th. Changling on the south bank of the Yangtze west of Matouchen was also captured. Other Japanese units dispersed Chinese troops in the mountains close to the Yangtze in the vicinity of Fuchikou, occupying the northern summit of Huenachuen Mountain and Huangchiayuanli further north.

A Japanese column moving from the Lunghai railroad crossed the new Yellow River near Changyingtsi, 21 miles northwest of Taikang, eastern central Honan, and advanced to Lutan 24 miles west of Taikang. This detachment claimed that Lutan and surrounding area were captured on the 16th. In variance with the Japanese statements the Chinese report the Japanese are still held up on the east bank of the Chialu River (the new bed of the Yellow River).

Japanese detachments advancing toward Loshan were reported at the halfway point on the 18th. On the 20th the columns were said to be about 48 miles from the Pinghan. Meanwhile to the south a Japanese column from Shangcheng advanced 4 miles west of the city and attacked Yukiatsi as well as Hsienshan to the south of the city. On the 20th the troops moving south from Shangcheng were reported battering at Sinlian at the base of the Tapieh Mountains. Another column from Shangcheng is mopping up along the Shangcheng-Kwangchow highway.

2. Miscellaneous

Japanese planes bombed Chinese troops of the 8th Route Army at Yangyi in central Shansi on the 18th. The Stout Memorial Hospital of the American Southern Baptist Mission at Wuchow, Kwangsi, was bombed on the 17th. Wuchow, was again bombed on the 19th, as well as the Canton-Hankow railway bridges at Yuantan and Yinchanyai. Wuchow and Nanning were raided on the 20th.

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

In south Shansi, southeast of Siah sien, mopping up of Chinese mobile units continues. Columns are moving south through hills east of Siah sien and north through the district east of Changtienchen. These troops claim they "cleaned up" the mountain area north of Pinglu in a campaign extending from the 12th to the 16th.

Half of the Japanese Army in North China is reported cooperating in the Hankow drive by pushing toward the Pinghan railway from Chowkiakow, eastern central Honan. The other half is engaged in guerilla suppression. Numerous skirmishes occurred with guerillas in eastern Hopei and in western Hopei along the Pinghan railway between the 14th and the 16th.

A local Shanghai report of the 20th claims skirmishes in the vicinity of Wutsin on the Shanghai-Hangchow railroad and west of Liyang. Guerillas in Pootung were reported undergoing reorganization.

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R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

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HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

24 September, 1938

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R-2 REPORT, PERIOD 0800 21 SEPTEMBER, TO 0800 24 SEPTEMBER 1938

1. Operations

The Japanese Army in southeastern Honan has met with marked success. Detachments driving from Kwangchow captured Loshan directly to the west on the highway to Sinyang on the 21st; on the same day units driving northwest along a highway to Kioshan (located on the Pinghan railroad about 48 miles north of Sinyang) captured Sihsien, 19 miles northwest of Kwangchow. This second column is acting in support of the column driving directly toward Sinyang. We are informed that the column advancing on Sinyang is led by a Prince of the Royal Japanese House and that it will, for this reason, be the first to enter Hankow. It is also the strongest and best equipped of all the columns. However, Sinyang is north of the mountains, and after capturing the town this force will have to push through very difficult country to reach Hankow. A third column moved southwest from Kwangchow and captured Kwangshan on the 20th. A column moving along the Kwangchow-Macheng highway is held up at Shawo, about 26 miles south of Kwangchow. Another detachment driving south toward Macheng succeeded in reducing Sintien, midway between Shangcheng and Macheng in the Tapien mountains, on the 21st. Macheng is on the southern slope of the Tapien mountains and is located on a highway leading directly to Hankow.

South of the Yangtze and west of Juichang a detachment is pushing southwest of Juichang on the highway to Wuning. It is meeting with some success. Detachments are closing in on Mushihkiang, west of Juichang and southeast of Yanghsin. A Japanese detachment occupied Hwangchiawan, southwest of Mushihkiang, on the 23rd.

Just north of the Yangtze three columns are advancing on Tienchiachen. The first is attempting to cross the lake guarding the city on the east; the second and third are moving south from Kwangtsi through the hills to the northeast and northwest of Tienchiachen. Severe fighting, in this sector, is reported northeast of Tienchiachen. Heavy Chinese counter attacks in the Kwangtsi sector continue.

A Chinese communique of the 21st stated that Japanese artillery in place near Menghsien on the north bank of the Yellow River in northern Honan continues to shell the south bank of the river northeast of Loyang. In this same area, the Japanese have occupied a delta on the north bank of the river between Patowchen and Tiehsiechen at which point it is possible to cross to the south bank of the Yellow River. The campaign of "mopping up" guerillas in southern Shansi continues.

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

A large number of Japanese troops, according to Chinese reports of the 21st, were landed on the south bank of the Yangtze near Matang at Hsiangshan and Huangshan. Fighting was declared to be in progress.

2. Miscellaneous

Weichow Island, in the Gulf of Tonking, south of Pakkoi, Kwangtung, recently occupied by Japanese naval forces, is being used as a naval air base from which to bomb the south China provinces of Kwangsi and Kwangtung. Nanning and Wuchow, Kwangsi, as well as Yanchow, Kwangtung, were bombed on the 21st. On the same day Japanese planes visited Kweichow province for the first time, flying as far as Hsinyi before turning back. No bombs were dropped on this flight. In central China, Sinyang was bombed on the 20th and 21st. The area northeast of Tienchiachen was also bombed on the 21st. In addition, army aircraft aided landed forces in the vicinity of Aikow northeast of Tehan and also claim to have bombed and sunk a Chinese gunboat on the Yangtze about 40 miles east of Hankow on the 22nd.

Guerilla skirmishes occurred in northeastern Hopei at Shaluhochen about 14 miles west of Fengjun, near Yangshwang about five miles east of Kuankiao on the Tsinpu railroad, and on the Taoching railroad in northern Honan between Shiuwu and Szetzeying.

A Chinese communique of the 23rd states that the province of Szechuen has been organized for military conscription, graduates of military training courses taking charge of the work.

Chinhai fortified zone at the mouth of the Yung River leading to Ningpo, Chekiang, was reported shelled and bombed for a period of five hours by Japanese naval and air units on the 22nd.

Anticipating a Japanese attack on Canton, the city is reported busily engaged in organizing itself for a state of emergency by taking a census of the city, registration of students for military training and compulsory military training of Ricksha pullers. Military organizers from Kwangtung districts are reporting to the Central Command.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

27 September, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 24 SEPTEMBER, TO 0800 27 SEPTEMBER 1938

1. Operations

South of the Yangtze, on the 23rd, Japanese forces succeeded in occupying Mushihkiang, a small village on the Yanghsin-Juichang highway about six miles from Yanghsin. Following the occupation of this town they pushed on to reach a point about five miles east of Yanghsin. Other troops advancing along the south bank of the Yangtze succeeded in capturing Fuchikou, opposite Tienchiachen, on the 24th. On the 25th they were consolidating their positions in this area preparatory to moving further west.

On the north bank of the river heavy fighting continues as the Japanese offensive on Tienchiachen drives on toward the city from Kwangtsi to the north and from Wusueh to the east. In addition to infantry attacks the Chinese are being subjected to heavy artillery and aerial bombardment.

In the Loshan area east of Sinyang, Honan, the Japanese claimed on the 24th to have reached a village about ten miles east of Wulitien, the half way mark between Sinyang and Loshan; also that they had penetrated Chinese positions in the vicinity of Fangchuan and that the Japanese forces at Sihsien, supporting the column advancing directly westward toward Sinyang, were attempting to cross the Hwai River in order to join the drive on Sinyang. A contradictory Chinese statement of the 25th, which is taken with great reserve, states that the Japanese have been pushed ten miles southeast of Loshan. Farther to the south the troops advancing southward toward Macheng through the Tapieh mountains are still battling with Chinese units in the vicinity of Shawo and Sintien.

In the Tehan sector south of Kiukiang the situation remains unchanged. The Japanese have renewed the offensive against the Chinese troops entrenched along the southern extremity of the Lushan mountain range to the northeast of Tehan and west of Lake Poyang. Rapid progress is reported.

On the 25th Japanese troops began crossing the Yellow River at Yuanku in southwestern Shansi apparently having Loyang in northwestern Honan as their objective. Severe fighting is reported on both banks of the river.

In southwestern Shansi, Japanese artillery shelled Tungkwan on the south bank from positions near Fenglingtu, on the 23rd. Japanese infantry continue their operations against Chinese troops remaining in this sector.

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OSD Letter, May 3, 1972

NARS Date

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

2. Miscellaneous

On the 23rd Japanese planes bombed Fongchen, near the Annam border in south China. Japanese forces also attempted a landing about 28 miles from the Annam border on the same day. In addition to this, the Canton-Hankow railroad bridge at Yuanfan was bombed. Also bombed were Chinese positions northeast of Tienchiachen as well as Kichun and Wuning in the Yangtze area and Sinyang further north. On the 24th Sungfow, about 45 miles northeast of Hankow, Haimenchen, Hwangyin and Taichow, in Chekiang province, were bombed, while on the 25th more than seventy planes were reported bombing the Peiping-Hankow railroad and the Canton-Hankow railroad to the north and south of Hankow. Hankow airdrome, Puchi on the Canton-Hankow railroad and Kiayu on the Yangtze River were bombed on the afternoon of the 26th. On the same day Wuchow, the Canton-Hankow railroad and the Canton-Kowloon railway near Canton were raided. For the first time in history Kweiyang, capital of Kweichow province, was raided by Japanese planes which attacked the aerodrome and other military establishments on the 25th.

A Japanese communique stated that a Manchoukuoan expeditionary force operating against the communist army in Chahar routed Red troops near Wonga in southern Chahar on the 19th of September.

A Chinese communique reports that all Chinese civilians of Chungking unless they have special business have been ordered to evacuate that city within one month in anticipation of Japanese bombing raids after the fall of Hankow.

It is reported that about three thousand soldiers of the "Imperial Allied Army" troops mutinied against Japanese officers at Shihchiachwang on the 22nd; following this, Chinese troops occupied the city. This is taken with great reserve. The report is denied by Japanese officials.

3. Local

Part of the Japanese forces stationed at Kiangwan have recently been issued summer uniforms.

The First Battalion of the Seaforth Highlanders Regiment received orders on the morning of the 26th to leave Shanghai for maneuvers at Hongkong. They departed a few hours later.

The map situation has not changed sufficiently to send one out with this report.

R. A. Boone
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

0199

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

29 September, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 27 SEPTEMBER, TO 0800 29 SEPTEMBER 1938

1. Operations

In the southeastern section of Honan increased Chinese resistance, due to the number of reinforcements concentrated in this area recently, and rainy weather have brought the Japanese advance on Sinyang from Loshan almost to a standstill. A Japanese column had reported an advance to the Paichaoyuen area about 19 miles west from Shangcheng by the 27th.

Forces driving southward along the Kwangchow-Macheng highway in the vicinity of Shawo and along the nearby Shangcheng-Macheng highway are slowly advancing. Mopanshan south of Shawo was captured on the 25th. The Chinese are offering stiff resistance in this area.

According to a Japanese communique, persistent bombardment by artillery and aerial units combined with heavy infantry attacks resulted in the capture of strategic hills near Tienchiachen and forced Chinese troops to begin a withdrawal from this fortified area toward Kichun early on the morning of the 28th.

South of the Yangtze, on the 26th, Japanese forces from Fuchichow on the river bank opposite Tienchiachen attacked the Chinese positions in the Tapishan hills west of the city. On the same day the Japanese column pushing southwest along the Juichang-Wuning highway engaged the Chinese in the vicinity of Goat Hill. Skirmishes were reported along the Kiukiang-Nanchang railroad in reports of the 27th.

In eastern Honan the Japanese units driving on Chowchiachow east of Yencheng (on the Pinghan railroad) have captured an island in the new Yellow River east of the city, which island is now being used as an artillery base from which to shell Chowchiachow.

The shelling of Tungkwan from Fenglingtu on the north bank of the Yellow River in southwestern Shansi still continues.

Kweitch on the Lunghai railroad east of Chengchow was reported reoccupied by the Chinese on the 25th. This is taken with reserve.

2. Miscellaneous

A train bound from Hankow for Kowloon was bombed near Changsha and forced to return to Hankow on the 26th. On the following day Japanese planes bombed Huayung on the Pinghan railroad north of Hankow, while in south China the waterworks at Saichuen, supplying water to Canton, was bombed threatening to cut off the water supply of the city. On the 27th

0201

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

the Japanese who had established an air base on Weichow island in the Bay of Tongking are reported to have evacuated the island leaving stores and empty barracks. Sinyang, troop concentrations east of Sinyang, the vicinity of Shawo and Sintien near the Hupeh-Honan border, the Chinese fortifications at Tienchiachen and Chinese positions south of the Yangtze near Tohan suffered from aerial attacks by Japanese planes on the 27th. On the 28th Canton airdromes were heavily bombed.

An anti-guerilla campaign in west Hopei and east Shansi near the village of Kuyang, west of Tingsien, Hopei, is reported to have begun. In southern Shansi the Japanese claim that large numbers of the "Red Spear guerillas" are surrendering. They also report that part of the 177th Chinese Division of the Shansi Army commanded by a former 29th Army officer surrendered with 2,000 men.

The Eurasia Aviation Corporation has renewed air and passenger service between Hankow and Hongkong.

Twenty Japanese warships are reported concentrated near the Paracel Islands in south China.

3. Local

Twenty new Japanese airplanes were reported being towed along Broadway on the 28th.

The Italian cruiser Raimondo Montecuccoli and the gunboat Lepanto suddenly left Shanghai at noon the 27th while on the 28th the British destroyer, HMS Duncan, also left. It has been replaced by the gunboat HMS Grimsby.

The French have renewed and strengthened the defense works about the French Concession along the Hungjao-Siccawei sector. Pill Box implacements of the concrete block type have been erected at strategic points.

R. A. Boone

R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

0201

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

DECLASSIFIED
 E.O. 11652, Sec. 303 and 5

1 October, 1938

Handwritten: L. H. Johnson, May 1973

RESTRICTED

R-2 REPORT, PERIOD 0800 29 SEPTEMBER, TO 0800 1 OCTOBER, 1938

1. Operations

Tienchiachen was captured on the morning of the 28th by Japanese troops driving along the north bank of the Yangtze, aided by aviation and artillery units. Following the capture of the fortified area about this town, Japanese units continued westward toward Kichun pursuing the fleeing Chinese while other units engaged in "mopping up" the area captured.

In Southeastern Honan, the Japanese report that the Chinese units which have been in position in the vicinity of Loshan began a general withdrawal toward positions close in around Sinyang. This withdrawal was ordered following several days of unsuccessful counterattacks by the Chinese in the Loshan area. On the 29th Chinese authorities admitted the loss of Siaoloshan, southwest of Loshan, to Japanese forces advancing westward.

Chinese reports of the 29th claim that the Nipponese units advancing south toward Macheng from the Shangcheng sector suffered a severe reverse when Chinese forces routed a Japanese division and drove it back toward Shangcheng with large losses in equipment. This is taken with reserve. However, the Japanese have not been making gains in this sector. This is thought to be due to a combination of inclement weather and strong Chinese resistance.

South of the Yangtze the Japanese are making no progress. Information from a reliable source indicates that the reason for no progress being made south of Kiukiang on the Tehan-Singtze front is that the Japanese forces in this area were reduced several weeks ago to a strength just sufficiently strong to hold the area already captured. The forces removed were sent up river for the drive in the Tienchiachen area.

A small Japanese force was landed, according to a Chinese report, on the south bank of the Yangtze near Tungliu on the 29th. The following day Chinese military authorities admitted the loss of Tungliu.

In southwestern Shansi Japanese troops, after several days of fighting, are said to have routed Chinese Central Government troops in the vicinity of Hsipantsun in a drive launched from Chieh-hsien. Other Chinese troops were reported dispersed in the Wenhsien district of northern Honan in a campaign extending from the 22nd to the 27th of September. There is some doubt as to the veracity of the statement which claimed the Japanese had begun crossing the Yellow river near Yuanku, reported on the 27th

1202

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

Guerillas have been reported active along the Grand Canal in northern Kiangsu. It is reported that they have renewed their activities in Pootung and along the Shanghai-Hangchow highway in the vicinity of Kinshan.

Japanese planes attacked Kunming (Yunnanfu), capital of Yunnan province, for the first time on the 28th. The nine bombers taking part in the raid were met by Chinese pursuits which engaged them. The Japanese succeeded in dropping about sixty bombs, damaging four French DeWoitine planes on the ground, while the Japanese lost one large bomber. Two more Japanese bombers were reported shot down but there has been no confirmation on them. The same day Japanese planes bombed Sinyang, Kwangshui and Hwayuan (all of the towns being located on the Pinghan railroad just north of Hankow) as well as Chinese positions on both banks of the Yangtze. On the 29th the entire Japanese airforce in the Yangtze sector was engaged in bombing and strafing the Chinese troops retreating from Tienchiachen. The vicinity of Yingshan in Anhwei, Loshan in Honan, Macheng in Hupeh and Chinese artillery positions west of Yanghsin were also bombed.

2. Local

Mr. Tang Shao-yi, an aged Chinese politician rumored to be a possible head of the amalgamated North China and Central China governments when formed, was fatally injured on the 30th by terrorists who entered his home in the French Concession and assaulted him with an axe.

The Standard Vacuum Oil Company installation in Pootung opposite Yangtzepoo reports that between eighty and one hundred guerillas threatened the installation on the evening of the 29th and demanded the payment of one hundred thousand dollars.

A. S. Walcott First Lieutenant,

for
R. A. BOONE,
Captain, U. S. Marine Corps,
Regimental Intelligence Officer.

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

TELEGRAM RECEIVED

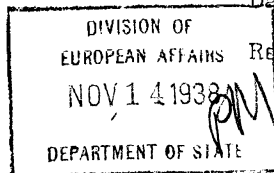
REB

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

FROM PARIS

Dated November 7, 1938

Rec'd 4:30 p. m.



Secretary of State,
Washington.

1877, November 7, 7 p. m.

CONFIDENTIAL.

I handed Hoppenot this afternoon a note containing the text of your statement to the press of November 4 (your 840, November 6, 4 p. m.). He was much interested and expressed appreciation that this text had been communicated to the Foreign Office.

He referred to our conversation of November 3 regarding the Yangtze river question (my 1856, November 3, noon) and stated that instructions in the sense indicated had in fact been cabled to the French Ambassador in Tokyo that same day. He expressed again the satisfaction of the Foreign Office at having been informed in advance of our contemplated action and stated that the French Ambassador in London had reported that the British Government was also greatly pleased at having been advised beforehand. The British also had instructed their ambassador in Tokyo to take similar action.

(END SECTION ONE)

WILSON

CSB

793.94/14317

F/FG

1204

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

5232

CA

TELEGRAM RECEIVED

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

PARIS

Dated November 7, 1938
FROM

Rec'd 5:45 p.m.

Secretary of State

Washington

1877, November 7, 7 p.m. (SECTION TWO)

Hoppenot said that the powers having interests in China were confronted today with a different situation from that which existed a year ago at the time of the Brussels conference. Prior to the Brussels conference the Japanese Government had given repeatedly assurances that it would respect the open door and the rights of other countries in China. The Brussels conference therefore had considered the Far Eastern question more from the angle of what could be done to maintain the integrity of China than from the point of view of protection of their own rights in China. Today the situation is vastly different. Since Brussels, Japan has consistently acted contrary to her undertakings to respect the open door and now the statements made last week in Tokyo leave no doubt of the intention of the Japanese unless they are ^{checked} (A) to create a new situation in the Far East at the expense of the rights and interests of other powers in that area. Hoppenot said that he believed that unless the United States, Great Britain, and France should take firm and concerted action to convince the Japanese that they will not accept such unilateral revision of their rights in China these three countries will find themselves in the early future completely frozen out of China.

(END SECTION TWO)

WILSON NPL EMB

WOB
3/28/39

5233

TELEGRAM RECEIVED

REB

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

FROM

PARIS

Dated November 7, 1938

Rec'd 5:30 p. m.

Secretary of State,
Washington.

1877, November 7, 7 p. m. (SECTION THREE)

I asked Hoppenot along what lines he was thinking attempting action to convince the Japanese. He said that he was thinking about as follows: that the three powers mentioned should, at approximately the same time, let the Japanese Government know (secretly in order that the Japanese need not lose face) that they recognized that changes had taken place in China since July 1937 and that this fact would have to be taken into consideration in arriving at new agreements regarding the Far East. However, the recognition of changes in the situation in the Far East could not be imposed by Japan by unilateral action, and ^{could} only become effective upon agreement of the powers signatories to the Nine ^{Power} Treaty. Furthermore discussion of this question could not take place until the present conflict in China had come to an end whether this took one year or two years or longer, and of course a government representing China

1208
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5234

REB

2-#1877, From Paris, Nov. 7, 7p.m.
(Sec. Three)

China would have to be a party to the discussion. In the
meanwhile the status quo regarding their rights in China
must be maintained.

WILSON

NPL-EMB

~~(#) Apparent omission~~

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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

5235

TELEGRAM RECEIVED

CA

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

FROM PARIS

Dated November 7, 1938

Rec'd 6:21 p.m.

Secretary of State

Washington

1877, November 7, 7 p.m. (SECTION FOUR)

Hoppenot said that he believes that if something along the foregoing lines could be conveyed firmly and secretly by Great Britain, France, and the United States to Japan such action would prove effective. He believes that a move of this nature would strengthen the hands of Konoe Arita and other civilian leaders.

As indicating that a firm stand with the Japanese proves effective Hoppenot referred to the matter of the Japanese protest against alleged continuous passage of munitions over Indo-China (see my 1841, October 29, 1 p.m.). He said that the French reply to the Japanese Embassy had been made on November 4 and had been in strong terms refusing to take the Japanese protest into consideration. (Incidentally he stated that the Japanese had proposed the despatch of a Franco-Japanese commission to Indo-China to investigate the situation on the spot; the French Government had of course turned this down flatly.) Hoppenot then read me a Havas despatch just received from Tokyo stating that the Domei Agency had announced that the Japanese Government was now satisfied that there had been

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

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--2--1877 from Paris, Sec. 4..

been no appreciable traffic in arms across Indo-China
and that the discussion with the French on this matter
had taken place in a manner entirely satisfactory to Japan.
(END OF MESSAGE)

WILSON

NPL EMB

1209

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 10, 1938

~~LCV~~
~~WKA~~
~~TMT~~

Tsingtao's despatch to Peiping no. 370 of October 4, 1938. You may care to read the summary on pages 1 and 2 of a communication from a missionary in Kiangsu.

Consul Sokobin discusses at some length the ineffectiveness of Chinese guerilla activities and states that the Japanese north China venture "appears to be shaping itself as one which will yield to Japan complete domination over north China's resources and raw materials" (railways, mines, electrical industries and salt works) and that Chinese guerillas will have little significance or importance in thwarting this venture.
RE:Peiping

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

No. 370.

Copy for Department of State

AMERICAN CONSULATE

Tsingtao, China, October 4, 1938.

OFFICE OF THE ASSISTANT SECRETARY ON
INTERNATIONAL ECONOMIC AFFAIRS
NOV 15 1938
DEPARTMENT OF STATE

Subject: Conditions in the Interior -
Along the Lung-Hai Railway.

NOV 15 1938
DIVISION OF
ECONOMIC AFFAIRS

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping, China.

For Distribution
V.E.
S. H. L. H. H.
NOV 15 1938
U.S.A.
DIVISION OF
ECONOMIC AFFAIRS
File

Sir:

I have the honor to transmit herewith a copy of a letter dated September 26, 1938, addressed to this consulate by the Reverend Paul Kuhlmann, an American missionary resident at Tangshan (唐山), Kiangsu Province. Tangshan is on the Lung-Hai Railway about 50 miles to the west of Hsuehow. Mr. Kuhlmann is one of the group of thirty or more Americans to whom permission was finally granted at the end of August to travel on the Tsingtao-Tsinan Railway to their stations in the interior.

Briefly, Mr. Kuhlmann recounts that

- (1) Japanese appeared anxious to accommodate foreign travelers and facilitate their return into the interior.
- (2) Regular, although curtailed, passenger train schedules are maintained on the Lung-Hai Railway between Hsuehow and Kaifeng, a distance of 175 miles.

(3)

793.94/14318

F/F

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

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- (3) Guerrilla and bandit activities appear to be decreasing. The effectiveness of the guerrillas and bandits is declining because of a diminution of ammunition.
- (4) Americans and Europeans are not molested by the roving Chinese bands.
- (5) The Japanese are more than able to keep pace in repairing the damage done to the railway by the guerrillas. "One cannot but marvel at the speed with which they (the Japanese) work".
- (6) It is quiet in the southwest corner of Shantung Province on the borders of Honan and Kiangsu provinces. At Shanhsien, Shantung, it was reported "even more peaceful than in Tangshan", the latter place being on the Lung-Hai Railway. This may mean that Tangshan is subject to attacks.
- (7) Japanese military have not molested Mr. Kuhlmann's mission and their relations appear satisfactory.

The consulate attaches most importance to the report that a regular passenger train schedule is being maintained by the Japanese on the Lung-Hai Railway. It is now possible to travel without great inconvenience and without any great delay by rail from Tsingtao to Kaifeng via Tsinan and Hsuehow, a distance of 525 miles, on Japanese operated railways. For some time past this consulate has come to the opinion that a greatly exaggerated importance is being given by the foreign press to the activities of the guerrillas and their effectiveness in combatting the Japanese. Amateur military strategists have now for months predicted the great difficulties the Japanese would have as their "lines of communications" became extended. So far from difficulties increasing for the Japanese along the main lines of their communications, it appears to this

consulate

DECLASSIFIED: E.O. 11652, 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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consulate that the Japanese are constantly improving the maintenance of those lines. It must be admitted that an occasional derailment is caused by the guerrillas but so far as is observable here, under the existing conditions of war, of movement of troops and of supplies, as satisfactory a service as is possible is being maintained by the the Japanese for the transportation of the public and of cargo. Foreign news dispatches, to quote a writer in PACIFIC AFFAIRS (September 1938), give "constant attention to Chinese guerrilla bands operating against the Japanese supply lines in North and Central China -- attacks on Japanese motor convoys, annihilation of railway garrisons, ripping up rails and wrecking Japanese trains, cutting telephone wires --". Yet the facts are that in August but two interruptions on the Tsingtao-Tsinan Railway took place; in September two minor delays occurred, and passengers carried reached the monthly figure for September 1934. In September a regular passenger train service was extended southward from Tsinan to Hsuehchow and from Hsuehchow westward to Kaifeng; at the same time travelers were accommodated to the extent of being able to purchase through tickets from Tsinan, for example, to Kaifeng. The guerrillas have not prevented the Japanese from either opening the line from Hsuehchow to Kaifeng or from maintaining a regular passenger service. Still another foreigner who is in an authoritative position has reported that "railway operations (mail and passenger) have worked very smoothly indeed".

The

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

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The consulate does not wish to appear to be deliberately assuming without reason an opinion of events and affairs in China opposed to that held by numerous journalists and foreign residents who make much of guerrilla activities. It does feel that the journalists and foreign residents are permitting their sympathies and wishful thinking to cause them to be oblivious to what the Japanese are accomplishing in North China which in time will serve the Japanese in their domination and economic exploitation of this region. This consulate is not impressed by the reports of peripatetic Chinese officials in the provinces as evidence of the slight hold the Japanese have on the country. It is impressed by such reports as the enclosed and other items of information which indicate that the chaos which some observers expect to spread behind the Japanese lines is non-existent, not only along the railway lines held by the Japanese but off the main lines of communication in this region (Shantung). It is impressed by the fact that as the Japanese have pushed further into the interior the guerrillas behind the Japanese lines have not caused a known single important diversion of Japanese military strength nor in any important military sense threatened the Japanese lines or the Japanese rear. Granted that probably in every one of the 108 hsien in Shantung there are guerrilla bands and that the Japanese forces occupy only stations along the two railways cutting Shantung Province north and south and east and west, there has not been

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

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a single Chinese guerrilla activity that could be designated a significant success. Preventing Japanese forces from penetrating into the interior of Shantung off the railways may be counted a success - if in fact the Japanese contemplated that before their major objective in the military campaign was achieved it would be necessary to place great numbers of troops in the tens of thousands of villages and hamlets which dot the Shantung landscape.

This consulate gathers that so far from conditions of chaos prevailing behind the Japanese lines in Shantung conditions are quieter at present than they were in Chang Tsung-chang's time, for example, and that here too there is a gradual decline in guerrilla achievements. There is not the slightest indication of guerrilla consolidation or of success in halting the Japanese hold and the Japanese strengthening of the arteries of this great province, viz. the Tientsin-Pukow Railway and the Tsingtao-Tsinan Railway.

Mr. Kuhlmann's letter has given this consulate an opportunity to set forth its view that far too much emphasis has been placed on guerrilla activities which have created an altogether erroneous impression in some quarters that the Japanese are not succeeding in their venture in China. That venture appears to be shaping itself as one which will yield to Japan complete domination over North China's resources and raw materials - a venture in which Chinese guerrillas will in the end have little

0215

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

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little significance or importance in thwarting. In Shantung particularly and in North China east of the Peiping-Hankow Railway will this exploitation, in the view of this consulate, be energetically pushed by the Japanese in the near future. At what cost is another question, but this consulate senses that Japan is engaged in gaining an objective which no guerrillas nor China's stand at Hankow or further west will prevent and which will in no great time result in Japan's domination of railways, mines, electrical industries, and salt works throughout Shantung and North China generally.

Respectfully yours,

✓
Samuel Sokobin,
American Consul.

✓
Enclosure:

1. From Rev. Paul Kuhlmann, September 26, 1938.

800
SS/CES

Original to Embassy, Peiping,
5 copies to Department,
Copy to Embassy, Chungking,
Copy to Embassy, Tokyo.

A true copy of
the signed original
in 0157

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

Tangshan, Ku.
 September 26, 1938.

The American Consulate,
 Tsingtao.

Dear Mr. Sokobin and Mr. Hawthorne,

A letter reached us recently from the American Consulate in Shanghai forwarded by you. The answer to this letter we are returning to you and would request that you forward it to its destination in Shanghai.

A few words about the conditions here may be of interest to you. Our trip this way from Tsingtao was quite good and we were well treated by all along the way. On the train from Tsingtao to Tsinan Japanese showed us into a compartment where we were permitted to be by ourselves all the way, although the train was quite filled. From Tsinan south we caught the second passenger train since service had been resumed, and again were cordially received and treated by the troops on the train with whom we associated quite a bit along the way. In Hsuehowfu, as it was dark when we arrived and could no longer enter the city, we were taken into the city to a Japanese Hotel in a down-pour of rain by a special motor car, and so again enjoyed special privileges. The next morning we visited the missionaries there, and at noon we proceeded along the Lung Hai Railway. Here no tickets were then sold, nor were there then passenger trains; but now passenger trains run once each way daily between Hsuehow and Kaifeng, and they keep time very well. It was again dark as we arrived here in Tangshan, and so again we were taken along by an officer in his car into the city, from where we proceeded the next day to our station in the east suburb.

Arriving at our station we found all the property in best condition. The bandits had not been here again since we left. In the mean time we have also found out who the leaders of these bands were, and as we are acquainted with them, that explains why they did not lay their hands on anything that belonged to us, only they wanted to rob the refugees. During the days that we arrived it was still rather restless, but during the past three weeks conditions have improved remarkably. It seems as though they are gradually running short of ammunition, at least we know of only one larger band in this vicinity now that is still robbing. Others are merely groups of a few people and what they do is thievery rather than robbery.

We have been out in the country almost continually since we have been here, also in contact with these bandits more than once, but they seldom even ask what we want or where we are going. Most of them are local people and know of the work of the mission, and so

often

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

- 2 -

often even greet us quite friendly. The Catholic fathers also are out in the villages continually either on horseback or bicycles and never have had any encounters with bad effects with them either.

From all this it appears that we foreigners have nothing to fear here at the present. Of course the nights are sometimes a little uncomfortable due to a good deal of shooting in neighboring villages, but they do not come so very near the city very often.

Along the way coming this way from Tsingtao, we were more than once surprised to see the progress that the Japanese had made since we last passed over the country on our way to Tsingtao. When we went to Tsingtao in at least two dozen places the train had to take the side track to pass blown up bridges, while on our return over the Grand Canal south of Han Chwang. All the bridges had in the mean time been repaired. And that they have not repaired this bridge no doubt also has its reason, since it lies entirely across the Grand Canal and so stops traffic which might be used by the Chinese against the Japanese. In several places the track had been torn open or undermined recently, and many telephone poles sawed off, but they repair all this about as fast as the Chinese can tear things to pieces. One cannot but marvel at the speed with which they work. This is just as an illustration to show that they do not at all figure to retreat so soon, and that whatever the guerrillas do has after all but little effect.

In Shenhhsien and Tsaohsien where the Bartels are, and in Yücheng where Thiessens are there are no Japanese troops. There the local government is again in operation with but little anti-Japanese sentiment. They have re-organized for the protection of their property and their families against the robbers, and there it is even more peaceful than here. Here it is still a little difficult for the Chinese to know whose side to take. Many villages side with the Japanese, while others with the guerrillas, and so there is always a little uncertainty and suspicion between them. Japanese troops go out into the country quite frequently, and that keeps things much more quiet also.

It is perhaps already known to you that Whillie Thiessen is in Kikungshan and is trying to return home over land. We have not yet heard whether he has arrived, but he is expected soon. Trains are still to be running from Hankow up to near Chengchow, from where he would then cross the overflowed sector by boat, and come this way from Kaifeng. Quite a large number of Chinese who had first fled into the interior have recently been returning by this route, and they say it is very easy and they encounter no special

difficulties

DECLASSIFIED: E.O. 11652, 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 -

difficulties. Recently however, quite a large number of trains loaded to capacity have been going west, so that we wonder whether they are preparing to advance westward again.

The attitude of the Japanese towards the mission here is also good. We have never been molested in any way by them, except that during the first few weeks since Tangshan was taken, they came to pay us a few more or less unwelcomed visits. But even during this time that we have been away, they have kept their hands off all that belongs to the mission. Many have great prejudices against them, but I must admit from all that we have experienced conditions are no worse than with the Chinese around. Largely I believe such sentiment is due to the news papers who incite or instigate such sentiment for political reasons. Of course, I also know that in many places they have not treated the missions so well.

Well, I must close. I meant to give a picture of conditions here, and have gone into commenting upon them, so it is time to quit. I hope I have not wearied you with such a long letter. It is my plan to return to Tsingtao in perhaps a month, and then any details can be further discussed in case any questions remain.

Sincerely yours,

PAUL KUHLMANN

P. S.:

We are in Shan Hsien, Shantung now for a visit with Bartels. Here it is even more peaceful than in Tangshan. We met the robbers 5 times on the way, but they did not even stop us. Some greeted us even by our names.

P. 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

DIR

TELEGRAM RECEIVED

FROM

JR

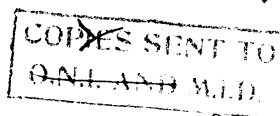
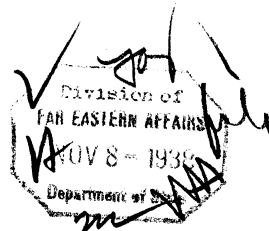
COMSOPAT

November 8, 1938

Rec'd 8:50 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMDESRON FIVE
ASTALUSNA SHANGHAI
COMSUBRON FIVE
COMYANGPAT
ANAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS JOHN D FORD
FOURTH MARINES
ALUSNA PEIPING



793.94/4319

0007. Fighting reported vicinity Samshui and guerilla activities about Tuchow and peninsula section south indications are Bias Bay as base ended for present with outposts drawn in to a line west of Weichow troops and supplies continue to move from Canton to north and towards Samshui rice from outside sources needed to meet refugee problem. 2330.

DDM

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122

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

TELEGRAM RECEIVED

EG gpo

FROM COMYANGPAT

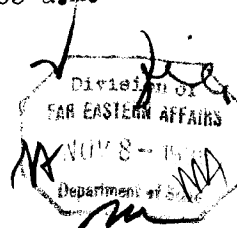
November 8, 1938

Rec'd 11:05 a.m.

ACTION: CINCAF

INFO: YANGPAT

PASSED FOR INFORMATION TO OPNAV BY CINCAF



193.94

0507. Total arrivals and downriver departures
Japanese vessels October twenty sixth to November sixth
inclusive: destroyers twenty five up twenty one down
minelayers seven and five river gunboats thirteen and
nine torpedo boats five and three minesweepers two and
two transports fifty nine and thirty four miscellaneous
small craft twelve seventy five and five sixty five tugs
twenty four and twelve tankers ten and two supply ships
fifty seven and fourteen hospital ships one and one
miscellaneous auxiliaries two arrived none departed.
Total remaining at and above Hankow eight hundred twelve.
Report similar to this will be made weekly. 1133

793.94/14321

FILED
NOV 14 1938

F/FG

1222

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

5237

TELEGRAM RECEIVED

6m3 [Signature]

JR

GRAY

FROM

Hankow via N. R.

Dated November 8, 1938

Rec'd 10:40 a.m.

Secretary of State
Washington.

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

Division of
FAR EASTERN AFFAIRS
NOV 8 - 1938
Department of State

48, November 8, 4 p.m.

793.9
m
343-163

The conduct of Japanese troops in the former
British concession continues orderly. The restrictions
referred to in my 39, November 3, 10 a.m., continue to
be rigidly enforced.

In other sections of Hankow and Wuchang excluding
the French concession, Japanese soldiers have indulged
in looting and occasional violence towards the native
population. Wuchang is apparently worst affected.
Wholesale pillaging had not ceased on November 4, the
date of the latest message from Wuchang. Three attempts
on November first and second to loot buildings of the
American Church Mission Hospital and molest staff members
were frustrated by the intervention of an American doctor.

Other American church mission properties in Wuchang
all of which are housing refugees have been broken into
and ransacked, but to what extent is not yet known.
Caretakers of these properties have been maltreated.

The assistant chief of the Navy's special service
section

793.94/14322

F/HG

122
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

5238

-2- #48, November 8, 4 p.m., from Hankow via N. R.

section stated yesterday that Japanese sentries have been
ordered to deny Chinese entry to the French concession.

Repeated to Chungking, Peiping.

JOSSELYN

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

793.94/14323 (Cancelled)

793.94/14323

Cancelled on Passport Book

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

DOCUMENT FILE

NOTE

SEE 026 Foreign Relations/1394 FOR #3337

FROM Japan (Grew) DATED Oct. 12, 1938
TO NAME 1-1127 670

REGARDING: Lansing-Ishii Agreement. Official of Japanese Foreign Office informs that archives indicate that in regard to Viscount Ishii's comment that there existed a sharp discrepancy between Lansing Papers and his recollection of the conversations, Viscount Ishii's memory was faulty.

C

793.94/14324

793.94
14324-

0221
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

No. 3837.

SUBJECT: LANSING PAPERS.

Tokyo, October 12, 1938.

STRICTLY CONFIDENTIAL.

The Honorable

The Secretary of State,

Washington.

Sir:

Referring to my telegram 641, October 3, 10 p.m., reporting that the Japanese Government has no objection to publication in FOREIGN RELATIONS of the Lansing Papers transmitted to the Embassy with instruction no. 1529, July 2, 1938, and that this understanding, reached through informal negotiations, would be confirmed by an exchange of notes, I have the honor to enclose a copy of a note forwarded to the Foreign Office on October 4, 1938, and of a note verbatim in translation, dated October 7, 1938, by which the Foreign Office communicated the agreement of the Japanese Government to the publication of the papers under reference.

1,2/

During

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

During the course of a conversation on October 3 between the Director of the American Bureau of the Foreign Office and a member of my staff, when Mr. Tashizawa indicated that there could be no objection to the publication of the Lansing papers, he explained that the lapse of almost a month since September 8, when he had first suggested that a favorable response would be made on the question of publication (see our letter, September 8, 8 p.m.), was not due to negligence on the part of the Foreign Office. He stated that when Viscount Ishii returned the papers to the Foreign Office he submitted the comment that there existed a sharp discrepancy between the Lansing papers and his recollection of the conversations. Viscount Ishii observed that in the discussions which subsequently led to the Lansing-Ishii agreement, Mr. Lansing had insisted that such recognition as the United States could extend to Japan's special position in China would have to be confined to recognition of Japan's economic interests in that country, but that he (Viscount Ishii) had emphasized the importance of the United States' recognizing Japan's exceptional political position in China; and that his recollection of the conversations would be confirmed by the reports which he made at that time from Washington. Mr. Tashizawa went on to say in strict confidence that the originals had been searched and they indicated that Viscount Ishii's memory was faulty.

The copy of the original of the Lansing-Ishii agreement

0228

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

- 3 -

OF STAFF, transmitted by the Department's instruction
above mentioned, is returned under separate cover.

Respectfully yours,

Joseph L. Grew.

Enclosures:

1. Copy of note no. 1072, of October 4, 1938,
r. Grew to the Minister for Foreign Affairs.
2. Copy in translation of a note verbale, no.
94 Investigation 1, dated October 7, 1938,
from the Ministry of Foreign Affairs to the
Embassy.

Accompaniment is stated.

20

20-r

A true copy of
the signed original.

0229

DECLASSIFIED: E.O. 11652, 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. 3838 of October 12, 1938
from the Embassy at Tokyo.

No. 172

EMBASSY OF THE
UNITED STATES OF AMERICA.

The American Ambassador presents his compliments
to His Excellency the Minister for Foreign Affairs and
has the honor to enquire whether the Japanese Government
perceives objection to publication in the LITTON
of certain memoranda of
conversations between Mr. Robert Lansing, Secretary of
State, and Viscount Ishii, Japanese Ambassador on special
mission, in the course of negotiations leading to the
Ishii-Lansing Agreement of November 1, 1917. There is
enclosed a set of these documents which are listed on a
sheet also enclosed.

Tokyo, October 4, 1938.

Enclosures:

as stated.

0230

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

Enclosure no. 2 to despatch
no. 2337 of October 17, 1939
from the Embassy at Tokyo.

Translation by the Embassy at Tokyo of a note verbale
from the Foreign Office dated October 7, 1939, and re-
ceived October 11, 1939.

No. 94 Investigation 1 Ministry of Foreign Affairs.

Note Verbale.

The Ministry of Foreign Affairs presents its com-
pliments to the American Embassy in Japan and has the honor
to acknowledge the receipt of a note from the latter dated
October 4 in which the agreement was asked of the Japanese
Government to the publication of eleven public documents,
the manuscripts of which were enclosed with the note,
concerning the negotiations leading to the so-called Yahi-
hanning Agreement, and to reply that agreement to publi-
cation is given as indicated hereafter.

October 7, 1939.

Addendum.

Document: Memorandum by the Secretary of State of a conference
with the Japanese Ambassador on Special Mission.

Date: September 8, 1917.

File No. 793,94/394-1/2

Relay No. 54 CC3

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference
with the Japanese Ambassador on Special Mission.

Date: September 22, 1917

File No. 793,94/394-1/2

Relay No. 55 CC3

Publication of this document agreed to.

Document

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

-R-

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on Special Mission.

Date: September 26, 1917.

File No: 723,94/594-1/2

Galley No: 56 001

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on Special Mission.

Date: October 8, 1917.

File No: 723,94/594-1/3

Galley No: 57 001

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on Special Mission.

Date: October 10, 1917.

File No: 723,94/594-1/4

Galley No: 58 001

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on Special Mission.

Date: October 11, 1917.

File No: 723,94/594-1/5

Galley No: 59 001

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on Special Mission.

Date: October 22, 1917

File No: 723,94/594-1/6

Galley No: 59 001

Publication of this document agreed to.

Document

DECLASSIFIED: E.O. 11652, 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 -

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on special mission.

Date: October 27, 1917.

File No: 723,24/324-1/2

Valley No: 60

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on special mission.

Date: October 27, 1917.

File No: 723,24/324-1/2

Valley No: 60

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on special mission.

Date: October 27, 1917.

File No: 723,24/324-1/2

Valley No: 60

Publication of this document agreed to.

Document: Memorandum by the Secretary of State of a conference with the Japanese Ambassador on special mission.

Date: November 2, 1917.

File No: 723,24/324-1/2

Valley No: 61

Publication of this document agreed 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

793.94

DOCUMENT FILE

NOTE

SEE 890.00/118 FOR Memorandum
 State Department
 Far Eastern Division
 FROM (Penfield) DATED Nov 4, 1938.
 TO NAME 1-1127 ***

REGARDING: The situation in the Far East: Sino-Japanese conflict.
 Developments of the past week.

FRG.

793.94/14325

14325-

0234

DECLASSIFIED: E.O. 11652, 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 November 9, 1938

Rec'd 3:30 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMFYANGPAT
AMEMBASSADOR CHINA
USS ASHVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
COMDESDIV FIFTEEN
FOURTH MARINES
ALUSNA PEIPING

COPY SENT TO
ONLINE MID
DT

0008. Chinese planes raided White Cloud Mountain
air fields and troops concentrations vicinity fifty-four
Japanese light and heavy bombers sighted ninety planes
reported headed north military operations continuing
north and west and meeting increased Chinese resistance,
Canton quiet. 2255.

DDM

793.94/14326

F/FG

1234

DECLASSIFIED: E.O. 11652, 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

EDA ***

FROM

PLAIN

CHUNGKING VIA N.R.

Dated November 9, 1938

Received 10:25 a.m.

Secretary of State

Washington

Ninth.

CCMSPAT message 0008 2255 indicates Chinese air activities vicinity Canton and Embassy has therefore informed Chinese authorities here of movements of naval tender between Canton and Hong Kong as reported in Amconsul Canton's November 8. I suggest hereafter nature of markings be indicated.

Sent to CINC, repeated to Canton, Washington.

JOHNSON

KLP:EDA

COPIES SENT TO
O.N.I. AND M.I.D.
27

Division
FAR EASTERN AFFAIRS
NOV 9 - 1938
Department of State

793.94

793.94/14327

FILED
NOV 14 1938

F/FG

1234

DECLASSIFIED: E.O. 11652, 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

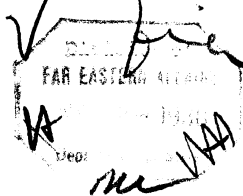
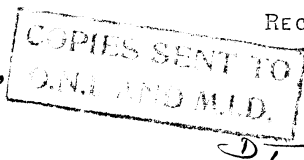
Tokyo via Shanghai & H.R.

FROM

Dated November 8, 1938

Rec'd 6:47 p.m.

Secretary of State,
Washington.



714, November 8, 6 p.m.

Our 704, November 4, 2 p.m.

One. The NICHU NICHU editorial yesterday is typical of Japanese press comment. It was stated that the attitude of the United States towards the Japanese Government's statement of November 3 is static and indicates a lack of comprehension of the new situation in China. The question was posed whether it would not be proper for the United States in its attitude toward Japan to face actualities in the Far East rather than to maintain a policy based on the obsolete and no longer applicable Nine Power Treaty. It was stated that that treaty represented an attempt by the powers to place China under international management and to make that country a colony of the powers. The Japanese attitude towards the Nine Power Treaty was said to have been made clear by Premier Konoe's statement to the effect that Japan will bring about sweeping changes in the situation under which peace and order in China have been

793.94/14328

F/A

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

-2- #714, November 8, 6 p.m., from Tokyo via Shanghai & N.R.

been jeopardized in the past by the imperialistic competition of the powers. Now as a result of Japanese military successes, Asiatic peoples will seek peace and quiet on the basis of cooperation among Japan, China and "Manchukuo" without foreign aid. In further reference to the recent note of the Government of the United States it was stated that the basis of the policy of Japan in dealing with the powers in relation to China was set forth by Premier Konoe on November 3. He indicated Japan's willingness to cooperate with all the powers in China if they in turn follow policies based on an understanding of the new situation in China. It was intimated that little cooperation with countries basing their policies on the principles stipulated by the Nine Power Treaty could be expected. The article concluded with the hope that the United States would reexamine its attitude without the influence of preconceived ideas and would pursue a course contributing to the cause of peace not only in East Asia but also in the Pacific.

An article in the YOMIURI yesterday, in commenting on the fact that a reply will soon be made to the American Government's note of October 6, emphasized the facts that the American protest ignores the existence of large scale warfare

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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

-3- #714, November 8, 6 p.m., from Tokyo via Shanghai & N.R.

warfare in East Asia and that the United States, France, and Great Britain have been trying check Japan in China on the basis of the Nine Power Treaty. After briefly tracing the recent history of Japan's attitude towards the Nine Power Treaty and attempting to show the treaty's incompatibility with present realities in East Asia, the article concludes with a short statement in appreciation of the strict neutrality of the United States in the present incident and asserts that Japan must mention the abrogation of this treaty in its reply. This is said to be necessary for the future adjustment of relations with the United States.

Two. This morning's NICHU NICHU contains an article to the effect that strong criticism of the note has developed in the United States on the following grounds:

- (a) preoccupation over the open door with regard to actual conditions in the Far East will only promote friction;
- (b) it is illogical to insist on the open door in China when economic restrictions and other barriers to trade exist everywhere;
- (c) in view of the uncertainties of British attitude, as brought out in the Czechoslovakia crisis, it is unwise to become too closely associated with Great Britain in the Far East.

The

1239
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

-4- #714, November 8, 6 p.m., from Tokyo via Shanghai & N. R.

The Foreign Office today denied to us that it is in any way responsible for this article, which it described as a synthetic story pieced out of comment in obscure opposition papers.

Three. The Washington correspondent of the ASAHI telegraphs that the American rejoinder to the anticipated Japanese reply will probably take form in a vastly increased American navy and air force.

Repeated to Chungking.

GREW

RR:CSB

0240
DECLASSIFIED: E.O. 11652, 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

REB

COMSOPAT

FROM

November 9, 1938

Rec'd 7:32 p. m.

COPIES SENT TO
O.A.I. AND M.I.D.
D/

ACTION: CINCAF, OPNAV

793.94
INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
AMBASSADOR CHINA
FOURTH MARINES
ALUSNA PEIPING

✓
H
m
VAA

0009. No material change situation Canton quiet. 2330.

NPL

793.94/14329

FILED
NOV 14 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

793 94

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Chefoo/137 FOR #-36, to Embassy

FROM Chefoo (Roberts) DATED Sept 14, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: developments of the month of August, 1938.

FRG.

793.94 / 14330

14330

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

2. Japan:

(a) New Commander of Japanese Naval Landing Party:-

Commander Takeshita of the Japanese Naval Landing
Party who has been in command of the Japanese occupying
forces

-
- (2) See telegrams of August 30, 1938, 9 p.m. and August 30, 1938, 4 p.m. to the Department and the Embassy and despatch No. 30 of September 1, 1938, to the Embassy entitled "Entry of Chinese Police on Property of the Southern Baptist Mission".

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3-8)
(19)

- 4 -

forces was relieved on August 14, 1938, by Lieutenant Commander Saito of the Japanese Navy. It was rumored that the change was made to strengthen the Japanese occupation of Chefoo. It is the opinion that Commander Fakeshita's treatment of the foreigners was too lenient and that a sterner commanding officer was deemed necessary by the Japanese Naval authorities.

(b) Mass meeting:-

A mass meeting of the Chinese residents was organized by the Japanese for August 18, 1938, at 9:00 a.m. Twenty five thousand inhabitants were ordered to appear at the mass meeting to express the appreciation of the people to the Japanese naval authorities and to the Provisional Government for the services which they have rendered. Street leaders, business houses, schools and similar organizations were ordered to send fixed quotas in order that there would be an impressive showing of Chinese a parade was scheduled as the closing of the mass meeting.

Captain S. Kasuga, Senior Japanese Naval Officer present; K. Takeda, Chief of the Special Service Mission of the Japanese Army; and Commander Saito, Commander of the Japanese Landing Party were Honorary Advisers to the mass meeting. Mayor Chang Hsu-nan was to be Chairman of the meeting and to head a list of one hundred and fifty minor officers nominated for the demonstration.

The meeting was attended by Chinese estimated from 15,000 to 30,000 depending the political convictions of

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

- 5 -

the observer. According to reports of persons present there were many small school children. Only a small part of the crowd near the speakers' stand could hear the speakers.

Mayor Chang indisposed sent General Secretary Mr. Yuan Chien-hou to open the meeting. The General Secretary; Captain Kasuga; Mr. Takeda; Chief of Police Keng Nai-hai; the Japanese Consul; Mr. Shimizu, Chief of Japanese Pacification Mission; and Chief of Staff Ch'en were the principal speakers. They advocated the uniting of all citizens of Chefoo to support the new Provisional Government, to combat the Communist and Kuomin parties and to cultivate friendly relations between Japan, Manchukuo and China.

The monster parade failed to get under way as there was no organization to turn the crowd into an orderly procession. The people without any direction wandered way weary of three hours of speeches.

(c) Evacuation Rumors:-

In the early part of August there were persistent rumors among the Chinese that the Japanese would evacuate Chefoo. They became so wide spread that shopkeepers began to refuse Federal Reserve Bank notes. To combat this Captain S. Kasuga, Senior Japanese Naval Officer and Mr. Takeda, Chief of the Pacification Mission, issued a joint proclamation stating that the rumors were without foundation. Persons found spreading the rumor

were

DECLASSIFIED: E.O. 11652, 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 -

were threatened with severe punishment. In the proclamation the public was informed that the new currency was well protected by reserves.

A Chinese fortune teller one Hsu Yin-k'ai was executed after being paraded through the streets for three days on the charge of spreading false rumors of Japanese evacuation. His head was exhibited on a pole in front of the main Temple for three days as a warning to the Chefoo population.

(d) Military Operations:-

The Japanese naval landing forces and the Japanese naval units were active throughout the month in their campaign against the guerrilla forces in Eastern Shantung. Attacks by air and by sea were made. Only a very few of the attacks, those happening in towns where there are foreign missionaries have been reported to the Consulate. There was air attack on Lan Chia Kou August 4th on the coast about half way between Fenglai and Hwanghsien. Six bombs were dropped killing 26 people and wounding others; six of whom entered the Southern Baptist Mission Hospital at Hwanghsien.

On August 14th Lungkow was bombed from the sea by Japanese gunboats while air raids took place. More than twenty bombs were dropped from the air. There were few casualties according to the reports of two American missionaries who were on a German steamer in the port at the time. The Japanese ceased their attacks on Lungkow

two

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

- 7 -

two days in order to let the guerrillas load the German steamer. Again on August 20 Lungkow had six bombs from the air. There was little damage to the town but four people hiding in the Kaoliang (Sorghum) fields were killed.

Panglai, where there is an American Presbyterian Mission, was shelled on August 26th. About ten shells were dropped about the city. Small boats machine-gunned guerrilla trenches near the shore. No attempt to land was made.

Truck loads of Japanese naval forces made day excursions out of Chefoo a few miles into the interior and engaged the guerrillas operating about Chefoo. On August 12th about 300 Japanese moved towards Muping and came in contact with some fifty Red Spears. The Japanese reported killing twentyfive and capturing five of the Red Spears.

Fighting on the Muping road again took place five days later. Business couriers traveling through this district were turned back by both the Japanese and the guerrillas.

(c) Attack on Chefoo:-

The only guerrilla attack on Chefoo during the month of August was an attack lasting from 2:30 a.m. to 5:00 a.m. August 13th. It was reported that four or five of the guerrillas were killed. Hand grenades were used. Japanese inspired press reports of this

attack

- 8 -

attack said 1,000 guerrillas were driven off by the Japanese Naval Landing Party with a loss of 200 of the attacking forces. The Japanese claimed to have taken and beheaded twenty-three of the guerrillas.

(f) Guerrilla Activities:-

Missionaries returning from the interior report that the guerrillas are much more active throughout the province. Pickets are all along the roads and hold up travelers for examination. Passes are necessary to enter some of the walled cities. Foreigners have not been molested but they are stopped and are required to show identification papers. Mission identification certificates, passports and certificates of origin covering merchandise have all been used to pass the guerrilla guards.

Travelers coming in from the interior report that in various parts of the province they have heard of guerrilla plans for a serious attack on Chefoo. Villages along the road have been ordered to prepare forage indicating horse transport is to be used in this big attack. The travelers recently arriving at Chefoo agree that there appears to be a concentration of the Chinese irregular forces about Chefoo lending credence to the reports of a more serious and better organized attack on the Japanese Landing Party at Chefoo.

7248

DECLASSIFIED: E.O. 11652, 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 793.94119/453 FOR Tel-530; Midnight.

FROM China (Chungking) (Johnson) DATED Nov 5, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict.

Terms, allegedly generous, brought to Changsha by British Ambassador, according to Military Attache, who believes effort to be Japanese attempt to discredit Generalissimo by having him reject same. Attache's estimate is that Chinese can hold out possibly for six months; Generalissimo believes Changsha-Nanchang front will hold for two months.

FRG.

793.94/14331

14331 -

0245
DECLASSIFIED: E.O. 11652, 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. 72

AMERICAN CONSULATE

Foochow, China.

1033 NOV 9 AM 11 45

September 28, 1938.

COMMUNICATIONS
AND RECORDS

SUBJECT: Transmitting a translation of an
editorial entitled, "The responsi-
bility toward peace which America
should undertake".

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON

SIR:

I have the honor to refer to this Consulate's
793.94/13953
despatch No. 65, dated August 25, 1938, transmitting
a copy of this Consulate's despatch No. 55 of that
date, enclosing translations of six editorials
expressing typical Chinese views on various phases
of international relations as they affect the Sino-
Japanese War, and further in that connection, to submit
a copy of its despatch No. 59 of today's date to the
Embassy, transmitting a translation of an editorial
entitled, "The Responsibility Toward Peace Which
America Should Undertake".

Respectfully yours,

Robert S. Ward

Robert S. Ward
American Consul

✓ Inclosure:

Copy of despatch No. 59,
September 28, 1938.

800
RSW:TKW

In quintuplicate.

793.94/14332

F/FG

14332

1251

DECLASSIFIED: E.O. 11652, 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. 72, dated September 28, 1938, from Robert S. Ward, American Consul at Foochow, China, on the subject of "Transmitting a translation of an editorial entitled, 'The Responsibility toward peace which America should undertake'."

No. 59

AMERICAN CONSULATE
Foochow

September 28, 1938.

Subject: Transmitting a translation of an editorial entitled, "The Responsibility toward peace which America should undertake".

The Honorable

Nelson Trusler Johnson,
American Ambassador,
Peiping.

Sir:

I have the honor to refer to this Consulate's despatch No. 55, dated August 25, 1938, transmitting translations of six editorials expressing typical Chinese views on various phases of international relations as they affect the Sino-Japanese War, and further in that connection, to submit, as of possible interest to the Embassy and for its files, a translation of an editorial entitled, "The Responsibility Toward Peace Which America Should Undertake", in which there is expressed again, but in a perhaps somewhat less sympathetic tone, the hope that America will soon take concrete steps to assist China. Published in the Nan Fang Jih Pao of August 30, its transmission was delayed to permit it to be submitted with such further editorials of interest as might subsequently

have

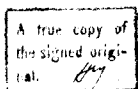
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

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have appeared, but it has not proved practicable to prepare any others to date, and this one is therefore being forwarded alone while it is still timely.

The Embassy will understand that in submitting this and other similar material, the Consulate is motivated solely by the desire to do what it can to assist in recording so much of the state of public opinion in China as may affect international relations, and that its single direct concern with its subject matter is to assure itself that it represents in fact a correct reflection of the course of that opinion in northern Fukien.

Respectfully yours,



Robert S. Ward
 American Consul

Enclosure:

Translation of editorial
 dated August 30, 1938.

100
 88-100Y

Five copies to Department, under cover of despatch no.
 72 of September 28, 1938.
 Copy to Embassy Chungking.

DECLASSIFIED: E.O. 11652, 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. 59, dated September 28, 1938, from Robert C. Ward, American Consul at Foochow, China, on the subject of "Transmitting a translation of an editorial entitled, 'The responsibility toward peace which America should undertake'".

NAN FANG JIH PAO

Foochow, China, August 30, 1938.

THE RESPONSIBILITY TOWARD PEACE
 WHICH AMERICA SHOULD
 UNDERTAKE.

Reflections on the Speech of Secretary
 of State Hull.

On the tenth anniversary of the completion of the signing of the Anti-War Pact, the American Secretary of State, Cordell Hull, made public an anti-war address, reprimanding the signatory states who had broken their pledge, and reproving them for the offence of employing war as an implement of national policy.

At the same time the British Chancellor of the Exchequer, Sir John Simon, made an important speech on questions of British foreign policy at Lanark.*

In the present day period, when the world is inundated in confusion, these two speeches could not be less than a very important counsel. The regrettable thing is that England and America speak only of other countries, and forget that share of responsibility which they themselves owe to peace. Simon's speech was on the whole directed toward

Europe

*On August 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

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urope; Hull's speech was certainly directed at the Far East. On this morrow of the loss of the China National Aviation Corporation plane, we must look to whether the English attitude toward the Far East will or will not be fundamentally changed to know what effect this speech of Hull's may in the future have. We wish now to append a discussion of our views on this question.

We have from first to last advocated a great union of China, England, America, and Russia to oppose all aggressionist states. We early felt that in this world of ours there had come to be a great gulf between the democracies and the dictatorships. If the democratic states do not combine properly, then the dictatorships are bound to run amuck and destroy civilization.

But the conflicts between the several democratic states themselves are very grave - especially that between the rival commercial interests of England and America - making cooperation between them extremely difficult. Although Soviet Russia has asserted time and time again that she is herself a democracy, still the other democracies have from the beginning been suspicious of her principles. Therefore we say that, on account of this situation, in which the democracies sleep in the same bed but dream different dreams, cooperation between them will in all truth be no simple matter.

Nevertheless

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

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Nevertheless, for the sake of the peace and happiness of mankind all over the world, we cannot but hope that the several democracies will use the great strength which would be theirs in union to smash to bits the aggressors' policies, which involve the slaughter of the human race.

Intelligent Americans are not unaware of the intensification of the international crisis; Stimson and the others have all been extremely apprehensive. However, what is really regrettable is that those who possess the power have failed to advocate the unconditional cooperation of democratic states to deliver a shock to the dictatorships. This is truly more than enough to occasion the deepest grief.

In the present day world America is without peer as the wealthiest and strongest of the nations, and she moreover holds the most important position among the democratic states; if she would take actual action toward restraining the aggressor states, the remaining democracies would of necessity fall in line. Thus America is the single key to whether or not a united front of the democracies can be formed. And today the power who can stand on high and cry out, and who has the power to check the aggressors (especially in the Far East) is America. But for the last year Roosevelt and Hull have without ceasing published their admirable speeches, yet for all that we feel that America has not met the responsibility toward peace which she should meet. America is the originator of the Nine Power Treaty and of the Treaty to Outlaw

War

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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War. Up to the present day she has in fact only administered rebukes: why does she not, within the limitations of what her situation will allow, bring additional pressure to bear on the aggressors? As a matter of fact, America has not only not brought additional pressure to bear, but she has on the contrary sat on the side lines with her hands folded as before, watching the cruel aggressor states maul the small and weaker among the nations until there is no piece of whole flesh on their bodies. And even now:

(1) America and Japan are still mutually forgiving, to such an extent that when an American naval vessel has been sunk, an aeroplane shot down, her commerce destroyed, and Americans killed, America has still given no clear expression of her stand!

(2) America sells the most munitions (or any country) to Japan!

(3) America has given unceasing support to Japanese economy!

In such a situation, no matter how much Hull talks about the "maintenance of world peace" he cannot in the end do other than leave in us a feeling of lingering regret.

We recall that not long ago the Chairman of the English League of Nations Union, Professor Morley (sic), made the following public statement,

"No matter what course of action the American Government takes in the Far East, it will be assured of British support."*

But

*Literal translation of the Chinese text.

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

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He added,

"I have every reason to believe that we have already given the American Government this assurance. Should America adopt any given line of action in the Far East, and perhaps be confronted with whatever kind of dangerous situation (as a result), we would certainly give her support. We can take common action with America, and I can predict, moreover, that if America and ourselves were united, Soviet Russia would also of necessity stand with us."*

But as soon as Hull heard Morley's statement, and without asking for the particulars of it, he issued a statement 'denying that England and America had reached an agreement'. Is this because America is truly determined to maintain and protect peace, and to apply sanctions against aggressors? No matter how moving words are, they must still be proved by actual facts. We hope that today America can come to a realization of her mistake and prove her words by facts. Americans should remember: America is what she is today really because France gave her powerful and just assistance! Then if at the present day America continues to maintain her isolation, then she will truly lose her proper character!

Americans have up to now regarded themselves as "No. 1" in the world, and many people have accepted this in the hopes which they placed in America. But now, with matters in the state to which they have come, America has suddenly been infected with the spirit of "Let Johnnie do it"**, and has become a worshipper of

*Literal translation of the Chinese text.

**A broad translation of 紳士氣, the haughty attitude of the scholar who expects everything to be done for him.

DECLASSIFIED: E.O. 11652, 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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of Plato.

Today America should come to a clear realization of her mistake. The duty which she owes the peace of the world is also a power, and if Americans discard this responsibility, then America's honor will be dissipated before the eyes of all the world. This would be a dishonor to Americans, and a dishonor which should not of right be theirs.

Our American friends - who are of high character and clear intelligence - should understand this truth.

Most Americans have read the works of Shakespeare. Shakespeare uttered this sentence: "Hesitation brings the final danger."* I am sure that our American friends can understand the thought behind this sentence.

Trans. by RSW
 Copied by HCY

*Literal translation of the Chinese text, which was presumably intended to be a rendition of the English, "He who hesitates is lost".

0258

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

TELEGRAM RECEIVED

*Copy sent to
Treasury as
confidential
KCW*

JR

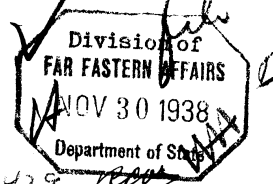
FROM GRAY

Tokyo

Dated November 30, 1938

Rec'd 7:08 a.m.

Secretary of State,
Washington.



756, November 30, noon.

Our 755, November 29, 5 p.m., last sentence.

Statements of new Japanese policy.

The "reliable source" mentioned informed us
today that it has been decided that conference before
the Emperor is not (repeat not) to take place.

Repeated to Shanghai for Chungking.

GREW

DDM

793.94/14432

F/FG

0259

DECLASSIFIED: E.O. 11652, 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 893.6362/74 FOR Despatch #-

FROM Tsingtao (Sokobin) DATED Sept. 30, 1938.
TO NAME 1-1127 ***

REGARDING: Japan's program for exploitation of China's coal resources:
Report concerning-.

aa

793.94 / 14333

14333-

0261

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Foochow/128 FOR Despatch #75

FROM Foochow (Ward) DATED Oct. 5, 1938

TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning -,
for month of September, 1938.

aa

793.94/14334

14334 -

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

1. Japan.

a. Japanese cruisers off the coast.

792 24
Throughout September Foochow's press repeatedly reported the presence of Japanese cruisers at various points along the coast of northern Fukien, and their activities gave rise several times during the month to circumstantial stories of Japanese plans for South China and of the imminence of an attack on this district, but the actual invasion again failed to materialize.

b. Plundering of junks continued. These

Japanese men-of-war continued the efforts begun earlier in the summer to effect a rigorous enforcement of the

Japanese

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

Japanese blockade by the disruption of Chinese coastal junk-traffic, but the reports of seizures of such junks appearing in the vernacular press from time to time in the course of the month were evidence that, whereas the effort to check it was continuing, the trade itself was also being kept up.

c. Customs' motor launch seized.

Something of a flurry in Foochow's commercial circles was occasioned on September 19 by the seizure by a Japanese armored motor-boat of a Chinese Maritime Customs' motor-launch at Sharp Peak. In the puff of rumors which followed the incident it was considerably exaggerated, but nothing more than the seizure of the one launch actually occurred.

d. Precautions for the protection of shipping. Precautionary regulations governing the number of lighters which could be towed across the barrier by a foreign-flag launch and establishing a system of signal sirens and flags to warn shipping of the approach of Japanese men-of-war were promulgated immediately after the loss of the Customs' launch.

e. Bombing planes pass Foochow by.

Although there was some little aerial reconnoitering above various points in the district in the course of the month, no point within its boundaries was bombed during September.

f. Pleas and a long parade. In support of the Chinese appeal for League action to relieve the country from the pressure of Japanese aggression, a mass meeting was held on Foochow's recreation grounds on September 9, and a long parade, in which perhaps twenty thousand people took part, marched across the city and over Nant's

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

THE WHITE HOUSE
WASHINGTON

October 25, 1938.

MEMORANDUM FOR
THE SECRETARY OF STATE

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

793.94/14335



F/FG

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

ADDRESS OFFICIAL COMMUNICATIONS TO
 THE SECRETARY OF STATE
 WASHINGTON, D. C.



DEPARTMENT OF STATE
 WASHINGTON

October 20, 1938

My dear Mr. McIntyre:

I am enclosing herewith for the President the
 text of a cabled message dated October 15, 1938, from
 General Chiang Kai-shek, which the Appointed Chinese
 Ambassador, Dr. Hu Shih, left with the Secretary.

Sincerely yours,

G. S. Gurnea
 Chief of Protocol.

Enclosure:
 Message.

The Honorable

Marvin H. McIntyre,

Secretary to the President,

The White House.

793.94/14335

F/FG 14935

NOV 27 1938
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

COPY: VCI

5239

CHINESE EMBASSY
WASHINGTON

TEXT OF A CABLED MESSAGE TO PRESIDENT ROOSEVELT, SIGNED BY GENERAL CHIANG KAI-SHEK, DATED WUCHANG, CHINA, OCTOBER 15, AND SENT THROUGH THE MINISTRY OF FOREIGN AFFAIRS AT CHUNGKING, CHINA, ON OCTOBER 16, 1938.

Mr. President:

It has been eight and half months since I wrote you my last message. During all these months Japanese aggression in China has not only not abated, but methodically increased in magnitude and intensity. From across the Great Wall, the Japanese invading forces have penetrated into the Yellow River Basin and devastated the Yangtse Valley, and have now started their campaign in South China. City after city has been attacked, ransacked and reduced to ruins. Countless men, women and children have lost their lives or become permanently disabled due to utter disregard by the invader of the elementary rules of law and humanity. Death missiles have been constantly rained from Japanese aircraft on populous towns far remote from the area of actual hostilities, even vehicles of civilian communication not being spared. Poisonous gases have been invariably used as a last resort by the Japanese forces whenever hard pressed by the Chinese defender. As the conflict drags on, it becomes as clear as day light that Japan, though being gradually aware of her increasing difficulties, is determined to use all the means at her disposal to bring about complete conquest of China.

Despite their unprecedented suffering from Japan's mediaeval vandalism wrought with the ultra-modern weapons of war, the Chinese people have shown exemplary courage and always kept up their morale. This^{is} attributable as much to their ever growing confidence of the ultimate

triumph

793.94/14335

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

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triumph of right over might as to the moral support we have received from you and the people whom you represent. Your public utterances and personal assurances have convinced us that you view our momentous struggle in precisely the same light as we ourselves do. Our victory over Japan means the re-assertion of law and order among the nations. Our defeat by Japan means the complete breakdown of peace and security in the whole Pacific as well as the negation of all the principles of international relations for which the United States and the other peace-loving countries stand. It is undoubtedly considerations like these that have led you to make repeated warnings to the aggressor and show your deep sympathy for the victims of aggression. Words of encouragement coupled with such material help as the silver purchases have produced a most soothing effect on the anguish and suffering of the Chinese people who realize that China at this trying hour has not been forsaken at least by the President of the United States.

On behalf of millions of our bleeding people I want to thank you once more for all that you have done for our cause. May I at the same time on behalf of these same people once more appeal to you to render us yet greater assistance so as to ensure China's success in repelling Japanese aggression. Being in urgent need of the sinews of resistance, we naturally look to the United States for such financial and economic help as will enable us to carry on the struggle to a successful end. A loan of a fairly large amount from American sources will at once instill more confidence into our people and make us resist

Japan's

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

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Japan's onslaught with greater force and effect. I wish that the negotiations now going on in America toward this end may with your blessing be brought to a successful conclusion at an early date. I need not assure you, Mr. President, that I shall feel most grateful to you for whatever effort you may exert to increase China's strength on the one hand and to awaken Japan to the folly of her present policy on the other, thereby bringing about a speedy restoration of peace in the Far East.

(Signed) 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

November 8 1938.

My dear Mr. President:

In response to the request made in your memorandum of October 25, there is enclosed for your consideration a draft of a letter which you may care to send to His Excellency, General Chiang Kai-shek, Chairman, National Defense Council, in reply to his cabled message of October 15, 1938, conveyed to you through this Department by the Chinese Ambassador.

If you approve the draft letter, I would suggest that upon signature the letter be returned to this Department for forwarding to General Chiang through the Chinese Ambassador here.

The text of General Chiang's cabled message, as transmitted by the Chinese Ambassador, is returned to you herewith.

Faithfully yours,

Cordell Hull

Enclosures:

1. From His Excellency General Chiang Kai-shek, October 15, 1938.
2. To His Excellency General Chiang Kai-shek. (Draft).

The President,

The White House.

FE:JCV:REK
 11/1/38

NOV 8 1938 PM

FE
 11/1/38



Handwritten initials and signatures, including 'ABR' and 'JCV'.

793.94/14335

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

My dear General Chiang:

I have received your cabled message of October 15 in which you bring to my attention the distressing circumstances and consequences of the conflict in China and make reference to certain discussions now proceeding in Washington.

For many years, I have, as you know, had a strong personal and official interest in China. My official interest dates from the time when I was Assistant Secretary of the Navy, and my personal interest, which far antedates my official interest, stems from both the early association of my forebears with the Far East and my long affection for the Chinese people. As President my interest has continued and during the past fifteen months the hardships and suffering of your countrymen have aroused my deep sympathy and their fortitude has inspired my admiration. The American people, I am sure, share my interest and my feelings of sympathy and admiration. These sentiments on our part have found expression in various types of effort toward alleviating the sufferings of the Chinese people, in support of principles which we believe should govern the efforts of every nation in its relations with all others, and in discouragement of practices not in harmony with those principles.

The friendly feeling of the Chinese people and the American people toward each other has been an important fact in international relations, and that friendly feeling prevails and is vigorous today.

With regard especially to the current conflict between China and Japan, the American Government has repeatedly voiced its objection to use of force in disregard of treaty rights and obligations and has contended that with peace there must be coupled law and justice. I am sure that you realize that, notwithstanding the strong sympathies of this country and our desire that peace with justice shall prevail in the Far East, action by the American Government must conform to methods which are consistent with this country's laws, with the current opinion of our people, and with our estimate of what is practicable.

With

0270

DECLASSIFIED: E.O. 11652, 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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With the views and considerations which I have briefly outlined above in mind, I can assure you that with regard to the discussions in Washington to which you refer, the matters brought forward are receiving most careful and sympathetic consideration, and furthermore that an early attainment of a just peace in the Far East is and will continue to be my earnest hope.

With kind personal regards, I am

Very sincerely yours,

His Excellency
 General Chiang Kai-shek,
 Chairman, National Defense Council,
 Chungking, China.

CR
 NOV 8 1938 PM

FE:JCV:REK

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 m.m.f.

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

DEPARTMENT OF STATE
DIVISION OF PROTOCOL

October 21, 1938

DCR:

This memorandum should be
attached to the letter to the
White House dated October 20,
1938, transmitting the text of
a message from General Chiang
Kai-shek to the President.

H.C.S.

Chiang

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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

PR

DEPARTMENT OF STATE

Memorandum of Conversation

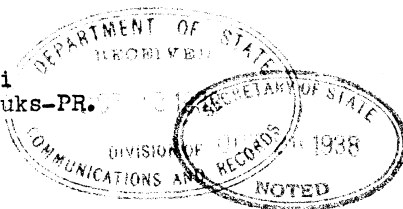
DATE: Oct. 18, 1938

SUBJECT: Desire of Chinese Ambassador to call upon the Secretary.

PARTICIPANTS:

Mr. Tsui
Mr. Spruiks-PR.

COPIES TO:



m

Mr. Tsui called and stated that the Chinese Ambassador desired to call upon the Secretary as soon as possible. The Ambassador has a very important message to deliver to the President, but since he has not presented his Letters of Credence he wishes to present the message through the Secretary.

I explained that I knew the Secretary had so many appointments that I did not know whether the Secretary will be able to receive the Ambassador this week and that I doubted whether the appointment could be made before Friday of this week or the fore part of next week. Mr. Tsui stated that the matter was very urgent, and asked whether in the event the Secretary is unable to receive the Ambassador, the Ambassador could be received by Mr. Welles. Mr. Tsui stated however that the Ambassador really wishes to see the Secretary since he has not had that opportunity in view of the Secretary's absence.

1-1403

OCT 21 1938

0273

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

October 20 1938.

My dear Mr. McIntyre:

I am enclosing herewith for the President the text of a cabled message dated October 15, 1938, from General Chiang Kai-shek, which the Appointed Chinese Ambassador, Dr. Hu Shih, left with the Secretary.

Sincerely yours,

GEORGE T. SUMMERLIN

Chief of Protocol.

Enclosure:
Message.

The Honorable

CR
OCT 20 1938 PM

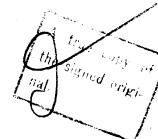
Marvin H. McIntyre,

Secretary to the President,

The White House.

PR:HCS:GLW 10/20/38

FE
74.11.14



1272

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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 PROTOCOL

Memorandum for File.

October 19, 1938.

The attached was left with the Secretary of State by the appointed Chinese Ambassador, Dr. Hu Shih, for transmission to the President. Dr. Hu Shih left it with the Secretary because not having presented his Letters of Credence he could not request an appointment with the President.

PR:SPRUKS:LAW

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

COPY: LAW: PR

CHINESE EMBASSY
 WASHINGTON

TEXT OF A CABLED MESSAGE TO PRESIDENT ROOSEVELT, SIGNED BY GENERAL CHIANG KAI-SHEK, DATED WUCHANG, CHINA, OCTOBER 15, AND SENT THROUGH THE MINISTRY OF FOREIGN AFFAIRS AT CHUNGKING, CHINA, ON OCTOBER 16, 1938.

Mr. President:

It has been eight and half months since I wrote you my last message. During all these months Japanese aggression in China has not only not abated, but methodically increased in magnitude and intensity. From across the Great Wall, the Japanese invading forces have penetrated into the Yellow River Basin and devastated the Yangtse Valley, and have now started their campaign in South China. City after city has been attacked, ransacked and reduced to ruins. Countless men, women and children have lost their lives or become permanently disabled due to utter disregard by the invader of the elementary rules of law and humanity. Death missiles have been constantly rained from Japanese aircraft on populous towns far remote from the area of actual hostilities, even vehicles of civilian communication not being spared. Poisonous gases have been invariably used as a last resort by the Japanese forces whenever hard pressed by the Chinese defender. As the conflict drags on, it becomes as clear as day light that Japan, though being gradually aware of her increasing difficulties, is determined to use all the means at her disposal to bring about complete conquest of China.

Despite their unprecedented sufferings from Japan's mediaeval vandalism wrought with the ultra-modern weapons of war, the Chinese people have shown exemplary courage and always kept up their morale. This is attributable as much to their ever growing confidence of the ultimate triumph of right over might as to the moral support we have received from you and the people whom you represent. Your public utterances and personal assurances have convinced us that you view our momentous struggle in precisely the same light as we ourselves do. Our victory over Japan means the re-assertion of law and order among the nations. Our defeat by Japan means the complete breakdown of peace and security in the whole Pacific as well as the negation of all the principles of international relations for which the United States and the other peace-loving countries stand. It is undoubtedly considerations like these that have led you to make repeated warnings to the aggressor and show your deep sympathy for the victims of aggression. Words of encouragement coupled with such material help as the silver purchases have produced a most soothing effect on the anguish and suffering of the Chinese people who realize that China at this trying hour has not been forsaken at least by the President of the United States.

On

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

-2-

On behalf of millions of our bleeding people I want to thank you once more for all that you have done for our cause. May I at the same time on behalf of these same people once more appeal to you to render us yet greater assistance so as to ensure China's success in repelling Japanese aggression. Being in urgent need of the sinews of resistance, we naturally look to the United States for such financial and economic help as will enable us to carry on the struggle to a successful end. A loan of a fairly large amount from American sources will at once instill more confidence into our people and make us resist Japan's onslaught with greater force and effect. I wish that the negotiations now going on in America toward this end may with your blessing be brought to a successful conclusion at an early date. I need not assure you, Mr. President, that I shall feel most grateful to you for whatever effort you may exert to increase China's strength on the one hand and to awaken Japan to the folly of her present policy on the other, thereby bringing about a speedy restoration of peace in the Far East.

(Signed) Chiang Kai-shek

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

TELEGRAM RECEIVED

MA

COMSOPAT

November 11, 1938

FROM

Rec'd 5:00 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON 5
ASTALUSNA SHANGHAI
COMDESRON 5
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS JOHN D FORD
COMDESDIV 15
4th MARINES
ALUSNA PEIPING

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

0010. Conditions continue quiet Canton Socony tug
COMET acting as tender MINDANAO reached Hong Kong fifteen
ten HMS CICALA and ROBIN arrived Canton West River convoy
proceeded Hong Kong. 2335.

htm

793.94/14336

F/FG

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

Copies hereof to be sent to Commerce

Copy also to _____

ME

TELEGRAM RECEIVED NOV 17 1938

Hankow via N.R.

FROM

Dated November 11, 1938

Rec'd 7:30 a.m.

A-M/C
RECORDING DESK
FILE - C.

Secretary of State,
Washington.

COPIES SENT TO
C.N.I. AND FILED

54, November 11, 3 p.m.

793.94
Among the Japanese businessmen who have already arrived here are the managers of the Yokohama Specie Bank and Bank of Taiwan. Their staffs are expected shortly. Representatives of Mitsui, Mitsubishi, Sumitomo and Nishin Kisen Kaisha have reestablished business here. Small businessmen are also known to have returned. Repeated to Chungking, Peiping:

JOSSELYN

HTM RR

793.94/14337

F/FG

DEPARTMENT OF STATE
A-M/C
NOV 16 1938
ASSISTANT SECRETARY
OF STATE

12

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

TELEGRAM RECEIVED

EG

FROM COMYANGPAT

November 12, 1938

Rec'd 7 a.m.

COPIES SENT TO
GAIL AND M.L.D.
DT

ACTION: OPNAV

0012. At zero seven thirty November eleven
four Chinese BLP over airfield Hankow dropped only
two bombs, no damage, some antiaircraft fire. 1550

793.94

RR

793.94/14338

F/FG

128

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

TELEGRAM RECEIVED

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

FROM JOHN D. FORD
November 12, 1938
Rec'd 10:35 a.m.

V 708 fil
MA
Depa
m *WAA*

ACTION: COMSOPAT

PASSED BY CINCAF TO NAVY DEPARTMENT FOR INFORMATION.

793.94

0010. COMET trip uneventful Japanese courteous.
Forces observed three mine layers one gunboat above
moth point four minelayers two gunboats east moth point
one heavy cruiser ten transports seven supply ships
bedding field point large number laden small boats two
mine layers hill passage which apparently open one
heavy cruiser one destroyer two hospital ships one tanker
forty-three transports just below bocatigris one carrier
one cruiser one destroyer Linten Island very few patrol
boats river well clear and recently buoyed heavy gunfire
vicinity Taiping two BLP sighted no indication Chinese
forces. 2130

793.94/14339

F/FG

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

CONFIDENTIAL

G-2/2657-H-439



November 4, 1938.

G-2
EHW:McC

✓
Division of
FAR EASTERN AFFAIRS
NOV 4 - 1938
Department of State
m
8CR

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Summary and Situation Map covering events in China for the period October 29-November 4.

2. The important events for this period have been:

a. A pause in the Japanese offensives following the capture of Hankow and Canton.

b. The continuance to date of the Chinese Government's will to resist the Japanese.

c. Extensive official pronouncements re Japan's policy in the Far East incident to the Meiji festival (November 3).

793.94/14340

2 encls.
ml

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

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1973
By Milton O. Gustafson NARS

NOV 14 1938

FILED

F/FG#340

CONFIDENTIAL

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

G-2
 TJB

G-2 Digest of Information
Sino-Japanese Situation
October 28 - November 4, 1938

RECEIVED
 10 NOV 1938

W. H. Hoffman

*Nov 19,
 1973*

NORTH CHINA FRONT

Japanese news reports on November 1 claimed a great victory over the communist forces (Eighteenth Army Corps) in the Futai-shan area, with 50,000 Chinese annihilated. It is believed that in the absence of confirmation this report should be regarded with skepticism.

HANKOW FRONT

The past week on this front has been a period of regrouping and reorganization on both sides, with the Japanese mopping up in the vicinity of Hankow and making limited advances, capable of being interpreted either as security measures or as the forerunners of new offensives.

While the fact is not definitely established, it is believed that junction has been achieved between Japanese forces operating north along the Ping-Han Railway from Hankow and those moving south along that railway from Hsinyang.

The column operating in the direction Shao - Macheng has cut its way into Hankow from the second city named.

Japanese naval forces have pushed up the Yangtze to a point about 40 miles above Hankow.

The Japanese have advanced down the Canton-Hankow Railway some 10 miles beyond Hsienning against stiff local opposition. Study of the terrain indicates that no large scale Chinese resistance is practicable in this sector to the north of Yochow. The occupation by the Japanese of the area between Yochow and Hankow and lying between the Yangtze and the railway is accordingly anticipated, if only as a security measure.

The Chinese withdrawal from the Ku-Han area may be regarded as completed. Involving as it did coordinated holding operations in five sectors, it must be appraised as well conducted. The Chinese report that three divisions were detached north of the Yangtze and east of Hankow for independent operations against Japanese communications. It is believed more likely that their retreat was cut off; but this is a relatively small sacrifice in view of the risks and numbers involved.

SOUTH CHINA FRONT

Conditions here have generally paralleled those in the Ku-Han area. The Japanese have asserted military control over the Pearl River

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

Delta, and have occupied Samshui with land and naval forces. Here they are in contact with Chinese troops who are resisting further advance up the West River. To the north of Canton Japanese security or reconnaissance elements have been reported in the vicinity of Yingtak.

MISCELLANEOUS

In connection with the fall of Hankow and Canton and with the observance of Japan's great national holiday, the birthday of the Emperor Meiji (November 3), there emanated from Japanese governmental sources an obviously coordinated series of actions and statements which reiterated and to some extent redefined Japan's Asiatic policy. These occurrences included:

- a. An official statement on behalf of the Japanese Government, November 2.
- b. A commentary on the statement by the official spokesman, November 2.
- c. A speech by Premier Prince Konoe, November 3.
- d. A meeting at Nanking of the "Joint Commission of the Republic of China," comprising representatives of the Japanese sponsored Peiping and Nanking Governments, November 1 and 2.
- e. Formal discontinuance by Japan of all cooperation with the League of Nations, November 2.

The pronouncements and activities seemed to revolve around the following concepts, variously stressed, and not necessarily presented on each occasion:

- a. Japan has won decisive victories at Hankow and Canton. The Kuomintang is now only a regional government. Japan is prepared to continue the undeclared war, if necessary.
- b. East Asia, now and hereafter, is to be ruled by and for the East Asiatics.
- c. Japan, Manchoukuo and China are to form a co-ordinate tripartite bloc with common economic and political policies in international affairs.
- d. A debt of gratitude is owed Germany and Italy. Communism must be extirpated in China.
- e. While definite pronouncement is avoided as to the form of the future government of China, there are indications

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

that it may be federalized with great regional autonomy.

f. A loophole remains for the adherence to the new regime of the existing (Kuomintang) government of China. Apparently this adherence can be accomplished by either:

- (1) Repentant and acceptable individuals, or
- (2) By the government as a whole, after purge, and perhaps in a regional capacity.

g. The elimination of Chiang Kai-shek is almost, but not quite, a sine qua non for peace.

Meanwhile surface indications are to the effect that the Chinese Government has survived the fall of Canton and Hankow. Chiang Kai-shek has indicated his intention to continue resistance along the lines of the Fabian policy which has been pursued so far. The policy of continued resistance to Japan was formally indorsed by the Second Convention of the People's Political Council on October 28.

On October 28 Japan published a sharp note of protest to France against permitting the shipment of arms and munitions to China across Indo-China. It is understood that the French will deny that any considerable shipments have taken place. France is represented as being apprehensive that Japan may occupy the Chinese island of Hainan, regarded as being within her sphere of influence, as a reprisal.

On October 29 the appointments of Naohiro Arita and Yoshiaki Hotta to the Japanese Cabinet as Foreign Minister and Minister for Overseas Affairs respectively were announced. Arita is a career diplomat, reputed to be self respecting and a moderate. Hotta was formerly Vice President of the South Manchurian Railway.

The extensive circulation of yen scrip by the Japanese Army in China in payment for local obligations is reported. This scrip, otherwise unsecured, is theoretically redeemable in yen currency at Shanghai.

In a formal speech before the House of Commons on November 1 Premier Neville Chamberlain stated in effect that British interests would not be eliminated in the Far East, presumably by a Japanese victory, but on the contrary that a great outflow of British capital might be expected there for the task of reconstruction. This may be interpreted as a discounting of the Japanese domination of China in the future.

This interpretation of Mr. Chamberlain's statement was highlighted on November 3 when the State Department published a report on the Brussels Conference (November 3-24, 1937) made by Ambassador Norman H. Davis. This report recorded the reaffirmation of the

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 Department of State letter, August 10, 1962
 By Milton D. Chaitman NARS. Date 12-18-75

CONFIDENTIAL

principles of the Nine Power Treaty by the conference powers, which included Great Britain.

COMMENT

Japanese military operations have paused at Hankow and Canton. It is still conjectured whether this halt implies:

- a. The beginning of a period of realistic consolidation of material and territorial gains.
- b. A necessary period of military reorganization and regrouping with new offensives to follow.
- c. A relaxation of pressure to give full play to disruptive political forces in the Chinese Government.
- d. A combination of b and c.

For a week the Chinese Government has weathered the shock of two great Japanese victories. It is still too early to predict confidently the continuation of large-scale Chinese resistance to Japan, but each day of survival increases the likelihood of such an outcome.

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 Department of State letter, August 10, 1962
 By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 893.00 P.R. /150 FOR Despatch #1742

FROM China (Salisbury) DATED Oct 13, 1938
 TO _____ NAME _____ 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning,
 for month of Sept., 1938.

aa

793.94 / 14341

14341.

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 Department of State letter, August 10, 19, 2
 By Milton D. Gustafson NARS, Date 12-18-75

4. Japan:

a. The offensive against Hankow:

Of the three main theaters of operations, that north of the Yangtze was during September most important. One of the Japanese columns on the right flank advanced southward from Shangcheng, Honan, creating the most serious threat to Hankow so far and causing the Chinese to transfer troops from the south to the north bank of the river. The attackers reached by the end of the month a point halfway from Shangcheng to Macnang, Hupeh, their logical objective whose reduction, if and when it occurs, will critically affect Hankow. Another column on the right, farther north, whose apparent objective was Sinyang, Honan, on the Pingnan Railway about 125 miles north of Hankow, captured Kueishin, Honan, on September 7, Huangchow September 17, and Loshan September 22. The closest approach to Hankow, however, was made on the north bank of the Yangtze by land and naval forces which captured on September 29 Tienchiachen, reputedly one of the most strongly fortified Chinese positions on the river, about 80 miles from Hankow.

On the south bank, the Japanese, slowly progressing with heavy engagements, approached the immediate vicinity of Yangsin, Hupeh, about 35 miles west by north of Jui-chang, and drove from Juichang (captured August 27) southwest about two-thirds of the distance to Huning, Hunan (about 40 miles west of Tean on the Kiukiang-

Nanchang

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 Department of State letter, August 10, 1962
 By Milton D. Gustafson NARS, Date 12-18-75

- 7 -

Manchang Railway). The Singtze-Tehan sector was, however, held comparatively intact by the Chinese. Some of the losses in the south bank engagements were as severe as those in the September 1937 fighting around Shanghai; heavy casualties were suffered by both sides; and malaria, dysentery and cholera continued to hamper seriously both armies, especially the Chinese. The Japanese troops in southern Shansi (see page 7) did not succeed in crossing the Yellow River and joining in the drive on Hankow.

The generally slow progress of the Japanese forces, in the face of stubborn Chinese resistance maintained with practically no assistance from the Chinese air force, made it appear unlikely that the Wuhan cities could be captured for some weeks, at least.

3

b. Japanese campaign in Shansi:

Japanese announced plans to effect a crossing of the Yellow River from south Shansi into Shensi at Tungkuan, opposite Fenglingtu, in extreme south Shansi (captured August 28), or near Menghsien on the north bank in Honan (captured September 6) did not succeed during September, notwithstanding heavy artillery bombardment of Tungkuan and Mengtsin, Honan (south of the river and in the direction of Loyang southwest of Menghsien). Consequently the Japanese forces in south Shansi were unable either to join in the offensive against Hankow or proceed against Sian, their two objectives according to the Japanese military spokesman

at

-
3. Embassy's (Peiping) 521, August 21, 5 p.m.; 525, September 1, 4 p.m.; 620, October 13, 1 p.m.

- 8 -

at Peiping. In western Shansi, a Japanese unit reportedly reached on September 15 Liulinchen near the Yellow River west of Lishih and another unit was operating at Tsikowchen (near the river about 25 miles north of Liulinchen). In north Shansi, Japanese forces captured on October 2 Kutai (about 80 miles northwest of Taiyuan), said to be a headquarters of 8th Route Army forces.

c. Aerial warfare:

Activities of the Japanese naval and military air forces were similar to operations in August, with concentrated attacks upon Chinese positions on the Yangtze front (for example, 600 bombs were reportedly dropped on one small hill in the Tenan area), and upon the Canton-Kowloon, Canton-Hankow, and Pinghan Railways. Yunnanfu was raided for the first time on September 28, when Japanese planes bombed the airfield and a section by the west gate, killing and wounding 100 civilians.

The Chinese air force continued almost inactive, presumably as a result of heavy losses suffered during the summer. It was known definitely to have been in action for one day at Loshan, Honan (about 25 miles west of Sinyang) and it was reported, but not confirmed, that some action was taken on the southern Yangtze front.

d. Guerrilla activities:

Activities of Chinese guerrillas in occupied areas were continued along the lines of those in August.

e. Inauguration of "United Council of the Republic of China":

Arising out of numerous difficulties in the way of
the

-
4. Yunnanfu's September 28, 12 noon.
 5. Embassy's (Peiping) 574, September 20, 4 p.m.; 577, September 21, 4 p.m.; 580, September 22, 12 noon.

DECLASSIFIED: E.O. 11652, Sec. 3(E) and (D) or (E)
 Department of State letter, August 10, 1962
 By Milton D. Quisenberry NARS, Date 12-18-75

- 8 -

the projected amalgamation of the "Provisional Government" at Peiping and the "Reformed Government" at Nanking, plans for the creation of a governmental organ to be above both these regimes materialized in September. The "United Council of the Republic of China", composed of three members of each regime, was inaugurated September 22 at Peiping with Mr. Wang Ken-min, head of the Peiping regime, as Chairman and with Peiping as the provisional seat. The stated functions of the Council were "to supervise matters of common interest to the two governments and to pave the way for the establishment of a new central government of China", with meetings once a month to "deliberate on matters relative to communications, traffic, postal affairs, education and other matters which required government control". According to joint announcements by the heads of the Peiping and Nanking regimes, a new Hankow government and possibly a Southwestern government as well as the "Mongol Autonomous (Mengchiang) Government" will eventually be incorporated into the new structure. Japanese military and diplomatic officials attended the inauguration ceremonies and "the Japanese authorities in North China" issued an announcement congratulating the Council.

Prior to the inauguration, an "anti-Chiang" mass meeting held September 18 in Peiping, similar to meetings held about that time in various places in Japanese occupied territory, formed a local branch of an "Anti-Communist Peace Association" which reportedly was designed to function as a purely Chinese political party (in

contradistinction

DECLASSIFIED: E.O. 11652, Sec. 3(E) and (D) or (E)
 Department of State letter, August 10, 19, 2
 By Milton D. Gustafson NARS, Date 12-18-75

- 10 -

contradistinction to the Reiminshui, an organization participated in as well as controlled by Japanese nationals) which at an appropriate time following the expected fall of Hankow would elect delegates to a conference which in turn would elect a "president of China" to head the "Federal government". Some observers believed that the formation of this organization and the inauguration of the new Council were in line with plans which have been considered by some Chinese and Japanese for the development of a governmental structure in the nature of a "United States of China" (i.e. regional governments which have long been favored by many Japanese militarists and politicians operating under a federal government), each regime to retain sufficient autonomy to adapt itself to the varying degrees of Japanese domination which, for example, would be greater in North than in Central China.

6. Appointments to the Council:

The following were appointed members of the "United Council": for the "Provisional Government", Mr. Wang Keh-min (Chairman of the Executive Commission), Chairman; Mr. Chu Shen (Chairman of the Legislative Commission), Mr. Wang I-tang (Minister of the Interior); for the "Reformed Government": Mr. Liang Hung-chih (Chairman of the Executive Yuan), Mr. Wen Tsung-yao (Chairman of the Legislative Yuan), and Mr. Chen Chun (Minister of the Interior). Mr. Chen Loh, Minister for Foreign Affairs of the "Reformed Government", was appointed Administrative Minister of the new Council.

A.

6. Embassy's (Peiping) 577, September 21, 4 p.m.

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Department of State letter, August 10, 1962
By Milton D. Gustafson NARS, Date 12-18-75

DOCUMENT FILE

NOTE

SEE 751.62/495 Confidential File FOR Tel. #1899.6pm

FROM France (Wilson) DATED November 10, 1938.
TO NAME 1-1127 ...

REGARDING: Bonnet said that the United States would have to take the lead
with regard to the Far East crisis.

793.94 / 14342

14342

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

TELEGRAM RECEIVED

RE:

COMSOPAT

FROM

November 12, 1938

Rec'd 4:30 p. m.

ACTION: CINCUS, OPNAV

INFO: RUSNOS
 COMSUBRON FIVE
 ASTALUSMA, SHANGHAI
 COMDESRON FIVE
 COMYANGPAT
 AMAMBASSADOR, CHINA
 USS ASHEVILLE
 USS SACRAMENTO
 USS MARBLEHEAD
 USS TULSA
 USS JD FORD
 COMDESDIV FIFTEEN
 FOURTH MARINES
 ALUSMA PEIPING

SENT TO
 GAIL AND M.D.

✓ Feb
 A m W.A.

793.94

793.94/14343

0012. Canton quiet Socony tug COMET acting as tender
 MINDANAO arrived Canton fifteen fifty military activity
 Samshui area and to north Canton troops and supplies passing
 through city. River open on tenth to movements third power
 naval vessels West river and delta closed on twelfth to all
 shipping. 2320.

CSB

F/FG

129
DECLASSIFIED: E.O. 11652, Sec. 3(E) and (D) or (E)
Department of State letter, August 10, 1962
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REB

GRAY

FROM

Tokyo via Shanghai & N.R.

Dated November 12, 1938

Rec'd 1:55 p. m.

Secretary of State,
Washington.

723, November 12, 2 p. m.

Reference Department's 360, October 25, noon. Embassy's
688, October 28, 9 a. m., paragraph four.

The SHIUNSO published as an advertisement a long article in the NICHU NICHU and CHUGAI SHOGYO newspapers today MECHANICS YOMIURI yesterday entitled "America and the Nine Power Treaty". The article states that in the eyes of the Japanese the treaty is no longer valid and supports this assertion with statements concerning changed conditions in the world such as the rise of the Soviet, the new situation in China and the fact that the treaty has been violated by other powers hereof in such instances as the Lincheng incident on May 6, 1923 and the English and American bombardment of Nanking in 1927 and inviting of Soviet Russia to the Brussels Conference without Japan's consent. The violations of the treaty by China are said to have been so numerous that they had become customary actions by the Chinese.

In

793.94/14344

F/FG

129

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

REB

2-#723, From Tokyo, Nov. 12, 2p.m.

In rejoinder to the statement in our note of October 6 that no discrimination is made in America with regard to Japanese or Japanese goods, it is asserted that America subjects Japanese nationals and goods to discriminatory treatment, and there are cited in this relation restrictions on Japanese immigration, prohibition against Japanese ownership of land, prohibition of naturalization of Japanese, and increased duties on Japanese goods. It is also argued that England and America's traditional attitude in bringing pressure to bear on Japan as at the Washington Conference and "on other occasions" stimulated perversity against Japan Chinese/and strengthened the anti-Japanese attitude of China. The article concludes with further emphasis on the "changed situation", with sincere wish that for the sake of good relations between Japan and China the United States will not be taken in by England and the Comintern, and with hope that the United States will recognize the new situation in the Far East and cooperate with Japan.

GREW

CSB

2

0296
7
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

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

FROM MARDET TIENTSIN

November 14, 1938

Rec'd 7:15 a.m.

ACTION: NAVY DEPT

INFO: CINCAF
FOURTH MARINES
MARDET PEIPING

0014. Week ending thirteenth at Chinwangtao three
hundred Jap wounded embarked hospital ship. 0825.

793.94/14345

F/FG

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

DOCUMENT FILE

NOTE

SEE 393.1163 C. and M. Alliance/13 FOR Tel-53; 6pm

FROM Hankow (Josselyn) DATED Nov 10, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: Hankow area.

Japanese behaving in a far less seemly fashion than in Wuhan,
robbing, burning and raping, according to reports from the
rural areas to north of Hankow.

FRG.

793.94/14346

14346-

1298

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

GRAY

Hankow via N.R.

Dated November 10, 1938

Rec'd 11:55 p.m.

Secretary of State

Washington

53, November 10, 6 p.m.

Reference my number 48, November 8, 4 p.m.

Christian and Missionary Alliance property at Wuchang was entered on October 30 or 31 by Japanese soldiers and looted. No particulars yet of value of belongings pillaged.

American Church Mission property in the former German concession was occupied by Japanese military October 27th or 28th. I made written representations to the Japanese Consul General on October 29th and November (?) and a member of my staff took the matter up with the Japanese Navy's Special Service Section on November 7th. The property continues to be occupied by the Japanese. Yesterday I wrote to the Japanese Consul General concerning the case and am sending a copy of the letter to the Navy Special Service. In the letter I am also mentioning the irregular entrances over the compound wall last night of American Church Mission premises adjacent to the property in question by three Japanese in uniform whose subsequent examination of a young Chinese woman resident on the premises was interrupted by the intervention of an

American

393.1163
Cand. 24.
Alliance/13

MA
53.1163
25.94

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

MA -2- #53, November 10, 6 p.m. from Hankow via N.R.

American missionary.

The American Church Mission reports that its Saint Saviour's property in Wuchang has finally been evacuated by the Japanese after some ten days occupation.

Reports from the rural areas to the north of Hankow state that the Japanese have been behaving in a far less seemly fashion there than in Wuhan, robbing, burning and raping.

Repeated to Chungking, Peiping.

JOSSELYN

HTM: RR

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

NO. 311

AMERICAN CONSULATE GENERAL

Hong Kong, October 28, 1938

CONFIDENTIAL.

SUBJECT: Factors Involved in Making Easy Japanese
Invasion of South China and Occupation of
Canton.

32

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the Department's
telegram of October 24, 7 p.m., on the above subject,
to which this office has already made telegraphic
reply, and to enclose herewith a clipping from the
HONG KONG TELEGRAPH of the evening of October 25th,
1938, which is the frankest discussion of the bribery
factor in the Japanese success which has so far come
to our attention.

This office is not in possession of sufficient
information from reliable sources to express a definite
opinion as to the accuracy of the newspaper story here-
with enclosed, but it is strongly inclined to believe
that it has some basis of fact. At any rate it will pre-
sumably be of interest to the Department for considera-
tion in connection with the considerable amount of in-
formation on the general subject which has doubtless
gone to Washington from various sources.

The original of this despatch, with enclosure, is
being sent by Trans-Pacific air-mail and the usual

number



793.94/14347

F/FG

14347

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

- 2 -

number of copies will follow by regular mail.

Very respectfully,



Addison E. Southard
American Consul General

Enclosure:

- 1/ Clipping from HONG KONG TELEGRAPH
October 25, 1938

In quintuplicate to the Department
Original by air mail
Copies by ordinary mail

Copy to the Embassy, Chungking
Copy to the Consulate General, Canton

800.

AES/mm

1160 71

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

Enclosure No. 1 to Despatch No. 311, dated October 28, 1938
 from Addison E. Southard, American Consul General, Hong
 Kong on the subject "Favors Involved in Making Easy Japan-
 ese Invasion of South China and Occupation of Canton".

HONG KONG TELEGRAPH

October 25, 1938

How Canton Was Betrayed By Traitors: First Story

**THE INSIDE STORY OF ONE OF THE GREATEST BETRAYALS IN
 CHINA'S HISTORY IS SLOWLY BUT SURELY BEING WRITTEN
 AS NEW DETAILS COME TO HAND.**

It now seems certain that the loss of Canton was due, not to any inferiority
 of fighting qualities of the Chinese, but to treason among the higher ranks.

What Japan has paid for its almost bloodless victory will most likely never
 be known.

But it appears certain that preparations for the invasion were under way
 for many months before the actual Japanese landing in Bias Bay.

An investigation by competent observers indicates
 that the Japanese bought over whole areas of people in
 the Bias Bay region.

Salt smugglers who formerly operated from the Hongkong
 frontier guided the Japanese troops along the mountain paths
 to the East River.

Of this fact there is direct evidence.

It is also revealed that certain
 men of the Bias Bay defence
 division actually led the Japan-
 ese advance, and between Poklo
 and Waichow shots were
 exchanged by the renegade
 Chinese soldiers and their com-
 patriots endeavouring to stem
 the Japanese advance.

Of the 120,000 men assigned to
 defend Canton, it can be revealed
 now that not more than 10,000
 were between Bias Bay and the
 Kwangtung capital.

ORDERS FROM "HIGHER UP"

Orders were given from "higher
 up" a few weeks ago that the men
 normally stationed south and east of
 the East River were to be transferred
 to the Pearl River delta area.

It is now apparent that all the
 Japanese sorties against the Bocca
 Tigris forts and shores of the Pearl
 River were conceived with the object
 of giving the traitors an excuse for

transferring troops from the Bias Bay
 region.

The ten thousand men left
 between Bias Bay and Canton
 fought heroically and almost to the
 last man.

They were out-numbered three and
 four to one, were left without artil-
 lery, aerial and mechanised support,
 and received orders almost from the
 start of the campaign to act inde-
 pendently.

Despite their numerical inferiority
 the Chinese defenders contested
 every inch of the way to Canton,
 endeavouring time after time to
 reform the lines that were smash-
 ed and scattered by Japanese tanks
 and planes.

HEROIC YOUNG MEN

In no instance were the Japanese
 successful in breaking the Chinese
 lines without tanks or aeroplanes.

Hundreds of young Cantonese men,
 defending their capital from the
 invaders, individually barricaded
 themselves inside buildings with their
 machine-guns, and fought until their

bullets were exhausted or until they
 were bombed to pieces.

The heroic nature of the stand
 made by the ten thousand Chinese
 who alone stood between the Japan-
 ese and Canton is indicated by the
 fact that four thousand were killed
 and an unestimated number wounded.

Two thousand fought a rearguard
 action right back to Canton and a
 thousand took to the hills near
 Waichow, where they are still
 harassing the Japanese.

The Japanese captured only 300
 prisoners. Every captured man was
 wounded.—Our Own Correspondent.

130

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

TELEGRAM RECEIVED

JR

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to anyone.

FROM

COMYANGPAT

November 14, 1938

Rec'd 10:48 a.m.

ACTION: CINCAF
AMAMBASSADOR CHINA

INFO: AMCON HANKOW
NAVY DEPT

✓ *sig* *file*
FOR LASTER
Department: *m*

773.94

0014. SANDPIPER reports Changsha practically
deserted except for retreating troops and wounded, city
burning furiously, island yet undamaged Yale in China
and foreign property on foreshore intact, officials
have decamped. All foreign individuals and shipping
being evacuated to APC--stand VAC installation. 0014.

HPD

793.94 / 14348

E/A

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

DEPARTMENT OF STATE

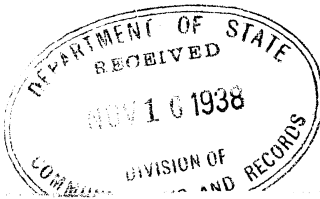
DIVISION OF FAR EASTERN AFFAIRS

October 28, 1938.

Far Department intelligence reports from Canton for October 1 and October 8.

Most of the information in these reports is of a routine nature and is of no special interest. A few passages on French fears for Indochina and Kwangchowwan and on Chinese unpreparedness for the Japanese south China invasion are marked.

X
JKP



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

Nav Dept

(copy)

American Embassy
 Office of the Military Attache
 Canton, China
 October 4, 1938

2657-H-439
 1003

Subject: Weekly Intelligence Report for October 1

To: Assistant Chief of Staff, G - 2
 War Department
 Washington

793.96

1. Air Raids. Sept. 25: About 7 a.m., 9 planes proceeded via Loting, the West River, and Wuchow - where they reconnoitered for some minutes - to Liuchow, Kwangsi, where, at 9 a.m., they dropped about 10 bombs at the airfield. The same day Kweiyang, capital of Kweichow province, was raided for the first time; nine planes (possibly the same ones which raided Liuchow) arrived over the city about 10 a.m., dropped 18 bombs at one of the suburbs, and a little later released 3 at the south gate of the city itself. Damage at either place was not reported, but according to a confidential military source in Canton, the successive raids on Liuchow have destroyed 3 or 4 buildings on the airfield there, and at least 3 planes, new Hawk 75's, were destroyed on the ground. In connection with the destruction of the planes, a rather significant story is told by an authoritative source: An American instructor at Liuchow ordered the three planes concealed amongst some trees about a mile from the field; the Chinese left all 3 tails sticking out from the small grove, these were observed by the Japanese who were flying low to machine gun the field, and they promptly put incendiary bullets into the planes, which burned up.

Sept. 26: Kwangsi: 14 planes were reported heading westward over Toishan at 6:20 a.m., and planes were later reported over such widely separated points as Liuchow, Watlam, Kweilin, and Wuchow. No bombing was reported, however.

Kwangtung: Three planes bombed the Tienho airfield at Canton - 2 or 3 Chinese planes have been there recently - and 6 planes bombed points near White Cloud Mountain, including a middle school in one of the suburbs. Two flights of two of these planes were observed circling over White Cloud; land biplanes, without retractable landing gear. Later 6 planes bombed the bus station in Tungkun, destroying part of it and killing 3 people; they then proceeded to the Kowloon line and dropped 16 bombs at the track between Tong-tau-ha and Cheung-muk-tau, without much damage. Another flight of 3 planes dropped 14 small bombs at Lam-chuen and 2 at Tong-tau-ha, demolishing 15 houses and causing 20-odd casualties. These were probably seaplanes. About the middle of the morning, 6 planes came over Honam Island and dropped 2 bombs at some salt junks alongside a wharf not far from Lingnam University. The boats were wrecked and about 30 casualties inflicted. In the afternoon, 20 planes raided the Hankow line and dropped about 40 bombs at three points: Pakong, Kwantien, and Shue-haang. Two of these planes later dropped 2 bombs at Kongtsun.

Sept. 27: Kwangsi: From Chungshan, 9 planes went via Kongmoon and Waitsap to Kweilin where they dropped 10 bombs in the outskirts, reportedly causing considerable property damage and many casualties. From Pakhoi, 4 planes raided Wuming (Moming), north of Nanning, where the militia officers' school is located. Damage was not reported.

Kwangtung: (All planes from the Chungshan area.) Four planes dropped several bombs at a market town across from Ko-yiu on the West River. Nine planes (identified by the outposts as 6 bombers and 3 pursuit), raided Canton: 8:50 a.m., ceiling unlimited, high haze and cirrus, 7-mile north wind, warm; one flight of 3 of these bombers from the southwest at about 8000 circled twice over Saichuen where they

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dropped about 20 bombs at the old water works, scoring 9 hits, according to reports. Other bombs damaged a middle school and some private buildings in the same area, and caused several casualties. Damage to the plant was not so severe as indicated by the number of hits. The plant is still in operation, tho with reduced pressure, and one section of town has been cut off from water service. Later, 26 planes raided the Hankow line and dropped some 50 bombs at the line between Kwantien and Shue-haang, inclusive. Some of these planes also bombed Fayuen. At 10:50 a.m., part of this group was observed from the consulate: two flights of 2 monoplanes followed by 1 flight of 3 and 1 of 2 biplanes, all land planes. The planes raiding Saichuen were under heavy AA fire, but there were no hits.

Sept. 28: Kwangsi: Conflicting reports state that 12 planes left Chungshan for Kwangsi and that Nanning was raided by 9 planes and Kweilin by three. No further information on these two raids has been forthcoming.

Yunnan: For the first time Kunming (Yunnanfu) was raided when 9 planes bombed the airfield there, destroying three planes, and causing some damage and 30 casualties. A report from a foreign source confirms the destruction of the 3 planes on the ground, and foreign press reports state that a CNAC plane escaped damage during the first attack, and was flown off (to Chungking) before the second attack of the raid. The Chinese claim to have shot down 3 of the raiders, and subsequent reports confirm at least one of these and the capture of one survivor of the crew of 6 men.

Kwangtung: At Canton, 8 a.m., ceiling broken, high thin nimbus in east, thick cirrus in west, 5-mile north wind, cool: 2 flights of 3 of the medium monoplane bombers flew across the city from southwest to northeast at about 8000, and disappeared in the clouds; either one flight then circled west and returned, or another flight of the same type arrived; in any case, 3 more planes flew from west to east over the north section of the city at about the same altitude. At the same time, 2 flights of 3 land biplanes flew from the west over Honam to the east at about 7000. Because of almost incessant AA fire, it was difficult to tell when the bombs exploded. This fire was occasionally close, but in general still inaccurate. Four Dewoitine type pursuit were observed in the east covering the retirement of the bombers. The raid lasted about 20 minutes. Chinese reports say 6 bombs were dropped at the Tienho airfield, and some 20 bombs at or near White Cloud Mountain.

About the same time, an undetermined number of planes dropped 8 bombs on the suburbs of Tsung-fa, presumably the old airfield at that place. (The Japanese evidently had heard of the presence of a few Chinese planes near Canton.) Also 20-odd planes dropped 50 bombs at and near Pakong on the Hankow line. Damage was sufficient to cause suspension of rail traffic for two days, Sept. 28 and 29.

Sept. 29: Overcast and rain. Five planes made a short reconnaissance flight between Boca Tigris and Taiping, and 1 plane scouted over Kin-mo, but there were no raids in southwest China.

Sept. 30: Same weather conditions. Planes were heard overhead at Tongkawan, and later over Nam-long, Chungshan, but there was no bombing.

October 1: Canton: 9:05 a.m., ceiling unlimited, high haze and light cirrus, 7-mile north wind; cool: 2 flights of 3 medium monoplane bombers came in successively from the south, flying directly north over the eastern suburbs at about 8000, dropping handbills, but no bombs in the city; later released some bombs on the north side of White Cloud. Immediately following them, came another flight of the same type from southwest to northeast until over the city when they also turned north and released one bomb each, apparently at the loop line junction with the Hankow line; the leading plane of this flight also released several "bursts" of handbills. (For sample of dodger

and translation, see enclosure to this report and paragraph 6 below.) This flight was at about 6000. AA fire was very close on the first two flights, but there were no hits. In 10 minutes the planes had disappeared north; 20 minutes later they were observed eastward of Canton on their return home. Chinese reports say they dropped three bombs at a village near Whampoa, one nearly striking the gate of the old military academy, and 2 falling in the river and destroying 3 boats. Damage at White Cloud was very slight.

In the meantime, 15 planes, some of which were pursuit, dropped 3 bombs at the town of Ngan-chaan-au, and 7 bombs at the railway bridge there - all misses. These planes also dropped 4 bombs at the Kowloon line between Shekku and Tin-tong-wai.

2. Japanese Naval Activities. Major interest during the week again centered on Waichow Island, off Pakhoi. As reported last week, the Japanese were proceeding rapidly with the work of establishing an air base on the island. (Further inquiry and study of maps and charts develop the fact that, altho considerable work must be done to level off a landing field, still a large part of the island is, contrary to previous reports, adaptable for the purpose.) At the same time, some 8 or 9 Japanese warships were in the Gulf of Tonking in the vicinity of Waichow and Pakhoi. According to a French doctor who returned October 1 from Hanoi, the French military authorities were greatly apprehensive as to the Japanese intentions; they had, they said, confidential information that the Japanese would land west of Pakhoi, execute a left turn, and invade Tonking from the Kwangtung and Kwangsi borders. The French were also on the point of withdrawing their small garrison from Kwangchowwan, in the same fear of a Japanese threat which took advantage of the situation in Europe. (Such ideas seem absurd, but the British in Hongkong also expected to be attacked - perhaps with a trifle more reason.)

On Sept. 25 the garrison on Waichow was increased by another 100 men, and several transports arrived with supplies. On the 28th, however, a Canton newspaper published the report that the Japanese were evacuating the island, and later reports, including one from the Intelligence Section, 4th Route Army, confirmed the evacuation except for a small detachment which still remains. All work on the air base was stopped. No reason for this sudden change is known.

No attempted landings were reported during the week, but Japanese warships shelled several points on the coasts: on Sept. 25, 3 ships which had been for several days off the coast of Fangoheng district next to the Tonking border, departed southward, but later in the day one ship arrived and shelled Pak-lung-mei in Fangoheng district. (This may have given rise to some of the rumors which so disturbed the French.) On the 28th and 29th, two Hainan ports were shelled by a cruiser which also sent a plane to bomb places along the coast.

On October 1, only 17 ships were reported off the Kwangtung coast, and these were largely engaged in running down fishing craft. The plane carrier Jo-kung, with 4 destroyers and 1 transport, had shifted her position from off Pakhoi to the Toishan - Chungshan area, and the carrier P'eng-niao was in the Wanshan Islands. Both carriers shift their positions frequently, sometimes coming as far north as Tongkawan. An unconfirmed report stated that the carrier Feng-hsiang (previously on this station) had returned as relief for the Chiaho.

3. Threatened Japanese Invasion of South China. On Saturday, October 1, a Reuters report from Shanghai stated that some 37 transports were being filled with Japanese troops and that more were at Tsingtao, all with a rumored destination somewhere along the Kwangtung coast where an immediate invasion was in prospect. British intelligence circles in Hongkong credited the report, and looked for an early landing. Chinese at Canton, however, were inclined to disbelieve the story, and, contrary to expectations, were not nearly so excited as the

British appeared to be. Confidential information from navy sources had previously indicated some such movement, however, and it is possible that an invasion is actually imminent. But the Chinese reason thus: 1) the Japanese need all the troops available for their operations on the Yangtze and northern fronts; 2) it is extremely unlikely that they would pull a division out of the front and send it without rest on a campaign of this kind; 3) if the Japanese really intended to invade South China, they would have taken pains to assure the secrecy of the movement; 4) the Chinese espionage service has given them no inkling of such a movement, and 5) therefore it is probably a ruse of the Japanese to keep the Cantonese from sending more troops to the Yangtze front (see below).

4. Two newly organized Cantonese divisions to the Yangtze Front. About the last of August, formation of two new Cantonese (Kwangtung) divisions was begun. These were organized as follows: from each of eight old regiments, one battalion per regiment was assigned to the new divisions; each of these battalions was expanded, by the assignment of trained reserves, into a full-strength regiment. On completion of the organization, the two divisions were sent to the Yangtze front, where they were assigned division numbers (unknown) by the Central Government. Reserves were also used to replace these battalions in the older organizations remaining in Kwangtung. In the meantime, of course, regular replacements for the five Kwangtung divisions already at the front have been going forward.

5. Defense Measures. The Kwangtung Kuo-min-tang headquarters has recently made arrangements for propaganda work by means of news articles and editorials. Also emphasis is being put on mass mobilization propaganda and complete revision of the instructions governing such propaganda is now in process, with a view to increasing efficiency.

The Kwangtung New Life Movement Association is intensively promoting coordination of such war-time activities as construction of air raid shelters and dugouts, defense works, and military transportation. The association has drawn up a set of instructions for securing such coordination throughout the province. No longer will these activities be left entirely to local initiative.

Eight local organizations have undertaken the task of securing gas masks for the 4th Route Army. These include the Canton Anti-Enemy Association, the Overseas Anti-Enemy Mobilization Association, the Women's War-wounded Comfort Association, the Kwangtung New Life Movement Association, the Kwangtung Office of the International Anti-aggression Association, the Canton Chamber of Commerce, the Kwangtung Labor Anti-Enemy Federation, the Kwangtung Educators' Anti-Enemy Association. Agents of these organizations will solicit funds for purchase of the masks.

6. Japanese Propaganda Handbills. Attached to this report (original only), is a sample of the numerous handbills released by Japanese airplanes over the communities of Kwangtung. Any Chinese who finds one of these sheets is required to destroy it at once or turn it over immediately to the police. Possession of one of these bills brings swift and certain punishment on discovery. The translation follows:

Hongkong News: Several millions of patriotic overseas Chinese residing in various places in the world are feeling disgusted with the manner in which Chiang Kai-shek is unauthorizedly conducting this war of resistance, and with his weakness and lack of sincerity in saving the people. They have patiently borne this for the sake of upholding self-respect in the eyes of foreigners. Recently, however, for the future welfare of the 400,000,000 people, the overseas Chinese residents at Nagasaki considered that they could no longer remain

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

silent and allow matters to take their course. Accordingly, about the middle of August, they advocated convening a meeting of the overseas Chinese residents. It was resolved that the following letter of strong and painful advice be submitted for the perusal of Chiang Kai-shek in addition to proclaiming it for the information of the people of the world:

Letter of Advice: The idea of resisting and slighting the Japanese originated in Peiping in July last year. It soon spread to Shanghai and resulted in the present Sino-Japanese struggle along all fronts. One may ask what do the masses of the people want and what do they get? The answer is that millions of people have fled into the wilderness; several millions of dollars worth of property has been destroyed; several hundred thousand lives have been lost; a renaissance of the country cannot be hoped for within a hundred years because of this self-inflicted blow and the people are simply being hurled into the abyss of distress. You, as an individual, do not understand Japan's real motive. You slight Japan's strength, and you rely tenaciously upon the policies of Europe and America. There can be no doubt that this will only lead to the capture of those who, for the salvation of their country, are cooperating in this war of resistance against the Japanese. China belongs to the people of China and does not belong to you as an individual. Moreover, under the iron hoof of maladministration, the people are suffering like ants being trampled upon. They no longer desire to follow you blindly into the path of horrible suffering. We are separated from you at a great distance. We hope that in taking a broader view of the East Asia situation, you will resolve to lay down arms and retire. (You should) devise means of securing peace and tranquility for the people and regions, realize the importance of the natural principle of cooperating with Japan in defending against communism, and awake from your dreams of relying upon (the support of) Europe and America, thereby laying the solid foundation of an eternal peace in the East. In the name of the overseas Chinese, residents at Nagasaki, we respectfully venture to tender this as our advice for your consideration.

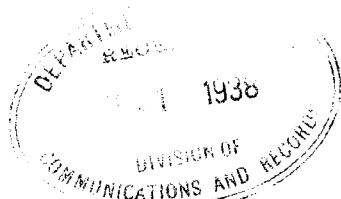
(signed) F. N. Roberts

F. N. Roberts
Capt., Inf., DOL
Assistant Military 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

War Dept

(copy)



American Embassy
Office of the Military Attache
Canton, China
October 10, 1938

2657-H-439
1004

Subject: Weekly Intelligence Report for October 8.

To: Assistant Chief of Staff, G - 2,
War Department,
Washington.

193.94

1. Air Raids. Because of low ceiling and rainy weather there were no air raids on October 2.

Oct. 3: 13 planes flew from Chungshan via Shekki, Canton - where they were fired at by the AA defense - and the Hankow line, to Shiukuan, where they dropped 5 bombs at the railway, 4 on the airfield, and 2 on a coal yard in which some 70 tons of coal were destroyed. Later in the morning, 12 planes dropped about 30 bombs at the Hankow line in the vicinity of Ngan-chaan-au. Damage not serious.

Oct. 4: Typhoon conditions - no raids.

Oct. 5: Weather still bad, but beginning to clear: 7 planes managed to get in a morning raid south of Canton along the Boca Tigris road, where they dropped about 12 bombs at various points, some along the highway itself where they narrowly missed a bus, some on peasants working in the fields, and one at boats near Lin-fa-shan which was a miss.

Oct. 6: Clearing weather: 10 planes dropped about 30 bombs at Kwantien and Loktung on the Hankow line, causing some damage. At the same time, 14 planes raided the Kowloon line where they released 17 bombs at Shektan, and 6 at Sheklung, all, according to reports, from a very high altitude. No damage.

A little later in the morning, 11 planes started for Kwangsi but 2 returned to base; the other 9 kept on to Kweiping, where they dumped about 30 bombs on the city and suburbs. (Damage not reported.)

In the afternoon 20 planes again raided the Hankow line and dropped 30 bombs in the vicinity of Ngan-chaan-au. Another 6 planes scouted over the East River and dropped handbills at Waichow. Later, 29 planes left Chungshan, but 7 soon returned; of the others, 10 dropped leaflets at Fatsan; 12 raided points near Canton: 4 bombs at Shekcheng, 25 at Ha Maau village opposite Shekcheng, with considerable property damage and about 40 casualties. From Canton, these 12 planes were observed to be 3 flights, each of 3 medium monoplane bombers, with 3 accompanying monoplane pursuit. AA fire on these ships was heavy and reasonably accurate, and the Japanese were lucky to get away without losing a plane. Another 2 flights, each of 3 medium bi-plane bombers with retractable landing gear, accompanied by 2 monoplane pursuit, were also observed on their way south from the raid over the Hankow line.

October 7: No raids: intermittent rain; low ceiling.

October 8: Nine planes are reported to have raided Liuchow Kwangsi, but details have not yet been received. Except for a single plane reconnaissance flight over Boca Tigris, there was no aerial activity.

2. Japanese Naval Activities. Arrival of the plane carrier Feng Hsiang has again (see Oct. 1 report) been reported in Kwangtung waters, and station is said to be off Chungshan, with an escort of 3 destroyers. It seems fairly certain that there are now 3 plane carriers in that area.

793.94/14350

F/FG

14350

NOV 5 1938

According to Chinese reports, the last Japanese detachment has evacuated Waichow Island, off Pakhoi, and the district authorities on the mainland have sent officials to reestablish local government and take necessary measures for rehabilitation on the island. It is persistently rumored, tho still not confirmed, that the reason for the sudden evacuation was that a severe cholera epidemic broke out soon after the Japanese started work on the air base on Waichow.

A large increase in the number of Japanese warships in Kwangtung waters was reported about October 7. On the 3rd, official reports stated that 19 ships were located as follows: 1 in the Gulf of Tonking, and another near Waichow Island; 4 off Jaoping and Chilin; 6 near Swatow; and a total of 7 at Machow, Tai-chaan, the Wanshan Islands, and off Chungshan. In addition, 4 were in the vicinity of the Paracels. By October 7, however, three slightly varying reports indicated that 41 warships were along the south coast. This number is believed exaggerated, possibly because of shifting of the ships' positions, but undoubtedly there has been some increase. Locations were given as follows: Amoy, 5; Swatow area, 10; Waiyeung, 2; Po-an, 2; Tongkawan - Wanshan area, 8 (with 7 armored fishing craft and 10 large motor boats); Hainan, 3; Pakhoi area, 5; Paracels, 4. No attempted landings and no shelling were reported.

3. Prospects of Japanese Invasion of South China. British intelligence indicated that upwards of 50 transports were collected in Formosan waters and the Pescadores, with more on the way from Dairen, and the British military are satisfied that an invasion is imminent. Number of troops to be used is variously estimated at from 35,000 to 60,000. The British also believe that the main landing will be at Bias Bay, and that a secondary operation will be carried out in the Pearl River estuary just north of the leased territory, that is, in the district of Poan.

The Chinese were still skeptical of a landing. While the 4th Route Army were, as usual, entirely noncommittal, both the Governor of Kwangtung, and the Mayor of Canton assured me personally that they did not believe the Japanese would come at this time. Certainly there are no indications of alarm in Canton.

4. Defense Measures. Persistent rumors of invasion seemed to have small effect on the 4th Route Army. Preparations already begun proceeded without undue haste. Bias Bay defenses were being strengthened. A Hongkong news report stated: "A new Kwangtung Army (corps) has been formed, and on Oct. 3, five military officers were sworn in before the commander-in-chief, Gen. Yu Han-mou. Commander of the new southern army will be Gen. Mok Hsi-teh (Mo Hsi-ta), with Liang Shai-ohi and Wang Teh-chang as divisional commanders." Investigation of the report confirms the fact, and reveals that each brigade of Gen. Mok's old 151st division (brigade numbers 451 and 453) was expanded to make a new division. Because of the large number of reserves needed to fill up these organizations, a 3-month intensive training period was prescribed to bring these troops up to standard. New numbers assigned have not been divulged.

With the organization of the additional division for this new corps, the present strength of the Kwangtung regular military establishment is as follows: 11 divisions, each of 2 infantry brigades of 2 regiments each, plus one battalion of 75 mm guns or mountain guns, and one motorized machine gun battalion; 1 independent brigade of 3 regiments and 1 machine gun battalion; 12 independent regiments, which the general staff say can be quickly organized as brigades or divisions and provided with fairly well trained staffs. Of these troops, 1 division is in Hainan; 2 between the Luichow peninsula and the delta; the independent brigade is charged with the defense of Chungshan coast; 3 divisions around Canton; 1 in northern Kwangtung along the railway;

3 in the Waichow - Bias Bay area; 1 at Swatow. Location of the 12 independent regiments is not certain, but several are in the vicinity of Canton. Some of these troops may also be along the railway in the north of the province.

The second term of training for Kwangtung Self-defense Corps enrollees will be completed about the last of October, and arrangements are now being made to enroll 150,000 more for the third term which will begin early in November. Three hundred additional military instructors are to be sent to the various hsien towns to assist in the training. The sum of \$1,000,000 NC has been appropriated to increase the strength and efficiency of this corps.

Having noticed - at long last - the remarkable efficiency of the Kwangsi training system, the Kwangtung authorities have appointed an official committee to make an inspection and study of the methods used in the neighboring province. (Chief difference is that in Kwangsi all conscripts are simply in one class and men are drafted to the regular units at the front or in the province, or to the militia units as needed, whereas in Kwangtung the regulars, the "militia," the self-defense corps, even the Pao An Tui, each has its own conscripts or reserves. The result in Kwangtung is that no one is quite sure just what the system is, and even the general staff have difficulty in explaining it.)

Kwangtung has, however, finally adopted the plan of conscription by drawing lots. This applies to the two age classes: A - 20 to 30; B - 31-45. Lots will be drawn by from two to three times the number of men to be called up at any one time, so that after physical examination the required number will be obtained. A conscription office in each of the 21 recruiting districts has been established and the magistrate and the district recruiting officer are made jointly responsible for the work of the office.

For the military training of middle school students throughout the province, about 1000 instructors have been detailed to various training centers. These will work under the supervision of the 4th Route Army, and the Political Warfare Bureau will also send representatives to assist. As an example of the program, some 3000 or 4000 boys will be trained at Chung-shan University, Canton, and over 2000 girls students will be given nurses' training at Lingnam University. The training is not under the universities, but their grounds will be used, and temporary barracks have been erected to accommodate the trainees. The training period of two months will begin October 10.

The committee representing the eight organization sponsoring the campaign for funds to buy gas masks, began its work of soliciting on Oct. 5, when a corps of solicitors was formed to canvass the entire province, Hongkong, and Macao for donations. Money so raised will be immediately turned over to Headquarters, 4th Route Army for the purchase of masks.

5. Travel by road between Hankow and Canton. Capt. Samuel H. Fisher, F. A., U.S.A., recently completed a trip by automobile from Hankow to Canton. His report is as follows:

"1. Condition of roads: The entire road is an all weather road. In Hupeh province the roads are fair, but rather rough. In Hunan they are good.* The mountain areas are at the Hupeh-Hunan border and the Hunan-Kwangtung border. From Kukong (Shiukuan) to Chungfa, one travels in the mountains all of the time. The mountain roads are in fair condition, but quite rough, narrow, and naturally very winding.

"There are three rivers that must be ferried: one, just north of Changsha, another about half way between Changsha and Hengyang, and another at Hengyang after you pass thru the town. All ferries are well run, and with good luck you can always get across in an hour, the delay being caused by the truck traffic.

* In Kwangtung they are fair, with the last 60 miles good.

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

"2. Troop movements and supplies. About two and one-half hours from Wuchang there were about 5000 troops on their way south. They were armed with brand new rifles. About $4\frac{1}{2}$ hours from Wuchang I saw quite a number of individual officers and men of the 60th Army. Between Changsha and Hengyang I saw one battalion of 37 mm guns on pneumatic tires, drawn by mules. They were headed north. There were probably 200 wounded strung out along the road between Wuchang and Changsha.

"There were not many trucks on the road between Wuchang and Hengyang. From Hengyang to Kukong and from there to Chungfa I saw about 100 each day.

"3. Defenses. Just south of Wuchang at intervals they have the road blocked with barbed wire and a very narrow diagonal passage for motor traffic. As you come thru the last pass of the mountains about 80 miles from Canton, they are constructing concrete pill boxes which have a very commanding field of fire down the valleys.

"4. Time schedule of trip.

Left Wuchang	Oct. 4	5:00 AM	Arrived Changsha	5:30 PM
Left Changsha	Oct. 5	10:00 AM	Arrived Hengyang	5:00 PM
Left Hengyang	Oct. 6	6:00 AM	Arrived Kukong	9:15 PM
Left Kukong	Oct. 7	6:30 AM	Arrived Chungfa	5:30 PM
Left Chungfa	Oct. 8	6:30 AM	Arrived Canton	9:30 AM

"From Hengyang to Kukong I was held up for three hours at the ferry because a military truck ran off the ferry approach. Having broken the front spring on both sides the trip from Kukong was rather slow. The gas supply must be arranged for beforehand as there are no places that you can buy gas without special arrangement. The Kwangtung military authorities are very strict and require proper identifications."

6. Miscellaneous. The Kwangtung authorities have decided to give NC\$3 to every person wounded in the air raids in the province, and NC\$5 to the family of each one killed. Also NC\$100,000 has been appropriated as a grant-in-aid to persons made homeless by bombing. (This includes shops.) Small factories or workshops will be opened to afford a living to those whose business was wiped out by the raids. A colonization area for fishermen driven out of their homes or kept off their fishing grounds by the Japanese fleet, has been set aside near Ko-yiu in the West River area.

(signed) F. N. Roberts

F. N. Roberts
Capt., Inf., D.O.L.
Assistant Military Attache

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

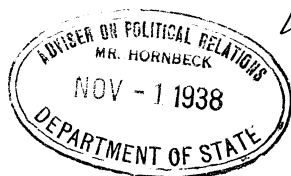
~~2-28-72~~

Oct 28

PA/H

This is an interesting
article. I have marked
passages on pages
2 + 3 which you may
wish to read.

[Signature]



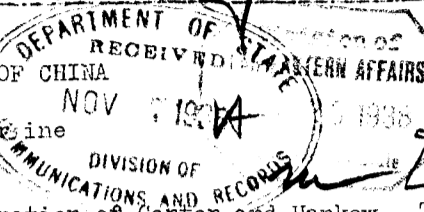
0315

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

CHINA INFORMATION SERVICE, SPECIAL BULLETIN, October 27, 1938.

IS THIS THE END OF CHINA

By Marcus Meisinger



Japan's legions have completed the occupation of Canton and Hankow. They entered both great Chinese cities with scarcely a shot being fired. China's gallant but ill-equipped defenders are in full retreat. General Chiang Kai-shek is reported to have fled to Chungking, Hongkong or elsewhere. The news services are predicting the end of Chinese resistance. Inspired reports are cabled from Tokyo and Shanghai that "peace based on terms dictated by Japan will come within a few days."

Without waiting for those "few days" to elapse, it is a bold, difficult and perhaps foolish task to sit down at a typewriter (an hour after the fall of Hankow has been announced) and attempt to evaluate the frightful events of the past week and forecast the course of events during the next few months.

793.94 The one thing that it is safe to predict, despite press reports to the contrary, is that Chinese resistance against the Japanese invaders will continue. The only qualification I make is that Britain, France, Germany and Italy do not step in to mediate a "peace" in Asia by the mutilation of China as they secured "peace" in Europe by the dismemberment of Czechoslovakia.

However, before we consider the future let us review the situation at the present. By this time we are all familiar with the shock to the Chinese system of defense caused by the loss of Canton, Hankow and large sections of the Canton-Hankow Railway. Most important of all, it means the loss of China's last free channel for arms imports and complete dependence upon routes through British, French and Russian territories. How long Britain and France will care or dare to ignore the sabre-rattling of Japanese Major-Generals is a matter of conjecture, probably not very long if the "Munich Mood" prevails in Whitehall and the Quay d'Orsay.

Actually, however, nothing has happened in the Sino-Japanese conflict so far that has not been foreseen. As long ago as July, the civil government commenced moving to Chungking and the military headquarters prepared for a change to Henyang in the mountain fastnesses of Hunan. Hundreds of thousands of workers have been building the Burma-Yunnan and the Sinkiang-Szechuan roads in preparation for the loss of Canton and other Chinese ports. China's educational and industrial projects long ago moved out of the path of Japan's advance.

If the objective of the Japanese campaign in South China and the Wuhan cities was the destruction of the main forces of the Chinese then it may be said categorically that the Japanese have failed. The withdrawal of the Chinese living forces on all fronts was complete and orderly and the Chinese destruction of bridges, roads, public utilities and other projects of military value to the Japanese was carried out successfully according to careful plans. General Chiang Kai-shek has often said that the preservation of his basic forces was his primary tactical problem in the defense of Wuhan and Canton. For this reason the loss of Wuhan was of secondary importance and does not signify a military decision over all China.

It must also be remembered that by their attacks in South China, the Japanese have committed themselves to greater expenditures in blood and treasure than they have ever before contemplated. The Chinese have never planned long-term resistance on the coast; their strategy always has been to draw the Japanese into the interior. As the Japanese progress in South China they are going to find the way more diffi-

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CHINA INFORMATION SERVICE, SPECIAL BULLETIN, October 27, 1938. Page 2.

cult at each step....and each step forward means more guerillas to fight in their rear. It is China's war of attrition, of wearing down. It is doubtful if the defenders will make a stand until they reach the mountainous regions between Kwantung and Hunan --- regions where the trains are more often inside the tunnels than out, regions which are served by direct routes from Yunnan, China's great South-western base.

As for a direct attack up the Yangtze Gorges to Chungking, the Japanese may do it but it will be the first time in 4,000 years that any army ever has done it. Armies have swept down out of those mountains and gorges and captured Hankow but no army in history has battled up those raging torrents and forbidding cliffs to capture Szechuen, the richest and largest province in China, several thousand square miles bigger than France.

It took 10 $\frac{1}{2}$ months of hard fighting to reach Hankow from Nanking. China has lost only 500,000 square miles, or one-tenth of her entire country to the invaders who, in turn, have suffered more than 400,000 casualties. If the present ration continued, it would require Japan some twelve years and a total of 4,000,000 war dead and wounded to conquer the whole of China.

But it takes more than back-country and man-power to defend one's homeland. It takes money, nerves, military skill, technical knowledge, physical stamina, moral courage, spiritual faith --- and war supplies. The Chinese have sufficient of these resources for another year of fighting. Among the Chinese people and the great majority of Chinese leaders, the national consciousness, the spirit of sacrifice, the willingness to be of service to China, has attained unprecedented level. In the capacity of the Chinese, individually and nationally, sacrifice has become one of the nation's strongest weapons and there is a likelihood that these reverses of the past week may even stir the Chinese masses to even greater self-immolation. The Chinese may never succeed in defeating the Japanese from a military point of view, but there are so many other points at which Japan is vulnerable that eventual military victory may still entail actual, national defeat.

OTHER ALTERNATIVES

There is a chance -- let us face the fact squarely --- that a few Chinese leaders lose their nerve and seek a peace on terms dictated by Japan. This is not the time to minimize the psychological effect of the loss of Canton and Hankow upon the leaders and the masses of the Chinese people. Certainly this is the acid test of China's new-found national unity. On the other hand if China's morale sustains this frightful shock and her organized frontal resistance goes on, it is Japan that must watch the morale of her troops and soldiers who have been led to believe that the fall of Hankow meant the virtual end of the war. They are gloating today. Will they be weeping tomorrow?

Suppose, however, a situation should arise in which General Chiang Kai-shek believes it best for the sake of his country and his people to resign and live abroad, as Eduard Benes resigned and left Czechoslovakia, and a new Chinese Government more amicable to the Japanese warlords was established, would all be sweetness and light in Asia? We who have lived in China, who know and love the Chinese people, who have watched the spreading of Japanese terror and dope in Manchuria, know better. We know we will see the "lights go out" in that great old country. We understand the implications. We see the end of American and foreign commerce, the driving out of our mission schools and hospitals, the closing of Chinese institutions of higher learning and instillation of Japanese "culture" in the lower schools, and perhaps worst of all, the degradation of millions of Chinese peasants by opium and narcotics.

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CHINA INFORMATION SERVICE, SPECIAL BULLETIN, October 27, 1938. Page 3.

But it seems to me and to many other missionaries, correspondents and others who have visited Shensi, Shansi and Hopei during the past year that there is one organized group of Chinese who would never cease their struggle against the Japanese invaders. The Chinese Communists would form a Popular Front government with its capital in Sian or some other interior city, and fight on forever; organizing guerilla warfare throughout the land; mobilizing and teaching the farmers, the peasants, the workers and tens of thousands of other non-Communist Chinese patriots who refuse to live under a Japanese puppet government. Receiving their war supplies from Russia and from raids on Japanese communications, living off the country, always on the move, they probably could never be exterminated.

What a bitter commentary on the callous indifference of the American people who hate and fear communism here or anywhere else in the world -- that we as a nation render such indispensable economic and military assistance to the Japanese armed forces as to enable them to blast out of existence a great peaceful nation while the remaining remnant becomes a Soviet Russian satellite!

And if such a condition should ever arise, it is quite likely that those who swallowed the Japanese propaganda that Japan is "fighting communism -- not the Chinese people" -- will say, "I told you so." It is their type of mentality. This mentality was typified by a Japanese Army spokesman in Peiping recently who told correspondents, "The Japanese Army's mission of exterminating communism is only beginning. Why, when the war started there were only 50,000 communists in North China -- Now there are 500,000!"

STABS IN THE BACK

If the Munich Powers conspire to stab China in the back, China's only remaining hope is the United States. Our country has treated China very shabbily during her life-and-death struggle for freedom and independence but American acquiescence to the partitioning of China in return for Japanese promises of the Open Door, freedom of the eastern seas and other "concessions", would be the crowning shame. Britain's sun is setting in the East. Perhaps she realizes that a complete Japanese victory without her aid would mean a change from twilight to darkness. She can save her Far Eastern interests only by a Chinese victory or by negotiating a "peace" that will end China's resistance even in guerilla warfare. Britain has a powerful weapon to force a peace upon China; a threat to close the Burma route and induce France to close the French Indo-China route.

Will President Roosevelt and Mr Cordell Hull stand by with folded hands while Britain, France, Italy, Germany and Japan snarl over the flesh and bones of China? Perhaps they will. Perhaps the Boake Carters, Dorothy Detzers, William Randolph Hearsts, Frederick J. Libbys and Dorothy Dunbar Bromleys will be able to create enough noise among the isolationists and intellectual share-croppers so that the Administration dares not lift a finger to save an inch of free soil for a free Chinese people. Perhaps the only voices raised in protest against our condonation of the crucifixion of China on a cross of political expediency will come from the Old Reds and Parlor Pinks. For fifteen months our country has been the silent partner of Japan, supplying the airplanes, aviation gasoline, oil, bombs, steel, scrap iron, chemicals and other war materials to the Japanese armed forces to make the military invasion of China possible. Are we to complete the job by shouting, "We wash our hands of the whole affair" when the Munich Powers try to force an unwanted people upon a China still fighting for her national existence? It hardly seems likely that Mr. Roosevelt and Mr. Hull would like history to record that "The Republic of China disappeared from the maps of the world during the administration of President Roosevelt and Secretary of State Cordell Hull". The Adminis-

CHINA INFORMATION SERVICE, SPECIAL BULLETIN, October 27, 1938.

Page 4.

tration, however, has shown in previous situations that it will not act in foreign policy without the strong and united support of the American people. Now is the time for the solid mass of middle-class American citizenry to let our Government know in unmistakable terms that we not only do not support Japanese aggression in China but we refuse to allow the European Powers acting on behalf of the Japanese militarists to force a dishonorable peace upon a friendly Pacific Country in which we have vital interests, that the United States cannot be ignored in any attempt at Third Party mediation and that we will not support any peace terms that are unfair and unjust to China.

The time is not ripe yet to talk mediation either by the United States or any Third Power. Japan has not had enough of a whipping yet. Time will always play in favor of China and Japan knows she must win a quick victory or perish. Negotiations for an armistice, as a prelude to peace negotiations, would only act to Japan's advantage at this juncture. The capture of Hankow and Canton is too recent and would give Japan too great an advantage in bargaining. An armistice would give Japan a chance to consolidate her military gains, to conduct "mopping up" operations along her lines of communications and in the unconquered areas between railways and roads, to give her war-weary soldiers a rest, to suppress the spirit of resistance among the farmers and peasants, to burn and destroy thousands of villages where any defiance appears, to seize enough loot in the occupied areas to strengthen her resources, to repair bridges and military projects destroyed by the Chinese and to secure additional war supplies and credits from abroad.

When the first President Roosevelt stepped in and called a halt to the Russo-Japanese War in 1905, both countries were near the point of exhaustion and both countries were praying for peace. America gave it to them in the Treaty of Portsmouth and it was a peace that has endured to this day. No peace forced upon China and Japan at this juncture could endure. When it comes, it must be a peace that can stand the post-war economic and nervous strain, a peace with honor to both proud nations.

Propped up in front of me are the newspapers of the day. The headlines read:

HANKOW BURNS AS JAPANESE OCCUPY CITY
RETREATING TROOPS DEMOLISH BUILDINGS
END OF WAR IN SIGHT
CHIANG REPORTED IN HONGKONG
BRITAIN, GERMANY PLAN PEACE FOR CHINA
PREDICT CHIANGS FALL IN FORTNIGHT, etc.

The United Press and International News Service are vying with each other in predicting the end of China's resistance and the doom of the Chiang regime, while the Associated Press takes a more cautious viewpoint.

With these headlines staring me in the face I cannot help feeling that correspondents for those press agencies have gone out on a limb again, as they did when the Japanese occupied Shanghai and when they occupied Nanking. Reporters often grow panicky and send out stories of that kind to protect themselves "just in case". General Chiang Kai-shek never went to Hongkong to discuss peace terms. So far as known, General Yu Han-mou did not "surrender his sword" to the Japanese at Canton. There have been no peace talks yet. Chinese resistance did not crumble. The retreat was orderly, with a few thousand troops fighting a valiant rear-guard action and demolishing military works.

THE SHAPE OF THINGS TO COME

On my bookshelf is a book called "The Shape of Things to Come" by H. G. Wells, published in 1933, written from the standpoint of an historian in the year 2035. The section on the Far East is prophetic of everything that has happened to date. It recounts the monstrous things that occurred during what the historians of that year called the "Period of Maximum Insecurity, 1935 to 1965, when "Every world

event cried louder for collective action, and there was no collective action." He told how the Japanese militarists could not see behind them their own miserable peasantry breeding itself down to the basest subsistence, a miserable urban proletariat deteriorating physically and morally. They could only see that China was disorganized, that she was struggling with great difficulty to discover a new method of collective living to replace her ancient slack imperialism and that this was their chance to conquer that country. The war they started eventually led to the killing of about three million inhabitants, an extreme social disintegration in China -- and the final collapse of the Japanese monarchy. Japan won all the battles but lost the war.

Japan took Peking and Tientsin easily enough, he related, but then the Chinese resistance grew and Japan finally found herself with more than a million and a half men in China when it became necessary to make a third landing -- in Canton, "but still her hold upon China hardly extended beyond the range of her guns and the glitter of her bayonets.... Hundreds of thousands of people had been slaughtered but the great invertebrate body of China seemed able to endure such losses with stoicism impossible in a more highly organized state."

Resistance behind the Japanese lines had no vital center, no formal head; it was a thing of the mind, unquenchable by military operations. And under the stress of this resistance it had become violently patriotic and xenophobic.

The Japanese Army marched on; the war was brought to a victorious conclusion three times, and each time it broke out again.

"No invader ever conquered Russia to the end, and no one ever completed the conquest of China. Always beyond the subjugated provinces appeared other provinces swarming with hostility. Szechuen and the south supplied inexhaustible support and supplies for the Kuomintang resistance. It seemed at last as though there could be no peace until the invaders fought their way through to Tibet.... War weariness descended upon Japan."

But the Japanese militarists decided upon a supreme military effort, a march in overwhelming force into Hupeh. It was to be "a blow at the heart." Three mighty columns converged upon the Chinese lair, from the south up the Canton-Hankow Railway, up the Yangtze River from Nanking, and over the Lunghai Railway from Shantung. But a third of their forces were trailed out upon their lines of communications "but the Chinese fought with the great wealth of Szechuen at their backs and the almost overt sympathy of the West."

But the Japanese could make no further progress. Pestilence broke out in their ranks. The situation in Japan became more serious. The Japanese could hold their huge military gains no longer, and the great retreat back to Nanking was started.

"The horrors of that retreat have never been fully told. The three Japanese armies at their maximum strength had numbered well over two millions of men; but probably about a million or less remained fit enough for the retreat. Famine was far more deadly with them than the Chinese guerillas; the exhausted wretches fell out along the line of march and waited stoically for the end; few prisoners were taken; the Chinese had no food even if they had had mercy to give quarters, and the fallen were left to perish in their own time."

In the end, this historian reported, the Japanese army in Nanking revolted, shot many of its officers, declared for social revolution and fraternized with the Chinese Red Army which had marched under its nose from Hangchow and taken control of the city proper.

This chapter, written in 1935, has proven prophetic so far and just such a series of events are likely to occur. The fall of Canton and Hankow merely ushers in a new phase of the war. In this dark hour of Chinese history it behooves the friends of China to redouble their efforts to let China work out her own salvation.

China can fight and defeat Japan alone; she cannot fight and win against Japan, Britain, France, Italy, Germany and the United States. This country must insist that the Munich Powers cease their "peace offensive" against China, and we must cease sending our money and war materials to the Japanese invaders.

0321
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Department of State letter, August 10, 1972
By Milton O. Huatzen NARS, Date 12-18-75

CHINA INFORMATION SERVICE
945 Pennsylvania Ave., N. W.
Washington, D. C.



374W
Mr. Maxwell Hamilton
Chief Far Eastern Division
State Department
Washington, D. C.

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

TELEGRAM RECEIVED

JR

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

COMYANGPAT

FROM

November 14, 1938

Rec'd 3:20 p.m. ✓ *file*

ACTION: CINCAF
AMAMBASSADOR CHINA

INFO: AMCONSUL HANKOW
NAVY DEPT

793.94

0013. Exodus of Chinese from Hankow being reenacted
Changsha according to SANDPIPER place becoming panicky
civilians mostly evacuated but refugees from east plus
troops retreating toward south and west continue pour
thru city, much sporadic firing by soldiers attempting
commandeer junks sampans. Informant believes Japs can
occupy town in less than week, thinks island will be
untenable, states plans for evacuating foreigners well
advanced. 1700.

HPD

793.94/14352

F/FG

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

TELEGRAM RECEIVED

JR

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closely paraphrased be-
fore being communicated
to anyone.

COMYANGPAT

FROM November 14, 1938

Rec'd 3:20 p.m.

Handwritten: X, file, WA, m, WA

ACTION: CINCAF

INFO: YANGTZE PATROL
OPNAV

793.94

0514. Movements Japanese vessels week of SEVEN--
thirteen November: Destroyers six arrived Hankow from
down river and six departed down river, gunboats two
arrived and none departed, transports twenty-five and
sixteen, tugs seventeen and three, tankers none arrived
five departed, supply ships forty-two and twenty-nine,
miscellaneous small craft five ninety-five and four
fifty. Total vessels remaining at and above Hankow nine
hundred ninety. 1315.

HPD

793.94/14353

F/FG

032

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

TELEGRAM RECEIVED

FROM

FS

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

Secretary of State,
Washington.

193.94
note
193.101 Tsingtao
14, November 14, 3 p.m.

There are reports that the Tsingtao Peace Maintenance Commission will within a short time give way to a permanent Chinese municipal form of government. While on the face of it this would imply a restoration of Chinese political powers it is doubtful that there would be a lessening of the Japanese whose dominating activities in any case are primarily in the economic sphere and who consequently control the financial powers of the city and hence the political destinies thereof. It is believed however that the Japanese will to a minimum extent interfere with the routine municipal administration of this city.

Sent to Tokyo, repeated to Embassy.

RR:WWC

SOKOBIN

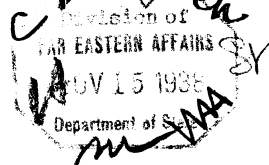
of paraphrase
COPIES SENT TO

in confidence DT

Tsingtao via N.R.

Dated November 14, 1938

Rec'd 11 a.m.



793.94/14354

F/FG

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

Confidential

P A R A P H R A S E

A telegram (No. 14) of November 14, 1938, from the American Consul at Tsingtao reads substantially as follows:

Before long the Tsingtao Peace Maintenance Commission will be superseded by a permanent Chinese municipal form of government, according to current reports. Although this change would, on its face, indicate a restoration of political powers to the Chinese, it is to be doubted that there would be a lessening of the Japanese whose domination is in any case exerted primarily in the economic field and who thus have control of the city's financial powers and, consequently, its political destinies. However, the Japanese will interfere with the routine municipal administration of Tsingtao as little as possible, it is believed.

793.94/14354.

FE:EC:JFS
 11-16-78

KSC
 FE
 pky

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

FS

TELEGRAM RECEIVED

HANKOW via N.R.

COPIES SENT TO
"ONLINE" FILE

FROM

Dated November 15, 1938

Rec'd 7 a.m.

Secretary of State,

Washington.

63, November 15, 2 p.m.

Large and extensive fires reported burning in
Changsha for past three days coincident with evacuation
of Chinese population.

Following is substance of British reports received to-
day regarding Changsha situation:

Radio from British Military Attache at Changsha sent
last evening states that fires which had been burning in
the city were abating but that almost everything of im-
portance is in ruins and that foreigners are concentrated
at oil company installations below the city.

Radio from commanding officer British gunboat SANDEIPER
at Changsha sent this morning states that the city seemed
to be razed to the ground and also various places of
industry outside the city. All foreigners are safe and
have food and water. Foreign floating property also safe.
Japanese have not yet arrived at Changsha and situation
quiet except for intermittent explosions.

Repeated to Chungking, Peiping.

GW:RR

JOSSELYN

793.94/14355

F/FG

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

5242

TELEGRAM RECEIVED



PA/ EU

JR

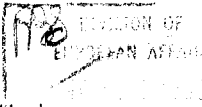
SPECIAL GRAY

FROM

Tokyo

Dated November 15, 1938

Rec'd 12:02 p.m.



Secretary of State,

Washington.

file
 ST
 793.94/14356

728, November 15, 3 p.m.

Our 704, November 4, 2 p.m.

STRICTLY CONFIDENTIAL.

The Department may find of interest the British Ambassador's interpretation of the Japanese Government's statement and the Prime Minister's broadcast of November 3 as telegraphed by Craigie to his Government on November 10th as follows:

"The Government statement and Prime Minister's broadcast of November 3 and the subsequent spate of semi official announcements and press articles all lay their principal emphasis on the need for "economic cooperation between Japan ~~and~~ Manchukuo and China". This is defined in statement as "a close economic cohesion throughout East Asia" and in the broadcast as the "foundation of an equitable equilibrium".

WB
 1-1-36

NOV 23 1938
 FILED

My

793.94/14356

r/r-6

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

5243

-2- #728, November 15, 3 p.m., from Tokyo.

My interpretation of these various statements may be summarized as follows.

One. The hitherto vague conception of a "tripartite bloc" has now received definite official sanction. While the meaning of the phrase is purposely left obscure it must be assumed that the more forward elements are now working for a customs union which would have as consequence the progressive esteem of independent foreign trading (though not finance) from China.

Two. The appeal addressed in the Prime Minister's broadcast to the Chinese nation "sacrificed to the struggle of various powers animated by imperialist ambitions" to unite with Japan in creating "a new order" in East Asia and the reference to "colonization of China" can only be interpreted as an effort to conciliate the more nationalistically inclined Chinese (and particularly the Kuomintang) by the offer of a joint offensive against the interests of third powers in China. The abolition of extraterritorial rights is no doubt implied.

Three. The earlier explicit and unreserved assurances of respect for foreign rights and interests have been watered down to a statement that Japan "does not intend to damage their legitimate rights" (Japanese

to

1328

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

5244

-3- #728, November 15, 3 p.m., from Tokyo.

to define what is legitimate). Cooperation in future is to be limited to "any powers which really understand the intentions of Japan and shape their policy in accordance with the new situation in East Asia."

In my telegram of September 25, 1937 and in subsequent reports I stressed the obvious dangers to British interests in China from an undue prolongation of the present conflict and from the consequent increase in the prestige of the extremist elements in Japan itself. I also observed that any considerable military success, by raising the prestige of the army in Japan, must necessarily increase its control of domestic affairs. After fifteen months of successful warfare these processes have recently been greatly accelerated and, while we may still hope that better counsels will ultimately prevail and that Japan's lack of finances may stem the tide of nationalism, it is well to recognize that for the moment at least we are faced with an important development in Japanese policy. The process of hardening began last July, becoming more accentuated with prospects of success on Hankow and Canton. With the knowledge now at our disposal I believe the main cause of General Ugaki's resignation to have been his refusal to break his word.

HE

0325

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

5245

-4- #728, November 15, 3 p.m., from Tokyo.

He is that type of man. The duration of this new phase would depend on (a) the reception in China of the new appeal and (b) the reaction in foreign countries, particularly the United States of America.

ST As regards (b) it will be ^{necessary} ~~impossible~~ at the right moment to demonstrate in the clearest possible way that, despite this change of front, we shall hold Japan to her promises and stand firmly by the principle of "equal opportunity" (a phrase better suited to present day requirements than the phrase "open door"). I suggest however that a decision as to future action be deferred until I have been able to obtain from the Minister for Foreign Affairs some further elucidation of Japan's policy and until the Japanese Government have replied to the United States note of the sixth of October."

GREW

RR:CSB

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

DOCUMENT FILE

NOTE

SEE 393.115 / 513 FOR #1750

FROM Shanghai (Gauss) DATED Oct. 14, 1938
 TO NAME 1 1127 070

REGARDING:

Protection of American interests in China.

Rebuttal of Japanese contention that no commercial
 freight is transported by Japanese vessels plying the
 Yangtze above Kiangyin Boom : Submits additional information
 in -, together with data.

rm

793.94 / 14357

14357-

0331

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. 1750

AMERICAN CONSULATE GENERAL
Shanghai, China, October 14, 1936.

CONFIDENTIAL

Subject: Rebuttal of Japanese Contention that no
Commercial Freight is Transported by
Japanese Vessels Flying the Yangtze
River above the Kiangyin Boom.

THE HONORABLE

THE S.E.C. STAFF OF STATE,
WASHINGTON.

Sir:

With reference to despatch no. 1679 of September 16, 1936, from this Consulate General, regarding the transportation of commercial freight by Japanese vessels on the Yangtze River above the Kiangyin Boom, I have the honor to submit the following additional information in refutation of the Japanese contention that commercial freight is not carried by Japanese vessels on this route:

Nanking Case.

Vice Consul Cooper of the Nanking Embassy staff requested an officer of the Shanghai staff to place an order for certain fruit juices and spirits to be sent to him at Nanking. The usual facilities for transportation (by courtesy) by foreign gunboat being lacking, steps were taken to make the shipment by other means. The goods were purchased from the British

firm

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

- 2 -

firm of Wande, Price & Co., Ltd., who marked the cases in Chinese characters "Tong Haiso Mei, No. 85 Shanghai Road, Nanking". (Mr. Tong is a Chinese clerk in the Nanking Office of the Embassy, and the Embassy address is No. 85 Shanghai Road.) The cases were then handed over to the Shanghai Dredging Company (American) which named one of its Chinese employees (Lee Chou Pei) to act as consignee of the shipment. This consignee transferred the cases to the Mei Tung Water and Land Transportation Company which forwarded them to Nanking and delivered them to the Chinese consignee for Mr. Cooper. Signed receipts (translations enclosed; originals in Chinese on file at the Consulate General) for the cases as well as for shipping charges were obtained from the Mei Tung Company. These documents do not so show, but it is understood (see enclosure no. 5) that the shipment was forwarded to Nanking by a vessel of the Nisshin Kisen Kaisha, which Japanese steamship line has steamers plying on a more or less regular schedule between Shanghai and Chinkiang, Nanking and Wuhan.

1/

The Mei Tung Company.

2/

There is attached a copy, as well as a translation, of an advertisement appearing in the SIN SHUN PAO (Chinese) of September 7, 1938 announcing that the Mei Tung Company is organized to offer facilities for the transportation of cargo to Chinkiang, Nanking and Wuhan. The notice further states that the company is prepared to handle customs, loading and marine

insurance

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

- 3 -

3-4/ insurance requirements. There are also attached
 copies, with translations, of notices of a similar
 nature published by two other transportation com-
 panies but so far only the Kei Tung Company has been
 thoroughly investigated. In this connection I enclose
 5/ a copy of an affidavit of Captain Van Meter who in-
 vestigated the Kei Tung Company. In order that the
 Japanese authorities may be in as tenable a position
 as possible to refuse requests made by American and
 British interests desiring to trade on the Yangtze
 river above the boom, no commercial marine freight is
 accepted from Americans and Britons and probably, if
 at all, only by special arrangement from other West-
 erners. It was therefore considered advisable to ob-
 tain Chinese consignee and consignee for the shipping
 equipment reported in this despatch. It is likely
 that should a Chinese forwarding company accept a
 shipment from a Third Party national the company would
 disguise the Third Party nationality to the Japanese
 carrier by substituting Chinese characters for English
 names.

Jardine, Matheson and Company Case.

6/ Further proof that the Japanese are shipping com-
 mercially on the river is evidenced by the attached
 Nishin Kisen Kaisha's shipping receipt dated June 28,
 1938 covering a shipment of 100 bales of raw cotton
 from Hankow to Shanghai. The three enclosed photo-
 graphs may be explained as follows:

(u)

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

- 4 -

- (a) Shipping receipt no. 3 issued by the Nisshin Kisen Kaisha, dated June 28, 1938, covering shipment of 100 bales raw cotton from Hanking to Shanghai in Lighter No. 27 in tow of SS FONG SEAN MARU.
- (b) Stowage plan of Lighter No. 27.
- (c) Acknowledgment of payment of freight (endorsed on back of shipping receipt).

The originals of these photographs are not in possession of this Consulate General but have been inspected and photographed by Jardine, Matheson and Company, one of the largest and most reputable British business houses in Shanghai.

Jardine, Matheson and Company endeavored to strengthen their case against the Japanese by causing inter-port duty (which is not paid on sutlery) to be paid on this cotton shipment but upon presenting the shipping document at the Customs House at Shanghai the Chinese Maritime Customs clerk employed there, a Japanese, telephoned to Japanese Naval Headquarters and after an extended conversation stated that he could accept no inter-port duty as the raw cotton was Japanese government cargo and duty was not payable. The British company state that the cotton was subsequently taken delivery of from the Nisshin Kisen Kaisha and purchased by themselves for their two cotton mill. Jardine, Matheson and Company have requested this Consulate General to make certain that the evidence in the cotton case is not made use of, at least for the present, due to the necessity of affording protection to those from whom their information is obtained.

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

- 5 -

I feel that the details of the Nanking shipment also should not be disclosed so far as they would involve the Chinese clerk in the Embassy office and a Chinese employee of an American firm here. In this connection, I may say that the Nanking shipment was made on September 16 prior to my return to Shanghai.

As to the affidavit of Captain Van Meter, he has stated to an officer of the Consulate General that it may be used by the Government. I recommend, however, that Captain Van Meter's name be withheld in any use made of his statement.

Since the Yangtze Rapids Steamship Company (American) ceased during 1936 to operate on the Yangtze River, commercial freight shipments on foreign steamers have been handled almost exclusively by two British companies, namely, Jardine, Matheson and Company (Swire) and Butterfield and Swire (Taikoo), the former having the more virile organization which partly explains its ability to supply current information concerning activities on the river. Its former Chinese up-river agents are probably no longer on the company's payroll, but they hope to come back into its service and are apparently willing to run considerable risk to keep their former principals completely informed of Japanese commercial activities.

Respectfully yours,

G. E. Gauss
 American Consul General

Enclosures:

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

- 6 -

Enclosures:

- 1/- Three receipts covering shipment to Hanking.
- 2/- Advertisement from SIN SHUN PAO, September 7, 1938.
- 3/- Advertisement from SIN SHUN PAO, September 27, 1938.
- 4/- Advertisement from SIN WAN PAO, September 30, 1938.
- 5/- Affidavit of P. H. Van Meter.
- 6/- Hsichin Kisen Kaisha shipping receipt, dated June 26, 1938.

BBB
 CV:eb

1a quintuplicate to the Department.
 Copy to Embassy, Tokyo.
 Copy to Embassy, Peiping.
 Copy to Embassy, Chungking.
 Copy to Hanking.

Signed original

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

Enclosure no. 1 to despatch no. _____ dated
 October 14, 1938, from G. E. Gauss, American Consul General,
 Shanghai, China, on the subject "Rebatal of Japanese Com-
 tention that no Commercial Freight is Transported by
 Japanese Vessels Plying the Yangtze River above the
 Kiangyin Boom".

COPY

SHANGHAI STEAMBOAT COMPANY, INC
 Room 606/10 51 Canton Road
 SHANGHAI

General Office Phone 11453-6
 Cust. Lighter Dept " 17080

Godowns
 No 2 La 66 Kiangso Road
 No 80 La 125 Hsuehmen Road

Debit Note No. 0031

Messrs. Ganda, Price, Ltd.
 31 Peking Road.

September 15th, 1938.

Charges for the following:-

For 4 cases Wine from Shanghai to Hanking

Freight	\$ 14.13
Trucking from our godown to French Concession	<u>3.00</u>
Total	<u>\$ 17.13</u>

(Freight & Cargo receipts attached)

Copied by BB
 Compared with *CV*

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

Sub-enclosure (A) to enclosure no. 1 to despatch
 no. _____ dated October 14, 1938, from C. E. Cause,
 American Consul General, Shanghai, China, on the subject
 "Refutation of Japanese Contentions that no Commercial Freight
 is Transported by Japanese Vessels Plying the Yangtze River
 above the Kiangyin Boon".

TRANSLATION

No. 227

FREIGHT RECEIPT

To: Mr. Lee Shou Pei Date Sept. 14, 1938

RECEIVED four boxes of liquors for shipment to
 Teng Hsiao-mei, Nanking

Shanghai

KEI TUNG WATER & LAND TRANSPORTATION
 COMPANY
 Mansinang Hotel, Tungteh lane,
 Rua Esqery. Tel. 80720

Ting Sung-yao

(SEAL)

Attention

FREIGHT CHARGES PAID

All cargoes for shipment,
 in case of calamities and perils,
 et cetera, this company is not
 responsible for.

Copied by KB
 Compared with CV

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

Sub-enclosure (B) to enclosure no. 1 to despatch
no. dated October 14, 1938, from C. K. Gamba,
American Consul General, Shanghai, China, on the sub-
ject "Refutation of Japanese Contention that no Commercial
Freight is Transported by Japanese Vessels Plying the
Yangtze River above the Kiangyin Boom".

TRANSLATION

RECEIPT

Date September 15, 1938

RECEIVED from Lee Shou Pei Dollars fourteen
and cents sixty-three-payment certified by issuing
this receipt.

(SEAL)

Receipt issued by
HUI TUNG TRANSPORTATION CO.
Shanghai

Wang Wei (?) Fan

Copied by KB
Compared with *CV*

DECLASSIFIED: E.O. 11652, 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. _____ dated
October 14, 1938, from C. E. Gaines, American Consul
General, Shanghai, China, on the subject "Refutation of
Japanese Contentions that no Commercial Freight is Trans-
ported by Japanese Vessels Flying the Yangtze River
above the Kiangyin Boom".

TRANSLATION of advertisements in SIN SHUN PAO (Chinese)
September 7, 1938.

MEI TUNG

Transportation of goods solely for
Nanking, Chinkiang and Wuhu

This company is organized to furnish facilities
for the transportation of commercial goods to the
above places, where branch offices have been opened
to be responsible for the discharging of goods in
order to avoid inconveniences on the part of the
customers. Also services for performing custom
formalities, loading aboard ships, and marine, fire
and war risk insurances, etc., etc.

Mei Tung Transportation Co. Tel. 80730

Shanghai: Hansin Hotel, Tungteh Lane, Rue Disery
(Tsailai Street), French Concession.

Nanking: Branch Offices:
37 Taosheng Lane, Xingning Street, Haikwan.
Xingcheng Shop, 31 Shengchow Road, City.

TIENTSIN TRANSPORTATION CO.
Shanghai

Transportation of goods solely for Nanking, Chinkiang,
Soochow, Wusih and Chenchow.

This company (formerly Tientsin, Shihohong) has
undertaken to transport goods to the above places for
many years and is most trusted by the customers. As
the communications with inland places are gradually
restored, this company will again undertake, on behalf
of the customers, to perform custom formalities and
transport goods to Nanking and Chinkiang; and will em-
ploy large trucks to transport goods to Soochow, Wusih
and Chenchow. Services fast and safe, etc.

Shanghai head office: 17 Hengyuan Lane, Tientsin Road
Telephone 92857

Nanking branch office: Hsu Chia Lane, Tungtehchiao,
Shengchow Road.

Copied by EB c/
Commanded with

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

Enclosure no. 3 to despatch no. _____ dated
 October 14, 1938, from C. A. Gauss, American Consul
 General, Shanghai, China, on the subject "Rebuttal of
 Japanese Contention that no Commercial Freight is Trans-
 ported by Japanese Vessels Plying the Yangtze River
 above the Kiangyin Boon".

TRANSLATION of an advertisement in the
 SIN SHUN PAO (Chinese), September 27, 1938.

TAI NING

Water and Land Transportation Company

Transporting cargoes solely for
 Nanking, Chinkiang & Wuhu

This company is jointly organized by the
 former Foo Tung and Tai Poong Companies of Shanghai,
 Foo Kee, Yeh Tai and Hong Lee companies of Nanking,
 and the King Poong Company of Soochow, which always
 had a good reputation.

In order to facilitate cargo transportation, a
 Head Office is established in Shanghai solely to
 transport freight to Nanking, Chinkiang and Wuhu.
 Custom formalities will be performed for customers.
 Safety and speed are guaranteed. Branch offices are
 opened in various ports to take care of delivery of
 cargoes. Customers are welcomed.

Head office

Wesyl Lane, opposite Stock Exchange Building,
 Kiang Road, Shanghai
 Tel. 95539

Nanking Office

375 Tsengshan, Shengchow Road, Nanking

Chinkiang Office

27 Wanchinsan, Chinkiang

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 Compared with a/

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

Enclosure no. 4 to despatch no. _____ dated
 October 14, 1938, from C. E. Gauss, American Consul
 General, Shanghai, China, on the subject "Rebuttal of
 Japanese Contention that no Commercial Freight is
 Transported by Japanese Vessels Flying the Yangtze
 River above the Kiangyin Boom".

TRANSLATION of an advertisement in the
 SIN WAN PAO (Chinese), September 30, 1938.

POO TA Water and Land Transportation Company

Sole transportation service

to Chinkiang, Hanking and Wuhu

This company undertakes to transport goods
 solely for the above ports. Procedure simple,
 charges low, services efficient, speedy and
 safe. All customers are very much welcomed.

Shanghai Head Office: No. 11 Yunghang Lane,
 Canton Road. Tel. 97541

Hanking Branch Office: No. 17 Hailanyu Chang Lane,
 Hailowan

Chinkiang Branch Office: Chengyuan Hsiang,
 Chichia Chang Lane.

Wuhu Branch Office: No. 10, next to Hsiao Hsi Yuan.

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 COMPARED WITH 21

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

Enclosure no. 3 to despatch no. _____ dated October 14, 1938, from C. H. Gauss, American Consul General, Shanghai, China, on the subject "Rebuttal of Japanese Contention that no Commercial Freight is Transported by Japanese Vessels Flying the Yangtze River above the Kiangyin Boom".

AFFIDAVIT

REPUBLIC OF CHINA)
 PROVINCE OF Kiangsu)
 CITY OF SHANGHAI) ss.
 CONSULANT GENERAL OF THE)
 UNITED STATES OF AMERICA)

Before me, T. B. Clark, Vice Consul of the United States of America in and for the Consular District of Shanghai, China, duly commissioned and qualified, personally came Captain F. H. Van Meter, who, being duly sworn, deposes and says that;

(1) I am age 52, born at Brushy Run, West Virginia, a citizen of the United States, now residing in Shanghai, China, and, by occupation, a Master Mariner holding a valid Master's license issued by the Department of Commerce at Seattle, Washington.

(2) I am a shipping man and, therefore, competent to testify about the matters to which this affidavit relates.

(3) At the personal request of Mr. Clarke Wyse, American Consul, Shanghai, I went to the Mei Tung Water and Land Transportation Company situated in the Hansin Hotel, Hungteh Lane, the ICERY, French Concession, Shanghai, and represented myself to the concern as a merchant desiring to make a shipment of Kerosene and Cigarettes to Nanking. The man I interviewed at first refused to have any conversation with me, but, after picking up a well appearing man in the same Lane and explaining my difficulty, he personally escorted me back to the Mei Tung Co. and I was able to get attention. I was informed that goods could be delivered to Hsiakwan (Nanking) at a cost of \$28.00 per ton. The man said that his concern used Japanese ships for transporting all cargo received and that there were sailings every three days. The concern's representative gave me the card of the company which is attached and expressed the wish that I would favor them with my business;

and further deponent saith not.

F. H. Van Meter

Subscribed and sworn to before me this sixteenth day of September, 1938.

T. B. Clark
 Vice Consul of the United States
 of America at Shanghai, China.

Copied by RB
 Compared with CV

DECLASSIFIED: E.O. 11652, 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. 6 to despatch no. _____ dated
 October 14, 1938, from C. E. Gauss, American Consul
 General, Shanghai, China, on the subject "Rebuttal of
 Japanese Contentions that no Commercial Freight is
 Transported by Japanese Vessels Plying the Yangtze
 River above the Kiangyin Boom".

(a) Photographic copy of Nisshin Kisen Kaisha's
 shipping receipt:

No. 3 Nanking 28th June 1938

Received on board the NISSHIN KISEN KAISHA'S

Lighter No. 27 in tow of

Steamer S.S. FONG SHAN MARU Voy. No. 15

For Shanghai

From Yung Tai Company (榮泰洋行)

the undermentioned goods, in apparent good order and condition

Marks & Nos	Packages	Description	Remarks
n/m	100 B/s	Raw Cotton	
		Said to be	
		Overside Delivery	
		n/r for cover torn & short of contents	

GROSS..... KILOS

This receipt is to be exchanged for the Bill of Lading
 and in the meanwhile, the Goods will be held at the risk
 of the shipper or owner thereof.

In all One Hundred Bales and Packages

(Signature illegible) Chief Officer

N.B. The number of Packages to be filled in writing.
 Remarks as to Condition to be clear and detailed.

Copied by EB (One photographic copy sent to Department,
 Compared with one to Tokyo, one kept in files of
 Consulate General)

034^L
DECLASSIFIED: E.O. 11652, 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. 6 to despatch no. _____ dated
October 14, 1935, from C. E. Gauss, American Consul
General, Shanghai, China, on the subject "Rebuttal of
Japanese Contentions that no Commercial Freight is
Transported by Japanese Vessels Plying the Yangtze
River above the Kiangyin Boom".

(b) Photographic copy of stowage plan of
Lighter No. 27

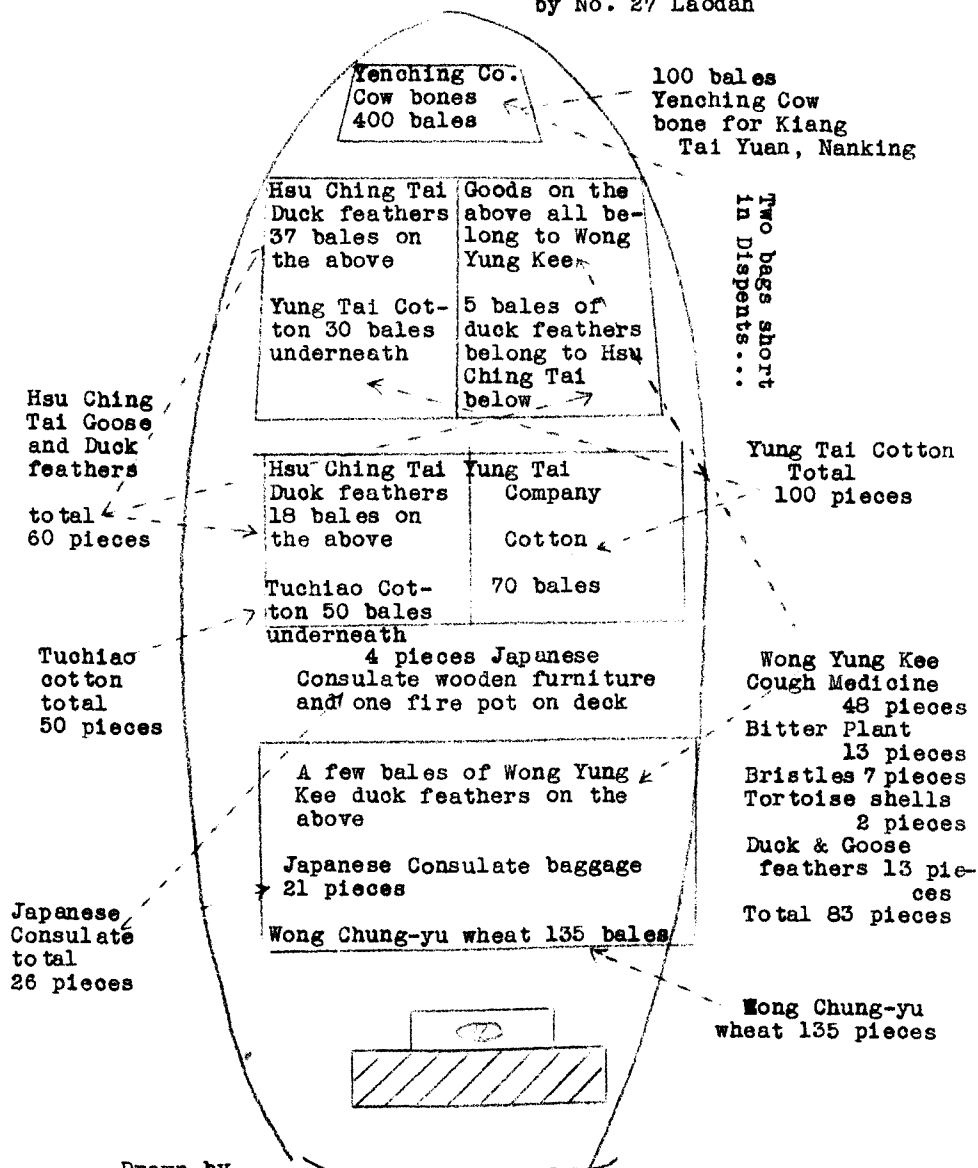
Translation attached.

(One photographic copy sent to Department,
one to Tokyo, one kept in files of
Consulate General)

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

No. 27 FENGSHAN (Chinese pronunciation) Maru
 15th voyage

All pieces are received
 by No. 27 Laodah



Drawn by
 Clerk Tu Teh
 Nisshin Kisen Kaisha
 Nanking

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

Enclosure no. 6 to despatch no. _____ dated
 October 14, 1938, from C. E. Gauss, American Consul
 General, Shanghai, China, on the subject "Rebuttal of
 Japanese Contentions that no Commercial Freight is
 Transported by Japanese Vessels Flying the Yangtze
 River above the Kiangyin Boom".

- (c) Photographic copy of freight receipt
 (endorsed on back of shipping receipt (a))

Transportation received

NISSHEN KINSHU KAISHA

(SEAL)

Note: Jardine, Matheson
 & Co. state that
 "Transportation" represents
 carrying charges paid.

Translation made by Chinese
 who has no special knowledge
 of Japanese arrangement

(One photographic copy sent to Department,
 one to Tokyo, one kept in files of Consulate General)

DECLASSIFIED: E.O. 11652, 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 890.00/119 FOR Memorandum
State Department
Far Eastern Division
FROM Penfield DATED Nov 10, 1938.
TO NAME 1-1127 ***

REGARDING: The situation in the Far East: developments of the past week.

FRG.

793.94/14358

14358

0349
DECLASSIFIED: E.O. 11652, 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

REB

COMSOPAT

FROM

November 15, 1938

Rec'd 6:27 p. m.

ACTION: CINCAF, OPNAV

793.94
INFO: RUSNOS
COMSUBRON FIVE
COMDESRON FIVE
ASTALUSNA SHANGHAI
COMYANGPAT
AMEMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS POPE
ALUSNA PEIPING
FOURTH MARINES

0015. No material change general situation. Canton
quiet several fires godown vicinity city. Fighting
Samshui section and to northward Canton. Additional forces
moving to west river area. 2320.

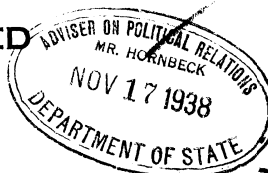
NPL

793.94/14359

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



GPO

FROM

JR

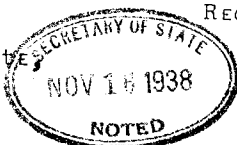
This telegram must be closely paraphrased before being communicated to anyone. (br)

Chungking via N. R.

Dated November 16, 1938

Rec'd 7:45 a.m.

Secretary of State



Washington.

545, November 16, 9 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

I am sending you in a separate telegram an aide memoire of conversation between Generalissimo and Sir Archibald Clark-Kerr on November 4.

Repeated to Shanghai for Tokyo.

JOHNSON

HPD

793.94/14360

FILED
NOV 31 1938

F/FG

135
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5248

TELEGRAM RECEIVED

JR

GRAY

GPO

FROM Tokyo via Shanghai & N. R.

Dated November 16, 1938

Rec'd 6 a.m.

Secretary of State,

Washington.

731, November 15, 7 p.m. 793.94/14197

Department's 364, October 26, 7 p.m., and our 687,
October 26, 8 p.m.

Following is our translation of the Vice Minister's
reply to my letter of October 27 with regard to the urgent
request of the Japanese authorities that vessels of
third countries withdraw from the immediate vicinity
of Hankow:

"Ministry of Foreign Affairs November 11, 1938

My Dear Ambassador:

I have carefully perused the contents of Your
Excellency's letter, dated October 27, setting forth
your views concerning the urgent request for the withdrawal
of naval and other vessels of Your Excellency's country
from the vicinity of Hankow at the time of the attack on
and capture of that place by the Japanese armed forces.
The urgent request of the Japanese authorities concerned
at Shanghai of which you refer was made in an effort

to

793.94/14361

F/HG

035

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

5247

-2- #731, November 15, 7 p.m., from Tokyo via Shanghai
& N. R.

to do everything possible to avert the occurrence of unforeseen damage to naval and other vessels of third countries during the attack on junks which were known definitely to the Japanese military authorities to have a large number of Chinese soldiers aboard and to be brazenly swarming in the proximity of naval and other vessels of third countries. This, just as prior announcements of the Imperial Government which have frequently been made, was an act based upon the sincere wish for the preservation of the rights and interests of third countries and should, I believe, be so understood by Your Excellency.

The Japanese Government, considering the view expressed in the last part of the Minister's official note, number 97 Asia I, October 14, 1938, must endorse the action of the Imperial Military authorities who, with the above mentioned intent, made that urgent request.

As Your Excellency is aware no unforeseen incidents involving vessels of Your Excellency's country occurred. Sincerely yours Renzo Sawada, Vice Minister for Foreign Affairs."

Repeated to Chungking, Peiping and Hankow.

GRE'

RR:DDM

135
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5248

TELEGRAM RECEIVED

JR

This telegram must be _____ Tokyo
closely paraphrased be-
fore being communicated **FROM** Dated November 16, 1938
to anyone. (C)

Rec'd 12:15 p.m.

Secretary of State,

Washington.

734, November 16, 10 p.m.

STRICTLY CONFIDENTIAL.

743.9J
note
(72-5)

One. Although Ambassador Johnson has very
likely reported on the recent conversations between
Chiang Kai Shek and the British Ambassador to China,
I nevertheless give the following brief summary as told
me by Craigie who asked that it be communicated
exclusively to the Department.

Two. The Generalissimo seemed full of confidence
with regard to the future proposed basis of the
hostilities against Japan. He stated emphatically
that the rapid fall of Canton had not (repeat not) been
"bought" but was due to inefficiency and to the fact
that expected British support had not been forthcoming.
He said, however, that the fall both of Hankow and
Canton had been foreseen and discounted and that China
could continue the hostilities for another year.

Three.

793.94/14362

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

5249

-2- #734, November 16, 10 p.m., from Tokyo.

Three. Such continuance, however, would depend upon a currency loan from Great Britain or the United States or both.

Four. If no such assistance is forthcoming China will be obliged to seek other friends namely, either (a) Soviet Russia or (b) Japan itself. He implied that if China eventually finds it necessary to throw in her lot with Japan it will mean the future exclusion of all other foreign interests from China.

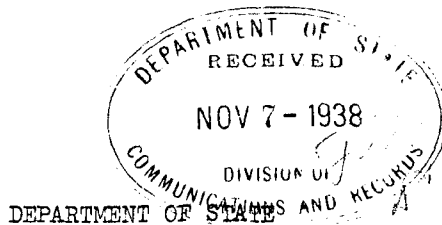
Five. Craigie attaches importance to point (b) above in the light of the appeal broadcast by the Japanese Prime Minister to the Chinese nation referred to in paragraph two of our 728, November 15, 3 p.m., paragraph numbered two. No repetition.

GREW

RR:CSB

7 3 5 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



FOR THE PRESS

NOVEMBER 4, 1938
No. 532

In response to requests by the press for comments on the statement issued by the Japanese Government in regard to the situation in the Far East, the Secretary of State said that he felt it very important to view the situation in accurate and comprehensive perspective. The attitude of the United States and the position of the American Government in relations both with China and with Japan, as with other countries, are, he said, governed and guided by the generally accepted principles of international law, by the provisions of treaties to which the United States and numerous countries - among them China and Japan - are parties, and by principles of fair dealing and fair play between and among nations. This country's position with regard to the situation in the Far East has, he said, repeatedly been declared, and this position remains unchanged.

793.94

793.94/14363

F/WB

14363

DECLASSIFIED: E.O. 11652, 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 in strict confidence to Major Bales of MID Major Bales of ONI

TELEGRAM RECEIVED

JR

SPECIAL GRAY

Chungking via N. R.

FROM

Dated November 16, 1938

Rec'd 10:45 a.m.

Secretary of State,

Washington.

546, November 16, 10 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

My 545, November 16, 9 a.m.

"The Japanese occupied Canton with two motives in mind. The first is the effect of such occupation upon China, and the second is the effect upon Great Britain. To strike at China is of secondary importance while to strike at Great Britain is of major importance. By occupying Canton, Japan only cuts the Canton-Hankow Railway and blockades the waterways, impeding transportation and stopping supplies of munitions. Canton, too, is an important base for nautical resistance, and Japan hopes by its occupation to break down the morale of the Chinese. However, the cost of landing and maintaining her forces there will not be compensated by the above results alone. But in striking a death blow at Britain's historical prestige and traditional morale, she immeasurably enhances her own position and value. The present blow to Great Britain

is

793.94/14364

NOV 23 1938

FILED

F/A

793.94
741.93

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

5251

-2- #546, November 16, 10 a.m., from Chungking via N. R.

is not as great in effect as it will be in the future. Japan hopes that as Britain's power and prestige suffer in South China, hers will rise proportionately in the eyes of the Chinese and all Asiatic peoples.

Thus she hopes to occupy completely the historical place formerly enjoyed by Great Britain during the last hundred years as the dominant factor in Far Eastern affairs.

By the successful occupation of Canton, Japan hopes that the old reliance of China upon Great Britain will now be abandoned in favor of Japan. Japan thinks that if she can break down British influence in South China she can break it down elsewhere. And the British Government and people may well ponder what the answer will be.

What I want to know is, "what will be Great Britain's Far Eastern policy in view of this latest move on Japan's part?"

Will Great Britain view the occupation of Canton in the same light as they view the occupation of Manchuria, North China and Shanghai?

Moreover what will Great Britain do in view of these latest developments?

1358

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

5252

-3- #546, November 16, 10 a.m., from Chungking via N. R.

I would like to have a definite answer to this question.

In view of the fact that Great Britain's interests and prestige are threatened, will she quietly accept this fait accompli or will she demonstrate in no unmistakable terms her real intentions unequivocally, to safeguard her economic and political interests in the Far East, and above all to follow her historical policy of upholding high principles to which she has committed herself, or will she abandon these principles. (END SECTION ONE).

JOHNSON

CSB

1359
DECLASSIFIED: E.O. 11652, 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

5253

MY

SPECIAL GRAY

FROM

Chungking via N.R.

Dated November 16, 1938

Rec'd 2:35 p.m.

Secretary of State

Washington

546, November 16, 10 a.m. (section two)

and sacrifice her standing?

China has been laboring lonesomely for the past 16 months. We have looked to Great Britain and hoped for help, but up to the present we have received nothing tangible. We appreciate (?) sending munitions through Hong Kong and upon a mutual advantageous basis, but that avenue has now been closed.

As long as South China was not attacked we made allowances for Britain's hesitancy to extend practical aid to this Government, now that Japan has cut off British trade there is no reason why Britain should hesitate to extend help to us.

As time goes on our people and the Chinese army will become more and more disappointed in view of the absolute lack of concrete and tangible evidence of British support. And the advantage is something which the Chinese Government will be constrained to take into account.

I would (?) like to know whether Great Britain will

adhere

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

5254

MY -2- No. 546, November 16, 10 a.m. from Chungking

adhere to her obligation as a member of League of Nations,
 live up to her (?) and traditional standards and extend
 economic or some other practical help to China?

I would like to have this answered in a definite
 "yes" or "no".

For the past sixteen months (?) hearing a lot of
 eloquence about loans and in addition have been put off
 from time to time with excuses that loans were impossible
 because of Parliamentary complexities. But the whole world
 witnessed the granting almost over night to Czechoslovakia
 of a loan similar in nature to that asked for by China.

Now the moment has come when we must have definite
 knowledge of Great Britain's intentions.

If Great Britain (?) help (?) alike upon us and her
 principles, then I shall never bring up this question
 again. Nor shall I ever mention anything concerning Great
 Britain's Far Eastern policy. Nor shall I consult Great
 Britain as to China's future policy or attitude, or anything
 concerning the Far East.

I can hardly believe, however, that an Empire which
 produced such statesmen as Dodson and Gladstone could fail
 to see the significance of the repercussions of the
 occupation of Canton, and the inactivity of Great Britain
 upon her future in the whole of Asia.

This

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

5255

MY -3- No. 546, November 16, 10 a.m. from Chungking.

This must be the life of the death turning point in British Far Eastern policy. Whether Britain extends aid to us or not, the British should realize that China today is unified as never before, and that we are determined to carry on prolonged resistance. Japan is unquestionably striving to have peace, on terms, however, not beneficial to Great Britain, and thus excluding her from Asiatic affairs, Japan would be willing to concede the gains she has acquired since hostilities began. If that question comes up, what is China's answer going to be?

If Japan wins the war, the old and outstanding interests of Great Britain in China will be finished.

We must know what Great Britain's answer is to be, because upon it depends the future policy of the Chinese Government. There are several roads open to us.

One thing that must be kept in view is that Japan, having occupied Canton, will probably occupy Hainan Island. What such a move will portend to Hong Kong can be left to the imagination.

In view of the importance of the questions raised in this conversation, will you kindly communicate immediately with the British Government and let me have a reply?"

Repeated to Shanghai. Shanghai repeat to Tokyo.
 END MESSAGE.

JOHNSON

WWC

036

DECLASSIFIED: E.O. 11652, 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 in strict
 Confidence to Major
 Bates of MID and to
 Major Bates of ONI*

TELEGRAM RECEIVED

5256

EDA

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone (Br)

CHUNGKING VIA N.R.
 Dated November 16, 1938
 Received 8:40 a.m.

Secretary of State

Washington

547, November 16, 11 a.m.

Reference my 546, November 16, 10 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY.

McHugh arrived here on November 15 in company with
 the British Ambassador by car from Changsha where he was
 present during Clark-Kerr's conversation with Chiang Kai
 Shek on November 4 and 5. Clark-Kerr went to Changsha
 to see Chiang in response to a request made by the latter
 during their last meeting at Hankow late in July. He
 did go, as was generally suggested in the press, to pre-
 sent Japanese peace proposals or to proffer Great
 Britain's good offices for a settlement of the present
 conflict.

McHugh had two very lengthy and frank conversations
 with Clark-Kerr at Changsha on November 6 and 8 as well
 as daily contact with Donald during the entire period
 plus a family lunch with Chiang, Madame Chiang, and
 Donald on November 8. He is submitting a detailed written
 report covering these conversations which includes a
 verbatim

*✓ 700 file
 H m WAA*

793.94/14365

NOV 23 1938
 FILED

F/A

*793.94
 793.94
 793.94*

DT

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

5257

EDA - 2 - #547, November 16, 11 a.m. from Chungking

verbatim copy of the aide-memoire of the first conversation between Chiang Kai Shek and Clark-Kerr on November 4. This document which is quoted verbatim in my 546, November 16, 10 a.m. was made available to McHugh by Donald after the former had obtained permission from the British Ambassador to see it.

(END SECTION ONE).

JOHNSON

CSB

5258

TELEGRAM RECEIVED

REB

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

FROM

CHUNGKING VIA N.R.

Dated November 16, 1938

Rec'd 1:52 p. m.

Secretary of State,
Washington.

547, November 16, 11 a. m. (SECTION TWO)

Clark-Kerr had expressed to McHugh a desire for a general talk the night he arrived. This took place at noon the day after the above meeting with Chiang but the arrival of other guests soon after the talk opened forestalled McHugh's intention to sound out Clark-Kerr on the details of his interview. McHugh learned from Donald on the following morning of the existence of the aide-memoire and the general tone of its contents, but Donald stated he could not reveal it without Clark-Kerr's permission. McHugh then sought another interview with Clark-Kerr that afternoon when the latter spoke to appropriate authorities of the details of his conversation and gave permission for him to see the aide-memoire.

McHugh gained the impression during this conversation as well as from the document itself plus his talks with Donald that ~~the~~ Chiang Kai Shek had presented an ultimatum

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

5259

REB

2-#547, From Chungking, Nov.16, 11a.m.
 (Sec. Two)

to London and he still believes that both Donald and
 Madame Chiang hold this viewpoint. During his second
 conversation with British Ambassador, however, ^(arr?) ~~a~~ (2) which
 followed McHugh's lunch with Chiang, Clark-Kerr stated
 emphatically that Chiang had not made his statements in
 the form of a threat. Instead Chiang had asserted his
 desire to date signifies friendly relations with the
 democratic ^{Powers} (A); that ^{he had} (A) confidently expected that they,
 particularly Great Britain, were bound to come to the
 assistance of China; but that the time had now arrived
 when he had to have a specific statement of Britain's
 intentions as well as tangible evidence to present to the
 people of China at the forthcoming ^{plenary session} (A) of the Kuomintang
 which is scheduled to take place in Chungking early in
 December. He suggested as an initial move on Britain's
 part a loan to support Chinese currency. The British
 Ambassador informed McHugh that he had sent a subsequent
 telegram himself to London after despatching the aide
 memoire to make clear that Chiang's statements had not
 conveyed any tone of belligerency or threat.

(END OF SECTION TWO)

JOHNSON

NPL

WB
4/13/39

WB
4/13/39

WB
4/13/39

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

1280

TELEGRAM RECEIVED

EDA

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone (BR)

FROM

CHUNGKING VIA N.R.

Dated November 16, 1938

Received 7:45 a.m.

Secretary of State

Washington

547, November 16, 11 a.m. (SECTION THREE).

In his conversation on the 8th with Chiang Kai Shek, McHugh inquired specifically if he were to be permitted to infer that the statements made to the British Ambassador applied with equal force to the United States. Chiang after a moment's hesitation replied that he thought that question should await an opportunity for him to confer directly with the American Ambassador.

In talking with Madam Chiang and Donald later after luncheon McHugh again inquired if the statement did not apply with equal force to the United States. Chiang replied "at least, they should take them as the handwriting on the wall". Mc Hugh then referred to the Generalissimo's statement that he had reason to believe that Japan would afford China very easy peace terms in return for an about ~~face~~ ^{face} toward the British. McHugh inquired how this could be sold to the people of China who have been so generally aroused against Japan and

asked

wb.
 11/28/38

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

5261

EDA - 2 - #547, November 16, 11 a.m. from Chungking
(Section three)

asked if it could be brought about by inflammatory
speeches on the part of Chinese officials against the
British.. He interpolated the suggestion that this
appeared possible in view of the remarkable change in
the attitude of the people towards foreigners today
as with the latter part of the last decade.

(END SECTION THREE).

JOHNSON

EDA:RR

8262

TELEGRAM RECEIVED

HRE

This message should be
closely paraphrased be-
fore being communicated
to anyone (br)

FROM

CHUNGKING VIA N. R.

Dated November 16, 1938

Rec'd 1:52 p.m.

Secretary of State

Washington

547, November 16, 11 a.m. (SECTION FOUR)

Madame Chiang evaded the suggestion that public opinion in China could be aroused and directed from the top. She stated that she and the Generalissimo had worked very hard to bring about a favorable feeling toward foreigners. She added, however, that she believed the people would accept peace with Japan if the Generalissimo told them it was the best thing for China.

Donald informed McHugh later that the Generalissimo will attend the Kuomintang Congress at Chungking in December and that foreign policy for the coming year will be decided.

Chiang expressed his present firm determination both to Clark-Kerr and McHugh to carry on with resistance.. He claims to have divisions available which he intends to dispose as follows: 60 east of the Peiping-Hankow-Canton Railway; 60 west thereof; and 60 in reserve under reorganization. He asserted that he expected to carry on active guerrilla warfare in the areas east of the railways; that although frontal resistance will be offered to the Japanese

as

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

6263

HRE 2-#547 From Chungking, Nov 16, 11 a.m. (Sec 4)

as they advance, it is not his intention to attempt to hold any place in force in the future, surrendering to them any large point they choose to attack. He thereby hopes to gain the offensive by placing the Japanese under constant threat of attack on all fronts, and claims he will choose his own ground for battle.

(END SECTION FOUR)

JOHNSON

NPL

5264

TELEGRAM RECEIVED

HRE

This message should be
closely paraphrased be-
fore being communicated
to anyone (br)

FROM CHUNGKING VIA N. R.

Dated November 16, 1938

Rec'd 2:47 p.m.

Secretary of State

Washington

547, November 16, 11 a.m. (SECTION FIVE)

He again asserted that he has supplies sufficient to continue the war for another year at the present rate consumption. He admitted that many of his best divisions were seriously depleted and that he did not expect to assume the offensive for some weeks yet. He is apparently prepared to surrender both Changsha and Hengyang to the Japanese if they choose to advance on those points in sufficient force. He obviously is imbued with the experience he had in chasing the Communists and intends to employ on a grand scale against the Japanese the tactics he learned from those campaigns. He appeared to have recovered from signs of the strain he exhibited during the latter days in Hankow and to be physically fit and confident. He exhibited no concern over the situation in the south; claimed that a counter-attack was already under way; and stated that Samshui had been reoccupied on the previous evening (November 7).

In response to a question about the situation in

Szechwan

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

5265

HRE

2-#547 From Chungking Nov 16, 11 a.m. (Sec 5)

wb
4/8/39

Szechwan, Madame Chiang scoffed at the idea that any ^{threat} (A) to national unity existed there, pointing to the fact that the Generalissimo went there practically alone four years ago in the face of similar rumors and moved around at will. She added that he had even taken action against the opium traffic which was Liu Hsiang's chief source of revenue and asserted confidently that he could return again at will. Both she and Donald derided suggestions of a possible break up behind the front insisting that Chiang controls the army through the younger officers which he educated and asserting that no leader, either civil or military, could possibly command sufficient force to question his authority.

END OF MESSAGE.

Repeated to Shanghai. Shanghai please repeat to Tokyo.

JOHNSON

NPL

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

TELEGRAM RECEIVED

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

1-1336

FROM

GRAND DEPARTMENT OF STATE

HANKOW VIA N.B.

Dated November 16, 1938

Received 7 a.m. 17th

EDA

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

Secretary of State

Washington

67, November 16, 3 p.m.

My 63, November 15, 2 p.m.

The British Admiral's office here states that a radio message has been received today from HMS SANDPIPER at Changsha reporting that all foreigners at Changsha are safe and not apprehensive. A few foreigners are remaining on the yard in China compound. Chinese troops are retiring in an orderly manner. The Chairman of Hunan is reported still in Changsha.

Repeated to Chungking, Peiping, Shanghai.

JOSSELYN

RGC:DDM

793.94/14366

F/A

037

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

5265

TELEGRAM RECEIVED

JR

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

FROM Hungking via N. R.

Dated November 17, 1938

Rec'd 7:18 p.m.

Secretary of State,
Washington.

550, November 17, 10 a.m.

During a short conversation November 16, 11 a.m.,

with General Chang Chun, formerly Minister for Foreign Affairs and now Chiang Kai Shek's representative in Chungking, Peck inquired concerning the present state of the conflict with Japan and the following is a summary of his appraisal:

As a thorough student of Japanese institutions informant did not think Japan financially capable of continuing present military expenditures indefinitely nor on the other hand is Japan financially exhausted. He thought the gold reserves of Japan probably amounted to not more than three hundred million yen whereas military expenditures in the last two years had been between ten and twenty billion but Japan has not exhausted such extreme measures of finance as nationalization of wealth and forced conversion of all Japanese foreign investments and further use of note reserves. He thought that restrictions on foreign trade had lowered the national income to a dangerous

of paraphrase
COPIES SENT TO
O.N.I. AND
instruct confidence

File ch
Division of
FAR EASTERN AFFAIRS
NOV 18 1938
Department of State

793.94/14367

F/A

793.94

0374

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

267

793.92/14367

CORRECTED SECOND PAGE

-2- #550, November 17, 10 a.m. (SECTION ONE) from
Chungking via N. R.

dangerous level. Japan's vulnerable point therefore is reached through foreign economic pressure. China's three fold need is for men, money and munitions. The supply of men is inexhaustible and given financial support and munitions China can fight indefinitely and is sure of ultimate victory. China has sufficient rifles and ammunition, hand grenades and such materials to last over an extended period but desperately needs other equipment in which it is lacking. Japan's aim in the present war is as much to eradicate foreign interests and influence in the Far East as to subjugate China. This fact as well as the repeated official expressions of sympathy and approval on the part of foreign powers leads China to regard foreign assistance in the struggle as logical and deserved. He thought an international conference say under the Nine-Power Treaty would afford an effective method of approach to the matter and recalled that the Chinese Government had suggested this. (END OF SECTION ONE).

Repeated to Peiping, Shanghai, latter repeat to Tokyo.

JOHNSON

HPD:DDM

5268

TELEGRAM RECEIVED

JR

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

Chungking via N. R.

FROM

Rec'd 10:50 a.m.

November 17, 1938

Secretary of State,

Washington.

550.

(SECTION TWO).

China is not afraid to do the fighting but without money and munitions its advantage in man power is nullified. If foreign assistance were to be forthcoming informant thought it would be necessary for the United States and Great Britain to take the initiative singly or jointly. He deplored apparent inability of these two countries to work together in this crisis. France obviously feels great fear of Japan and is now refusing even to permit the disembarkation of non-military motor vehicles in Kwangchow while transportation of munitions over the Yunnan Railway is severely restricted. Informant expressed no resentment against Germany or Italy but irritation at the failure of Great Britain to grant China a loan. He thought the plea of the British Government that Parliamentary approval of a loan would have to be obtained did not carry weight because Great Britain had granted to Czechoslovakia without any hesitation a loan similar to the one asked for by China and moreover the

Government

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

5259

-2- #550, from Chungking via N. R. (SECTION TWO).

Government has a clear majority in Parliament. He expressed appreciation of the moral support given to China by the present administration in the United States and the hope that since the recent elections had left the administration with a strong majority in Congress this moral support might soon be accompanied by material support in the forms indicated. Informant said Japan's military man power is known exactly to the Chinese Government and is not (repeat not) inexhaustible but he emphasized that even with superior human resources China stood in great need of foreign aid in finances and munitions if victory against the attack on China ^{and on} (A) European and American interests in China were to be assured. He asked that Peck report his observations and said he was to receive the British Ambassador the same morning and would make similar statements to him. End of message.

Repeated to Peiping, Shanghai. Latter repeat to Tokyo.

JOHNSON

RR:WWC

WB
4/5/39

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

STRICTLY CONFIDENTIAL

PARAPHRASE

A telegram (No. 550) dated November 17, 1938, from the American Ambassador at Chungking, reads substantially as follows:

The following paragraphs constitute a resume of an estimate of the existing situation in respect to the Sino-Japanese conflict which was furnished orally to the Counselor of the Embassy (Peck) by General Chang Chun (who was Foreign Minister formerly and now represents the Generalissimo at Chungking) in response to an inquiry made by Peck in the course of a brief talk at eleven o'clock on the morning of November 16. General Chang requested that his observations be reported by Peck and said that he would make similar statements to the British Ambassador whom he expected to meet also that morning.

While General Chang, in the light of what he had learned from close study of Japanese institutions, did not believe that Japan has reached the point of financial exhaustion, he was of the opinion that she would not be able indefinitely to continue the military expenditures which she is now making. While recognizing that there remain drastic financial measures yet to be exhausted by Japan, such as increased employment of note reserves, the nationalizing of wealth and the compulsory conversion of everything in the way of Japanese foreign investments, he estimated that during the past two years Japan's expenditures

for

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

- 2 -

for military purposes have been between ten billion and twenty billion yen and that her present gold reserves do not exceed Yen 300,000,000. Believing that Japan's national income has been dangerously decreased by limitations on foreign trade, he feels that it is through economic pressure from foreign quarters that the nation's vulnerable side may be reached.

Financial assistance, war supplies and men constitute China's three needs. Although she possesses such equipment as hand grenades, rifles and ammunition in quantities adequate to last for a long time, her need for other supplies which she lacks is extremely serious. As China possesses inexhaustible reserves of man power, she can continue the conflict indefinitely with assurance of achieving eventual victory provided that she can obtain money and war supplies. China is persuaded that she is logically and deservedly entitled to receive assistance in the conflict from foreign nations in view of their repeatedly manifested approval and sympathy and the fact that the expulsion of foreign influence and interests throughout the Far East is no less Japan's object in the present struggle than is the domination of China. The informant felt that this question could be effectively taken up through an international conference, which might be convened under the Nine Power Pact, and he reminded Peck of the fact that a suggestion to this effect had

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

SECRETLY CONFIDENTIAL

- 3 -

had been advanced by China. There is, according to the informant, no question of China not having the courage to carry on with the fighting; but China's superiority in man power would be worth nothing without war supplies and money.

Finding deplorable the seeming impossibility of cooperation between Britain and America in the crisis, he felt that foreign aid would necessarily depend upon the initiative being taken, either jointly or singly, by these two nations. Japan is clearly so much feared by France that the French authorities have not only imposed restrictions drastically limiting use of the Yunnan railroad for the movement of war supplies, but have even prohibited the importation into Kwangchowan of non-military automotive vehicles. The informant was grateful for the moral support which President Roosevelt's administration has accorded to China. He expressed the hope that material assistance on the proposed lines might shortly supplement such moral support and he found basis for this expectation in the fact that the administration had survived the fall elections in continued possession of a substantial Congressional majority. No feeling of resentment toward Italy or Germany was manifested by him. He expressed irritation, however, over Britain's failure to give a loan to China; and the British Government's excuse that a loan could not be made without the sanction of Parliament was dismissed by him on the ground that the Government possesses the support of the majority of the members

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

- 4 -

members of Parliament and that it had had no hesitation in giving Czechoslovakia a loan of the same type as that which China seeks.

The Chinese Government, he said, is accurately informed of the number of men available to Japan for military service; and the supply is not unlimited. He stated emphatically, however, that, despite China's advantage in man power, foreign assistance to China in money and munitions would be vitally needed to ensure the defeat of Japan's attack upon her and upon occidental interests.

FE:ASC:REK
11/22/38

82/C,
FE
REK

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

TELEGRAM RECEIVED

MJD

1-1336

FROM GRAY

Peiping via N. R.

Dated November 18, 1938.

Rec'd. 1:40 p. m.

COPIES SENT TO
 GENL. AND MJD.

Secretary of State,
 Washington.

685, November 18, 4 p. m.

Embassy's 656, November 3, noon and 640, October 27,

1 p. m.

One. The Japanese are reportedly understood to be falling back and increasing efforts to cross the Yellow River from South Shansi and to drive on Sian, Shensi in order to cut one of the last remaining channels of supply for the National Government. Japanese batteries at Feng-lingtu, extreme south Shensi have again been heavily shelling (a) Tungkuan, Honan on the south bank of the river to pave the way for further attempts to effect a crossing there and (b) nearby sections of the Lunghai Railway which are still in operation for transport of Chinese troops.

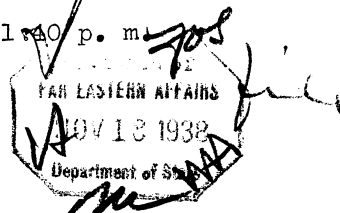
Two. The Japanese air force has also been active in the area and has bombed within the last few days Sian, Shensi, Lanchow, Kansu (supply route) and places to the north including Nevohsia City and a place in west Suiyuan.

Three. The local Japanese spokesman now admits that

the

793.94/14368

F/A



RECORDED

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

MJD -2- No. 685, November 18, 4 p. m. from Peiping

the "mopping up" campaign in East Central Shansi in the area of Wutai which was an 8th route army headquarters has not (repeat not) been completed and that fighting with Chinese communists is continuing there. (Chinese sources claim that the Japanese have suffered several thousand casualties in the Wutai engagements which they state have numbered more than 100. The Japanese spokesman also admits that fighting continues in Northeast Shansi.

Four. Repeated to Consul General, to Chungking, by mail to Shanghai and Tokyo.

LOCKHART

CSB

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 28, 1938.

JWB:

PA/H:
 Mr. Hornbeck.



Reference Brussels' despatch No. 100 of November 8, 1938, entitled "Discussion of the Japanese-Chinese Situation with the Japanese Ambassador to Belgium".

I think you will wish to read in full the third and fourth paragraphs of the enclosure to Mr. Davies' despatch.

It seems doubtful whether Kurusu's approach to Ambassador Davies was a bid for interposition by our Government in a peace movement; it may have been rather for the purpose of convincing our Government that it was to our practical interest to "play ball" in future with Japan and to abandon our attitude of opposition toward the proposed Japanese new order in East Asia.

zas
 FE:Schuler:REK

0384

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

For Distribution		Yes	No
For	To		
	In U.S.A.		
		<i>Embassy Tokyo</i>	

Handwritten initials and marks

Brussels, November 8, 1938.

No. 100

Subject: Discussion of the Japanese-Chinese Situation
 with the Japanese Ambassador to Belgium.

793.94

Copy Transmitted by the
 Commercial Office (A-M/C)

Tokyo
12/2/33
CN

ADVISER OF POLITICAL RELATIONS
 MR. HORNBECK
 NOV 29 1938
 DEPARTMENT OF STATE

NOV 19 1938
 DEPARTMENT OF STATE

DIVISION OF
 FAR EASTERN AFFAIRS
 NOV 19 1938
 DEPARTMENT OF STATE

793.94/14369

RECEIVED
 DEPARTMENT OF STATE
 ASSISTANT SECRETARY
 OF STATE
 DEC 2 - 1938
 A-M/C

Strictly Confidential

The Honorable
 The Secretary of State,
 Washington.

UNDER SECRETARY OF STATE
 NOV 30 1938
 MR. WELLES

NOV 6 1938

FILED

Sir:

With reference to the above entitled matter, I have
 the honor to report as follows:

The Japanese Ambassador, Mr. Kurusu, in the course
 of an official call this morning, entered into an extended
 discussion of the Chinese situation, the attitude of Japan
 to a settlement with China, and particularly the relation
 of Britain and the United States with reference thereto.
 There were circumstances that led me to suspect that there
 was more than ordinary significance to what he had to say.

His

F/A

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

- 2 -

1/ His protracted stay and the method with which he developed the subject suggested to my mind strongly that it had all been very carefully and ably thought out in advance. Whatever may have been the purpose, I submit herewith a memorandum of the conversation, set out at some length for the consideration of the department in connection with the wide perspective it has on the situation.

It bore the earmarks of being a bid for interposition by the President and the Secretary of State, possibly to project a peace movement in the Far East. It also had some indication of being prompted by a desire to feel out what might possibly be the attitude of the Secretary of State, for their guidance.

I made it very clear to the Ambassador that the matter of the Japanese-Chinese situation was without the purview of my official assignment, and that I was in no position to even interpret the attitude of my superior officers in this situation, and that, in fact, I knew no more about it than anyone else, who had followed the published expressions of the President and of the Secretary of State.

It occurred to me, however, that it could do no harm to give to the Japanese Ambassador here, just as on a previous occasion I had given to the Japanese Ambassador in Russia frankly to understand the intense feeling which animates the American public against the immorality of using armed force as an instrumentality of national policy, and the moral horror with which American people regard the breaking of contractual promises of nations, committed to the written form of formal treaties, and which were only engaged upon

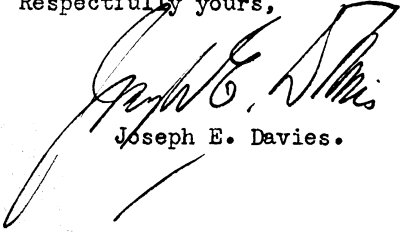
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 Department of State letter, August 10, 1972
 By Milton O. Gustafson NARS, Date 12-18-75

- 3 -

upon by the parties for the express purpose of honorably
 binding the parties to following a course of conduct in
 the future which it might otherwise be tempted not to pursue.

In so doing, I was very careful to make it clear that
 I was only giving a personal and unofficial opinion on what
 public opinion in the United States was with reference to
 the very plausible case which he was making in favor of
 Japan.

Respectfully yours,


 Joseph E. Davies.



qn. ✓

Enclosure:

1. Memorandum of Conversation with
 the Japanese Ambassador.

JED/VG

File 710

DECLASSIFIED: E.O. 11652, 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. 100
 of November 8, 1938,
 from Embassy, Brussels.

STRICTLY CONFIDENTIAL

MEMORANDUM OF CONVERSATION WITH
 THE JAPANESE AMBASSADOR, MR. KURUSU,
November 8, 1938.

The following is a brief digest of an extended conversation had between myself and the Japanese Ambassador, Mr. Kurusu, who made an extended call upon me this morning.

In a very plausible, suave, and conversational manner, the Ambassador developed an extended "ex-parte" exposition of the Japanese-Chinese situation from the Japanese point of view, and the relationship of Japan particularly to England and the United States in connection therewith.

It bore the earmarks of having been very carefully thought out. It left me with the impression that there was a more direct purpose behind it than merely a conventional visit on public affairs. He stated that he spoke with complete frankness to me because of the suggestion of Ambassador Shigemitsu, now in London, formerly of Moscow, and because the latter had spoken very highly of my judgment and of the weight which my opinion might have with the Secretary of State and the President.

He stated that the Japanese Government had penetrated further into China than originally contemplated; that it was necessary to do so, in order to make a thorough job of it now, and that, frankly, Japan was now in a position where it desired to compose a peace; that moreover his Government was frankly disposed to recognize the enormous investments and long continued historical foundation of British property rights in China, but that it was vitally necessary to Japan that any peace which would now be projected should not "once
 again"

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

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again" give aid and comfort to the Chinese Government which would stimulate them again to continue in their "attacks" upon Japan; that therefore permanent peace in the Orient required that an independent government (other than Chiang Kai-shek) should be set up; that Japan's necessities required that an autonomous buffer state should be set up along the coast of China, adjacent to Japan; that British business interests, either new or old, were, as a matter of realism, concerned vitally with the attitude of Japan vis-a-vis China, as a matter of prudent business necessity, and that this required that the British Government should recognize Japan's position under these conditions; that the Nine Power Pact heretofore had been utilized by the Chinese as an instrument against Japan and had encouraged them to a hostile attitude toward Japan; that the Japanese had lived up to the pact in principle; that the Chinese had not lived up to it in principle, by continuously fighting Japanese interests in China. American interests in China, he urged, were largely educational; that the practical financial interest of the United States in China was relatively small; that any possible profits accruing on American business interests were not equal to the annual contributions to religious and educational institutions, which flowed from the United States into China; that by implication, the United States therefore, as well as Great Britain, should accept a realistic recognition that the Nine Power Pact and open door policy was out of date and that peace, as well as the practical interests of Great Britain, required a recognition of Japanese power in China and that a peace should be established on that basis; that it is to the interest of the entire

civilized

1385

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

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civilized world that this should be done; that the only exception was Soviet Russia, whose interest was to have both China and Japan wear themselves out in order that it might the better project communism; that finally it was his conviction that if American and British statesmen, who were cool-headed and rational, were to apply themselves to a solution of the problem now, it could be composed and not in a Munich atmosphere, where the problem had to be composed under the imminent threat of force, but before any such "crisis" arose.

He then asked me my views with reference to the situation. My reply was that I had no official views on the Far Eastern problem; that it was not my "pigeon" and it was out of my bailiwick entirely and that officially I had no idea what the attitude of the Secretary of State or the President would be or was on the specific situation, except as was expressed in the published utterances of my superiors.

For such value as it might have, however, I stated that I could give him my personal view as to what the attitude of the American public opinion was, which was as follows: that by and large, American public opinion did not accept the benevolent professions of Japan and the contention that Japan was waging a "defensive" war against China; that on the contrary, the prevalent opinion was that Japan felt she was obliged to acquire an outlet for her people; that the only way she could do it was through the application of force and the breaking of treaties, if that were necessary; that Japan had established a puppet state in Manchoukuo, which was ostensibly Chinese, but really Japanese; that Japan had deliberately

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

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erately pursued a policy of provoking trouble in China for the purpose of justifying aggressive action and taking over Chinese territory; that the American public were firmly opposed to the use of military force as an instrument of national policy to rectify wrongs or to effect conditions of peace; that generally the American public looked upon a treaty as an instrument, the only purpose of which was to honorably bind the parties to a course of conduct which it might be to their interest sometimes in the future to avoid; that the purpose of such treaties was to secure honorable commitment that would bind the parties in the face of such future temptation. The American public felt that the only security for men or for nations was a scrupulous adherence to the pledged word and to honorable commitments made, and to peaceable adjustments of international difficulties through processes of discussion and negotiation.

In conclusion, I stated to the Ambassador that this was only my opinion as to what American public opinion was and that doubtless it was not new to him, as it was characteristic of democratic peoples generally to look upon matters in this way. The Ambassador rejoined in a further defense of his position and the visit ended.

It was all pleasant and cordial. At the end of the visit, I again impressed upon him, as I did at the beginning, that I was not and could not speak in any official way as to what the attitude of my Government was upon matters which he had discussed, but I think he obtained a very definite idea of what the democratic outlook was.

Brussels, November 8, 1938.

JED/VG



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

FREDERICK M. KERBY,
DIRECTOR.

ALICE H. HAFLEY,
ASSISTANT DIRECTOR.

WASHINGTON SERVICE BUREAU

1013 THIRTEENTH STREET NORTHWEST
WASHINGTON, D. C.

RECEIVED
DEPARTMENT OF STATE

November 17, 1938.

1938 NOV 18 PM 3 30

December 8 1938
✓ *and 24/25*

ADVISED BY POLITICAL RELATIONS
MR. HORNBECK
NOV 29 1938
DEPARTMENT OF STATE

Department of State
Washington, D. C.
CORDS

Gentlemen:

The attached letter is respectfully referred to your
office with the request that you send all available information
direct to the writer of the enclosed letter.

Thank you.

Very truly yours,

THE WASHINGTON SERVICE BUREAU,
NEW YORK WORLD-TELEGRAM,

Frederick M. Kerby

Director.

FMK LMD

793.94/14370

793.94

139

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

BLISS FABYAN & CO. INC.

32 Thomas Street

New York Nov. 15, 1938.

NEW YORK
BOSTON
CHICAGO
ST. LOUIS
SAN FRANCISCO
PHILADELPHIA
BALTIMORE
NEW ORLEANS
LOS ANGELES
ATLANTA
WINSTON-SALEM

World-Telegram,
125 Barclay St.,
New York, N.Y.

Gentlemen:-

I am under the impression that the "grab of land" started in 1931, when our Secretary of State asked England if it would observe the nine power treaty. According to my recollection Sir John Simon refused to stand by the American Secretary of State.

However, I am informed that Sir John Simon did not refuse to stand by but asked us if we were willing to enforce the nine power treaty by co-operation of arms. Is this correct?

Very truly yours,



W.D.K. Bossard.

CF

0393

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

PA/H

December 2 1938.

In reply refer to
FE 793.94/14370

My dear Mr. Bossard:

The receipt is acknowledged by reference from the Washington Service Bureau of your letter of November 15, 1938, addressed to the New York World-Telegram. You ask whether, with regard to the situation in Manchuria in 1931-32, your information is correct to the effect that Sir John Simon did not refuse "to stand by" the American Secretary of State in 1931 but asked the United States if it were willing to enforce the Nine Power Treaty by cooperation of arms.

Although the Nine Power Treaty in its relation to the situation in Manchuria was the subject of correspondence and conversations between the Governments of Great Britain and the United States in 1931 and 1932, an examination of those of the Department's files which might be expected to have a direct bearing on this subject fails to reveal any approach to this Government along the lines indicated in your inquiry.

This

Mr. W. D. K. Bossard,

Bliss Fabyan and Company, Incorporated,

32 Thomas Street,

New York, New York.

793.94/14370

F/FG

0394

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

- 2 -

This Government made manifest its position with regard to the Nine Power Treaty in its relation to the Manchurian situation in a letter of February 23, 1932, from the Secretary of State to Senator William E. Borah. A copy of State Department publication No. 296 which contains the text of this letter is enclosed. It is suggested that in connection with your question you may care also to refer to The Far Eastern Crisis by Henry L. Stimson (Harper and Brothers, 1936). It should be understood, of course, that no agency of the Government can assume responsibility for any statements contained in unofficial publications.

Sincerely yours,

For the Acting Secretary of State:

M. M. H.
 Maxwell M. Hamilton
 Chief

Division of Far Eastern Affairs

Enclosure:
 State Department
 Publication No. 296.



24m
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 FE:JRP:REK
 11/28/38

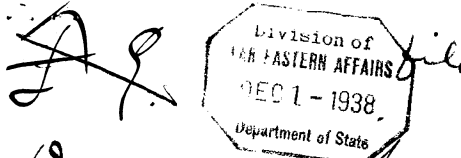
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Adm

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

DEPARTMENT OF STATE

THE LEGAL ADVISER



Do you wish
 to send the
 telegram to
 pub? *Flm*

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 28, 1938.

Shanghai's November 18 4 p.m. to
Canton, Canton's November 25, 4 pm
to Shanghai and Shanghai's Nov-
ember 28, 3 p.m.

Shanghai's action in requesting
further details and asking that
Japanese armed forces not inter-
fere with the property in ques-
tion while any possibility remains
that it may be American appears to
be appropriate and action by the
Department would seem to be un-
called for.


Ellenfield

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

TELEGRAM RECEIVED

lw

GRAY

1-1338

FROM Shanghai

Undated

(Nov. 18, 4 PM) X see Contin
Nov. 25-4 PM

Rec'd November 18, 1938

6:55 p.m.

Secretary of State
Washington

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

RECEIVED
FAR EASTERN AFFAIRS
NOV 19 1938
Department of State

793.94
The Japanese Consulate General has written stating that the Japanese naval authorities have inquired concerning a report from their naval planes that during an aerial attack on the Kaoyao (7559-6808) air field in Kwangtung Province on October 28th at about 9:30 a.m., an American flag about ten meters long was observed painted on the eastern half of the roof of a hangar in the southern corner of the air field and that they therefore refrained from attacking.

They say this is the first time this marking has been observed though the air field had been frequently reconnoitred and attacked.

They inquire whether this hangar has legitimately become American property or whether the flag has been misused by the Chinese for the protection of their own property.

793.94/14371

F/WB

RECEIVED
NOV 19 1938
I-1-1-1

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

lw -2- From Shanghai, Rec'd. November 18, 1938

I have replied that the matter has been referred
to Canton for investigation.

Sent to Canton. Repeated to Chungking and Peiping.
By mail to Tokyo.

GAUSS

PEG
WWC

0399

DECLASSIFIED: E.O. 11652, 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

1-1336

COMSOPAT

FROM November 19, 1938

Rec'd 4 a.m.

ACTION: CINCAF
OPNAV

14209

INFO: COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS MARBLEHEAD
USS POPE
FOURTH MARINES
ALUSNA PEIPING

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



793.94/14372

0018. Canton Fatshan areas quiet, military operations to the north but no fighting near this vicinity, supplies and equipment continue to arrive Whaupoa and Canton via Pearl River, a considerable number of the poorer residents of the city are returning, fourteen thousand refugees are being cared for by Anglo American Committee. 2359.

DDM

NOV 24 1938

FILED

F/A

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

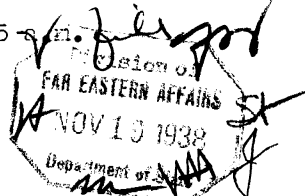
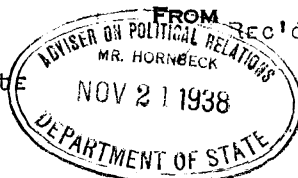
NC

TELEGRAM RECEIVED

This telegram must be TOKYO
closely paraphrased
before being communicated Dated November 19, 1938
to anyone. (D)

Secretary of State

Washington



741, November 19, noon. **STRICTLY CONFIDENTIAL.**

Our 734, November 16, 10 p.m. 793.94/14362

In further conversation today with my British colleague I asked him whether he believed there was any truth in the rumors published in Japan that his Government was now considering a re-orientation of policy looking towards the development of Anglo-Japanese collaboration in China instead of further supporting the Chinese National Government. Craigie replied emphatically in the negative. I asked him whether he thought there was likelihood of a British loan to support the Chinese currency as proposed by Chiang Kai Shek to the British Ambassador. Craigie said he knew of no present concrete developments in that connection but that the present trend of thought in London leaned towards the building of the railway from Lashio in Burma into Yunnan and Szechuan which he thought would be financed by various members of the old consortium. He said that this was a long term policy and that while overt plans in that direction would at first cause a bitter outcry from Japan the ^{building} of the railway would in

due

793.94/14373

NOV 23 1938

FILED

F/

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

5211

NC -2- #741 from Tokyo, November 19, 1938

due course give Great Britain, France and such powers as might participate an important leverage in their relations with Japan. He, however, told me in strict secrecy that from the purely strategic point of view a good many British military authorities are opposed to the construction of such a railway because in certain contingencies it might be captured by the Japanese and used for an invasion of Burma. Craigie believes, however, that some further concrete step in support of Chiang Kai Shek will soon have to be taken by Great Britain if they wish to avoid his being driven into the Japanese camp.

GTEW

~~(*) apparent omission~~

GW
 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

Shown in strict confidence to Major Belts of MID
TELEGRAM RECEIVED NOV 21 1938

REB

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

FROM CHUNGKING VIA N.R.

Dated November 18, 1938

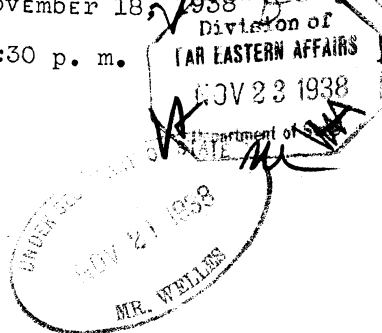
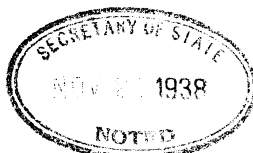
Rec'd 3:30 p. m.

Secretary of State,
Washington.

553, November 18, 9 a. m.

CONFIDENTIAL FOR THE SECRETARY.

Picture of Generalissimo in my 547 of November 16, 11 a. m. is of a man committed to a prolonged and bitter resistance to Japanese conquest with or without assistance from the outside; one who believes that in the end resistance will be successful and that he is not only fighting for the independence of his own people but that the success of his efforts will mean much in the future to those third powers who come to his aid now (and to that extent he is fighting their battles for if he loses he argues that Japan plans to monopolize all commercial opportunities to its own advantage). The Generalissimo reveals himself as a Protestant Chinese Nationalist, he desires assistance in his struggle, feels deeply that such aid is due him from the democratic nations, whose interests he identifies with China's, but will not accept aid with strings



793.94/14374

NOV 28 1938

FILED

F/A

140

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

5273

REB

2-#553, From Chungking, Nov. 18, 9a.m.

strings attached. Corroborative of this I recite the following. Donald told McHugh at Changsha that Russians had informed Chiang that they had 100 planes at Lanchow and were prepared to send more if he would continue resistance to the Japanese. Chiang retorted that he intended to continue resistance whether they helped him or not. This appears to be the nearest their Government has come to presenting a quid pro quo to Chiang! *as both Donald and Madame Chiang have denied* repeatedly to McHugh that Moscow has ever made specific proposals and have insisted that China has paid for all help received to date.

W.S. 7/28/78

Please also refer to my 218, April 26, 2 p. m. When British Ambassador appears definitely to have dropped a hint that British financial help might be trending provided (END OF SECTION ONE)

Sent to Peiping, Shanghai. Shanghai repeat to Tokyo.

JOHNSON

HPD

5214

FE

TELEGRAM RECEIVED

CORRECTED COPY

NC

¹⁻¹³³⁶
This telegram must
be closely paraphrased
before being communicated
to anyone. (A)

FROM Chungking via N. R.

Dated November 18, 1938

Rec'd. 9:10 p.m.

Secretary of State,
Washington.

553, November 18, 9 a.m. (SECTION TWO)

Generalissimo dropped Kung. McHugh informs me that in conversation with British Ambassador on journey to Chungking latter stated that on one of his visits to Hankow, McHugh and I believe that (one) about the middle of July, the Generalissimo told Ambassador that he would be glad to receive and consider any advice which the British Ambassador might have to offer. Later Generalissimo asked the British Ambassador to visit him and asked him whether he had advice to give whereupon the Ambassador stated that if request was serious he would advise the Generalissimo to bring the young Marshal out of retirement; call all the Soong family to Hankow; line them up there and present a solid front to Japan. He suggested that Kung be retained as President of the Executive Yuan (which he said he did to save Kung's face, but obviously implied that he would relieve Kung of financial responsibility) give Madame Sun Yat Sen a responsible place in the Government, suggesting a special post as Minister of Cooperation, and generally reorganize the Government along the representative lines used in selecting the delegates to the Peoples Political Council which

793.94/14374

7405

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

5275

NC -2- #553, November 18, 9. a.m. (SECTION TWO) from Chungking.
(Corrected Copy)

which had just met in Hankow. He advised Chiang specifically to award posts according to merit and to include all factions rather than to give the plums to his former comrades. British Ambassador stated Generalissimo received these suggestions coldly, commenting that Madame Sun would only be a mouthpiece for the Communists. He told McHugh he had met Madame Sun in Hong Kong; had liked her best of the whole family; and that she had expressed her desire to go to Hankow if invited.

It is my belief that this was an attempt by the Generalissimo to find out what might be considered necessary to put British Government in a mood to make loan available (he was already disappointed with outcome of Kung-Wang efforts to obtain financial assistance in the United States and had recalled Wang), and that the British Ambassador's reply was a second hint that financial assistance would be forthcoming from British sources provided Soong assisted by Rogers (of Bank of England) might have the management thereof and that a second time the Generalissimo refused assistance with strings attached.

It is my belief that the Generalissimo is convinced that the time has come when China, in dire need of compactness, must choose the source of such assistance, and that he has
attempted

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

5276

NC -3- #553, November 18, 9 a.m. (SECTION TWO) from Chungking
 (CORRECTED COPY)

attempted to portray vividly to the British Ambassador the
 remonetizing or losses that will accrue to Great Britain as
 the result of its decision whether or not to assist China in
 time of need and thus determine the future direction of China's
 economic associations.

I understand that "aide memoire" quoted in my 545,
 November 16, 9 a.m., was sent to Hu Shih with instructions
 not to show it until instructed.

Shanghai please repeat to Tokyo.

McHugh asks that substance of my 545, November 16, 9 a.m.,
 and my 546, November 16, 11 a.m., be made available to ONI.
 (END MESSAGE). Repeated to Peiping, Shanghai; Shanghai repeat
 to Tokyo.

JOHNSON

CSB

740

DECLASSIFIED: E.O. 11652, 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

TELEGRAM RECEIVED

MJD

Chungking via N. R.

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

FROM

Dated November 18, 1938.

Rec'd. 9:10 p. m.

Secretary of State,

Washington.

553, November 18, 9 a. m. (SECTION TWO)

Generalissimo dropped Kung. McHugh informs me that in conversation with British Ambassador on journey to Chungking
DT latter on one of his visits to
(X) stated that (X) (X) ~~Johnson~~ Hankow, McHugh and I believe that (one) about the middle of July, the Generalissimo told Ambassador that he would be glad to receive and consider any advice which the British Ambassador might have to offer. Later Generalissimo asked the British Ambassador to visit him and asked him whether he had advice to give whereupon the Ambassador stated that if request was serious he would advise the Generalissimo to bring the young Marshal out of retirement; DT call Soong
all the ~~Fielding~~ ~~Ng~~ family to Hankow; line them up there and present a solid front to Japan. He suggested that Kung be retained as President of the Executive Yuan (which he said he did to save Kung's face, but obviously implied that he would relieve Kung of financial responsibility) give DT Madame
(?) Sun Yat Sen a responsible place in the Government, (X) suggesting a special post as Minister

793.94/14374

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

MJD -2- No. 553, November 18, 9 a. m. (SECTION TWO)
 from Chungking

Minister of Cooperation, and generally reorganize the
 Government along the representative lines used in selecting
 the delegates to the Peoples Political Council which had
 just met in Hankow. He ^{advised} Chiang specifically ~~(?) are not~~
^{to award} ~~averse to~~ posts according to merit and to include all ~~(?)~~ ^{factions}
 rather than to give the plums to his former comrades.
 British Ambassador stated Generalissimo received these
 suggestions ^{coolly} ~~(?)~~, commenting that Madame Sun would only be
 a mouthpiece for the Communists. He told McHugh he had
 met Madame Sun in Hong Kong; had liked her best of the
 whole family; and that she had expressed her desire to go
 to Hankow if ~~(?)~~ ^{invited}.

It is my belief that this was an attempt by the
 Generalissimo to find out ^{what might be considered} ~~while in (?)~~ necessary to
 put British Government in a mood to make loan available
 (he was already disappointed with outcome of Kung-Wang
 efforts to obtain financial assistance in the United States
 and had recalled Wang), and that the British Ambassador's
 reply was a second hint that financial assistance would
 be forthcoming from British sources provided Soong
 assisted by Rogers (of Bank of England) might have the
 management thereof and that a second time the Generalissimo ^{refused}
^{assistance with} ~~(?) (?) (?)~~ strings attached.

It

0 4 0 9

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

-3- #553, November 18, 9 a.m. (SECTION TWO) from Chungking.

It is my belief that the Generalissimo is convinced that the time has come when China, ^{in dire need} ~~(?) (?) (?)~~ of compactness, must choose the source of such assistance, and that he has attempted to portray vividly to the British Ambassador the remonetizing or losses ^{that will accrue} ~~preventing~~ ^{to Great Britain} ~~(?) (?)~~ as the result of its decision whether or not to assist China in time of need and thus determined the future director of China's economic ~~(?)~~ ^{association}.

I understand that "aide memoire" quoted in my 545, November 16, 9 a.m., was sent to Hu ^{Shih} ~~(?) (?)~~ instructions not to show it until instructed.

Shanghai please repeat to ~~(?)~~ ^{Tokyo}.

McHugh asks that substance of my 545, November 16, 9 a.m., and my 546, November 16, 11 a.m., be made available to ~~(?) (END MESSAGE)~~ ^{ONI}. Repeated to Peiping, Shanghai; Shanghai repeat to Tokyo.

JOHNSON

HPD:GW

7 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

TELEGRAM RECEIVED

1-1336

EG

FROM

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

MARDET TIEN TSIN

November 21, 1938

Rec'd 10:18 a.m.

ACTION: NAVY DEPARTMENT

INFO: CINCAF
FOURTH MARINES
MARDET PEIPING

793.94

0021. Ten score Jap troops, eleven field pieces
Chingwantao week ending yesterday, five cars ammunition
went Tientsinward whence came three hundred wounded
embarking hospital ship believe about to start mopping
up northern area guerrillas. 0930.

KLP:CSB

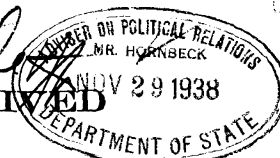
793.94/14375

F/A

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

TELEGRAM RECEIVED

CORRECTED COPY



JR

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

FROM

Chungking via N. R.

Dated November 20, 1938

Rec'd/7 p.m.

Secretary of State,
Washington.

*Shown in
strict confidence
to Major Belts
of MID
WCU*



557, November 20, 10 a.m.

My 553, November 18, 9 a.m.

In response to his request I called upon the Chinese Minister of Foreign Affairs November 19, 4 p.m., and he told me that he wished to give me a summary of conversations that had recently taken place between the British Ambassador in Changsha about ten days ago and General Chiang Kai Shek and between the British Ambassador and himself during the last two or three days following the arrival of Sir Archibald Clark-Kerr in Chungking. What follows is the substance of Dr. Wang's remarks.

Sir Archibald and the Generalissimo had two or three long conversations, but they might be reduced to this one point: China's situation had become so serious that it was essential for the Chinese Government to have a definite yes or no answer to the question whether Great Britain intended to continue its past attitude of inaction in reference to the Sino-Japanese conflict, or whether

793.94/14376

FILED

F/G

5278

-2- #557, November 20, 10 a.m., from Chungking via N. R.

whether Great Britain intended to declare firm adherence to the Nine Power Treaty and other treaties bearing on the Far Eastern situation, to give China positive assistance in the form of a loan or otherwise, and to execute the League resolutions with reference to the conflict.

General Chiang said that knowledge of Great Britain's intentions in regard to these matters was essential for the proper formulation of China's own foreign policies, especially in view of the meeting of the Executive Committee of the Kuomintang Party which would occur in Chungking in December, for at this time the Government must submit its policies for discussion. Dr. Wang said that General Chiang's remarks to Sir Archibald were not in any sense an ultimatum but rather an attempt to convey to the British Ambassador a sense of the crisis that had been reached and an earnest plea to Great Britain to act promptly on behalf of that country's own interests and in fulfillment of its announced position in relation to the matters enumerated.

Dr. Wang observed that he had asked Sir Archibald whether he had communicated to his Government a report of the conversations with General Chiang and Sir Archibald replied that he had.

Dr. Wang said that he himself in view of Great

Britain's

5279

-3- #557, November 20, 10 a.m., from Chungking via N. R.

Britain's great material interests in the Orient, possession of Hong Kong, Singapore and other colonial areas, its investment in China et cetera, had conversed with Sir Archibald at length on these same subjects. Sir Archibald had also talked with Dr. Wang Ching Wei, General Chang Chun and other leaders. Dr. Wang said that as in the earlier case he would not go into the details and ramifications of his conversations with the British Ambassador but would reduce them to as small a compass as possible; he had informed the British Ambassador (one) that China had reached a point where it was imperative for China to know in order to shape its present policy whether Great Britain would make a formal specific and public declaration maintaining their adherence to the Nine Power and other treaties on which the international situation in the Far East is based; (two) that it was imperative that Great Britain inform the Chinese Government at once and positively whether a loan would be granted to China; (three) that it was imperative also that the British Government indicate whether it is intended to take some measure of reprisal short of war against Japan in retaliation for the injuries inflicted by Japan on Great Britain's prestige, rights and interests in the

Far

280

-4- #557, November 20, 10 a.m., from Chungking via N. R.

Far East; and (four) that it was necessary that the British Government inform the Chinese Government whether it would take immediate steps to execute the various League resolutions in regard to the Sino-Japanese conflict including resort to Article 16 of the League **Covenant** providing for sanctions against Japan.

Dr. Wang said that these statements to the British Ambassador were neither a threat nor an ultimatum but merely set forth assurances that must be given and actions that must be taken by Great Britain if China were to frame its policy in the conflict intelligently. Of course, he said, it was the earnest hope of the Chinese Government that Great Britain would at once give the assurances and take the measures described above.

Repeated to Peiping, Shanghai. Shanghai repeat to Tokyo.

JOHNSON

HPD

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

5281

REB **TELEGRAM RECEIVED**
CORRECTED COPY

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

FROM CHUNGKING VIA N.R.

Dated November 20, 1938

Rec'd 1:30 p. m. 21st

Secretary of State,

Washington.

792.94/14376

557, November 20, 10 a. m. (SECTION TWO)

The Minister for Foreign Affairs further said that he had pointed out to the British Ambassador that the Chinese Government was surprised that while Great Britain and France had simultaneously with the United States sent strong representations to the Japanese Government protesting against the closing of the Yangtze to navigation, Great Britain had not addressed to the Japanese Government any communication similar to the note of the American Government of October 6th protesting against violation of the open door policy; he observed to me that unless effective measures were taken at once no open door or closed would longer exist because Japan would be the only nation having any authority or opportunities in China.

Dr. Wang said that the policy of the Japanese Government in respect of China had recently undergone another drastic change; after months of dispute over the so-called
"China

0411

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

5282

REB

2-#557, From Chungking, Nov. 20, 10a.m.

"China bureau" the idea of creating such an organ had been dropped and there had been a "bureau of the new system in Asia", composed of the Ministers of War, Navy and Foreign Affairs and the Premier, a super cabinet under direction of the army and navy to control the execution of Japan's "holy" policy toward not China alone but the whole of Asia. He added that public statements made by Japanese statesmen and private conversations held by himself with various of the highest Japanese leaders in Tokyo three years before proved that the "holy" policy of Japan was that of eradicating from the whole of Asia all Occidental interests and influence. He said that the then Japanese Minister of War had calculated that experts thoroughly understood China's aspiration to maintain its integrity and independence and would assist China to the fullest extent in achieving this, but on one condition, that is, that China cease to rely on the United States, and Great Britain culturally, economically, or politically, depend only on Japan. Dr. Wang asked that I regard this information as given to me in strict confidence.

Dr. Wang said that he had received through the Japanese Domei agency the Chinese translation of the complete text
of

741

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

5283

JR

SECOND CORRECTION PAGE THREE

793 94/14376

JR -3- #557, November 20, 10 a.m., from Chungking.

of the Japanese Government's reply to the American protest of October 6th, and although he had not had time to read it he gathered that it rejected practically all of the contentions made in the American note; he also referred to the fact that the Japanese ~~replies~~ to the protests in regard to the continued closing of the Yangtze River to foreign navigation had rejected all the claims advanced by the powers; he wondered therefore what steps would be taken by the American Government in the face of this rebuff.

Dr. Wang said that he hoped that I would report to my Government the purport of his remarks, and that he most earnestly hoped that the United States would cooperate in this crisis.

I desire to add that Dr. Wang expressed no (repeat no) disappointment with the American attitude, actions, or failure to act in reference to the conflict but on the contrary said that he had plainly indicated to the British Ambassador the feeling of the Chinese Government that Great Britain had failed to afford the United States adequate support in the more advanced position we had taken on behalf of the established treaty position in the Far East.

The

0 4 1 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

REB

5284

4-#557, From Chungking, Nov. 20, 10a.m.

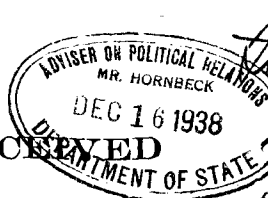
The Minister made it evident that Chiang and he are preparing to face a possible demand in the executive committee meeting for a reorientation of policy and to defend their course of relying for moral and material support on the western powers particularly the United States and Great Britain. In this connection I told the Minister that the position of the American Government toward the treaty situation and the present conflict has been made crystal clear in public statements including that of November 4 and by our official actions all of which he might use in his address at the committee meeting, but I added that no one would be able to forecast the future actions of the American Government in pursuance of its announced policy since these would be determined by circumstances.

Repeated to Shanghai and Peiping. Shanghai repeat to Tokyo. (END MESSAGE)

JOHNSON

CSB

7415
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



TELEGRAM RECEIVED

JR

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

FROM

Chungking via N. R.

Dated November 20, 1938

Rec'd 7 p.m.

Secretary of State,
Washington.

557, November 20, 10 a.m.

My 553, November 18, 9 a.m. /14374

793.94
In response to his request I called upon the Chinese Minister of Foreign Affairs November 19, 4 p.m., and he told me that he wished to give me a summary of conversations that had recently taken place between the British Ambassador in Changsha (?) (?) (?) (?) and General Chiang Kai (*) and between the British Ambassador and himself during the last two or three days following the arrival of Sir Archibald Clark-Kerr in Chungking. What follows is the substance of Dr. Wang's remarks.

Sir Archibald and the Generalissimo had two or three long conversations, but they might be reduced to this one point: China's situation had become so serious that it was essential for the Chinese Government to have a definite yes or no answer to the question whether Great Britain intended to continue its past attitude of inaction in reference to the Sino-Japanese conflict, or whether

F.W - 793.94/14376

F/A

1421

DECLASSIFIED: E.O. 11652, 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- #557, November 20, 10 a.m., from Chungking via N. R.

whether Great Britain intended to declare firm adherence to the Nine Power Treaty and other treaties bearing on the Far Eastern situation, to give China positive assistance in the form of a loan or otherwise, and to execute the League resolutions with reference to the conflict.

General Chiang said that knowledge of Great Britain's intentions in regard to these matters was essential for the proper formulation of China's own foreign policies, especially in view of the meeting of the Executive Committee of the Kuomintang Party which would occur in Chungking in December, for at this time the Government must submit its policies for discussion. Dr. Wang said that General Chiang's remarks to Sir Archibald were not in any sense an ultimatum but rather an attempt to convey to the British Ambassador a sense of the crisis that had been reached and an earnest plea to Great Britain to act promptly on behalf of that country's own interests and in fulfillment of its announced position in relation to the matters enumerated.

Dr. Wang observed that he had asked Sir Archibald whether he had communicated to his Government a report of the conversations with General Chiang and Sir Archibald replied that (?).

Dr. Wang

DECLASSIFIED: E.O. 11652, 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- #557, November 20, 10 a.m., from Chungking via N. R.

Dr. Wang said that he (?) in view of Great Britain's great material (?) the Orient, possession of Hong Kong, Singapore and other colonial areas, (?) investment in China et cetera, had conversed with Sir Archibald at length on these same subjects. (?) (?). (?) Fitzhugh (?) had also talked with Dr. (?) (?) Wei (?) General Chang Chun and other leaders. Dr. Wang said that as in the earlier (?) he would not go into the details and ramifications of (?) conversations with the British Ambassador but would reduce them (?) as small a compass as possible; he had informed the British Ambassador (?) one that China had (?) a point where it was imperative for China to know in order to shape its (?) policy whether Great Britain would make a (?) specific and public declaration (?) adherence to the Nine Power and other treaties (?) the international situation in the Far East is based; (two) that it was imperative that Great Britain inform the Chinese Government at once and (?) whether a loan would be granted to China; (three) that it was imperative also that (?) British Government indicate where it intended to take some measure of reprisal short of war against Japan in retaliation for the injuries (*) ed by Japan on Great Britain's prestige, rights

-4- #557, November 20, 10 a.m., from Chungking via N. R.

rights and interests in the Far East; and (four) that it was (?) that (?) inform the Chinese Government where it (?) (?) steps (?) the various league resolutions in regard to the Sino-Japanese conflict including resort to Article 16 of the League Covenant providing for sanctions against Japan.

Dr. Wang said that these (?) to the British Ambassador were neither a threat nor an ultimatum but merely set forth assurances that must be given and actions that must be taken by Great Britain if China were to frame its policy in the conflict intelligently. Of course, he said, it was the earnest hope of the Chinese Government that Great Britain would at once give the assurances and take the measures described above.

Repeated to Peiping, Shanghai. Shanghai repeat to Tokyo.

JOHNSON

HPD (*) Apparent omission.

Have asked for repetition of above message.

DCR

142
DECLASSIFIED: E.O. 11652, 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

EDA

1-1336

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

FROM

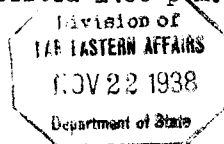
CHUNGKING VIA N.R.

Dated November 20, 1938

Received ~~1:30~~ p.m. 21st

Secretary of State

Washington



557, November 20, 10 a.m. (SECTION TWO)

The Minister for Foreign Affairs further said that he had pointed out to the British Ambassador that the Chinese Government was surprised that while Great Britain and France had simultaneously with the United States sent strong representations earlier protesting against the closing of the Yangtze to navigation, Great Britain had not addressed to the Japanese Government any communication similar to the note of the American Government of October 6th protesting against violation of the open door policy; he observed to me that unless effective measures were taken at once no open door shut closed would (?) reopened, because Japan would be the only nation having any authority or opportunities in China.

Dr. Wang said that the policy of the Japanese Government in respect of China had recently undergone another drastic change; after months of dispute over the so-called "China bureau" the idea of creating such an organ had been dropped and there had been a "bureau of the new system in Asia",

composed

0 4 2 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

EDA - 2 - #557, November 20, 10 a.m. from Chungking
(SECTION TWO)

composed of the Ministers of War, Navy and Foreign Affairs and the Premier, a super cabinet under direction of the army and navy to control the execution of Japan's "holy" policy toward not China alone but the whole of Asia. He added that public statements made by Japanese statesmen and private conversations held by himself with various of the highest Japanese leaders in Tokyo three years before proved that the "holy" policy of Japan was that of eradicating from the whole of Asia all Occidental interests and influence. He said that the ~~then~~ Japanese Minister of War had calculated that experts thoroughly understood China's aspiration to maintain its integrity and independence and would assist honestly to the fullest extent in achieving this, but on one condition, that is, that China cease to rely on the United States, and Great Britain culturally, economically, or politically, depend only on Japan. Dr. Wang asked that I regard this information as given to me in strict confidence.

Dr. Wang said that he had received through the Japanese Domei agency the Chinese translation of the complete text of the Japanese Government's memorandum of the American protest of October 6th, and although he had not had (?) requested an interview (?) remarks they request (?) no provision (?) contentions made in the American note; he also referred to

the

EDA - 3 - #557, November 20, 10 a.m. from Chungking
(SECTION TWO)

the fact that the Japanese replies to the protests in regard to the continued closing of the Yangtze River to foreign navigation had rejected all the claims advanced by the powers; he wondered therefore what steps would be taken by the American Government (?) this rebuff.

Dr. Wang said that he hoped that I would report to my Government the purport of his remarks, and that he most earnestly hoped that the United States would cooperate in this crisis.

I desire to add that Dr. Wang expressed no (repeat no) disappointment with the American attitude, actions, or failure to act in reference to the conflict but on the contrary said that he had (?) (?) the British Ambassador (?) of the Chinese Government that Great Britain had failed to afford the United States adequate support in defense of more advanced position (?) taken on behalf of the (?) treaty position (?) Far East. The Minister made it evident that Chiang (?) are preparing to face a possible demand (?) executive committee (?) (?) reorientation of policy and to (?) their course of relying for (?) and any support on the western powers particularly (?) and Great Britain. In this connection I told the Minister that the position of ~~the~~ (?) toward the treaty situation (?) (?) has been

made

1421

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

EDA - 4 - #557, November 20, 10 a.m. From Chungking
(SECTION TWO)

made (?) clear in public statements including that of (?)
four and by our official actions all of which (?) solutions
(?) (?) committee meeting, but I added that no one would be
able to forecast the future actions of the American Govern-
ment in pursuance of its announced policy since these would
be determined by circumstances.

Repeated to Shanghai and Peiping. Shanghai repeat to
Tokyo. (END MESSAGE)

JOHNSON

HPD

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

TELEGRAM RECEIVED

CORRECTED COPY

EG

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

Secretary of State,
Washington.

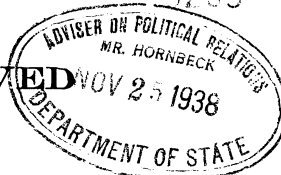
217, November 21, 6 p.m.

My October 17, 4 p.m. and political report for October transmitted with my despatch 677.

Within a week an American and a German have been fired at in the Race Club Grounds during daylight by unseen assailants whose motive remains obscure, and there has been frequent firing at night in the area outside the concessions and adjacent to the Race Club. Most of the foreigners resident in this area are British and German but there are two American families there and, of course, many Americans use the Race Club. The Race Club has now hired and posted its own armed guards.

Repeated representations have been made by the Consular representatives, including myself, to the Chinese police who have promised but have not given adequate protection; British and German Consuls General have made informal representations to the Japanese and

the



Tientsin via N. R.

Dated November 21, 1938

Rec'd 1:55 p.m.

Tel. to Peiping

NOV 25 1938

793.94/14377

5286

-2- #217, November 21, 6 p.m. from Tientsin via N. R.

the matter was discussed at a consular body meeting at which time the Japanese consular representatives promised to look into the situation, but conditions have not improved. It appears that no effective measures will be taken by the Chinese police unless in cooperation with or under the orders of the Japanese, and the British Consul General is now sending a communication to the Japanese Consul General stating that prior to the present hostilities order was preserved in this area by armed Chinese police; that as the Japanese do not allow arms to an adequate force of Chinese police he will hold the Japanese responsible for the safety of British Nationals, and calling upon the Japanese to ensure adequate protection. I understand that this course has already been followed by the British with regard to the Kailan Mining administration property at and near Tongshan.

The French and German Consuls General are prepared to send similar communications to the Japanese Consul General, but before sending a communication of the same nature on behalf of American nationals I wish to be informed whether either the Embassy or the Department perceives any objection as a matter of principle to my doing so.

The

0429
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

5287

-3- #217, November 21, 6 p.m. from Tientsin

The obvious alternatives to asking the Japanese to ensure protection are the withdrawal of the two American families from that area or the posting of marine guards on their property in case the situation should seem to warrant either course. Neither of these courses would be more than a temporary emergency measure and would not materially affect the safety of Americans using the Race Club. Sent to Peiping.

CALDWELL

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

TELEGRAM RECEIVED

REB

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

FROM

TIENTSIN VIA N.R.

Dated November 21, 1938

Rec'd 1:55 p. m.

Tel to Peiping drafted

Secretary of State,
 Washington.

217, November 21, 6 p. m.

My October 17, 4 p. m. and political report for

October transmitted with my despatch 677.

Within a week an American and a German have been fired at in the Race Club Grounds during daylight by unseen assailants whose motive remains obscure, and there has been frequent firing at night in the area outside the concessions ^{and} adjacent to the Race Club. Most of the foreigners resident in this area are British and German but there are two American families there and, of course, many ^{americans} in Harbin use the Race Club. The Race Club has now hired and posted its own armed guards.

Repeated representations have been made by the Consular representatives, including myself, to the Chinese police who have promised but have not given adequate protection; British and German Consuls General have made informal representations to the Japanese and the matter was discussed at a consular body meeting at which time the Japanese

NOV 21 1938
 DEPT. OF STATE

See
 Connected
 Copy

793.94/14377

F/A

793.94

893.102

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

REB

2-#217, From Tientsin, Nov. 21, 6p.m.

Japanese consular representatives promised to look into the situation, but conditions have not improved. It appears that no effective measures will be taken by the Chinese police unless in cooperation with or under the orders of the Japanese, and the British Consul General is now sending a communication to the Japanese Consul General stating that prior to the present hostilities order was preserved in this area by armed Chinese police; that as the Japanese do not allow arms to an adequate force of Chinese police he will hold the Japanese responsible for the safety of British nationals, and calling upon the Japanese to ensure adequate protection. I understand that this course has already been followed by the British with regard to the Kai Lan ^{Minong} [(?) administration property at and near Tongshan.

The French and German Consuls General are prepared to send similar communications to the Japanese Consul General, but before sending a communication of the same nature on behalf of American nationals I wish to be informed whether either the Embassy or the Department perceives any objection as a matter of principle to my doing so.

The obvious alternatives to asking the Japanese to

ensure

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

REB

3-#217, From Tientsin, Nov. 21, 6p.m.

ensure protection are afforded to the two American families from that area or the posting of marine guards on their property in case the situation should seem to warrant either course. Neither of these courses would be more than a temporary emergency measure and would not materially affect the safety of Americans using the Race Club. Sent to Peiping.

CALDWELL

NPL

0433

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

TELEGRAM SENT

5288

PREPARING OFFICE
 WILL INDICATE WHETHER

Collect
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 OR
 Charge to
 \$

TO BE TRANSMITTED
 X CONFIDENTIAL CODE X
 NONCONFIDENTIAL CODE
 PARTAIR
 PLAIN
 "Br"

Department of State

Washington, NAVAL RADIO

1938 NOV 26

November 26, 1938.

AMEMBASSY,

PEIPING (China) RDS

DIVISION OF
 COMMUNICATIONS
 AND RECORDS

307

Tientsin's 217, November 21, 6 p.m., disorder in area
 outside the concessions and adjacent to the Race Club.

The Department approves an approach to the Japanese
 Consul General in the sense indicated in the second
 substantive paragraph of the telegram under reference
 but believes that in such approach it would be preferable
 to stress the matter of protest and to avoid argumentation
 as to why an approach is being made to the Japanese and
 also to avoid any statement which might imply assent on
 our part to assumption by the Japanese of authority at
 Tientsin.

Please instruct Tientsin accordingly.

Acting

793.94/14377

FE:WAA:MMH:EJL

FE

Le

PA/H

CR

NOV 26 1938.

Enciphered by _____

Sent by operator _____ M., _____, 19____

D. C. R.—No. 50

1-1462 U. S. GOVERNMENT PRINTING OFFICE

793.94/14377

F/FG

1434

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

No. 3382

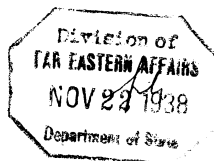
AMERICAN EMBASSY

Tokyo, November 1, 1938

SUBJECT: JAPANESE REQUEST FOR MOVEMENT OF FOREIGN
VESSELS ANCHORED NEAR HANKOW.

NOV 21 AM 11 44

COMMUNICATIONS
AND RECORDS



793.94/14378

The Honorable

The Secretary of State,
Washington

Sir:

With reference to the Embassy's telegram no.
793.94/14197
687, October 26, 8 p.m., I have the honor to trans-

1/ mit herewith a copy of a letter dated October 26,
1938, from my British colleague, enclosing a copy
of his letter of that date to the Vice Minister for
Foreign Affairs concerning the Japanese request that

vessels

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

-2-

vessels of third Powers anchored along the Hankow water front should be moved in order to avoid possible "unfortunate incidents" as a result of the Japanese attack in that area.

In compliance with the Department's telegraphic instruction no. 364, October 26, 7 p.m., I addressed an informal communication to the Vice Minister for Foreign Affairs similar to that of the British Ambassador, taking the strongest possible exception to the position of the Japanese naval authorities at Shanghai in this matter. A copy of my letter is
2/ transmitted herewith.

Respectfully yours,

Joseph C. Grew

Enclosures:

1. Copy of letter from the British Ambassador to the American Ambassador, dated October 26, 1938.
2. Copy of letter from the American Ambassador to the Vice Minister for Foreign Affairs, dated October 27, 1938.

710
ESC:mg

Copy to Ambassador Johnson
Copy to Consulate General, Shanghai

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

Enclosure No. 1 to despatch
No. 3382 of Nov. 1, 1938,
from the Embassy at Tokyo.

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

British Embassy,

Tokyo.

26th October 1938.

My dear Grew,

I enclose a copy of a letter which I have
sent to-day to the Vice-Minister for Foreign
Affairs.

Perhaps you may see your way to making
similar representations against an apparent
intention of the Japanese naval authorities which
bids fair to result in further incidents.

Believe me,

Yours very sincerely,

(sgd) R. L. CRAIGIE

His Excellency

The Honourable Joseph Clark Grew,

Ambassador Extraordinary and Plenipotentiary

for the United States of America

at Tokyo.

143

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

26th October, 1938.

(152/70V/38)

IMMEDIATE

My dear Vice-Minister,

I have just received a telegram from the British Embassy in Shanghai, of which the substance is given in the enclosed document. Although I have not yet received official instructions in the matter I think it only right to let you know without further delay that we must take the strongest possible exception to the communication stated to have been made in Shanghai by the Japanese Naval Authorities. The position of British vessels anchored along the water front in Hankow is fully known to the Japanese Authorities, the vessels are adequately marked and, so long as there are British interests to be protected, British gunboats must remain there for the purpose. It would, in the circumstances, be entirely unwarranted for any further attacks to be made in the immediate neighbourhood of any British vessel. As regards the reference to the "intensive character of the hostilities", this was no doubt written before it was known that the Chinese Government would not defend the city of Hankow itself.

I think it only right to warn the Japanese Government, through Your Excellency, of the serious consequences which must, I fear, follow from any further attacks delivered in close proximity to British vessels on the Yangtse and I trust that the most explicit instructions will be sent to the proper Naval Authorities to abstain from such action.

Believe me,

My dear Vice-Minister,

His Excellency
Mr. Renzo Sawada,
H.I.J.M. Vice-Minister for
Foreign Affairs.

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

Substance of Telegram received from
 His Majesty's Embassy at Shanghai.

Further memorandum by the Japanese Naval
 Authorities has now been received from the Japanese
 Minister stating that numerous junks with Chinese troops
 aboard are "swarming" in the vicinity of neutral vessels
 anchored along the Hankow water front in order to escape
 from the Japanese attacks and reiterating "most earnestly
 request" that in order that unfortunate incidents may be
 avoided third Power authorities may speedily move their
 respective vessels to anchorage previously referred to and
 take all possible steps to prevent the Chinese ships
 coming into the vicinity of such vessels.

Memorandum adds "in view of the intensive
 "character of hostilities now being carried on for the
 "capture of Hankow it is difficult to give assurances that
 "the Chinese troops who thus take advantage of the presence
 "of neutral vessels will not be attacked by reason of
 "their proximity to such vessels."

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

Enclosure no. 2 to despatch
no. 3382 of November 1, 1938,
from the Embassy at Tokyo.

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

EMBASSY OF THE
UNITED STATES OF AMERICA

Tokyo, October 27, 1938

My dear Vice Minister:

I have received a report that the Japanese naval authorities at Shanghai have urgently requested representatives in China of third powers that, owing to the presence in the immediate vicinity of third party vessels anchored off Hankow of a large number of junks carrying Chinese troops, these third party vessels move to previously designated anchorages in order that unfortunate incidents may be avoided. In the communication in which this request is made, the Japanese naval authorities refer to the intensive character of the hostilities which are expected to occur at Hankow and state that it is difficult to give assurance that Chinese troops in close proximity to third party vessels will not be attacked.

My Government takes the strongest possible exception to the position as above intimated of the Japanese naval authorities at Shanghai. The American vessels now anchored off Hankow bear appropriate and adequate markings, and the Japanese naval authorities are, of course, fully aware of their position. Further, there are in Hankow a number of American citizens and important American property interests, whose protection

in

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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-

in the existing circumstances requires the presence of American naval vessels and so long as this need exists the American naval vessels must remain. Quite apart from this consideration, there appears to be no warrant for attacks to be made in the vicinity of these vessels.

It is most urgently requested that the appropriate Japanese naval and military authorities be explicitly instructed to refrain from making any attack in the immediate vicinity of American vessels.

Sincerely yours,

JOSEPH C. GREW

His Excellency

Mr. Renzo Sawada,

Vice Minister for Foreign Affairs,

T o k y o.

(Copy sent to the British Ambassador, Tokyo)

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



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

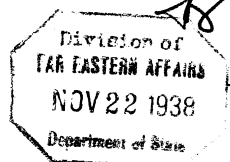
AMERICAN EMBASSY

No. 3388

Tokyo, November 1, 1938

SUBJECT: PROTECTION OF FOREIGN PROPERTY IN CHINA
AND RESERVATION OF RIGHTS: BRITISH AND
FRENCH REPRESENTATIONS.

RECEIVED
DEPARTMENT OF STATE



793.94/14379

The Honorable

The Secretary of State,
Washington

Sir:

I have the honor to refer to the Embassy's des-
patch no. 3357 of October 19, 1938, with which were
transmitted a copy in translation of identic note no.
37 Go, Asia I, dated October 12, 1938, from the
Minister for Foreign Affairs, and a copy of my reply
thereto, note no. 1085, dated October 16, 1938,
concerning

F/FG

14379

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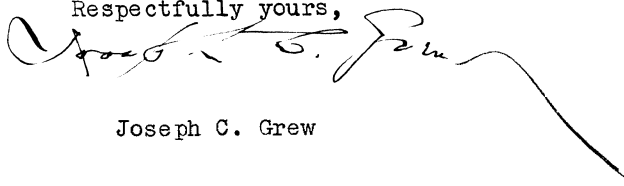
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

-2-

concerning certain measures which the Japanese Government desired to have taken by third countries in China with a view to obviating danger to their rights and interests during the present hostilities.

In this relation there are transmitted herewith 1,2/ copies of the replies of my British and French colleagues, dated respectively October 24 and October 27, 1938, to the Japanese identic note no. 37 under reference.

Respectfully yours,



Joseph C. Grew

✓
Enclosures:

1. Copy of note no. 167 dated October 24, 1938, from the British Ambassador to the Minister for Foreign Affairs.
2. Copy of note no. 66 dated October 27, 1938, from the French Ambassador to the Minister for Foreign Affairs.

350
ESC:mg

Copy to Ambassador Johnson
Copy to Consulate General, Shanghai
Copy to Consulate General, Hong Kong
Copy to Consulate General, Canton

44

DECLASSIFIED: E.O. 11652, 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. 3388 of Nov. 1, 1938,
from the Embassy at Tokyo.

(With the compliments of the British Embassy to the
American Ambassador, Mr. Grew, October 24, 1938.)

The British Ambassador, Sir Robert L. Craigie to the
Minister for Foreign Affairs, Prince Fumimaro Konoye.

British Embassy,

Tokyo.

24th October 1938.

No. 167(126/70A/38).

Your Excellency,

I have the honour, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs, to inform Your Excellency that His Majesty's Government in the United Kingdom have given careful consideration to the note which you were good enough to address to me on the 12th October (No. 37 Identic) making certain proposals designed to obviate danger to British lives and property during the present hostilities. The requests contained therein have been duly communicated to the British Authorities concerned.

2. With regard to the requests contained in General Ugaki's note of the 20th June last (No. 18 Identic) and repeated in Your Excellency's note under reply, I have the honour to inform you that His Majesty's Government abide by the attitude explained in my note No. 28 of the 26th February last, namely that the responsibility for ensuring that British institutions in China are not made the subject of attack must rest with the Imperial Japanese Authorities concerned. In this matter His Majesty's Government must reserve all their rights.

3. As regards the requests contained in the third and fourth paragraphs of Your Excellency's note, I have the
honour

His Excellency

Prince Fumimaro Konoye,

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

-2-

honour to state that, while His Majesty's ships and aircraft have general orders to do their utmost to avoid any incident with the Imperial Japanese forces, His Majesty's Government could not undertake, even if it were practicable, to give advance notification of the movements of their naval and air units over so large an area as that covered by Your Excellency's request. However, as the Imperial Japanese Government will be aware, the area within which units at Hong Kong are accustomed to exercise has already been communicated to the Imperial Japanese Authorities, together with an indication of the times when exercises are likely to take place.

4. As regards merchant ships, His Majesty's Government feel obliged to insist upon the right of British vessels to proceed to any point in China, and they are unable to depart from their previous attitude regarding notification of the movements of merchant vessels, which, for the reasons explained in the letter which I had the honour to address on the 29th October, 1937, to the Vice-Minister for Foreign Affairs, they consider to be impracticable. While they are always ready to make any practicable contribution towards minimising the risk of accidents, they must look to the Japanese forces, vessels and aircraft to exercise the utmost caution and to refrain from all interference with British merchant ships except in the circumstances relating to the verification of vessels flying the British flag which were explained in a memorandum communicated to the Vice-Minister for Foreign Affairs on the 11th September, 1937.

5.

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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

-3-

5. With regard to civil aircraft, I have the honour to invite attention to the letter which I addressed to the Vice-Minister for Foreign Affairs on the 7th March last giving the route which would in future be followed by aircraft belonging to the Imperial Airways Company, and in particular to the last paragraph of that letter. The Imperial Airways Company will continue to operate their services over Hainan Peninsula as at present and any deviations from their schedule will be notified by telegraph to the Japanese Naval Attaché at Shanghai. It will not generally be possible to give as much as ten days' notice, since deviations are usually due to unforeseen circumstances.

6. I have the honour to add that His Majesty's Government will take such measures as they deem necessary to prevent the infringement of the territorial waters or the territorial air of Hong Kong by either party to the present conflict.

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

(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. 3388 of November 1, 1938,
from the Embassy at Tokyo.

(With the compliments of the French Embassy to the
American Embassy, received October 31, 1938.)

The French Ambassador, Mr. Arsène-Henry, to the
Minister for Foreign Affairs, Prince Konoe.

27 Octobre 38

no 66

Monsieur le Président du Conseil,

Comme j'ai eu l'honneur d'en prévenir Votre Excellence par ma lettre n° 63 en date du 14 de ce mois, j'ai aussitôt porté à la connaissance de mon Gouvernement la lettre collective de Votre Excellence no 37 datée du 12 du même mois ainsi que la réponse que j'y avais faite par ma communication précitée.

M. G. Bonnet vient de me donner pour instructions de faire connaître à Votre Excellence qu'il confirme toutes les réserves que j'ai faites du droit de mes compatriotes résidant en Chine à être indemnisés des dommages qu'ils pourraient subir du fait des Armées japonaises. Le Gouvernement de la République estime en effet que la lettre que Votre Excellence a bien voulu me faire tenir ne modifie en rien les droits des Français à être dédommages de leurs pertes éventuelles dans les conditions notamment définies par la lettre que j'ai eu l'honneur d'adresser sous le n° 12 le 25 février 1938 à l'un des prédécesseurs de Votre Excellence. Mon Gouvernement considère qu'en tout état de cause les responsabilités qui pourraient être encourues par les Autorités Impériales

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ne sauraient être atténuées par la présence de troupes chinoises dans le voisinage de biens appartenant à des Français, car il est bien évident que ces derniers sont hors d'état d'écarter lesdites troupes.

En ce qui concerne la demande présentée au paragraphe 3 de la lettre de Votre Excellence et relative aux mouvements de bateaux de commerce, j'ai l'honneur de rappeler la position qu'a adoptée à cet égard le Gouvernement de la République dès le mois de septembre 1937 : En exécution des instructions qu'il a reçues à l'époque, l'Amiral Commandant les Forces Navales Françaises d'Extrême-Orient a été chargé d'avertir son collègue japonais de l'entrée des navires français dans la zone qui avait été déclarée comme soumise au blocus à l'égard des navires chinois ainsi que de lui communiquer le nom de ces navires, le nom du capitaine et celui du propriétaire. Mais il était spécifié que le seul but de ces communications était de prévenir des incidents et sans qu'elles aient pour conséquence de reconnaître au Japon le droit de s'ingérer dans la navigation de navires arborant légitimement le pavillon français et n'ayant pas fait, pour une cause quelconque l'objet d'une telle communication.

En ce qui touche les navires de guerre et aéronefs militaires français, le Gouvernement de la République leur a donné l'ordre de faire tout leur possible pour éviter tout risque d'incident avec les Forces Impériales; il ne saurait s'engager toutefois à notifier par avance leurs mouvements.

En

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

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En ce qui concerne l'aviation civile, j'ai eu l'honneur de préciser la position de mon Gouvernement dans ma communication du 2 Août n° 48 répondant à la note du 30 Juillet par laquelle le prédécesseur de Votre Excellence me demandait de faire parvenir aux avions français l'indication d'avoir à suivre un itinéraire déterminé dans la région des îles sises au sud de Canton. J'ai fait alors toutes réserves sur le caractère de l'indication qui pourrait être éventuellement donnée aux dits appareils (elle ne saurait être impérative ni être invoquée contre eux) et mon Gouvernement me prie de renouveler ces réserves auprès de Votre Excellence en ce qui concerne le droit entier des avions français à naviguer dans toute l'étendue de l'espace aérien délimité par la zone entre Swatow et Pakkoï qu'indique le paragraphe 3 de la note de Votre Excellence.

A ce sujet je suis également chargé de faire connaître à Votre Excellence qu'en dépit du désir de renseigner les autorités impériales sur les modifications éventuelles du service d'Air France, il peut être pratiquement impossible de les avertir 10 jours à l'avance; de telles modifications étant généralement dues à des circonstances imprévues.

Enfin, en ce qui concerne la demande présentée au § 4 de la lettre de Votre Excellence, j'ai l'honneur de déclarer que le Gouvernement de la République prendra toutes les mesures qu'il estimera nécessaires

pour

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pour assurer le respect par l'une et l'autre des
partis en lutte du territoire à bail de Kouang-Tchéo
Wan ainsi que de l'Union Indochinoise ./.

Veillez agréer, Monsieur le Président du Conseil,
les assurances de ma très haute considération.

(Charles Arsène-Henry)

Son Excellence

M. le Prince Fumimaro Konoe

Président du Conseil

Ministre des Affaires Etrangères

etc, etc, etc.

TOKYO

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 1, 1938.

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MMH

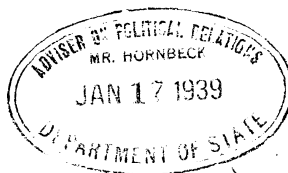
Reference Tokyo's 3416 of November 4, 1938, entitled "Japanese Government Statement of November 3, 1938."

The substance of this despatch and its enclosures were reported in Tokyo's 703, November 4, 10 a.m., and 704, November 4, 2 p.m.

With regard to the Japanese pronouncement of November 3, the Domei translation of which appeared in the American press, the Embassy points out that Japan is at the height of its sense of power and that it is in no mood to listen to complaints about the Open Door, which is thought of as a relic from the days of occidental domination of China.

Neither the despatch nor its enclosures need be read.

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



THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 3416

Tokyo, November 4, 1938

SUBJECT: JAPANESE GOVERNMENT STATEMENT OF NOVEMBER 3, 1938.

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Just to Tokyo
 Division of
 FAR EASTERN AFFAIRS
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The Honorable

The Secretary of State,
 Washington

Sir:

On the evening of November 2 the press section of the Foreign Office made available to the press and to correspondents, both in Japanese and in English, a document (for appearance in the papers the following morning) entitled "Statement of the Japanese Government November 3, 1938." (Reference the Department's telegram 375, November 3, 5 p.m., and the Embassy's telegram

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- 793.94/14786
- 1/ telegram 703, November 4, 10 a.m.) Those English
 - 2/ and Japanese releases constitute the first and second enclosures herewith.

The November 3 statement was occasioned by the Japanese occupation of the Hankow and Canton areas. Although couched in generalized phraseology not greatly differing from declarations made fragmentarily at various times in the past, the present statement has been launched in a manner suggesting that it is to be looked back to in future as a basic pronouncement. From time to time some official utterance in Japan derives importance not from its newness or from its specific provisions but from the fact of coming to stand as a summation behind which it is not necessary to go in future reasoning--a declaration of principle in vaguely general form, gathering definition with the passage of time, and accepted unquestioningly as a datum plane from which to advance further. The November 3 statement and the manner in which it has been handled suggest that it is such a pronouncement.

The outstanding points of the Japanese Government statement of November 3, 1938, are: The Kuomintang Government no longer exists except as a mere local regime; so long as it persists in communist and anti-Japanese policy Japan will not relent from the effort to crush it; Japan seeks the establishment of a new order which will assure the permanent stability of East

Asia

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Asia, founded upon the tripartite cooperation and coordination of Japan, "Manchukuo", and China in political, economic, cultural, and other fields; its object is international justice, defense against communism, and the creation of a new culture and a new economic solidarity in East Asia; Japan desires of China that China play its part in bringing about this new order; participation by the Kuomintang Government would not be rejected if it were to repudiate past policy and remold personnel; Japan is confident that other powers will properly appreciate this policy and will adapt their attitude to the new conditions.

3,4/ Newspaper accounts of the statement are comprised in the third and fourth enclosures to this despatch.

On the morning of November 3 (which was a festive holiday, made more than ordinarily gay by the taking of Hankow), the Premier, Prince Konoe, addressed the nation by radio. The speech has not been made available in official English translation, but the Domei news service distributed its English version, and the English-language newspapers published translations.

5/ The fifth enclosure herewith is copy of the Domei
 6/ translation, and the sixth is a newspaper version.

The Premier, in his radio address, refers to his remarks as an enunciation of the views of the Government with regard to the establishing of peace
 in

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in the Far East. He says that China's future lies in Japan's hands; that the cooperation of Chinese who have awakened to the need of self-determination as an oriental race is desired; that Japan desires the perfecting of China as an independent state; that Japan, Manchuria, and China, each with its own individuality, are naturally and historically tied to a common mission in the peace and order of the Far East; that the National Government, guilty of a betrayal of the age-old Chinese tradition of civilization, failed to advance that common mission, and brought on the present unwished conflict between two Asiatic peoples; that if the National Government regains the Chinese spirit and emerges with a new policy and changed personnel for the reconstruction of China, Japan will not reject its participation. Then, turning to the question of relations with other countries, the Premier's radio address goes on to state that peace and independence in China have often been menaced by the imperialist struggles of occidental powers; that Japan seeks a new Far Eastern peace fabric, but will not exclude cooperation of others; that Japan intends no damage to the legitimate rights of third powers in China; that Japan is determined to destroy communism; and that there must be established a real international justice in all phases of human activity including commerce, emigration, resources, and culture.

Paragraphs

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Paragraphs two, three, and four of telegram 704, November 4, 2 p.m., give comments of the Embassy on the significance of the statement and radio address. At the present time this nation is at the height of its sense of power as the result of successes in China, and concurrently at the height of its sense of high destiny in Asia. It knows that great effort is yet required in the cause. Meantime it is in no mood to listen with patience to complaints about violations of equal opportunity and the open door, which seem to it annoying legalistic arguments at conflict with the crusade being waged. Several items in the press have given expression to the suspicion that open door arguments are in truth cover for political ambitions in China. That a reply to our October 6 note in terms satisfactory to us is in preparation is more than can reasonably be expected. The statement and address transmitted herewith are evidence against optimism.

The Embassy feels warranted in the belief that the early future may bring moves by the Japanese Government in the direction of eliminating the open door as even a nominal principle for the governing of foreign rights and interests in China. The open door is thought of as an outgrowth of the period of infringements upon the sovereignty of China; and already Japan, feeling itself dominant over China, is of a temper to break down and clear away all relics of the days

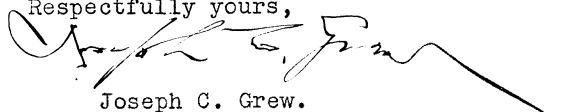
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days of Chinese subordination to occidental power.

Respectfully yours,


Joseph C. Grew.

Enclosures:

1. Mimeographed document in English entitled
"Statement of the Japanese Government
November 3, 1938."
2. Mimeographed document in Japanese of the same.
3. Newspaper clipping, "Statement Says Co-
ordination of 3 Nations Is Desired", JAPAN
ADVERTISER, November 3, 1938.
4. Newspaper clipping, "Highest Aim Is To Create
New Order In East, Document Says", JAPAN TIMES,
November 3, 1938.
5. Copy of Domei translation of Premier's November
3 radio address.
6. Newspaper clipping, "To Destroy China Is Not
Japan's Desire, Says Premier", JAPAN TIMES,
November 3, 1938.

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CC:mg:am:r

Copy to Ambassador Johnson.
Copy to Embassy, Peiping.
Copy to Consulate General, Shanghai.

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

Enclosure No. 1 to despatch
No. 3416 of November 4, 1938
from the Embassy at Tokyo.

Statement of the Japanese Government

November 3, 1938.

By the august virtue of His Majesty, our naval and military forces have captured Canton and the three cities of Wuhan; and all the vital areas of China have thus fallen into our hands. The Kuomintang Government exists no longer except as a mere local régime. However, so long as it persists in its anti-Japanese and pro-communist policy our country will not lay down its arms -- never until that régime is crushed.

What Japan seeks is the establishment of a new order which will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

This new order has for its foundation a tripartite relationship of mutual aid and co-ordination between Japan, Manchoukuo and China in political, economic, cultural and other fields. Its object is to secure international justice, to perfect the joint defence against Communism, and to create a new culture and realize a close economic cohesion throughout East Asia. This indeed is the way to contribute toward the stabilization of East Asia and the progress of the world.

What

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

- 2 -

What Japan desires of China is that that country will share in the task of bringing about this new order in East Asia. She confidently expects that the people of China will fully comprehend her true intentions and that they will respond to the call of Japan for their co-operation. Even the participation of the Kuomintang Government would not be rejected, if, repudiating the policy which has guided it in the past and remolding its personnel, so as to translate its re-birth into fact, it were to come forward to join in the establishment of the new order.

Japan is confident that other Powers will on their part correctly appreciate her aims and policy and adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by the nations which are in sympathy with us, Japan wishes to express her profound gratitude.

The establishment of a new order in East Asia is in complete conformity with the very spirit in which the Empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms, and with a full development of the aggregate national strength, material as well as moral, fulfil at all costs this duty incumbent upon our nation.

Such the Government declare to be the immutable policy and determination of Japan.

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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. 3416 of November 4, 1938
 from the Embassy at Tokyo.

帝國政府聲明

(昭和十三年十一月三日)

今ヤ、陛下ノ御稜威ニ依リ、帝國陸海軍ハ、克ク廣東、武漢三鎮ヲ
 攻略シテ、支那ノ要隘ヲ截定シタリ。國民政府ハ既ニ地方ノ一政權
 ニ過キス。然レトモ、同政府ニシテ抗日容共政策ヲ固執スル限リ、
 コレカ潰滅ヲ見ルマデ、帝國ハ斷シテ矛ヲ收ムルコトナシ。
 帝國ノ冀求スル所ハ、東亞永遠ノ安定ヲ確保スヘキ新秩序ノ建設ニ
 在リ。今次征戰完結ノ目的亦此ニ存ス。

コノ新秩序ノ建設ハ日滿支三國相携ヘ、政治、經濟、文化等各般ニ
 亘リ互助連環ノ關係ヲ樹立スルヲ以テ根幹トシ、東亞ニ於ケル國際
 正義ノ確立、共同防共ノ達成、新文化ノ創造、經濟結合ノ實現ヲ期
 スルニアリ。是レ實ニ東亞ヲ安定シ、世界ノ進運ニ寄與スル所以ナ
 リ。

帝國カ支那ニ望ム所ハ、コノ東亞新秩序建設ノ任務ヲ分擔センコト
 ニ在リ。帝國ハ支那國民力能ク我カ真意ヲ理解シ、以テ帝國ノ協力
 ニ應ヘムコトヲ期待ス。固ヨリ國民政府ト雖モ從來ノ指導政策ヲ一
 擲シ、ソノ人的構成ヲ改替シテ更生ノ實ヲ舉ゲ、新秩序ノ建設ニ來

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

リ参スルニ於テハ敢テ之ヲ拒否スルモノニアラス。
帝國ハ列國モ亦帝國ノ意圖ヲ正確ニ認識シ、東亞ノ新情勢ニ適應ス
ヘキヲ信シテ疑ハス。就中、盟朋諸國從來ノ厚誼ニ對シテハ深クコ
レヲ多トスルモノナリ。
惟フニ東亞ニ於ケル新秩序ノ建設ハ、我カ肇國ノ精神ニ淵源シ、コ
レヲ完成スルハ、現代日本國民ニ課セラレタル光榮アル責務ナリ。
帝國ハ必要ナル國內諸般ノ改新ヲ斷行シテ、愈々國家總力ノ擴充ヲ
圖リ、萬難ヲ排シテ斯業ノ達成ニ邁進セサルヘカラス。
茲ニ政府ハ帝國不動ノ方針ト決意トヲ聲明ス。

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

Enclosure No. 3, to despatch
 No. 3416, dated Nov. 4, 1938.
 from the Embassy at Tokyo.

The Japan Advertiser.

Tokyo, Thursday, November 3, 1938.

Statement Says Co-ordination of 3 Nations Is Desired

ECONOMY TO BE LINKED

Even Kuomintang Regime May Take Part if It Repudiates Old Policy, Is Reborn

POWERS' CHANGES HOPED

"Establishment of a new order which will insure the permanent stability of East Asia" is what Japan seeks in the China incident, the Government announces in the statement of its "immutable policy and determination" which it decided to issue because of the new situation created by the occupation of Canton and the Wuhan cities.

The statement, adopted by the Cabinet on Tuesday and given Imperial sanction yesterday, was made available last evening for publication in this morning's newspapers.

The projected "new order" has for its foundation "a tripartite relationship of mutual aid and co-ordination among Japan, Manchukuo and China in political, economic, cultural and other fields." Its aims are "to secure international justice, to perfect joint defense against Communism and to create a new culture and realize a close economic cohesion throughout East Asia."

Even Kuomintang Welcome

If the Kuomintang regime repudiates its past policy, is reborn and offers to join in the undertaking, Japan will not reject its participation in the task of bringing about the "new order," the statement says. So long as it persists in its anti-Japanese and pro-Communist policy, however, Japan will not lay down its arms until it is crushed.

Japan is confident that the other Powers will "adapt their attitude to the new conditions prevailing in East Asia."

Domestic reforms and "a full development of the aggregate national strength" are imperative in order to fulfill the task of achieving the "new order," which "is the exalted responsibility with which our present generation is entrusted."

The full statement follows in a translation provided by the Foreign Office:

"By the august virtue of His Majesty, our naval and military forces have captured Canton and the three cities of Wuhan, and all the vital areas of China have thus fallen into our hands. The Kuomintang Government exists no longer except as a mere local regime. However, so long as it persists in its anti-Japanese and pro-Communist policy, our country will not lay down its arms—never until that regime is crushed.

"What Japan seeks is the establishment of a new order which will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

Nations to Be Co-ordinated

"This new order has for its foundation a tripartite relationship of mutual aid and co-ordination among Japan, Manchukuo and China in political, economic, cultural and other fields. Its object is to secure international justice, to perfect joint defense against Communism and to create a new culture and realize a close economic cohesion throughout East Asia. This indeed is the way to contribute toward the stabilization of East Asia and the progress of the world.

"What Japan desires of China is that that country will share in the task of bringing about this new order in East Asia. It confidently expects that the people of China will comprehend fully its true intentions and that they will respond to the call of Japan for their co-operation. Even the participation of the Kuomintang Government would not be rejected, if, repudiating the policy which has guided it in the past and remolding its personnel, so as to translate its rebirth into fact, it were to come forward to join in the establishment of the new order.

"Japan is confident that other Powers will on their part correctly appreciate its aims and policy and adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by the nations which are in sympathy with us, Japan wishes to express its profound gratitude.

"The establishment of a new order in East Asia is in complete conformity with the very spirit in which the Empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms and with a full development of the aggregate national strength, material as well as moral, to fulfill at all costs this duty incumbent upon our nation.

"Such the Government declares to be the immutable policy and determination of Japan."

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

Enclosure No. 4, to despatch
 No. 3416, dated Nov. 4, 1938.
 from the Embassy at Tokyo.

The Japan Times.

Tokyo, Thursday, November 3, 1938.

Highest Aim Is To Create New Order In East, Document Says

HOLDS UNITY ESSENTIAL

Cooperation With Kuomintang Regime Held Possible If It Changes Its Attitude

Japan's highest aim is to create a new order in East Asia, and to succeed she must have the united cooperation of all countries in that area—which means that she will cooperate even with the Kuomintang regime if it repudiates its old policies—says the policy statement released by the Government this morning.

The statement voices confidence that the Powers will understand Japan's aims and adopt a sympathetic attitude.

The full text, as translated by the Foreign Office, follows:

"By the august virtue of His Majesty, our naval and military forces have captured Canton and the three cities of Wuhan; and all the vital areas of China have thus fallen into our hands. The Kuomintang Government exists no longer except as a mere local regime. However, so long as it persists in its anti-Japanese and pro-communist policy our country will not lay down its arms—never until that regime is crushed.

"What Japan seeks is the establishment of a new order which will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

"This new order has for its foundation a tripartite relationship of mutual aid and coordination between Japan, Manchoukuo and China in political, economic, cultural and other fields. Its object is to secure international justice, to perfect the joint defense against Communism, and to create a new culture and realize a close economic cohesion throughout East Asia. This indeed is the way to contribute toward the stabilization of East Asia and the progress of the world.

"What Japan desires of China is that that country will share in the task of bringing about this new order in East Asia. She confidently expects that the people of China will fully comprehend her true intentions and that they will respond to the call of Japan for their cooperation. Even the participation of the Kuomintang Government would not be rejected, if, repudiating the policy which has guided it in the past and remolding its personnel, so as to translate its re-birth into fact, it were to come forward to join in the establishment of the new order.

"Japan is confident that other Powers will on their part correctly appreciate her aims and policy and adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by the nations which are in sympathy with us, Japan wishes to express her profound gratitude.

"The establishment of a new order in East Asia is in complete conformity with the very spirit in which the Empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms, and with a full development of the aggregate national strength, material as well as moral, fulfill at all costs this duty incumbent upon our nation.

"Such the Government declare to be the immutable policy and determination of Japan."

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

Enclosure no. 5 to despatch no.
 3416, November 4, 1938, from
 the Embassy at Tokyo.

Copy by the American Embassy, Tokyo, of a mimeographed
 document distributed November 3, 1938 by the Domei news
 service, Tokyo.

SR

DOMEI HOME NEWS SERVICE

November 3.

No. 6

PREMIER KONOYE'S
 RADIO SPEECH.

Tokyo, November 3. -- (Domei) -- Addressing the
 nation over radio for fifteen minutes from 9:10 o'clock
 this morning from his official residence on the occasion
 of the birthday anniversary of the late Emperor Meiji,
 Premier, Prince Fumimaro Konoye enunciated the Government's
 policy to meet the new situation created as the result of
 the fall of the Wuhan cities into Japanese hands and urged
 the nation to make a fresh determination to attain the
 objectives of the current crusade in China. A translation
 by Domei of the Premier's radio speech follows:

"It is my great pleasure, on this occasion of the birthday
 anniversary of the late Emperor Meiji and once more remembering
 the high virtues of the Emperor, to enunciate the views of the
 Government in connection with the establishment of peace in
 the Far East the work of which has been bequeathed to us from
 the late Emperor. Following closely on the heels of the fall
 of Canton, Hankow, which forms the heart of the interior of
 China came under Japanese control. A vast area involving

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

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the seven important cities which control the functions of modern China is in the hands of the Japanese army. There is a well-known saying that "those who control the vital areas of China control whole China". The Chiang Kai-shek administration has practically been reduced to a mere local regime. While reserving her sufficient fighting power for rejecting interference from outside Japan has secured the brilliant achievements. This is due to the strenuous efforts on the part of the brave officers and men under the august virtue of His Majesty the Emperor and the sense of gratitude of the people has never been moved so profoundly as on the present occasion. The people's gratitude goes to a great number of those who have fallen or wounded in the incident. We feel that we are doubly duty-bound toward this priceless sacrifice. First of all, we must attain the objectives of the current fighting by succeeding to the will of those who have been sacrificed in the incident. Next, we must not forget to repay those families and relatives of the sacrificed. Japan holds the key to the disposal of China. However, what Japan sincerely desires is the development and not the ruin of China. It is China's cooperation and not conquest that Japan sincerely desires. Japan desires to build up a stabilized Far East by cooperating with the Chinese people who have awakened to the need of self-determination as an Oriental race. No country desires or understands as Japan does perfection of China as an independent state and China's racial aspiration and sentiment. History shows that Japan, Manchukuo and China are so related to each other that they must bind themselves closely together in

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

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a common mission for the establishment of peace and order in the Far East by displaying their own individuality. It is a matter for deep regret, not only for the sake of Japan but also for the sake of the Far East that the realization of this ideal between Japan and China was hampered by the wrong policy pursued by the Nationalist Government. The keynote of the policy pursued by the National Government is very superficial because it was based on the trends of the temporary reactionary period following the termination of the World War. This policy was not based on the tradition and intuition which are so characteristic of the Chinese nation. The National Government did everything in order to maintain its power and did not care for steady bolshevization and colonisation of China. This is not in accordance with the way pursued by China's zealous patriots who have fought at the sacrifice of their own lives for the construction of a new China. This is the reason why Japan which is so closely affiliated with China as one of the two greatest races in the Orient has risen in arms to crush the Chiang Kai-shek administration although she does not want to have a tragedy of fighting with the brother nation, China. Japan sincerely desires that China will awake. Those who are jealous of the future in China should rise up for the execution of the common mission of the Far East by pointing the Chinese people to their destined path and guide the rejuvenated China. Rehabilitation is steadily on its way in Peking and Nanking while the spirit of rejuvenation pervades the Mongolian frontier districts. The Chinese

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Chinese race which on many occasions during its history extending over five thousand years held a guiding torch for the civilization of the world should leave behind it a history compatible with the great deeds left by China's forefathers by bringing a new light to the civilisation of the world and sharing with Japan in the mission for the construction of a new Far East. If the National Government regains the original spirit of the Chinese race, effects changes in the policy it has pursued and the personnel and emerges as a new administration for the reconstruction of China Japan would not reject the participation of the National Government. All countries of the world should have a clear recognition regarding the new situation in the Far East. History shows clearly that peace and independence in China have been frequently menaced as the result of the struggle for supremacy among foreign Powers which was based on imperialistic ambitions. Japan sees the necessity of effecting a fundamental revision in this situation and desires to establish a new peace fabric in Far East on the basis of justice. It goes without saying that Japan will not exclude cooperation of foreign Powers. Neither she intends to damage the legitimate rights of the third Powers in China. If the Powers understand the real intentions of Japan and devise a policy in accordance with the new situation in the Far East, Japan does not grudge to cooperate with them for peace in the Far East. The world knows that Japan is earnestly determined to fight it out with communism. What the Comintern intends to do is bolshevisation of the Far East and disturbance of world peace. Japan expects to suppress in a drastic manner

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the sources of the evils of bolshevisation and their subversive activities behind the so-called long-term resistance of the Chiang Kai-shek administration. Fortunately, both Germany and Italy which are our allies on the anti-Comintern front understand the intentions of Japan in the Far East and have extended their moral support in the current incident which has greatly encouraged the Japanese nation. In this respect we extend our deep gratitude to these countries. The current incident had convinced us of the necessity of further tightening the bonds. Japan is determined also to cooperate in the reestablishment of world order guided by a common view of the world. What the world at present needs badly is the establishment of peace on a fair balance of power. There is no denying the fact that various principles in the past have forced the maintenance of the status quo marked by an unbalanced state. That the international treaty such as the covenant of the League of Nations has lost its prestige is fundamentally due to this irrationality. Without making international justice a mere slogan on paper a new peace fabric must be formed which can keep pace with the progress of history for the basis and in accordance with international justice established all phases of human life such as commerce, emigration, natural resources and culture. We believe that the only means to break the current general crisis is to perfect the above-mentioned conditions. The Japanese people are placing absolute confidence in the members of the fighting services on the front and engaged in the various activities behind the gun and are perfecting the necessary

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necessary conditions to meet Japan's protracted hostilities. This is very characteristic of the people. Japanese history shows that the vicissitudes of the country have always depended on the people's self-consciousness about the national structure. When we realize that the Imperial Throne is concerned about the establishment of permanent peace in the Far East we subjects cannot but feel that our moral mission is indeed heavy. The Japanese people at this very juncture must face their respective duties solemnly. They must also have a clear understanding and should not err in their recognition about what kind of sacrifice and preparations is necessary for the construction of a new fabric on a moral basis in the Far East. If there is any one in Japan who holds the idea that the fall of Hankow and Canton will immediately bring an era of peace he does not really understand the important meaning of the current incident. Nothing is more dangerous. Japan which is entrusted with the task of constructing a new Far East has entered upon a new stage of creation in all fields of human life. In this sense, the actual fighting has just started. In order to be a great nation we must proceed with the perfection of various preparations for reconstruction both at home and abroad with a firm faith and determination.

2:45 p.m./3.11.38/Mi.

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

Enclosure No. 6, to despatch
 No. 3416, dated Nov. 4, 1938.
 from the Embassy at Tokyo.

The Japan Times.

Tokyo, Thursday, November 3, 1938.

To Destroy China Is Not Japan's Desire, Says Premier

ELABORATES STATEMENT

Nationwide Radio Appeal For Cooperation To Be Heard Again Tonight

"The key to the future of China is in the hands of Japan. What Japan desires is not to destroy China, but to help her progress; not to conquer China, but to cooperate with her," said Premier Fumimaro Konoye in his nationwide radio address this morning, supplementing and explaining Government's policy statement.

Expressing appreciation of the sacrifices made by the soldiers at the front, the Premier urged the people to do their best for the relief of the families of the dead and wounded.

He emphasized that it is Japan's policy to respect Third Powers' interests, and said that other nations should recognize the new conditions prevailing in East Asia. He requested their cooperation for the stabilization of East Asia.

Voices Government's Views

"It is my great honor to express the views of the Government respecting the establishment of peace in the Orient on this Meijisetsu when we recollect the great virtues of Emperor Meiji and of his great endeavor for bringing peace to East Asia," the Premier said.

"Follow the fall of Canton, Hankow which is the heart of China, has fallen into the hands of our forces. Thus the great central area of China, with the seven largest cities, which control the modern facilities of that country, are now in our hands. The one who controls the Central area controls the whole country, a Chinese saying goes. The Chiang regime has thus now become only a local regime. Maintaining national strength sufficient to reject any interference from outside on one hand, Japan has easily obtained a great victory. This is due to the gracious Imperial virtues and the efforts of our brave soldiers. The people's appreciation and joy have now reached their peak.

"Celebrating this great victory, the people's thanks must be offered to the soldiers who died or were wound-

ed. Thus we feel two great responsibilities, one for carrying out the work done by those who sacrificed their lives, and the other for giving proper relief and aid to the families of such dead or disabled soldiers.

Wishes to Cooperate

"Japan wishes to cooperate with the awakened Chinese people to establish a stabilized East Asia. It is the eager desire of Japan to recognize the racial sentiment of the Chinese people and the need of perfecting China as an independent nation. Japan, Manchoukuo, and China, three neighboring nations, should reveal their individual features and join firmly for the common mission of maintaining the integrity and peace of East Asia. It is, however, a great regret of Japan and the entire East Asia that the materialization of this great ideal has been hindered by the mistaken policy of the Kuomintang Government.

"The basic policy of the National Government has been insincere. Having been influenced by the reaction after the World War, it did not originate from the wisdom and knowledge of the Chinese people. Particularly for maintaining its power, it did not choose its policy, and has thus encouraged the Bolshevikizing and colonization of China. It was a revolt against the great leaders and patriots who sacrificed their lives for the establishment of a new China.

Appeals to Chinese Patriots

"While Japan does not wish for the tragedy of two Eastern peoples fighting each other, she has been obliged to take up arms against the Chiang regime. Japan now wishes China to awaken to realize her mistake. The patriots of China should also rise to bring her back to her proper path and to exert efforts for the common welfare of the Orient. Already at Peking and Nanking, the spirit of revival is seen, and in Mongolian districts there has appeared a movement for the revival of the Mongols.

"The Chinese people who have lighted great torches in the history of the world civilization in the past 5,000 years, should reveal their greatness and share the task of constructing a new East Asia.

"If the National Government returns to the original spirit of the Chinese race and makes personnel and political reforms, thus attempting to reconstruct China as a new regime, Japan will not reject it.

"The nations of the world should also recognize the new situation in the Orient. In the past China has been an area sacrificed to the imperialistic ambitions of other Powers. Japan recognizes the need of making a fundamental change in this condition, and wishes to establish new peace and order in East Asia.

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based on justice.

To Respect Interests

"Japan does not reject cooperation with other Powers, neither intends to damage the interests of third powers. If such nations understand the true intention of Japan, and adopt policies suitable for the new conditions, Japan does not hesitate to cooperate with them for the sake of peace in the Orient.

"The world knows that Japan intends to fight and destroy Communism. What the Comintern plans is the Bolshevization of the Orient and the disturbance of world peace. Japan expects to destroy the Comintern, which is inciting the so-called long resistance of the Chiang regime. Germany and Italy, with whom we concluded the anti-Comintern pact, have given spiritual support to Japan, and we feel grateful to them, and also realize the need of further strengthening this pact.

"What the world needs today is the establishment of peace, justice and equality. It cannot be denied that the past various rules have maintained the unbalanced condition. It is well known that international agreements such as the League of Nations Covenants already have lost their dignity, because of irrational principles. There must be brought about a new peace system based on realities, covering trade, immigration, resources, culture and other fields of human life. To obtain such conditions is the only way to conquer the present temporary crisis.

People's Spirit Good

"The people, who place great confidence in the soldiers at the front, and silently perform their behind-the-gun duties, are the true subjects of Japan. Japan's progress has always been parallel with the people's recognition of national polity. Our Imperial Family has always held at heart the establishment of permanent peace in the Orient. The people of the nation should fully realize their duty to accomplish this.

"We should not ever mistake the meaning of the duty which we shoulder for establishing a new system based on a moral foundation uniting all nations and people of the Orient. If there is anyone who thinks that with the fall of Canton and Hankow, peace will come soon, he does not realize the great meaning of the Incident. Japan, which is to undertake the construction of a new East Asia, has now entered the period of establishing a new life among the people. In this sense, the true war has just begun. To become a really great people, we must proceed bravely and firmly toward the adjustments and construction of both domestic and foreign affairs."

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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 25, 1938.

~~JWP:~~ WAA: JWP:
~~RCM:~~ RCM: ~~RCM:~~

Shanghai's despatch No. 1780 of October 25 transmits memoranda of the Regimental Intelligence Officer of the Fourth U. S. Marines reporting observations made on recent trips which he took through Japanese-occupied territory (Hangchow, Soochow, and Yangtze front areas) as a participant in an elaborate propaganda tour for foreigners arranged and paid for by the Japanese Army.

The concluding summary of the officer's principal impressions commencing at the middle of page 5 of Enclosure 2 (which the Consul General describes as confirming his own "office's feeling on several points") is recommended for your reading. In case you wish to go further, other paragraphs of the memoranda have been marked, of which the following seem most deserving of attention:

Enclosure 1, p. 4 - Activities of Japanese Buddhist monks;

Enclosure 2, p. 3, par. 5 - Range of floating mines;

Enclosure 2, p. 3, last par. and top next page - Japanese criticism of British, as compared with Americans, at Kiukiang.

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

NO. 1780

For Distribution-Check			
Circle	M	To field	Yes
For	Paxton	In U.S.A.	No

AMERICAN CONSULATE GENERAL,

Shanghai, China,
October 25, 1938. PM 4 42

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Confidential.

DIVISION OF
COMMUNICATIONS
AND RECORDS

793.94
SUBJECT: Memoranda of Marine Intelligence Officer
on Recent Trips in Japanese Occupied
Territory.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.



SIR:

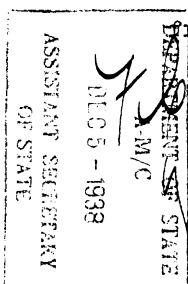
1/2/ I have the honor to enclose copies of two memoranda,
prepared by the Regimental Intelligence Officer of the
Fourth U. S. Marines, dated October 18 and 24, 1938,
containing observations on two recent trips he has made
through Japanese occupied territory.

His summary at the end of the second report is par-
ticularly interesting as showing confirmation, by a
trained observer's first-hand observations on the spot,
of this office's feeling on several points, as reported
from time to time.

His summing up may be condensed briefly as follows:

1. The guerrillas in this area have been completely
unable to disturb the Japanese lines of communi-
cation.
2. Japanese losses have been serious.
3. The ordinary Chinese are dumbly acquiescent to
the Japanese domination.

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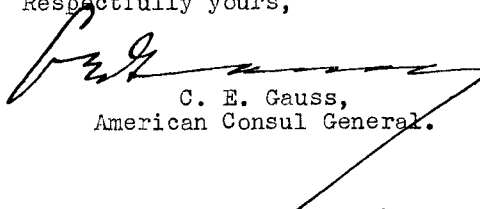
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

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4. The Japanese have put to warlike use large numbers of peaceful craft.
5. The Special Service Section is managing puppet government organizations, importing Buddhist Monks for the education of Chinese children and is reported to be marketing narcotics, all with a basic political purpose.

Respectfully yours,


C. E. Gauss,
American Consul General.

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Enclosures:

- 1/ - Copy of memorandum, dated October 18, 1938, of Regimental Intelligence Officer of the Fourth U. S. Marines, Shanghai.
- 2/ - Copy of memorandum, dated October 24, 1938, of Regimental Intelligence Officer of the Fourth U. S. Marines, Shanghai.

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JHP:fc

In Quintuplicate.
Copy to Embassy, Peiping (via Tokyo).
Copy to Embassy, Tokyo (by hand).

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Received 7 P.

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

Enclosure no. 1 to despatch no. 1780, dated October 25, 1938, from C. E. Gauss, Consul General at Shanghai, China, on the subject of: "Memoranda of Marine Intelligence Officer on Recent Trips in Japanese Occupied Territory".

COPY

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA
DECLASSIFIED

RESTRICTED. E.O. 11652, Sec. 3(E) and 5(D) or (E) 18 October, 1938.

OSD letter, May 3, 1973
NARS Date May 19, 1973
MEMORANDUM TO: The Fleet Intelligence Officer.

Subject: Train Trips to Soochow and Hangchow.

The undersigned accompanied a group of foreign and Japanese newspapermen and other civilians both Japanese and foreign who, on October 15th and 16th respectively, made trips to Soochow and Hangchow, under the auspices of the Special Service Organ of the Japanese Army. The press men, some of whom are stationed in Tokyo and some in Shanghai, included representatives from England, France, Italy, Germany and America, as well as Japan. The members of the party other than pressmen were mostly college professors resident in Tokyo. These trips were part of a program beginning on October 12th and ending on the 22nd and constituting an extensive tour of the entire Central China war area, past and present, including a trip to the Yangtze front. All expenses, except those of the Tokyo members while staying in Shanghai, are paid by the Japanese Army. The tour, which will cost a considerable sum, has obviously been arranged to get Japan a better press abroad.

The line from Shanghai to Soochow is very lightly guarded. The train guard consisted of four infantry men who rode in the rear coach. Along the 60 odd miles of track between the two cities, six villages and only two of the many bridges were garrisoned, these by a platoon each. The countryside was peaceful, farmers working in the fields. Crops were excellent. Along this line the Japanese worry very little about guerillas, since only two companies, or at most a battalion, comprise the guard.

Soochow, judging from the number of soldiers I saw on the streets and on sentry duty, must be the headquarters of at least a regiment. The road bed of the line is in good condition. The train on which we had a special car was packed full of Chinese and Japanese soldiers and civilians. Freight trains, loaded with munitions and some troops, frequently passed through Soochow going toward Nanking. Since we were taken on a prearranged tour, often out of sight of the railroad, I did not have an opportunity to count them, but even so noted four such trains between the hours of 1100 and 0400.

The city was crowded, shops open and business going on. The population is slightly larger than before the war, according to the Japanese many country people having moved to town to escape the bandit menace. Both Japanese and Chinese admit that it is unsafe to venture outside the city walls at night or very far outside them in the daytime.

At both Soochow and Hangchow the foreign group was received and entertained by the Special Service Organ, the head of which at Soochow was a Lieutenant Colonel, at Hangchow a Colonel.

Soochow

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Soochow is the Provincial Capital of Kiangsu Province and the Special Service Organ closely supervises and directs the operations of the puppet Chinese regime. The Lieutenant Colonel in Command made a speech along the usual lines of Japanese propaganda and then answered questions readily enough. Each Special Organ section has a civilian adviser, a man who has had some experience in Municipal Government. His duties are to assist and advise the Special Organ. The gentleman occupying this position at Soochow appeared during the latter part of the Colonel's speech in morning coat and a highly intoxicated condition. However, I only saw one intoxicated Japanese soldier in Soochow and none in Hangchow.

While leaving Soochow at about 0400 six wounded Japanese soldiers were observed being brought in.

The line from Shanghai to Hangchow is much more heavily guarded than the Shanghai-Soochow. The Japanese say that 1 division garrisons Hangchow and guards the line. The following troops and defensive installations were noted along the 115 miles of track between Shanghai and Hangchow.

Between Shanghai and Sungkiang 2 stations guarded each by 1 platoon. No bridges guarded. 1 small gasoline car with 4 men and 1 light machine-gun, patrolling.

Sungkiang to Hangchow:

Bridge, 1 squad
Bridge, 1 squad
Bridge, 1 platoon
Village, 1 platoon. About 1,000 yards south sand bag emplacements were erected at a bridge, no men visible. Guard undoubtedly sent out from village at night.

Bridge, 1 squad
Bridge, 1 squad
Bridge, 1 squad
Bridge, sentry post
Village, emplacements erected, no men seen
Small Bridge, emplacements, no men
Small Bridge, 3 men
Village, 1 squad
Village, 1 section
Sentry post, no bridge or village
Kashing, battalion. Very near Kashing a bridge with emplacements, no men.
Sentry post, no bridge or village
Small bridge, sentry post
Village, 1 platoon, large emplacements
Bridge, emplacements, no men
Sentry post, excellent brick pill-box. No bridge or village.
Small village, emplacements, no men
Village, 1 platoon
1 squad, no bridge or village
Small bridge, sentry post
Village, 1 platoon
Nearby bridge, emplacements, no men
1 sentry post near above bridge
1 village, 1 platoon
Big village, 1 company

Bridge

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Bridge, sentry post
Village, 1 squad
Chinese grave converted into machine-gun emplacement, 1 squad
Village, 1 platoon
Village, 1 platoon
Village, 1 platoon

All garrisoned points had sand bag emplacements in excellent condition, and a few of the larger ones had brick pill-boxes. All trees near the track have been cut down, both on this line and between Shanghai and Soochow. On this line also the countryside appeared peaceful, crops good, farmers working in the fields.

We were conducted to Zakow, 5 miles south of Hangchow, a point on the Japanese front. Here the Japanese have an observation post and several artillery batteries on a hill overlooking the Chientang River, near the huge bridge which the Chinese destroyed when they retreated. The officer in command, a Major of artillery, made a speech. Interspersed with a great deal of Japanese propaganda he stated the following points of military interest.

"Across from here and scattered to the west there are eight Chinese divisions. They used to snipe at us occasionally using machine guns. We crossed the river and carried out two mopping-up expeditions against them. Normally however, when the sniping became heavy we laid down an artillery barrage on the positions which you can observe from here, and on the terrain farther to the rear. After these barrages we often observed dead bodies lying on the ground. The area is too extensive to cover with one concentration, so we bracketed the positions and shelled them one after another. These Chinese troops have lost most of their fighting spirit and we have had nothing but desultory sniping for several weeks.

"Across from here and scattered to the east there are guerilla bands, we don't know how many. They carry out a few raiding expeditions against us and harrass the Chinese population. They sometimes cross the river east of here.

The activities of these troops and mobile bands do not amount to much and we have had very few casualties. However we carry out our patrol duties very rigourously.

The Japanese guard and patrol the north bank of the Chientang River for several miles each way from Zakow.

Going through Hangchow to the front and back, I saw men of nearly every branch of the Japanese Army, with infantry in the preponderance. Our opportunities for observation of troops and defensive installations were very much restricted, but from what direct observation was possible I judge that the better part of a division is on duty in Hangchow, and along the Chientang River. Thus the Japanese statement that one division guards the line and garrisons this front is almost certainly not correct. I would place it at 1 division and attached units, at least 35,000 men.

The physical condition of the Japanese troops observed was excellent, and their morale and discipline, so far as could be judged, good.

Most of the shops in Hangchow are boarded up and, from appearances, only about 25% of the population has returned. (This

figure

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

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figure is a very rough estimate based on observations made while riding through several of the streets). In the hill back of the principal temple there is an excellent cement air raid dugout several hundred feet long with bathrooms and electric lights.

The Special Service Organ of the Japanese Army has brought a Japanese Buddhist Monk from Japan and placed him in charge of this work. This man came to our hotel on the evening of the 16th and talked to us for several hours. The substance of his remarks which seems to me of great interest and importance, were as follows:

"The Special Service Organ of the Japanese Army has brought over many Japanese Buddhist Monks from Japan and placed them in various temples throughout the occupied area. I was brought over shortly after the occupation of Hangchow. The policy to which I am devoting my life, and to which the others are devoting their lives, is this."

"I have made for myself a hundred year plan. I will die long before it is accomplished, but others will carry on my work. My first move was to take into the temple, feed and clothe with money supplied by the Special Organ, 1,400 Chinese refugees. Due to improved conditions this number has decreased to 600."

"I have also established in the temple medical clinics and schools. The schools are for the monks and for the children of the Hangchow community. I concentrate especially on children under ten years of age. We will educate them step by step and the best we will train to be monks. We are also conducting, in so far as the still unsettled condition of Hangchow permits, an employment agency. When peace returns to the land we expect to expand this work greatly and do a great deal to improve the condition of coolie and factory workers."

"The Chinese were greatly surprised when I started this work because the Buddhist monks in this country are nearly all unemployed loafers. They enter the temple and spend the rest of their lives living on public charity. Most of them are illiterate and stupid. A Buddhist monk who did good work for the common people was a novelty to the Chinese. However they like it and are coming more and more to have faith in me and in the real Buddhism which we preach and practice."

An energetic, self confident type of man he looked capable of doing all he claimed to be doing. Even if part of what he said was exaggeration, an organized Japanese movement to gain control of Chinese children of the occupied areas through the common ground of Buddhism, and using good works as a means, presents important possibilities. One of the newspaper men stayed over another day to get pictures and a more complete story of the Monks' work.

R. A. BOONE,
 Major, U.S. Marine Corps,
 Regimental Intelligence Officer.

 Dist: Fleet Intelligence Officer R-2 File
 ONI Major Monahan
 Maj-Gen Commandant Major Boone-Personal File

Copied by FC
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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. 1750, dated October 25, 1938, on the subject of "Memoranda of Marine Intelligence Officer on Recent Trips in Japanese Occupied Territory", from C. E. Gauss, Consul General at Shanghai.

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

COPY

OFFICE OF THE REGIMENTAL INTELLIGENCE OFFICER,
HEADQUARTERS, FOURTH MARINES,
SHANGHAI, CHINA

RESTRICTED

24 October, 1938

MEMORANDUM TO: The Fleet Intelligence Officer.
SUBJECT: Airplane tour of Yangtze Front.
REFERENCE: My Memorandum to the Fleet Intelligence Officer dated October 18th, 1938.

1. On October 19th to 22nd inclusive the undersigned accompanied the group of civilians described in the reference on the following tour.

19th October, from Shanghai to Hwangshihkang, Hupeh, on the Yangtze River which the Japanese were then attacking, thence to Kiukiang by airplane.

Heard description of Yangtze operations by Lt. Col. Nakayama and Lt. Col. Shimidzu, both of General Hata's staff, at the Japanese Consulate, Kiukiang. Nakayama said that 130 Chinese divisions comprising 800,000 men were concentrated for the defense of Hankow and Nanchang. Also to be considered were from 20 to 30 divisions south of the Yellow River and west of Chengchow.

Interview with General Hata at latter's headquarters.

Interview with Vice Admiral Oikawa aboard his Flagship, the minelayer "Okinosima".

Spent night aboard hospital ship "Muro Maru".

20th, tour of Kiukiang, cursory outside inspection of foreign property. Standard Oil and British American Tobacco Company properties appeared undamaged.

Visited refugee camp. Japanese civilians under direction of Army are caring for about 3300 Chinese refugees.

Visited Japanese army clearing hospital. 2000 patients, greater proportion of sick than wounded. Beri beri is very prevalent and serious among the troops. There is still some Cholera and considerable Dysentery. The hospital was dirty and crowded. The wounds principally head and face wounds from trench mortar fragments. The doctors said that most of the patients would be able to return to the front. Serious cases are sent down river to Nanking.

From Kiukiang to Nanking by airplane. Turned south at entrance to Poyang Lake and flew over Singtze, Aikow, Tehan, Yangtsin. Crossed Yangtze flew over Kwangtsi and for some distance out the highway toward Sishui. Thence turned back proceeded to Nanking.

The

- 2 -

The United Press representative, Mr. H. O. Thompson, and myself called on the American Consul in Nanking and gave him a brief verbal resume of the trip.

In Nanking the party stayed at the former Metropole Hotel which was reopened on 5 October.

21st October, tour of Nanking, interview with Reformed Government Officials, dinner with Major General Harada Head of the Special Service Organ of the Japanese Army for the Yangtze Valley area.

22nd October, returned to Shanghai by train. All trees along this line are cut down.

2. On the flight to Hwangshihkang we followed the Yangtze quite closely. An airplane observer, on days of good visibility, can cover an area 25 miles each way. Visibility was good on the 19th. The rice crop was about ready to harvest and had a characteristic yellowish color which was visible probably for a much greater distance than 25 miles. Between Shanghai and Nanking, on the land at least up to 25 miles on each side of the Yangtze, crops were good, conditions peaceful, farmers busily working in the fields. There are however certain flooded areas between Chinkiang and Nanking. The statement concerning good crops and peaceful conditions may be applied to the terrain between Nanking and Anking with the exception of the district on the south bank of the River immediately below Anking. Here was observed the only evidence of Guerillas seen on the entire trip. About a dozen scattered fires were burning over an area of several square miles. The Japanese Naval Officer who acted as guide, Commander Mitunoby, assistant Naval Attache, stated that Japanese troops were burning villages and houses which were suspected of harboring guerillas.

Between Anking and Hwangshihkang, villages and countryside appeared deserted by the Chinese population. During the flight to the north and south of the Yangtze on the 20th however it was observed that even in the areas where fighting has just been taking place, in many of the valleys and mountainside terraces, crops were good and farmers working.

Two destroyers and a torpedo boat were on patrol between Wuhu and Anking. At Anking there were 4 cargo vessels and one destroyer. Between Anking and Kiukiang the river was thickly dotted with cargo vessels, destroyers and torpedo boats. I saw three cargo vessels going down stream under tow. They did not appear to be damaged.

The opening in the Matang boom is adjacent to the south bank of the river. A sizable island lies in the river here and the stream divides into two branches, the northern fork being about one fourth the width of the original stream, the southern three fourths. The boom consists of Junks loaded with rocks and sunk. Thirteen masts were visible. The northern fork had four such masts. There is no opening here. There are nine masts in the southern fork and, adjacent to the southern bank, open water in which there would be room for 2 more. I would judge the opening to be about 100 yards wide.

(These

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(These observations were made while circling the boom at a very sharp angle, visibility often obstructed by the wings. I am sure of the number of masts, but the distance estimate is rough.)

The Yangtze is much higher than usual for the time of the year. Flood conditions still seriously handicap the Japanese operations. Planes were observed bombing Hwangshihkang. Destroyers were also shelling the town. Two or three miles down stream 8 cargo vessels of three or four thousand tons and about 20 inland sea fishing smacks and sea sleds were lying in wait. Two destroyers were with them. That same afternoon this flotilla moved upstream, landed troops and occupied Hwangshihkang.

Our plane flew over the town at a height of about 2000 feet but we were not fired at.

A foreign newsreel man who has been with the Japanese Naval spear-head for over a week taking pictures, said that the Japanese method in attacking shore points is simply to lay down a crushing air and Naval barrage until all visible signs of resistance has been obliterated, then to land troops. Since the fall of Tienkiachen there has been little for these troops to do after landing.

Nothing of any importance was learned at the interviews with Hata and Oikawa. The Admiral took considerable time to emphasize that there has been the closest cooperation between the Army and Navy. General Hata did not mention the Navy at all except to say, "You gentlemen are to spend the night under the Navy's care. I am afraid you will find it dangerous on the river. There are many floating mines which the Chinese release at Hwangshihkang." Asked how far down stream they floated he said "They come to Kiukiang."

Kiukiang is deserted of its Chinese population except for the refugees previously mentioned, and coolie labor gangs. Some of the buildings have been burned but there does not seem to have been a great deal of destruction. The town is the Japanese advance base. Thousands of troops were observed, all dirty and many in run down physical condition. Hundreds of horses were also seen, all thin and many of them with frightful back sores.

On the tour of foreign property we were taken first to the Jardine Matheson compound which adjoins the Standard Oil building. Here the Japanese Gendarme Captain who acted as guide made the following statement.

"The Chinese troops constructed sandbag emplacements inside the Jardine compound. They then tore a hole in the wall leading into the Standard Oil compound and attempted to construct emplacements there. The Standard Oil manager, however objected vigorously and prevented the Chinese troops from entering his compound in any way. The Chinese did not use the Standard Oil compound in any way but they fired on us from the Jardine compound. We did not return the fire. There is evidence that British Naval Officers visited the Jardine compound after the emplacements had been constructed. In view of the fact that the Standard Oil manager prevented the Chinese troops from entering his compound, we are of the opinion that, had the British taken a firm stand this misuse of neutral property would not have occurred."

This

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This story cast considerable gloom over the British members of the party, some of whom are very pro-Japanese. We entered the Jardine compound, observed the emplacements and loop-holes, also the breach, since repaired, in the wall between Jardine and Standard Oil.

Lying in Kiukiang harbor were about 40 Japanese cargo vessels between 2000-6000 tons displacement. These were transports and supply ships. There were ten or twelve inland sea fishing smacks of from 15 to 50 tons. Several of these vessels had ramps built on the bow. As I understand it these smacks, loaded with men, are run head-on into the beach and the ramp immediately lowered.

While in Kiukiang I asked if I could go aboard the Monocacy but was told there would not be time. I did not feel in a position to press this point.

On the return trip an excellent opportunity to study the terrain on the Tehan, Yangtsin and Sishui fronts was afforded. Tehan, when we flew over it on the 20th, was still in the Chinese hands. 3 or 4 miles west of the western bank of Lake Poyang a sharp narrow range of mountains rises to a height of about 2,000 feet. Aikow, which has figured so prominently in recent despatches, is near the top of this range to the west of which lies the valley containing the railroad and Tehan. Smoke was rising from both Tehan and Yungsui to the south. Yungsui was also held by the Chinese. The whole area east, south and west of the Lushan massif is cut up into high mountain ridges and narrow valleys. The Japanese admit that they cannot use artillery in this region. To the aerial observer it is astonishing that they succeeded in making any advances at all. It appears that a few determined defenders with machine guns could hold out as long as their food and ammunition lasted.

Yangtsin, on the west bank of the Fu River, is on a narrow peninsula surrounded on three sides by water. The Fu River, a little over an eighth of a mile wide, is running in its bed, but swamps on each side of it are flooded to a width of over a mile, leaving the high narrow banks standing out. The Japanese had to take boats across the swamp, haul them over the east bank, cross the river, haul the boats over the west bank, then negotiate another swamp before coming to grips with the Chinese on the western side, all in the face of determined Chinese resistance. They made several attacks on Yangtsin, standing on its high peninsula on the west bank, but the position was so strongly defended that they found it expedient to cross the swamps above and below the peninsula and surround the town.

West of Kwangtsi, on the north bank of the Yangtze, the hills are not so high as on the south bank. They are more scattered, not sharply defined ridges and valleys. The highway from Kwangtsi to Sishui runs through a wide valley with small hills, two or three hundred feet high, scattered all over it. The highway passes between or beside many of these hills. The hills are steep and wooded, perfect machinegun and artillery positions.

The Japanese army Officer who acted as guide on the return trip (Colonel Hamada of the Shanghai Press Relations Office) said

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said that the Japanese spearhead was a few miles west of Sishui. We flew out the highway some distance and passed over a marching Japanese regiment, then turned back and proceeded to Nanking.

About 350,000 Chinese have returned to Nanking and some business is going on. There are 1600 Japanese civilians. I learned on good authority that roughly 5,000 wounded Japanese soldiers are in a hospital in the city. During a lecture by an Army Officer describing the capture of the city it was stated that the Japanese used 5 divisions (slightly more than 100,000 men.) The casualties were given as Chinese 80,000 - Japanese 4,500.

The line from Nanking to Shanghai is very lightly guarded. Many bridges, cuts and points where the line passes close to mountains, are not guarded at all. Several times I observed groups of three or four Japanese army signal men, aided by a dozen or more Chinese coolies, repairing telegraph wires. These groups working miles from any post were not guarded in any way. The individual groups were strung out for considerable distances, the Japanese signalmen often being far apart.

We passed several freight trains loaded with supplies and munitions, and two troop trains. In our train were nine cars loaded with Japanese sick and wounded soldiers, each car containing about 50 men.

The motive in staging this expensive tour would seem to be the desire to get a better press abroad. It was started and given considerable publicity while the Japanese were concentrating their south China expedition, and its principal purpose may have been to focus attention on the Yangtze Valley at this time.

We were accompanied throughout the trip by Japanese Army and Naval Officers, of ten by both. I saw no evidence of friction between them.

My principal impressions may be summarized as follows:

1. Virtual impotence of guerillas in the Central China area, at least so far as disturbing the lines of communications is concerned.
2. Substantial Japanese losses. (On this short, carefully supervised trip I obtained knowledge of 7,250 Japanese sick and wounded.)
3. Dumb acquiescence of the Chinese population to Japanese domination.
4. Practical war-time use to which Japanese put peace-time craft which they possess in large numbers. Namely cargo vessels of from 2,000 to 6,000 tons and fishing smacks of a few tons up to 80 tons or thereabouts. The cargo vessels are used as transports or supply vessels as the case demands with little or no structural alterations. The fishing smacks are small transports often filled with ramps for beach landings.

Possessing

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Possessing a stout seaworthy hull and a good engine, manned by men who were in many cases born aboard them, they have been used by the hundreds in the China operations. It is worthy of note that, in spite of the huge number commandeered for war purposes Japan has enough left over to get in trouble in the Dutch East Indies and Alaska for poaching on other people's waters.

5. Widespread activities of the Japanese army Special Service organ which is organizing Puppet Governments, managing all local administrations, importing Buddhist Monks to educate Chinese children. Reliable foreign sources state that opium and heroin are being sold to the Chinese people under the auspices of this section.

(Signed)
 R. A. BOONE
 Major, U. S. Marine Corps
 Regimental Intelligence Officer.

Typed by FC
 Compared with

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DOCUMENT FILE

NOTE

SEE 893.00 P.R. Swatow/129 FOR #19-

FROM Swatow (Young) DATED Sept 9, 1938
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: local developments of month of Sept., 1938.

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(b) relations with Japan.

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 The city of Swatow was entirely free from air raids or other forms of Japanese hostilities during the month of August and it was amazing to note the change of sentiment among all classes of the Chinese people, from a feeling of constant apprehension they swung over to a belief that Swatow, at least for the present, was safe from Japanese capture and probably from Japanese aerial bombardment of a serious nature.

Not so fortunate was the island of Namoa (26 miles north-east of Swatow) where the situation as previously reported* continued with slight alterations during the month. Resultary fighting between the Japanese in control of the foreshore and the Chinese defenders of the mountainous central portion of the island continued interspersed with several bombardments from Japanese naval vessels anchored near Namoa. These bombardments were reported to be quite ineffective and the Chinese troops who have joined up with the armed civilians on the island continue to hold out against the Japanese.

In addition to the shelling of Namoa Island,

Japanese

*Political Review for July, 1938.

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Japanese naval vessels indulged in frequently bombard-
 ing small coast ports of Eastern Kwangtung and in
 capturing and destroying fishing junks found in the
 course of their patrol of the coast. A particularly
 unfortunate occurrence was reported from Hualai
 Hsien (25 miles southwest of Swatow) where two
 Japanese naval vessels appeared on August 11th and
 sent several of their motor launches to round up
 twenty-two fishing junks and three sampans, appro-
 priating everything of value and burning the junks
 and sampans. The eighty-two Chinese fishermen and
 their families were reported to have been subjected
 to inhuman treatment but their ultimate fate was not
 disclosed.

Due to constant harassment by the Japanese,
 fisherfolk from the small ports of Eastern Kwangtung,
 estimated in the neighborhood of 70,000, have been
 rendered destitute and it is only through relief
 funds supplied by various charitable guilds in Swatow
 that they have been able to keep alive.

As a climax to the month under review, nine
 Japanese bombing planes appeared over the village
 of Liang Liang (良鄉) in the vicinity of Jungsun
 Hsien city (豐順縣城), approximately sixty miles
 northwest of Swatow, during the morning of August
 31st and dropped about 100 bombs on the village de-
 molishing over 80 houses, a prison and a school, and
 causing more than 200 deaths and casualties. Relief
 units from Swatow and Chaochowfu left immediately for
 the scene to aid in rescue work.

(a) Relations

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NOTE

SEE 893.00 P.R. Tientsin/125 FOR Despatch #667

FROM Tientsin (Caldwell) DATED Oct. 4, 1938
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Report concerning-, for
month of September, 1938.

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1. Japan.

79394 (a) Operations in Shansi. The Japanese announced at various times during September, the occupation of several ferry landings on the north bank of the Yellow River in south Shansi, but information available in Tientsin did not indicate any large-scale military

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military developments in that province during the month.

(b) Hopei.

(1) Activities of Chinese Partisans.

Chinese armed forces made a number of attacks on the Japanese controlled railways in Hopei during the month and succeeded in causing the suspension of traffic on all these railways for short periods at various times.

On the night of September 6th the Hopei Provincial Stadium, situated on the northeastern outskirts of Tientsin near the Central Station, was burned. The Japanese were using this stadium as a parking space for trucks and tanks and the buildings for fuel storage. While it was not possible to obtain precise information regarding this incident, it was reported that large quantities of gasoline and a number of motor cars and tanks were burned and that the fire was of incendiary origin.

The attacks on the railway lines east of Tientsin, in the neighborhood of Lanhsien which were very frequent during late August and early September, practically ceased in the latter part of September. A foreigner who is familiar with conditions in this area reported that these attacks were made by local bandits whose activities were not under the control and direction of the 6th Route Army units which are stationed in East Hopei and, he thought, probably not approved by this Army. The bandits simply took advantage of the fact that the Japanese troops stationed along the railway were totally insufficient to guard the railway and committed

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committed the depredations by way of sport and for the sake of such thievery as they could commit. From other sources, the Consulate General has gained the impression that it is definitely not the intention of the 8th Route Army forces in East Hopei to arouse the Japanese or to come into open conflict with them for the time being; their mission being the political organization of East Hopei.

While it is commonly asserted locally, particularly by the Japanese, that the activities of the Chinese partisans has no effect, it is to be noted that, apparently as the result of the activities of these few bandits on the railway between Tangku and Shanhaikuan during August and September, the Japanese found it advisable to place one division of Japanese first line troops and one brigade from Formosa at Tangku and one first line Japanese division at Shanhaikuan, a total of at least 30,000 men who are thereby immobilized and prevented from participating in the Sino-Japanese hostilities at the front.

Precise and reliable information regarding conditions in East Hopei away from the railway are not available but apparently the Japanese military have made raids into the interior but have been unsuccessful in suppressing the Chinese partisans.

American travellers in central Hopei south and west of Tientsin report that the only town in that area away from the railways held by the Japanese is Taming where they maintain a small garrison which is constantly annoyed by Chinese partisans who, however,

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make no serious attempt to drive them out.

(2) Withdrawal of Japanese

Residents from British and French Concessions. The withdrawal of Japanese residents from the British and French concessions at Tientsin before September 15th which, was reported on August 31st to have been ordered by the Japanese military, did not take place. A visit of the Japanese Consul General at Tientsin to Tokyo by airplane was reported to be in connection with this order and it was also reliably reported that the non-military Japanese in Tientsin were strongly opposed to this move.(2)

(3) Anniversary of Mukden Incident.

The Japanese authorities and their Chinese henchmen in Tientsin took considerable precautions in anticipation of disturbances on the seventh anniversary of the Mukden Incident on September 18th, but no incidents of importance took place. It is believed that the anti-Japanese elements in North China have no intention of attempting to create disturbances when they know that the Japanese have made proper arrangements for suppressing them whether or not these disturbances would be in celebration of special events.

(4) Anti-Chiang K'ai-shek Mass

Meeting. An anti-Chiang K'ai-shek (蔣介石) mass meeting was held in the Hopei district of Tientsin on September 15 under the auspices of the Hsin Min Hui or New People's Association, an organization controlled by the Japanese military which pretends to have for its purpose the rejuvenation of the Chinese people.

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NOTE

893.00 P.R. Chefoo/138 #40 to Embassy
 SEE FOR

FROM Chefoo (Roberts) DATED Oct 6, 1938.
 TO NAME 1-1127 ...

REGARDING: Sino-Japanese conflict: local developments of month of September, 1938.

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al Government.

(b) Japanese Military Activities.

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The Japanese Naval Landing Party intensified its campaign against the guerrillas in the vicinity of Chafoo. Expeditions were sent out against Muping twenty miles from Chafoo to the east and Pushan, a village ten miles to the west.

The latter city fell to the Japanese naval forces operating with the Peace Preservation Corps and Special Corps under the

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the command of Commander Saito September 13, 1938 at 9:40 a.m. according to reports released by the Japanese. Speeches were made by Magistrate Liu Jung-chai and members of the Japanese Pacification Mission urging the people to maintain peace. Chinese reports were the walls of Fushan were pulled down by the guerrillas before evacuation leaving the occupying forces exposed to attacks. It was claimed that 10,000 refugees from the Fushan district fleeing towards Chafoo were turned back by the Japanese.

The local authorities at Fushan called upon the Chafoo Chinese Chamber of Commerce for labor to repair the walls and city gates of Fushan.

Both Chinese and Japanese sources agree that Huping on the road to Weihaiwei was captured by a combined force of the Japanese Naval Landing Party, the Peace Preservation Corps and the Special Corps the afternoon of September 15, 1938. According ^{to} the account supplied by the Japanese, several hundred Japanese marines and several hundred Chinese proceeded to the east in trucks during the early morning hours. Engineers repaired the road as the attacking forces advanced. Skirmishes with guerrillas occurred along the road all the way. When about 2 miles from the walled city of Huping field pieces were set up to bombard the town. The Japanese entered the city at 8:30 p.m. while fighting was still going on outside the walls. Many of the houses in the town were burned. Great clouds of smoke were visible at Chafoo twenty miles away.

Tengchow (Penglai) was the objective of several attacks

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by air and by sea during the month under review. An auxiliary naval ship on September 5th bombed the fields about the city killing one guerrilla and wounding five. Two days later airplanes bombed the hill overlooking the sea to the north-west of the town where the guerrillas had set up a cannon. The next day a Japanese gunboat shelled the same hill dropping some fifteen shells. On September 13, 1938, Tengahow was again visited by Japanese aircraft which dropped bombs and used machine gun fire killing two.

(c) Control of Travel.

The change in the command of the Japanese Naval Landing Party made in August was followed not only by more intensive military activities but also by a stricter enforcement of the curfew and restrictions imposed on residents of Jhefoo. On two different occasions the Japanese marines picked up foreign residents of Jhefoo and held them at the Japanese headquarters for violation of the curfew. Two were held nearly twenty-four hours in a cell. Among those detained were the commanding officer of an American naval vessel on his way to take his ship out in the early morning hours. Two other Americans were arrested while passing the Japanese headquarters five minutes after the curfew (11:00 p.m.). The two men were released one hour and a half later after their consul had identified them at the Japanese headquarters.

Foreigners living on the outskirts of Jhefoo outside the sentry posts had difficulty in obtaining supplies of milk, ice, groceries and coal. The Japanese sentries held

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up all Chinese proceeding out of town with supplies of any kind. Foreign residents were compelled to do their own shopping and to carry their supplies through the sentry posts.

The new Commander of the Japanese Naval Landing Party annulled all night passes issued to foreigners and at the request of the British and American Consulates arranged for the issuance of two classes of passes to foreigners and their employees. One is called a night pass and authorizes the holder to circulate about Chefoo after the curfew. The other is called a barrier pass and is to be used by Chinese servants of foreigners to pass the sentry posts with supplies for their employers residing outside the barrier.

(d) Anti-Chiang Kai Shek Meeting.

The Japanese arranged an anti-Chiang Kai Shek mass meeting September 24, 1938 in a public park. All schools were ordered to send their students to parade and supply the crowd for the mass meeting. Banners condemning Chiang Kai Shek and the communists were carried by the students.

By exerting pressure on the Chinese organizers of the mass meeting succeeded in turning out a fairly large crowd. Both the Baptist and the Presbyterian schools, American institutions for the Chinese, sent their students to the mass meeting. The directors of these institutions were of the opinion that a refusal to obey the orders of

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the Municipal authorities would be followed by reprisals against the Chinese staffs.

The mass meeting did not influence public opinion in any way and the sentiments expressed by the speakers represented only the views of the few Japanese ruling Chefoo. It probably was for propaganda purposes in Japan as photographs and reports of these meetings make useful publicity material.

(c) Guerrilla Activities.

Travellers coming in from the interior report that the Chinese guerrilla forces are more active throughout the province and also are exercising a stricter control over travel in the interior and the transport of merchandise. For example, passes are required to enter the walled city of Tengchow. The American missionary living outside the town is required to have an identification card issued by his mission. Foreigners traveling along the highways are challenged by guerrilla sentries. They are permitted to pass upon identifying themselves. Almost any kind of document serves for identification.

Throughout the first three weeks of September the Chefoo exporting firms reported practically no supplies of hairnets, embroideries, and silks came in from the country. It looked as if export business at Chefoo would be suspended indefinitely because of restrictions imposed by the guerrillas on the transport of freight into Chefoo. During the last week of September there was some relaxation

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of the control over products entering Chefoo and all of the leading exporters reported arrivals of export products. Transport contractors were able to pass the guerrilla barriers upon producing satisfactory evidence that the merchandise was destined for export by foreign firms.

The immediate effect of the rigid guerrilla control over supplies entering Chefoo was a rise in local prices of vegetables, fruits and meats. Pork advanced from 30 cents to 45 cents per catty. Eggs rose from 1½ to four cents each. Beef advanced fifty per centum. Vegetables became scarce and advanced in price.

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NOTE

SEE 893.00 P.H. Tsingtao/123 FOR Despatch #372

FROM Tsingtao (Sokobin) DATED Oct. 8, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning-,
for month of September, 1938.

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2. Japan.

Control of Travel.

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The Japanese consul general informed the American consulate on September 20 that "in view of the guerrillas being rampant in various places in Shantung Province" it had become necessary to exercise stricter control over travelers in the province and that hereafter no one would be permitted to enter the occupied area without a permit issued by the Japanese Special Military Mission. In effect, the regulations now require that a person leaving Tsingtao by rail for any place in the interior must be provided with a permit issued by the Japanese authorities in this city and that persons entering the city must be provided with a permit issued by the Japanese authorities at a place nearest the interior ...

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interior point of departure.*

Americans experienced no difficulty whatsoever during September in obtaining permits to travel by rail from Tsingtao to the interior and no Americans reported any difficulties in traveling to Tsingtao.

The Japanese maintained during the month of September a fairly satisfactory schedule on the Tsingtao-Tainan Railway. Comparatively small delays occurred as a result of guerrilla damage to the right of way and in all the principal mail trains suffered a loss of only 26½ hours during the entire month, an average of 53 minutes per day.

Japanese Military Activity.

Tsingtao saw more Japanese military activity in September than it has seen throughout the late spring and summer. A large number of troops, reported to be a division, were quartered in the city and were daily in evidence in practice marches, drills, and formations. Unconfirmed reports were in circulation to the effect that these troops were newly conscripted men who were being given on Chinese soil their first course of training.

Anti-Chiang Kai-shek Propaganda.

One of the amusing spectacles of the month was the propaganda against Chiang Kai-shek which poured forth in Tsingtao. It is perhaps trite to say

that ...

*Tsingtao's telegram of September 22, 9 a. m.

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that such propaganda would be more to the point in Hankow, Changsha, Canton, or Chungking at the time, rather than in Tsingtao, a place so dominated by the Japanese that even an intrepid Chinese would hesitate to harbor "dangerous thoughts" or show loyalty to Chiang Kai-shek. But strange is the Japanese mind - at times.

Japanese Restriction on Hunting.

The Japanese consul general notified the foreign consuls that "with a view to forestalling untoward incidents" the Japanese military and naval authorities henceforth prohibited the use of sporting guns and hunting rifles in the Tsingtao district. The prohibition undoubtedly arose from the fact that foreigners discharged their guns in areas near Japanese outposts.

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NOTE

SEE 893.00 P.R. Canton/128 FOR Despatch #112

FROM Canton (Linnell) DATED Oct. 12, 1938,
 TO NAME 1-1127 676

REGARDING: Sino-Japanese relations: Report concerning-,
 for month of September, 1938.

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B. Relations with Japan:

1. Japanese Air Raids on South China:

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(5-9)
 Although the Japanese air force continued its bombing of the railway lines in Kwangtung the raids were carried on less intensively than during August. Instead, the main force of the attacks, particularly after the middle of the month was turned to Kwangsi and Kweichow provinces. There the air bases and military concentrations were sought out and raided. At the same time the principal cities of Kuechow, Nanchow, Nanning and Swichow in Kwangsi and on one occasion, Swiping in Kweichow were bombed. Nanchow received the greatest attention and suffered considerable damage.

For the first time in many months no bombing was done on the central sect or of Canton. However, on several occasions the suburbs of the city were raided, during one of which one of the remaining water plants was put out of operation. Villages along the coast of Kwangtung were also attacked a number of times.

2. Raids on Kwangsi Province:

Obviously with a view to crippling, if possible, the military bases, and in an effort to demoralize the people of Kwangsi - a province which has given notably strong and effective support to China's resistance against Japan - Japanese planes conducted a series of attacks throughout the province. The main strictly military objects attacked were the air bases at Nanchow and Nanchow, that of Nanchow being the primary aviation school in South China, and the three military training bases at Nanning,

Nanning

- 6 -

Wuning (Wuning) (武鳴) and Lungchow (龍州). Also educational institutions, were attacked and points along the two highways to inner-China as Lungchow in southwest Kwangsi, and Hoppo (合浦) and Xinchow (欽州) in south-east Kwangtung.

At the same time attacks were carried out on industrial and commercial establishments and private dwellings in the cities.

Nanchow, Kwangsi, the largest city of the province, on the Pearl River at the border of Kwangtung bore the brunt of the attacks.

On September 8nd the sulphuric acid plant which had been previously reportedly damaged was reportedly completely destroyed, the University of Kwangsi buildings there badly damaged and a textile factory damaged. On September 17th over 80 bombs were dropped on the city which besides damaging the Great Memorial Hospital, destroyed two middle schools and the Commercial Press building, further damaged the University buildings and together with a subsequent fire destroyed some 300 dwellings. The estimated loss of the Commercial Press building was put at HK\$250,000. Over 300 casualties were reported for that day alone. During raids on three other days the University buildings sustained further damage, the airfield was bombed, and several other small industrial establishments were either destroyed or damaged.

A number of buildings were hit and some casualties suffered in the other cities but otherwise the damage done was not reported to be large. The effectiveness of the raids from the demoralizing viewpoint is believed to be negligible. It may have served the purpose of bringing the war to the doors of the people there but according to reliable reports the military activities of the province were little affected.

3. Raids

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

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3. Raids on Kwangtung:

Attacks on the Canton-Hankow and Canton-Howloen Railways were continued from the month before but with less intensity. Some damage was done to the lines and bridges, but with the exception of three or four disruptions of not more than twenty four hours, service on both lines was maintained.

The only raids made on Canton were on the suburbs of the city. On one occasion several salt ponds off Honan Island were sunk and on September 27 during a raid on the industrial suburb of Saichuen one of the three remaining water works was hit and put out of operation. This cut the city water supply to less than half but has not seriously affected the populace which has been able to turn to wells and the river for its needs.

4. Statistics of the air Raids on Kwangtung during September:

The following statistics of the air raids on Kwangtung during September were published by the official organ of the Kwangtung Government:

No. of raids	30
" " planes	736
" " bombs	995
Houses damaged	365
Deaths	265
Wounded	383

5. Japanese Naval activities along the Kwangtung Coast*

As during the previous month Japanese naval units which patrolled the Kwangtung coast and Hainan Island carried on shelling of villages and engaged in small scale landing attacks. This activity was perhaps increased over August. It is reported that shelling on the coast was more frequent

and

*see telegram of September 14, 1 p.m.

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

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and that a good deal of reconnoitering was done of islands, bays and harbors. Many Chinese junks were attacked and sunk. There was a constant movement of the ships which were reported to number at different times from 15 to 30 armed vessels including two to three aircraft carriers. The two land plane bases at Ladronez Islands and San Cho Island were still maintained by the Japanese, and the local press reports that the aerodrome at San Cho is being further improved to accommodate 70 planes, with concrete runways, underground hangars and a wireless station.

Throughout the month Japanese aeroplanes scouted over the coastal regions, particularly the Pearl and West River deltas and also bombed many villages along the coast.

8. Occupation of Keichow Island*

The Japanese occupation of Keichow Island, situated in the Gulf of Tonkin of about 25 miles south of Pakhoi, Kwangtung, was effected on September 18th. This move was noted with marked concern by the local Chinese officials and press who saw in the capture a threat of land invasion of South China and occupation of Hainan Island, the controlling of the passage of vessels through the strait of Hainan between Hongkong and Haiphong, Indo-China, and even a menace to Indo-China. It was stated that an aerodrome was being constructed, quantities of supplies and munitions landed and a number of ships, including an aircraft carrier, stationed there. However, on September 27th the island was reportedly suddenly abandoned. The use of the island as a base to carry on the air attacks on Kwangai, Keichow and Yunnan seems to have been the only concrete result of the occupation.

7. Rumors

See telegram of September 21, 11 a.m.

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

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7. Rumors of a Japanese Invasion:

There have been many rumors in the past few weeks that Japan would soon attempt an invasion of South China with perhaps a direct drive on this city but with the main object of cutting the Canton-Hongkong and Canton-Hankow railways. Increased activities in Japanese naval movements in South China waters have been thought to presage such an invasion. The Chinese authorities, although feeling that an invasion may well come, were dubious of the imminence of such an attempt but preparations for defence of Kwangtung have been speeded up to be prepared for it and the authorities feel that only a very strong Japanese expedition could succeed in an invasion. They considered that Japan is too well tied up in the Yangtze valley campaign and has expended already too much of her force to be in a position at present to stage an effective campaign in South China. They believed also that Great Britain could be relied upon for greater assistance, short of actual hostilities, to prevent the complete isolation of Hongkong. In other quarters, however, it is heard that an invasion may be made anyway to cut off this entrance for supplies for China and to create a diversion in South China in order to draw some of the troops defending Hankow to the defence here.

0509
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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/120 FOR Despatch #1746

FROM Shanghai (Gauss) DATED Oct. 12, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning-, for
month of September, 1938.

aa

793.94/ 14387

14387-

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

Sino-Japanese Relations.

Military Operations. The Japanese advance from Western Szechwan crossed the Honan border towards Nanyang on September 2 to the north of the Yangtze. The push southward from the Yangtze seemed to have been abandoned, at least temporarily, as the main Japanese effort was directed towards the capture of Hankow and the line of communications was kept only broad enough for defense.

Guerrilla Activities. The irregular Chinese forces in the Shanghai consular district are under an extremely loose organization and there is as yet no means of accurately estimating the damage they are inflicting upon the Japanese forces in this area, though almost daily items appear in the Chinese press on the subject. Foreign estimates of their success vary, but reliable reports have been received that they have recently captured two or three towns defended by Japanese garrisons of a hundred or more. Reports continue of occasional truckloads of wounded Japanese troops observed by foreigners arriving in Shanghai. It was reported that the Shanghai-Hankow Railway was out temporarily near Nanchang on September 30.

0511

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

DOCUMENT FILE

NOTE

SEE 693.001/395 FOR Tel. #15:4pm

FROM Tsingtao (Sokobin) DATED Nov. 18, 1938
TO NAME 1-1127 ***

REGARDING:

Chief of the Japanese special naval
mission which office controlled the shipments
in and out of Tsingtao, and which is responsible
for the complaints of local American firms;
Reports - being recalled.

Reasons and possible results given.

las

793.94/ 14388

793.94

14388

DECLASSIFIED: E.O. 11652, 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 890.00/120 FOR Memorandum

State Department
FROM Far Eastern Division (Jones) DATED Nov. 17, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations.
Developments in the Far East during the past week
reviewed.

793.94 / 14389

14389

051

DECLASSIFIED: E.O. 11652, 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 893.811/1041 FOR Telegram #72, 11 a.m.

FROM Hankow (Josselyn) DATED Nov. 19, 1938.
TO NAME 1-1127 ...

Sino-Japanese relations.

REGARDING: Japanese military authorities prohibiting navigation
on the Han River, because of military operations
on the River. This regulation to be brought to
attention of nationals in the Wuhan district.
Foregoing information received from Japanese Consul
General.

aa

793.94 / 14390

14390

151
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

JR

PLAIN & GRAY

Hankow via N. R.

Dated November 19, 1938

Rec'd noon

Note
793.94
Secretary of State,
Washington.

72, November 19, 11 a.m.

Following letter dated November 18 has been received
from Japanese Consul General.

"At the request of the Imperial Japanese military
authorities, I have the honor to inform you of the
following:

"Hereafter, navigation on the Han River is prohibited
from necessity of military operations unless it is
specially permitted by the military authorities."

It will be appreciated if you will be good enough to
bring the above regulation to the notice of your nationals
concerned in the Wuhan district at your earliest
convenience".

1401

Repeated to Chungking, Peiping.

EMB:ROW

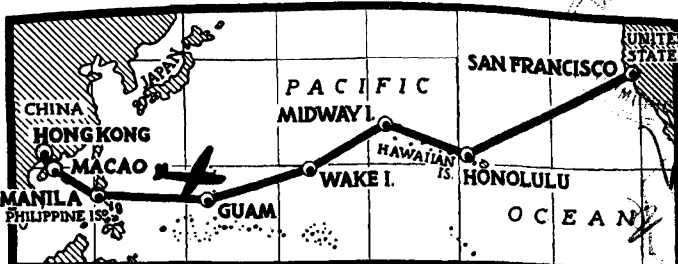
105517

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

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.



BRUNO SCHWARTZ
General Manager

TRANS-PACIFIC CLIPPER NEWS

AIR MAIL VIA PAN AMERICAN AIRWAY CLIPPERS FROM HONGKONG

Cable Address
TRANSPACIF

October 29, 1938

SMALL SZECHUAN TOWN GROWS INTO NATION'S CULTURAL CENTER; SHA PING PA IS NEW SEAT OF CENTRAL U. AND OTHER SCHOOLS

Chungking, Szechuan, September (via airmail) -- About an hour's motor ride west of Chungking, the new capital of China, is the little rural town of Sha Ping Pa which has sprung into fame as China's new cultural center.

In this small town of less than a hundred farming families, nestling between the rivers and mountains of Szechuan, are now located two great universities, a teachers' college, a middle school and three special institutions for technical and vocational training.

The importance of Sha Ping Pa as one of the educational centers of Szechuan Province dates back to a few years ago when the Chungking University was founded by the late General Liu Hsiang, formerly Governor of Szechuan. Then the Szechuan Teachers' College, the Szechuan Provincial Vocational School for Women and the Chungking Middle School were successively established there.

But Sha Ping Pa remained very much the same until last December when war brought to its midst the country's biggest institution of higher learning, Central University, from Nanking. With this university came also from Nanking the College of Pharmaceutical Science and the National Industrial Academy.

This cultural influx at once galvanized the peaceful little town into activity. Central University, with a student body of 1,500 young men and women, a faculty of more than 200, and its big library and laboratory equipment, had to set up fifty buildings. Their construction, which had thousands of laborers mobilized from Chungking working at top speed, was completed within the remarkably short time of forty days.

In the nine months that have passed since the re-birth of the university, more buildings, all of the same low one-storey design, have been erected. The construction cost to date is \$140,000. The enrollment for next semester, opening in November, will be increased to 2,400 including 1,200 new students who have passed the entrance examinations, 137 young men and women having been graduated at the end of last semester.

With the increase in number of the students the faculty force will also be increased. Next term, the university will have 130 professors, seventy assistant professors and instructors and thirty lecturers. Both the students and teachers are leading a life of self-denial on the new campus. Many of the students have volunteered for rural services or mass education work under the supervision of the New Life Movement Association. They visit the nearby villages to keep the peasants war-conscious or to teach them to read and write.

According to Dr. Lo Chia-lun, chancellor of Central University a new tendency among the students has been noticed since the war. Hitherto, seventy per cent of them were in the colleges of arts and political science. Now seventy per cent are studying engineering courses. No less than 150 students are specializing in aeronautical subjects.

793.94/14391

F/FG 14391 -

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

October 29, 1938
 Sheet No. B

So the little town of Sha Ping Pa has assumed the aspects of a cultural center. Along the main street leading to the various schools numerous book and magazine stores have been established. In addition, men have come from as far as Peiping and Tientsin in the North and Canton and Foochow in the South to open their shops in this growing city.

The highway between Sha Ping Pa and the city of Chungking is now much-travelled with public buses and taxicabs carrying students, teachers and shopkeepers to and fro. The motor-road is also thronged by visitors and others seeking temporary refuge from the din and bustle of Chungking, smoky with its new factories and industry and congested with people and traffic.

#

SOUTHWEST CHINA BECOMES STRONGHOLD OF NATIONAL DEFENSE;
SZECHUAN, YUNNAN AND KWEICHOW RICH IN NATURAL RESOURCES

With armed resistance and national reconstruction going on side by side in China today, the provinces of Szechuan, Yunnan and Kweichow which form the rich Southwest, are assuming an ever increasing importance in the making of a new nation.

Both during and after the war, China will depend much upon her Southwest for support and development. In manpower alone, the three provinces, out of an aggregate pre-war population of about 100,000,000, have sent a million soldiers to the battlefield; while a few millions more trained men are standing by for active service.

Topographically, the Southwest is dominated by high and rough surfaces, carved by deep valleys and traversed by precipitous mountains. The highest elevation is found in the Szechuan Plateau, where the lofty peaks of the Sacred Mount Omei, 125 miles southwest of Chengtu, the provincial capital, attain a height of over 10,000 feet. Over those narrow gorges and swift torrents remarkable engineering feats are now being performed.

Generously endowed by nature, Szechuan Province, with an area of 220,000 square miles and a population of 70,000,000, reaps from its fertile soil everything that is produced in any other part of the country. Possessing about 15 per cent of the nation's total rice fields, Szechuan annually harvests rice crops not only sufficient to feed its 70,000,000 mouths but also ships thousands of bags to the neighbouring provinces. It is also rich in other agricultural produce, such as wheat, barley, millet, tobacco, sugar cane, corn, beans and cotton.

Besides having a thriving sugar refining industry, Szechuan is an important tea and silk producing center. For centuries, these historic products found their way through the romantic caravan routes to India and Asia Minor and then to Europe, bringing along with them Chinese culture and customs. At one time, export of silk from that province alone exceeded \$10,000,000 annually. Szechuan produces about one-third of the nation's wood oil supply, one of China's leading export items. In 1936, over \$30,000,000 of wood oil were shipped abroad from Chungking and Wenhsien alone, two of Szechuan's most important ports on the Upper Yangtze. The province also exports hides and medicinal plants to the extent of \$10,000,000 annually.

Szechuan abounds in mineral wealth as well. Unlike the coastal provinces where salt is obtained mainly through the evaporation of sea water, salt in China's hinterland is taken from the salt pits or from the brine in the wells. The province supplies about 7,000,000 quintals of salt annually which in turn yields some \$30,000,000 in tax receipts to the Government. Aside from producing large quantities of salt, which is necessary to the Chinese diet, Szechuan is also rich in petrol and mineral oil deposits, the fuller utilization of which both for military and commercial purposes has already been exhaustively studied by the authorities.

By introducing modern excavation methods, Szechuan, which has a potential mineral wealth of 1,000,000,000 tons of coal and 150,000,000 tons of iron, besides rich deposits of copper, gold and silver, promises immense economic possibilities in the future. Together with Yunnan, the province is expected to be the hunting ground of many Chinese and foreign capitals during the next few years.

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

October 29, 1938
 Sheet No. C.

Although not as rich as Szechuan, Yunnan is abundant in both agricultural and mineral resources. Maize, wheat, tobacco, oats, fruits and vegetables are generally produced while the famous P'u-eul tea is cultivated throughout the whole high table-land and enjoys wide popularity all over China. Kochiu in south Yunnan is widely famous for tin production, of which China is one of the world's greatest producers. Of the total annual production of about 10,000 tons of tin in China, more than 7,000 tons, valued at over \$20,000,000, come from Yunnan.

Though rugged and unrenumerative for cultivation in most regions, Kweichow is an ideal place for cattle-raising and fruit plantation. Aside from its rich iron, copper, antimony and quicksilver mines, the province has a coal deposit of 1,500,000,000 tons, most of which have not yet been exploited. Both Yunnan and Kweichow have large proportions of aborigines among their population, who, through inter-marriages, have considerably assimilated Chinese culture and traditions. Comprising about 3,000,000 in Kweichow and 4,000,000 in Yunnan, these primitive tribesmen are a new force in China's resistance against Japan.

With the advent of modern machinery, scientific production methods, trained personnel, more investments and improved communication systems, China's Southwest will not only continuously supply the nation with materials and manpower for carrying on the war, but will also open up a new era for China in her struggle for freedom and economic reconstruction.

#

WAR ORPHANS FIND SOLACE IN PATRIOTIC SONG

Chungking, Szechuan, September (via airmail) -- Japan's invasion of China has turned multitudes of innocent children into poor orphans of war who bear their sufferings cheerfully and courageously, singing the following song:

Our dear papa and our dear mama are with us no longer.
 Our happy land and our happy home are forever gone.
 Who is our enemy, beastly like tiger?
 Who else could it be but wild Nippon.
 Let's knock him down, knock him down!
 Knock him down that we may,
 To our happy home be going
 Knock him down that we may,
 With our dear parents be meeting
 Knock him down that we may,
 A new Chinese Republic be building.

This song is now the rallying cry of more than 5,000 war refugee children gathered in Chungking under the care of the wartime child welfare association founded by Madame Chiang Kai-shek. The author of these words, which are set to a stirring tune, is Miss An Ngo, a talented song writer who is one of the active members of the association.

#

0518

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

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.

BRUNO SCHWARTZ
General Manager

Cable Address
TRANSPACIF

October 29, 1938

CHINESE GOV'T. ANNOUNCES PLAN TO PROLONG WAR AND WEAR OUT ENEMY;
WITHDRAWS WUHAN DEFENSE TO CONSERVE FIGHTING STRENGTH AND
RETAIN INITIATIVE FOR ULTIMATE VICTORY OVER JAPANESE INVADERS

A telegraphic message from the Chinese Government announcing continued resistance to Japanese invasion was made public at the Chinese Embassy in Washington, D.C. The message, dated October 26, from Chungking, the capital of China, quotes the Chinese military spokesman as saying that the recent military situation has not altered China's determination and plans to carry on the resistance until ultimate victory is achieved.

The text of the message follows:-

The Military spokesman of the Chinese Government announced that orderly evacuation from the Tri-cities of Wuhan (Hankow, Wuchang and Hanyang) had been completed yesterday and that a new line of defense had been established outside the area. He then gave the following explanations as to why Wuhan was evacuated when the Japanese were still outside the inner defense line of the Tri-cities.

FIRST, China's fundamental policy is based on a prolonged warfare, taking into consideration the whole scope of the military operations. Importance is not attached to the retention or loss of any particular city, but every effort must be made to prolong the warfare so as to wear out the enemy in the very process, and to preserve or strengthen the Chinese capacity of resistance. In the past six months Chinese forces have offered stubborn resistance at the outside defense line of the Wuhan area and have achieved the object of the war of attrition by inflicting heavy casualties on the enemy.

SECONDLY, the significance of defending Wuhan lies in the protection given to the transfer of manpower and material resources from southwestern and central China to the interior. Since the removal of material resources and the evacuation of civilians from Wuhan have been successfully carried out, the duty of protecting the rear is ended. From the point of view of the entire scope of resistance the retention of Wuhan is no longer significant.

THIRDLY, the Chinese military strategy is based on the principle of retaining the initiative; Chinese forces must always retain freedom of action and cannot afford to be cornered by the enemy. Having caused great losses to the enemy, and having protected the transfer of manpower and material resources to the interior, it is considered unnecessary to further defend Wuhan, lest the Chinese forces be forced to fight a decisive battle in Wuhan which is contrary to the purpose of a prolonged warfare.

LAST reason why the Tri-cities are not further defended is that it is the sincere desire of the Chinese authorities to minimize the peril of suffering which confronts the Chinese and foreign residents who cannot find means to evacuate.

China's chief concern is to retain the initiative and conserve the fighting strength so that by closely following this policy, the Japanese military strategy may be gradually defeated, and the goal of our ultimate victory may be achieved in the end. Generalissimo Chiang Kai-shek safely left Hankow for yet undisclosed destination from where he will continue to direct further operations.

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

5864 Woodbine Avenue, Overbrook, Philadelphia, Pennsylvania.
November 5, 1938.

UNIVERSITY OF PENNSYLVANIA
PHILADELPHIA

1938 NOV 7 AM 10 02
WHARTON SCHOOL OF
FINANCE AND COMMERCE

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

Sir,

Permit me, a teacher of International Politics and Foreign Policy of the United States for nearly half a century, and a humble citizen to congratulate you most heartily on your statements to Japan upholding international good faith, law and order for world benefit against the aggressions of the military masters of the Japanese people.

As you well know, if the United States follows the timid, vacillating, and one might almost say contemptible and cowardly, policy of the present weak prime minister of Britain in facing the inevitable defeats he has met in dealing with the mad-dogs of Europe and their associate in the Far East, the end has come to the historic policies not only of the Open Door, but also of the traditional policy of the Monroe Doctrine.

Now is the time to call a halt, and show, though we are the leading nation for the preservation of peace in the world, that we are not afraid to fight to maintain righteousness in the dealings of nation with nation, and that we will take no cowardly policy in dealing with bumptious and illegitimate behavior of this aggressor upon the rights of China and the interest of the civilized peoples of the globe. We have nothing to fear from the manifest bluffing of the dictators who have made England, and France her satellite, jittery and men-afraid-of-themselves.

I hold no brief for Woodrow Wilson and his foolish statement, "We are too proud to fight," but I do rather admire his remark that "There are worse things than war."

War with Japan is, I feel, inevitable, sooner or later, unless we conduct ourselves as men. Now is the time to stop her boasting and to cut short as far as we can her barbarities in China, and test the famed Berlin-Rome-Japan axis. I well recall the pusillanimous behavior of our "friends" in Europe when Stimson took a man's lead in policy as to Manchuria, but you have been so successful in your reciprocal tariff engagements that I hope for you and America a better fate. I well know the horrors and costs of war, but we can not avoid it in running away like Chamberlain and Deladier, nor will they succeed in doing anything but postponing it in Europe and Africa, and Asia.

Pardon my addressing you in this matter, but for some sixty years I, and my family have been in constant touch with Japan and the Japanese, many of whom I know personally and greatly admire. The government is a different thing and militaristic from its earliest origin, and no real popular voice exists in Japan any more than it did in Germany in the days of Gustavus of Sweden.

With great respect, yours sincerely,

James Curtis Ballagh

Ack'd
November 21 1938
FEB 10 1939
ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
NOV 23 1938
DEPARTMENT OF STATE

793.94/14392

F/FG

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

In reply refer to
FE 793.94 ~~Ballagh, James Curtis~~

November 21 1938,

My dear Dr. Ballagh:

Mr. Hull has asked me to acknowledge receipt of your letter of November 5, 1938, in which you kindly commend the Government's statements to the Japanese Government in regard to matters relating to the situation in China and offer comment in regard to the general situation in the Far East.

Your letter has been read with interest and the spirit which prompted you to bring your views to the Department's attention and your kind expression in regard to the Department's efforts are very much appreciated. You may be assured that we are giving the closest attention to every phase of the Far Eastern situation

James Curtis Ballagh, Ph.D., LL.D.,
5864 Woodbine Avenue, Overbrook,
Philadelphia, Pennsylvania.

793.94/14392

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-

situation and that we at all times welcome and give careful consideration to thoughtful comments and suggestions such as those which you have been so good as to bring to our attention.

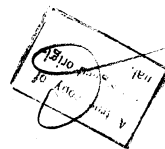
Sincerely yours,

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

NOV 10 1975

egc.
FE:EGC:JPS
11-18-38

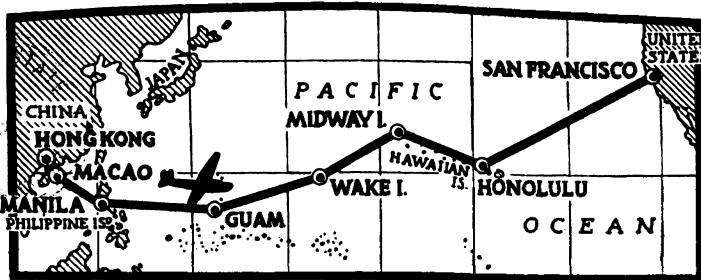
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE NEW YORK, N. Y.



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BRUNO SCHWARTZ
General Manager

TRANS-PACIFIC CLIPPER NEWS
AIR MAIL VIA PAN AMERICAN AIRWAY CLIPPERS FROM HONGKONG

Cable Address
TRANSPACIF

November 7, 1938

CHINA HAS NEW ROUTE FOR WORLD CONTACT; HENGYANG-KWEILIN LINE NOW COMPLETED TO LINK WITH RAILWAY FROM FRENCH BORDER

Shanghai, October (via airmail) -- China's resolution to continue her armed resistance against Japan under any circumstances, even after the fall of Canton and Hankow to the Japanese armies, has already been proclaimed to the world and demonstrated without doubt. Nothing, however, better illustrates the firmness of this resolution than the completion of a new main artery of railway communication by the Chinese and the feverish construction of other lines which has been and still is going on in southwest China.

The Story of Hengyang

The new railway, the Hunan-Kwangsi line, starts from Hengyang in the southern part of Hunan province. Two years ago, Hengyang (sometimes known as Hangchow) was but the sleepy capital of a remote agricultural district in the far interior China. Although it had some 100,000 inhabitants, the city was little known. Its age-old quiet was somewhat disturbed early in spring, 1937, when the first trains on the then newly inaugurated Canton-Hankow Railway passed through.

It was only after the outbreak of the present hostilities as a result of Japanese invasion that Hengyang suddenly came to assume an important role in the realities of a new China. With the closing of the Yangtze River to commercial shipping, the Canton-Hankow Railway became overnight the highway of China's foreign trade. Hengyang is an important point on this railway. The communications of southern Hunan center here. People from smaller cities and from the surrounding countryside as well as refugees from the eastern provinces migrated to Hengyang in increasing numbers in search of safety and employment.

An intense building activity got under way in Hengyang. Whole new suburbs arose within a few months. The Railway constructed work-shops. A number of enterprising residents of Hengyang started manufacturing industries to turn out industrial goods no longer forthcoming from the port cities. The bigger Chinese banks opened branch offices. Hengyang went up and up, and the city has today nearly 500,000 inhabitants.

Becomes Rail Junction

Almost half a year ago, the Chinese Government began to turn Hengyang from an important railway point into a more important railway junction. The construction of a new railway line, stretching from Hengyang directly south-westward towards Kweilin, was begun. The construction has been pressed with extraordinary zeal, almost 100,000 workers being employed, with military units assisting. Rails and sleepers were provided from the torn-up railways that lay in the path of the advancing Japanese farther east northward. Rolling stock evacuated from North China were put in commission on the new line. By the end of this summer this was completed as far as the Hunan-Kwangsi provincial frontier. At present, in late autumn, finishing touches have been put to the entire line stretching as far as Kweilin, the capital city of Kwangsi Province.

793.94/14393

F/FG

14393

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

November 7, 1938
 Sheet No. B

From the south, another railway is under construction northeastward in the direction of Kweilin, destined to meet some day the railways which are being built from Hengyang southwestward. This line starts in the vicinity of Langson, northeastern terminus of the railway net of French Indo-China. The Chinese inaugurated this construction last winter but transferred it to a French consortium early this summer. Construction is rapidly advancing and will reach Nanning, its provincial northern terminus, at the beginning of the coming winter. The French consortium will also provide the rolling stock.

New Route Needed

The maintenance of continuous railroad communications between the shifting center of the sphere of power of China's National Government and the outside world has become all-important to China. As long as there are such communications, China will be able to obtain not only war supplies from abroad but also other foreign goods she badly needs. Also, she will be in a position to continue to export her own products and thus pay for her imports and maintain her currency.

Motor traffic towards and across the continental frontiers of China is possible along various roads. These roads have been considerably improved of late and are carrying more traffic than ever before. But for the bulk of China's foreign trade these roads are much too long, traffic on them is much too expensive, and the amount of available motor vehicles in China is much too small to consider these roads adequate replacements for railways.

China needs a railway from her center to her frontiers in order that she may live and continue to fight. There have been two railways connecting parts of China outside the Japanese sphere of power with foreign countries. One is the Canton-Hankow Railway, for many months the life-line of China, now useless with the Japanese occupying both of its termini. The other is the French railway from Haiphong to Kunming (Yunnanfu), a railroad on which the Japanese did not yet dare to drop a single bomb. The French successfully warned the Japanese against any attacks on this line if they did not want immediate and effective French retaliation.

Hengyang to Indo-China

Long prepared for the eventuality of the fall of Hankow and Canton, the Chinese Government had begun railway construction between Hengyang and the frontier of French Indo-China. So now China's railway communications with the outside world have transferred their base from the seaport of Canton to the French Indo-China border. As the crow flies, the distance from this frontier to Hengyang is about 600 miles. With the completion of the new railways Hengyang-Kweilin and Langson-Nanning, two-thirds of that distance are being covered. Between them remains the gap, Kweilin-Nanning, of 200 miles in length. Railway construction has also been launched for this tract, but cannot possibly be completed before next summer. The Chinese have, however, constructed an efficient motor road from Kweilin to Nanning, and have at their disposal a reserve of more than 1,000 of the most modern German Diesel trucks for overland mass traffic between the two points.

All this construction work not only testifies to the decision of the Chinese to continue to fight but it also shows that the Chinese will be able to carry on the war even without the Canton-Hankow Railway. It is, moreover, highly significant of the ingenious way in which the Chinese know how to combine further measures of national defense with the development of their formerly backward provinces. The story that has been told of Hengyang is the story also of a great many other cities in the far interior of China which have awakened and risen through the war. Kweilin, to give a further example, has trebled the number of its inhabitants, not counting destitute refugees. And after the war, it is certain, these cities will not go back to sleep again.

3524

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

TRANS-PACIFIC NEWS SERVICE

1250 6TH AVENUE

NEW YORK, N. Y.

BRUNO SCHWARTZ
General Manager

Cable Address
TRANSPACIF

November 7, 1938.

FREDA UTLEY, WHO WROTE "JAPAN'S FEET OF CLAY", HERE TO LECTURE ON HER EXPERIENCE WITH CHINA AT WAR

The American Committee for Non-Participation in Japanese Aggression has announced a lecture tour by Freda Utley, English author and economist, who came to this country from an extended trip in China where she observed various aspects of the present Japanese invasion and Chinese resistance. Miss Utley arrived in Vancouver, B.C., on November 2 and will visit many leading cities in Canada and the United States, fulfilling speaking engagements. She is expected to arrive in New York early December.

Miss Utley, who has been lecturer at London University and correspondent in Japan for the Manchester Guardian, is the only foreign woman journalist who has visited the Yangtze fronts, where the Japanese Army and Navy recently fought their way through bitter Chinese defense to Hankow. For three months she traveled in Chinese war areas and made a trip behind the Japanese lines to visit the Eighth Route Army in North China. She interviewed key individuals in the Chinese Government, including Generalissimo Chiang Kai-shek, H. H. Kung, T. V. Soong, Mao Tse-tung and Chou En-lai.

For years Miss Utley has been known as an expert on economic conditions in Japan, her books, "Japan's Feet Of Clay" and the more recent "Japan's Gamble in China", are widely read for their penetrating analysis of Japan's national economy and her present attempt to dominate China.

Another lecturer on war-torn China sponsored by the American Committee for Non-Participation in Japanese Aggression is Walter H. Judd, M.D., for many years medical missionary in China. The Committee said Dr. Judd returned in August from Japanese occupied territory in Honan, North China, "where he saw American ambulances carrying wounded civilians, and American trucks carrying alien soldiers over the good earth of China; American doctors and nurses treating men, women and children wounded by American bombs; American relief money feeding refugees under the shadow of Japanese planes flown with American oil." Those who have heard Dr. Judd agreed that he is "the most effective speaker on China now lecturing in America."

Bookings for Miss Utley, Dr. Judd and many other speakers on America and the Far Eastern conflict may be made through Mrs. H.B. Price of the American Committee for Non-Participation in Japanese Aggression, 8 West 40th Street, New York City.

#

NEW BOOK DEALS WITH U.S. DIPLOMACY IN MANCHURIA

A timely book on American foreign policy toward Manchuria has been written by Stephen C. Y. Pan, Ph.D., lecturer in international relations at Providence College. Dr. Pan's study, entitled "American Diplomacy Concerning Manchuria", seeks to answer the following questions: what was the salient motive for the undeclared war now raging in China, what remote causes precipitated Japan's invasion of Manchuria and what are its consequences in relation to the outside world, is America concerned in the outcome of an unprovoked aggression in the Orient, what is to be the Roosevelt-Hull policy towards the Sino-Japanese controversy, and what role has the United States played in the years past and is playing at present with regard to the historic "Open Door Doctrine" in matters of diplomacy and international relations?

"American Diplomacy Concerning Manchuria" contains 409 pages, a foreword by Professor W. W. Willoughby and an excellent bibliography. It is on sale at Providence College Bookstore, Providence, Rhode Island.

#

0525

DECLASSIFIED: E.O. 11652, 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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AND ASSISTANT TREASURER

793.94

The Honorable Stanley K. Hornbeck
Adviser on Far Eastern Affairs
State Department
Washington, D.C.

Dear Stanley:

As I have traveled through this country and have been in touch with churches and individuals in various areas I have been impressed by the mounting tide of resentment and feeling against the part which America is playing in the conquest of China by Japan. You may remember my speaking to you in the early months of the war, saying that America, through the stopping of the sale of war commodities, particularly cotton, steel and oil, and through the cessation of the purchase of tea and silk, could check Japan and in a few months render her almost powerless to carry on the war. If England joined America in such action, a decision would be reached the more quickly. The answer that is usually given is that America is a democracy and that the Government cannot move beyond the point supported by public opinion. In the earlier months of the war there was no apparently strong opinion which might support such action, but I see many signs of a change in that opinion and a strengthening of the feeling and the thought that America is not only being untrue to its highest ideals in taking part in this destruction of a great and friendly State, but that it is also preparing the way for destructive damage to its own foreign trade and market in the Far East. It seems unreasonable for the American Government to permit action which logically and inevitably would close the open door in China, and supply the munitions and the means which will enable Japan to make the closing of that door definite, and then after, such action of the Government, write notes protesting against the very action which it itself has made possible.

I think the time has come for much more definite policy on the part of our Government. There must be leadership which takes the responsibility of formulating a policy and not of waiting to be pushed into taking such a step. John Hay took certain risks when he spoke out in favor of the open door and the territorial integrity and independence of China in 1899, but that action brought peace and progress in the Far East and much honor to Hay and to America.

793.94/14394

F/FG94

0528
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

The Honorable Stanley K. Hornbeck

-2-

I think the times demand a similar spirit in our State Department and I know you will understand my writing as frankly as I have. I am sending a copy of this letter to Secretary Hull.

Sincerely yours,

W. Reginald Wheeler

W. Reginald Wheeler

WRW/EC

CC. to Secretary Hull

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

PA/H

November 16, 1938.

Dear Rex:

As you well know, I am always glad to hear from you and to talk with you. At this moment I especially appreciate your thoughtfulness in telling me, in your letter of November 10, of your observation of developments in public opinion in regard to matters relating to the Chinese-Japanese situation. What the American Government may wish and what it may be able to do are matters which depend upon public opinion, and it is essential that the Administration be in position to estimate and gauge public opinion as accurately as possible. Evidence, indications and testimony in that connection are, therefore, very helpful to us.

I note your statement that you are sending a copy of your letter under acknowledgment to the Secretary of State. I know that he will be glad to have it and that he will read it; and I shall not fail to mention to him its contents.

Yours sincerely,

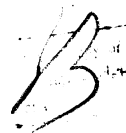
STANLEY K. HORNBECK



W. Reginald Wheeler, Esquire,
 150 Fifth Avenue,
 New York, New York.

SKH:ZMK

OR ✓ com
 NOV 17 1938. PM



795.94/14394

F/FG

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

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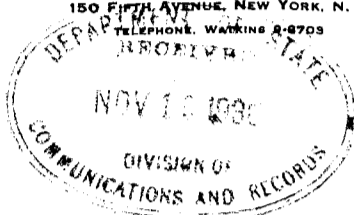
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C. A. EVANS, ASSISTANT SECRETARY
AND ASSISTANT TREASURER

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

My dear Mr. Hull:

Enclosed is a copy of the letter I have written to Dr. Stanley K. Hornbeck, Adviser on Far Eastern Affairs of the State Department, which is self-explanatory.

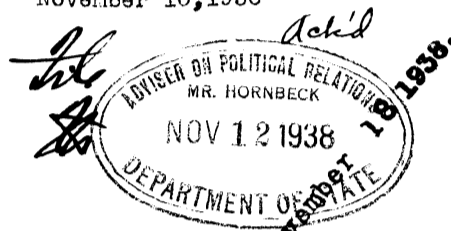
All of us who have lived and worked in the Far East and who know something of the realities of the situation there have been gratified by your clear and courageous statements of the American attitude and policy in relation to that situation. In my letter to Dr. Hornbeck I have tried to describe the attitude of the American people as I have been in touch with them during the past two years since my return from China. I have been traveling almost continuously in the east during these two years and have been impressed by the stiffening of public opinion and the increase of feeling in regard to the issues now before us. I believe public opinion would support our Government in taking a position in regard to the furnishing of war commodities to Japan, and in regard to supplying Japan with credit through purchase of its own exports, that is more in line with the high traditions and ideals of our country in relation to the Far East.

Sincerely yours,

W. Reginald Wheeler
W. Reginald Wheeler

WRW/EC
CC. of letter enclosed.

November 10, 1938



793.94/14395

F/FG

14395

1529

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

CC. for Secretary Hull

November 10, 1938

The Honorable Stanley K. Hornbeck
Adviser on Far Eastern Affairs
State Department
Washington, D.C.

Dear Stanley:

As I have traveled through this country and have been in touch with churches and individuals in various areas I have been impressed by the mounting tide of resentment and feeling against the part which America is playing in the conquest of China by Japan. You may remember my speaking to you in the early months of the war, saying that America through the stopping of the sale of war commodities, particularly cotton, steel and oil, and through the cessation of the purchase of tea and silk, could check Japan and in a few months render her almost powerless to carry on the war. If England joined America in such action, a decision would be reached the more quickly. The answer that is usually given is that America is a democracy and that the Government cannot move beyond the point supported by public opinion. In the earlier months of the war there was no apparently strong opinion which might support such action, but I see many signs of a change in that opinion and a strengthening of the feeling and the thought that America is not only being untrue to its highest ideals in taking part in this destruction of a great and friendly State, but that it is also preparing the way for destructive damage to its own foreign trade and market in the Far East. It seems unreasonable for the American Government to permit action which logically and inevitably would close the open door in China, and supply the munitions and the means which will enable Japan to make the closing of that door definite, and then after such action of the Government write notes protesting against the very action which it itself has made possible.

I think the time has come for much more definite policy on the part of our Government. There must be leadership which takes the responsibility of formulating a policy and not of waiting to be pushed into taking such a step. John Hay took certain risks when he spoke out in favor of the open door and the territorial integrity and independence of China in 1899, but that action brought peace and progress in the Far East and much honor to Hay and to America.

1536
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

The Honorable Stanley K. Hornbeck

-2-

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Sincerely yours,

W. Reginald Wheeler

WRW/EC

CC. to Secretary Hull

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

November 18 1938.

My dear Mr. Wheeler:

I acknowledge receipt of your letter of November 10 enclosing a copy of a letter which you had written to Dr. Stanley K. Hornbeck of this Department, and for your courtesy in laying before me the information and giving me the expression of your views conveyed in these letters, both of which I have read carefully and with interest, I thank you.

Yours sincerely,

Cordell Hull

W. Reginald Wheeler, Esquire,
 150 Fifth Avenue,
 New York, New York.

CR 11/17
 NOV 17 1938. PM

~~Handwritten~~ PA/H:SKH:ZMK
 11/16/38
 11/16/38

793.94/14395

F/EG

153

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

TELEGRAM RECEIVED

1-1238

FROM

JR

COMSOPAT

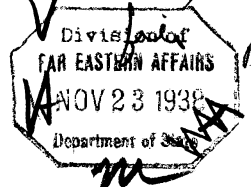
November 23, 1938

Rec'd 8:30 a.m.

ACTION: CINCAF
OPNAV

INFO: RUSNOS
COMSUBRON FIVE
ASST ALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS TULSA
USS MARBLEHEAD
USS POPE
FOURTH MARINES

COPIES SENT TO
ONI AND M.I.D.



0022. Canton and surrounding area quiet, holding
operations to the west based on Samshui military movement
to the north. 2359.

DDM

793.94/14396

F/FG

12

153
DECLASSIFIED: E.O. 11652, 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

1-1336

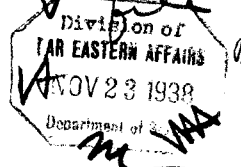
FROM GRAY

Tsinanfu via Tsingtao
and N. R.

Dated November 18, 1938.

Rec'd. 6:57 p. m., 22nd.

Secretary of State,
Washington.



3, November 18, noon.

One. Tsinanfu quiet but martial law enforced from 10 p. m. and military pass necessary to enter native quarter at any time. Americans report fighting has occurred in the vicinity of city during the current week and that artillery fire audible here. Also that there are 30,000 Chinese troops under Shih Yu San now encamped near Taian. Japanese apparently not molesting them at the moment but are said to be attempting bribery.

Two. Armored car and passenger train derailed north of Chowtsun on 13th and 14th respectively. All trees along the railway being cut as precaution against guerrilla attacks and bridges and culverts between Changtien and Tsinanfu protected by wire fences and dugouts garrisoned by Japanese troops at night.

Three. Ma Liang, Governor of Shantung under the North China regime, now in Peiping for a conference. His "advisor" is K. Nishida who was Japanese Consul General at Tsinanfu

793.94/14397

F/FG

1537

DECLASSIFIED: E.O. 11652, 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 -2- No. 3, November 18, noon, from Tsinanfu

Tsinanfu for many years and who now holds the rank of Lieutenant General according to reliable information.

Four. Americans and British viewed with suspicion by Japanese military and their movements and activities under surveillance but Germans treated with more consideration.

Repeated to Chungking and Peiping. By mail to Tokyo and Tsingtao.

HAWTHORNE

RR
WWC

3535
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

MJD

1-1336

FROM

GRAY

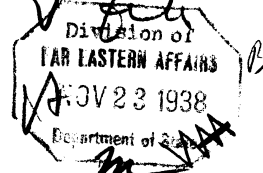
Tsinanfu via Tsingtao
and N. R.

Dated November 20, 1938.

Rec'd. 6:52 p. m., 22nd.

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

Secretary of State,
Washington.



4, November 20, 9 a. m.

In an interview with Japanese officials mentioned in paragraph 3 in my telegram No. 3, November 18, noon, latter informed me that Peiping Government has appointed magistrates to 50 of Shantung's 107 Hsien cities but that to date only 36 have been able to take up their duties. He intimated that Japanese do not hope for early pacification of province nor do they anticipate necessity for use of large military forces for that purpose. Japanese tactics will be merely to hold the railways, mines and important points and gradually to extend the influence of the new regime, using military force only where absolutely necessary. By this means they expect by next autumn to be collecting practically all taxes in Shantung which will amount to some 30 million dollars annually, a large per cent of which will be required for military expenses, but they estimate that it will take two years to gain active control of the whole province.

793.94/14398

F/FG

7536
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

MJD -2- No. 4, November 20, 9 a. m. from Tsinanfu.

province.

Repeated to Chungking, Peiping and Chefoo. By mail
to Tokyo and Tsingtao.

HAWTHORNE

RR
KLP

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

TELEGRAM RECEIVED

lw

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

Canton via N. R.

FROM Dated November 22, 1938

Rec'd 7:06 p.m.

Secretary of State

Washington

68, November 22, 6 p.m.

According to reliable information Lieutenant General Ando, formerly Military Attache at London has taken command of the Japanese forces in South China ^{Vice} General Furusho who has been ill, and will establish his headquarters here. Japanese forces and military equipment confidentially stated to have come from Central China have been arriving at Canton during the past ten days and have started moving into the interior both it is believed along the Canton-Kowloon Railway and along the Canton-Hankow Railway. Canton is quiet and is occupied by comparatively few troops. There is no evidence of any considerable body of Chinese troops in this area.

(GRAY) Chinese, mostly laborers and petty traders, are returning to Canton but the streets are still deserted and the shops remain closed. The Japanese military have begun the sale of rice to Chinese.

Repeated to Chungking, Peiping, Hong Kong. (END GRAY)

MYERS

RGC:KLP

Handwritten: COPIES SENT TO ONE M.I.D. in confidence

Stamp: Division of FAR EASTERN AFFAIRS NOV 23 1938 Department of State

Handwritten: WTB 11/28/38

793.94/14399

F/FG

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

(CONFIDENTIAL)

P A R A P H R A S E

CONFIDENTIAL

A telegram (No. 68) of November 22, 1938, from the American Consul General at Canton, reads substantially as follows:

There is nothing to indicate the presence in the Canton area of any considerable body of Chinese soldiers. There are comparatively few soldiers in Canton, which is quiet. It has been learned from a reliable source that Lieutenant General Ando, formerly Military Attaché at London, has assumed command of the Japanese troops in south China (?) General Furusho who has been ill. General Ando will set up his headquarters in Canton. During the past ten days there have been arriving at Canton Japanese forces and military equipment which it is stated confidentially have come from central China. These Japanese forces and equipment have begun moving into the interior both along the Canton-Hankow Railway and along the Canton-Kowloon Railway it is believed.

Chinese mostly laborers and petty traders are returning to Canton but the streets are still deserted and the shops remain closed. The Japanese military have begun the sale of rice to Chinese.

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

DOCUMENT FILE

NOTE

SEE 894.00/822 FOR Despatch #3392

FROM Japan (Grew) DATED Nov. 1, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict:

Effect of appointment of Hachiro Arita as Minister
of Foreign Affairs, Japan, on Japanese position
in China. Report concerning-.

aa

795.94/ 14400

14400

DECLASSIFIED: E.O. 11652, 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 123 J 634/503 FOR Tel. #560 noon
FROM China (Chungking) (Johnson) DATED Nov. 21, 1938
~~XXXXX~~ NAME 1-1127 ***

REGARDING:

Criticism of Sino-British relations expected at meeting of the Central Executive Committee of the Kuomintang scheduled to take place at Chungking next month. Minister of Foreign Affairs in his conversation with the British Ambassador complained that the British had not kept step with the United States using Embassy's note of October 6 and a statement which was credited to the Department declaring our continued adherence to the Nine Power Treaty as evidence.

McC

793.94/14401

793.94

14401 -

DECLASSIFIED: E.O. 11652, 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 740.00/516 FOR Tel. #1347.8pm

FROM Great Britain (Kennedy) DATED November 22, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict.

British will take parallel action with the United States in connection with Japan.

hc

793.94/14402

CONFIDENTIAL FILE

14402

DECLASSIFIED: E.O. 11652, 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

Memorandum of Conversation

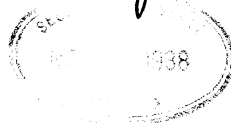
DATE: November 11, 1938.

SUBJECT:

PARTICIPANTS: The Secretary of State;
 Mr. Yusuke Tsurumi.

COPIES TO: Present: Mr. Hamilton.

Copy sent to Tokyo



November 18 1938.



en B Sr
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Jul

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11/11/38

On November 10 Mr. Roy Howard of the Scripps-Howard papers telephoned the Secretary from New York and asked the Secretary to receive Mr. Yusuke Tsurumi. In response to Mr. Howard's request and after arrangements had been made through the Japanese Embassy, Mr. Tsurumi called on the Secretary at twelve o'clock noon today.

Mr. Tsurumi said that he had just returned from Europe and he mentioned that he had seen Lord Halifax while in England. He said that he was now proceeding to the west coast en route to Japan.

Mr. Tsurumi said that Mr. Shuho Ikegami (12 Shimidzu, Yanaka, Shitaya-ku, Tokyo), one of the most distinguished of living Japanese artists, had, moved by the Secretary's admirable handling of the Panay incident, painted a picture which

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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 -

which he had asked Mr. Tsurumi to present to the Secretary. Mr. Tsurumi then presented the painting. The Secretary expressed his appreciation both of the artist's thought and of Mr. Tsurumi's kindness in bringing the painting.

The Secretary referred to the fact that Mr. Tsurumi had called on him some months ago and asked Mr. Tsurumi to feel free to make such further observations as he might care to offer. Mr. Tsurumi then talked for ten or fifteen minutes and gave a sketch of background events in the Far East leading up to the present situation. He devoted special attention to the period between 1927 and 1931. He mentioned the bad social conditions which had developed in Japan; the fact that many of the university graduates could not obtain positions and became communists; the adverse reaction in some circles in Japan to the Washington Naval Treaty and to the London Naval Treaty; the Japanese feeling that the Ottawa Conference agreements would operate to close substantial markets to Japanese products; and the action of the Chinese in Manchuria in seeking to oust Japan from its rights in that region. He said that as a result of these various factors the military groups had been able to emerge as the dominant force in Japan and to supplant the moderate groups. He said that these moderate groups would, however, reemerge; that this could not be expected at the present time when Japan was stirred up by "war fever";

and

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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

- 3 -

and he asked that the United States show patience. He emphasized that there was a very friendly feeling in Japan toward the United States.

During his remarks, Mr. Tsurumi referred to his friendship for General Ugaki whom he characterized as a moderate. He said that it was unfortunate that General Ugaki had had to resign. He said that Prince Konoye had not wished to continue as Premier but that he probably would have to do so now. He characterized Prince Konoye also as a moderate.

In view of the fact that some Senators had called to see the Secretary on urgent business, the Secretary asked Mr. Tsurumi to continue his conversation with Mr. Hamilton. As Mr. Tsurumi was leaving, the Secretary expressed the hope that he would have a pleasant journey back to Japan. Mr. Tsurumi bowed and quickly asked whether he might carry any message on behalf of the Secretary to Prince Konoye. The Secretary said that he would be glad if Mr. Tsurumi would convey his cordial greetings to Prince Konoye and say that the Secretary hoped to see him again in this country.

Mr. Tsurumi then departed.

Mr. Hamilton accompanied Mr. Tsurumi to one of the Secretary's outer offices. There Mr. Tsurumi continued his comments. He said that there was no unified concept in the Japanese Army as to the best course to pursue in relations

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

- 4 -

relations with China. He mentioned that one Army group favored having China governed by one central Chinese government with capital at Peiping and that another Army group favored Japan restricting its control to Manchuria. He said that he thought that Japan's terms in reference to China would be as follows: (a) the recognition by China of "Manchukuo"; (b) arrangements so that Russian communism could not come into China and thereby menace the security of Japan; (c) anti-Japanese activity in China, such as anti-Japanese teaching in the Chinese schools, must stop; (d) Japan should have access to economic resources in north China, probably on the basis of equal Chinese and Japanese participation.

Throughout Mr. Tsurumi's call, neither the Secretary nor Mr. Hamilton made any substantive comment other than to say that they were glad to have the benefit of Mr. Tsurumi's observations.

W. W. W.

FE:MMH:EJL

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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

November 18 1938,

CONFIDENTIAL - FOR STAFF USE ONLY

No. 1609

The Honorable

Joseph C. Grew,
American Ambassador,
Tokyo.

Sir:

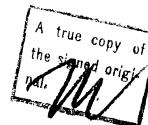
There is enclosed for your confidential information a copy of a memorandum covering a call made on November 11, 1938, by Mr. Yusuke Tsurumi during which Mr. Tsurumi offered comment in regard to the situation in the Far East.

Very truly yours,

Cordell Hull

Enclosure:

Copy of memorandum as
described above.



CR 507
NOV 16 1938. PM

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

TELEGRAM RECEIVED

EG

1-1338

GRAY

FROM

Peiping via N. R.

Dated November 21, 1938

Rec'd 10 p.m. November 23

Secretary of State,
 Washington.

691, November 23, 5 p.m.

Embassy's 685, November 18, 4 p.m. and 614, October

10, noon.

One. The local Japanese military spokesman has announced that North China will be cleared of guerrillas in two months time, but this would seem to express little more than wishful thinking not based on much hope of accomplishment. It followed the Japanese occupation October 17 of Nankung, South Hopei, headquarters of the Eighth Route army guerrillas in Hopei and seat of the Nationalist Provincial Government. According to foreign travellers there remain some two hundred thousand guerrillas in South and Central Hopei in loosely organized districts: The arsenal machinery, banknote printing plants and other establishments were removed from Nankung; and the Nationalist Chairman is setting up headquarters elsewhere with no serious disruption of organization. There are also an estimated twenty thousand guerrillas

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 U.S. DEPT. OF STATE
 NOV 23 1938

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 NOV 23 1938
 EASTERN AFFAIRS
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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- #691, November 21, 5 p.m., from Peiping via N. R.

guerrillas in the western part of East Hopei (south of the great wall between Kupeikou and Shanhaikuan), and a number of scattered bands in the Peiping-Tientsin area.

Two. One foreign observer estimates that the total number of guerrillas now operating in Japanese occupied areas is about one million. ^{Partial} In support of this estimate are recent statements of Japanese spokesmen that guerrillas in North China number 375,000 and those in the Nanking-Shanghai-Hangchow triangle number 2,000 in addition to a large number in Shantung, ^{Anhui} (A) and Honan and not counting regular troops behind the Japanese lines in the ^{Tsich} (2) ~~Sh~~ mountain region of Hupeh and elsewhere both south and north of the Yangtze between Wuhu and Hankow. (The problem constituted by ^{guerrillas} ~~garrisoning~~ was exemplified in a recent statement of the local authorities that in August, September and October Japanese forces in North China fought 1,068 engagements with guerrillas in the areas of the Pinghan ^{and the Shensi} (2) ~~Shantung~~ railways.)

Three. Yen-an, Shensi, seat of the Chinese Communist Government and principal headquarters of the Eighth Route Army was bombed by Japanese planes ^{November} ~~October~~ 19 and 20.

According

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

WB
3/28/39
 #691, November 21, 5 p.m. from Peiping via N. R.

According to ^{*of Japanese*} ~~Secretary's~~ ^{on 12/21} claims the town was "virtually razed" but these claims have not been confirmed. Continued attempts to dislodge and disperse the communist forces in the northwest are to be expected from now on as a corollary to the Japanese attempt to drive on Sian and cut the ^{*channel*} ~~city~~ of Chinese supplies from Soviet Russia.

Four. Repeated to Chungking; by mail to Tokyo, Shanghai, Nanking.

LOCKHART

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

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~~EC~~
~~FE~~

RECEIVED
 DEPARTMENT OF STATE
 DEPARTMENT OF STATE
Memorandum of Conversation

938 NOV 22 PM 2 48

DATE: November 5, 1938.

SUBJECT: Inquiry by French Embassy regarding a predicated suggestion by Chinese Government that joint or common declaration be made to Japanese Government by French, American and British Governments that those governments would "oppose" Japanese operations in south China.

PARTICIPANTS: Counselor of the French Embassy, Mr. Jacques Truelle.

Mr. Hornbeck.

*Copies sent to London, Paris, Tokyo +
 V file Ch Peking
 Chuchking*

COPIES TO:

ph

W

NOVEMBER 22 1938.

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Mr. Truelle called on me on October 28 and said that his Embassy had a telegram from the French Foreign Office stating that the Chinese Ambassador in Paris had stated to the Foreign Office that he and the Chinese Ambassadors at Washington and at London had instructions from their Government to ask the respective foreign offices to consider making a joint or common declaration to the Japanese Government that the three Governments thus concerned would "oppose" Japanese operations in south China. Mr. Truelle wished to know whether such an approach had been made to this Department by the Chinese Embassy here.

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- 2 -

5292

I replied that no such approach had been made here. Mr. Truelle expressed surprise. I stated that I was not surprised. There followed some discussion of the matter, in the course of which I repeated that no such approach had been made here and therefore no consideration had been given here to any such suggestion.

This morning, November 5, the French Ambassador asked for an appointment with me and stated that it was urgent. The Ambassador then came to see me and stated that the Chinese Ambassador in Paris was insistently telling the Foreign Office that the Chinese Government had instructed its Ambassadors in Paris, Washington and London to make the request mentioned above. His Foreign Office wished to know whether this Government had yet been approached by the Chinese Embassy in the sense indicated.

I replied that we had not been so approached. With the consent of the Ambassador, I called Mr. Hamilton in and put the inquiry before him. Mr. Hamilton confirmed what I had said to Mr. Truelle and to the Ambassador. I then asked the Ambassador whether his Government had ascertained whether the Chinese Ambassador in London had made such an approach to the British Government. The Ambassador replied that he was uninformed on that subject. I said that it would seem reasonable to assume that his
Government

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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

- 3 -

Government would have made such an inquiry and that it might be interesting both for the Ambassador and for us to know what might have transpired in that connection. The Ambassador said that he would inquire. I suggested that if and when he inquired he should assume authorship of the inquiry and not attribute it to us, as mine was an informal and unofficial suggestion and not a suggestion of the Department.

Mr. Hamilton referred to a conversation which the Chinese Minister for Foreign Affairs had had sometime ago with the American Ambassador in China in which the Minister for Foreign Affairs had indicated an interest in ascertaining the reaction of the United States to the south China invasion and in which the Minister for Foreign Affairs had made a suggestion that there should be some common action by the American, the British and the French Governments in regard to the general situation in China and to observations in somewhat the same sense that had been made by officers of the French Foreign Office to our Chargé in Paris. At that point, Mr. Hamilton was called away. I thereafter said to the Ambassador that, if the French Government, in having twice asked whether we had been approached by the Chinese Ambassador, was seeking to ascertain what might be our reaction to some proposal of common or joint action, I would suggest 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. Gustafson NARS, Date 12-18-75

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- 4 -

the Ambassador carry the inquiry directly to the Under Secretary or the Secretary, as I did not wish to venture into even a tentative discussion of that point. The Ambassador replied that if he felt or found that such was the intent of his Government he would so proceed.

With appropriate exchanges of amenities the conversation there ended.


Stanley K. Hornbeck

PA/H:SKH:ZMK

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

November 21 1938.

CONFIDENTIAL - FOR STAFF USE ONLY

No. 627

To the American Ambassador,
 Peiping.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum, dated November 5, 1938, of conversations held on October 28 and November 5 by the Counselor of the French Embassy and the French Ambassador with Mr. Hornbeck relating to a suggestion that a declaration be made to the Japanese Government in regard to Japanese operations in south China.

Enclosure:

Copy of memorandum as
 described above.

Copy to Chungking.

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 FE:EGC:JPS
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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

November 21 1938.

CONFIDENTIAL - FOR STAFF USE ONLY

No. 1611

To the American Ambassador,
Tokyo.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum, dated November 5, 1938, of conversations held on October 28 and November 5 by the Counselor of the French Embassy and the French Ambassador with Mr. Hornbeck relating to a suggestion that a declaration be made to the Japanese Government in regard to Japanese operations in south China.

Enclosure:

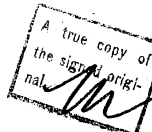
Copy of memorandum as
described above.

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NOV 19 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 O. Gustafson NARS, Date 12-18-75

November 21 1938.

CONFIDENTIAL - FOR STAFF USE ONLY

No. 378

To the American Ambassador,
 London.

The Secretary of State encloses for the confidential information of the American Ambassador a copy of a memorandum, dated November 5, 1938, of conversations held on October 28 and November 5 by the Counselor of the French Embassy and the French Ambassador with Mr. Hornbeck relating to a suggestion that a declaration be made to the Japanese Government in regard to Japanese operations in south China.

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Enclosure:

Copy of memorandum as
 described above.

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

22 1938.

CONFIDENTIAL - FOR STAFF USE ONLY

No. *1184*

To the American Chargé d'Affaires ad interim,
 Paris.

The Secretary of State encloses for the confidential information of the American Chargé d'Affaires a copy of a memorandum, dated November 5, 1938, of conversations held on October 28 and November 5 by the Counselor of the French Embassy and the French Ambassador with Mr. Hornbeck relating to a suggestion that a declaration be made to the Japanese Government in regard to Japanese operations in south China.

Enclosure:

Copy of memorandum as
 described above.

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CR *[initials]*
 NOV 22 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

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[Handwritten signature]

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File

*Letter from
Pres. to
Gen. Chiang
sent to Chinese
Amb. for delivery
11/15/38
JWS*

THE WHITE HOUSE
DEPARTMENT OF STATE
WASHINGTON

DEPARTMENT OF STATE

RECEIVED NOV 12 13 November 10, 1938

NOV 12 1938

COMMUNICATIONS
AND RECORDS

✓
OFFICE OF EASTERN AFFAIRS
NOV 12 1938
Department of State
m

OFFICE OF THE SECRETARY
My dear Mr. Secretary:

*November 18 1938.
November 18 1938.*

The President has directed me to
send you the enclosed letter to His Excellency
General Chiang Kai-shek, Chairman, National
Defense Council, Chungking, China, with the re-
quest that the Department will be good enough to
forward it to General Chiang through the Chinese
Ambassador here.

Very sincerely yours,

M H McIntyre

M. H. McINTYRE
Secretary to the President

793.94

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

Enclosure

793.94/14406

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

COPY:LAW:PR *P*

THE WHITE HOUSE
 WASHINGTON

5295

November 10, 1938.

My dear General Chiang:

I have received your cabled message of October 15 in which you bring to my attention the distressing circumstances and consequences of the conflict in China and make reference to certain discussions now proceeding in Washington.

For many years, I have, as you know, had a strong personal and official interest in China. My official interest dates from the time when I was Assistant Secretary of the Navy, and my personal interest, which far antedates my official interest, stems from both the early association of my forebears with the Far East and my long affection for the Chinese people. As President my interest has continued and during the past fifteen months the hardships and suffering of your countrymen have aroused my deep sympathy and their fortitude has inspired my admiration. The American people, I am sure, share my interest and my feelings of sympathy and admiration. These sentiments on our part have found expression in various types of effort toward alleviating the sufferings of the Chinese people, in support of principles which we believe should govern the efforts of every nation in its relations with all others, and in discouragement of practices not in harmony with those principles.

The friendly feeling of the Chinese people and the American people toward each other has been an important fact in international relations, and that friendly feeling prevails and is vigorous today.

With regard especially to the current conflict between China and Japan, the American Government has repeatedly voiced its objection to use of force in disregard of treaty rights and obligations and has contended that with peace there must be coupled law and justice. I am sure that you realize that, notwithstanding the strong sympathies of this country and our desire that peace with justice shall prevail in the Far East, action by the American Government must conform to methods which are consistent with this country's laws, with the current opinion of our people, and with our estimate of what is practicable.

With the views and considerations which I have briefly
 outlined

793.94/14406

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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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-2-

outlined above in mind, I can assure you that with regard to the discussions in Washington to which you refer, the matters brought forward are receiving most careful and sympathetic consideration, and furthermore that an early attainment of a just peace in the Far East is and will continue to be my earnest hope.

With kind personal regards, I am

Very sincerely yours,

FRANKLIN D. ROOSEVELT

His Excellency
General Chiang Kai-shek,
Chairman, National Defense Council,
Chungking, China.

0561

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

November 18 1938

My dear Mr. Ambassador:

In compliance with the wishes of the President,
I am sending you herewith a letter addressed by the
President to His Excellency General Chiang Kai-shek,
Chairman of the National Defense Council of China, in
reply to the cabled message from General Chiang which
you left with the Secretary of State on October 19 for
forwarding to the White House.

I should be obliged if you would transmit the
President's letter to its high destination.

I am, my dear Dr. Hu,

OR *[initials]*
NOV 18 1938.

Very sincerely yours,

GEORGET. SUMMERLIN

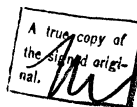
Enclosure:
Letter.

His Excellency

Dr. Hu Shih,

Chinese Ambassador.

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793.94/14335
PR:DELLAW 11/15/38



793.94/14406

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[initials]
FE *[initials]*

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

File 75
**CHINESE EMBASSY
WASHINGTON**

NOV 25 AM 9 33

November 23, 1938

My dear Mr. Secretary: *ONS*

AND RECORDS
I beg to acknowledge the receipt of your

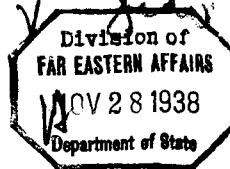
Department's note of November 18, 1938, enclosing
a letter addressed by the President to His Excellency
General Chiang Kai-shek, Chairman of the National
Defense Council of China, in reply to the cabled
message from General Chiang which I left with you on
October 19 for forwarding to the President, and to
say, in reply, that the President's letter has been
transmitted to its destination.

I am, my dear Mr. Secretary,

Very sincerely yours,

H. St. L.

793.95
Honorable Cordell Hull,
Secretary of State.



793.94/14407

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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

Because the Japanese believe in reprisals
I ask that this information be destroyed.

This for the reason that spies are about,
and because of my husbands connection with
the Y.M.C.A. the Japanese would take repris-
als out on those associations in China.

0564

DECLASSIFIED: E.O. 11652, 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. HOLLIS A. WILBUR
 STATE REGENT FOR CHINA

November 22 1938.

Nov 8, 1938

ch asked

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

My dear Mr. Hull:--

This Society has always been considered an unofficial arm of the Government. Its members believe it their duty to give aid to its Government.

It is thirty-four years since I became a member of the Society. Twenty-nine of those years have been spent in China and Japan. From that long experience, in which I came to know the nations of the Far East, I would like to give you such help as I may. You are faced with cruel decisions regarding the Far East, such as perhaps no man before has been, --cruel, I mean, in the sense that they wear upon you.

I think I voice the opinion of American women resident in Shanghai, where I have lived much of the time since 1913. American women voiced their sentiments strongly in those protests they sent in last year, regarding the Japanese onslaughts, the body of the American Women's Club, the American Association of University Women, each of which has from two hundred to three hundred members, somewhat overlapping. Shanghai, you may know, have few low-bracket Americans among its residents.

Americans there feel the warmest gratitude for the protection our Government afforded when it sent the augmented body of American Marines, with their fine brave officers to the Settlement to help protect us from the Japanese. But for the military forces of America, England, Italy and France, the great city of Shanghai would be in Japanese hands today, as is the Chinese city surrounding it.

Enclosed are matters of information and opinion in which it is hoped you may find thought. Also part of an illuminating letter from a Nanking friend, with new material, never published.

With sincere regard, I am Yours truly
 347 Madison Ave., 7th floor
 New York City.

Mary M. Wilbur

793.94/14408

F/FG 14408

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

Information from and "Old China and Japan hand"

Do not believe that hoary propaganda that the Japanese have no room for expansion. The large fertile island of Hokkaido, north of the main Japanese Island, with an Iowa climate, is, according to the head of its agricultural college, capable of supporting five million more Japanese. They will not come there because it does not raise rice, and is cold. He told this to our friend, another agricultural expert. (at present in U.S. Government service) For the same reason Japanese will not colonize Manchuria; they do not take their families there, nor to N. Korea. They colonize the milder parts of Korea, forcing out the natives. They would enjoy colonizing the rich deltas of China and the Philippines.

Do not believe that China is defeated from present reports. With Hankow fallen, our valiant war correspondents (all for China,) have difficulty to get out the news. I cannot ascertain if the Chinese radio was taken inland. Do not be misled by reports from censored Japan and occupied territory. Whatever is prefaced "the Japanese (~~censor~~ or) spokesman says" is the reporter's warning,--his tongue in the cheek. Do not let a defeatist attitude toward China overcome this country. The State Department pouches are not censored, and if you have information reporters cannot get, help China by revealing it. The State Department is served by some fine statesmen and by a grand Admiral and Colonel of Marines. We have for all of them the greatest admiration, in Shanghai.

Do not let Japan bluff you. Next to Hitler, Japan is the world's best bluffer. I believe nobody is so surprised as Japan, that its bluff backed down the American and British Governments. Now it is drunk with success, and believes it has all nations scared. Have you observed the conduct of the Japanese military when faced with opposition by a prepared foe; how quickly they succumbed to Russia when She attacked over that border hill aggression between Siberia and Korea; How Japanese soldiery obey Col. Price when he orders them out of his sector in Shanghai; how they obey orders of the French Concession police,--that Concession

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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-

"which is France"; how Japan fell over itself to pay for the Panay, remembering what followed the sinking of the Maine and Lusitania, expecting war; how in April, when Japanese air-raids over Hankow resulted in loss of twenty odd planes, and May raid was a total failure, the airforce for months staid away from Hankow, preferring to bomb undefended Amoy and Canton, where they could machine-gun Red Cross units from the air, in the streets at work? Is that brave warfare?

The new argument that it would ruin President Roosevelt's administration if it imposed econonic measures against Japan, sounds funny to American residents of China. Who lately said anything about such measures? Nothing would so redeem the administration in the estimation of countless friends of China as that it take a firm stand and refuse further release to Japan of American airplaes, oil, scrap iron and military supplies. Those sympathizers know it is American supplies that are turning the balance against China. England and France are buying planes, not selling them. The United States is furnishing the deadly planes that enable Japan to survey troop movements and to slaughter whole regiments of troops. U.S. manufacturers sell them, but the government is reponsible. An embargo to arms for Spain was no great effort: it pleased Catholic voters; but other voters by thousands would be pleased by an embargo on arms to Japan which are destroying China. One of the things Japan little understood, is that incredible numbers of Americans are warm personal friends of the Chinese. Chinese people make warm friends. The latest Extra announces that Japanese intend next to take Yunnan and the trade routes to Burmah and Indo China. Airplanes alone can do that. The rivers and mountains of the Southwest cannot otherwise be invaded. Are you going to let that happen?

It may be superflous to tell you that those American weapons will be turned on the United States and its possessions. You have considered the Tanaka Memorial, Japan's program for taking Asia, repudiated but now well

DECLASSIFIED: E.O. 11652, 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-

advanced. Its next step is the Philippines,--those Islands incredibly rich in timber, gold and hemp. Can we permit them, with the life-work of thousands of Americans since 1900, to be thrown into the arms of Japan? Can we permit the filipinos we have nurtured to become as the poor Koreans?

We have a stake and a profound responsibility in the Philippines. We have a great stake also in China. Not only in American business and opportunity--the Open Door; but in Modern China. That is the direct result of American missions, with Boxer Indemnity help for students. Young Chinese who were feverishly building up a modern nation were mission school boys, who came here to college or scientific schools and returned fired with purpose to rebuild their nation. We know scores of such men. If you will take the trouble to consult in the Jany. Number D.A.R. Magazine, 1937, you will see in W.W.Lockwood's article what they had accomplished. Also, you may reflect that as far as they have occupied, the Japanese have systematically destroyed those colleges and institutions (from the air) Those Chinese men, trained in America, believed in our country as its one, sure friend. We failed them in their direst need, I wonder if you can imagine what that means to Americans in China, who know, respect, and admire the Chinese, and have them as our friends.

"O, Boy!" the American broadcaster in Shanghai began his announcement one night. "You can be proud to be an American, again!" He then thrilled us with the President's Chicago speech. But never again. That was the only proud moment for Americans in China. Roger Babson has proclaimed: "The Pacifists of England and America are responsible for the sufferings ^{the} of Chinese?" They Pacifists have been indeed a loud-mouthed minority; but they are a minority. It is culpable to be influenced by such a minority. All Americans are not cowards,--not yet. You are not, as your papers ringingly indicate. Else this letter never would have been sent.

I believe I voice American sentiment in China, that if the United States

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

-4- ha .

had taken a firm stand in August 1937 against Japanese invasion of Shang-hai environs, this war would have been averted. It would not have been necessary to go to war to do it, for Japan was just seeing how far she could go. American Pacifists and Japanese bluff worked together to intimidate. Now the Japanese secretly despise us, as cowards.

I believe that China can still be saved, and the Open Door with it, by withholding, if nothing more, from Japan, air planes and the necessary fuel. There are other ways to do that by an open avowal of governmental intention.

Many other matters are involved, naturally; but some of this information may be new.

One solemn injunction: have no share in compelling peace terms upon China now. Give China a chance by depriving Japan of her one indispensable weapon, the American airplane. So little the Chinese asked of us: that we stop furnishing Japan the military weapons which are devastating China. The blood of millions of Chinese, already rests upon American heads. Shall our government allow the utter destruction of a friendly nation?

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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

Portion of letter from Nanking.

"On March 24th we decided to close all our refugee camps by May 31st and urge the people to arrange to live in the damaged and looted houses that remained unburned. By June 1st we had them all out, excepting 650 young girls whose homes were too close to the Japanese barracks, and whose parents were financially unable to make other arrangements for them. These girls were kept at Ginling College for the summer, where they had a chance to study in special classes organized for their needs. (Ginling College has moved its work to Chengtu).

"With the background of loss of U.S. \$12,300,000 in the surrounding five counties, and of \$72,000,000 in Nanking alone, with families remaining in Nanking looted at \$4,000,000 beside having many of their homes burned by Japanese soldiers, with 27,000 civilian men and women killed on the farms and 11,000 killed injured or "taken away" and probably shot in the city, the material and human resources for economic recovery are seriously limited. The indignities that Chinese women have suffered from the Japanese soldiers in occupied territory is beyond description. (At least 10,000 were attacked last winter in Nanking)...Venereal disease and unwanted Chinese babies add to the difficulties.

"As reports filter out, it is becoming increasingly evident that the same terrible conditions exist throughout the whole occupied territory with its 160,000,000 or more people. A recent report from far away Shansi says the "Japanese destruction of civilian lives and homes in Shansi exceeds in magnitude and thoroughness the worst the Japanese have accomplished in other parts of China, the area dwarfing the sack of Nanking. An article in Amerasia for July tells of the same economic and mental prostration in the Peiping area that we have observed in Nanking. On killings alone we estimate between three and four million civilians have been killed in the rural occupied areas alone. Some persons say "O, well, killing and looting is war." But we found that the Japanese Army killed more civilians and ~~burned~~ burned more houses in Nanking alone than the German army did in all Belgium! This gives you some picture of the tremendous suffering in the occupied territory.

"That happened in Nanking and other occupied territory will be found in WHAT WAR MEANS by H.J. Timperly, pub. in America by Modern Library. I can personally vouch for the reliability of Mr. Timperly's documents."

0570

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

November 22 1938

In reply refer to
FE

My dear Mrs. Wilbur:

Mr. Hull has asked me to acknowledge the receipt of your letter of November 8, 1938, with which you enclose an item of information and opinion from an "old China and Japan hand" and an excerpt from a letter which you have received from Nanking in regard to matters relating to the situation in the Far East.

Your letter and its enclosures have been read with interest and the spirit which prompted you to make your views available to the Department is appreciated. You may be assured that we are giving the closest attention to every phase of the Far Eastern situation and that we welcome and give careful consideration at all times to comments and suggestions from thoughtful sources.

Sincerely yours,

CR ✓
NOV 22 1938 PM

Maxwell M. Hamilton
Chief
Division of Far Eastern Affairs

Mrs. Hollis A. Wilbur,
347 Madison Avenue, Seventh Floor,
New York, New York.

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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. Huston NARS, Date 12-18-75

TELEGRAM RECEIVED

JR

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

Peiping via N. R.

FROM 'Dated November 25, 1938

Rec'd 7:45 a.m.

Secretary of State,
Washington.

695, November 25, 4 p.m.

One. There have been for some time rumors that General Terauchi, commander of the North China Japanese forces, would be replaced by General Sugiyama, former Minister of War. (END GRAY) According to Chinese sources close to some Japanese military, (GRAY) Terauchi has already been recalled and his successor has now arrived. Confirmation, however, is lacking, but it is believed to be true.

Two. Reasons for the reported change are not known. (END GRAY) Some able Chinese assert that it is due to political reasons, chiefly Doihara's maneuvers against Terauchi and Kita in regard to projected Chinese political developments. (GRAY)

Three. Sent to Chungking. Code text by mail to Tokyo, Shanghai. (END GRAY).

LOCKHART

EDA:WVC

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

CONFIDENTIAL

ConfidentialP A R A P H R A S E

A telegram (No. 695) of November 25, 1938, from the American Embassy at Peiping reads substantially as follows:

For some time there have been rumors that General Terauchi, commander of the north China Japanese forces, would be replaced by General Sugiyama, former Minister of War. General Terauchi has already been recalled and his successor has now arrived, according to information received from Chinese who have close contact with some of the Japanese military. Confirmation, however, is lacking, but it is believed to be true. The reasons for the reported change are not known. It is said by some able Chinese that the change was made for political reasons and that it was due principally to maneuvers by Doihara against Kita and Terauchi in connection with Chinese political developments which are contemplated.

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

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G-2
 SRM:Mac

5-2/2657-H-139

DCR

W. H. H. Johnson

Nov 19 1938



November 10, 1938.

793.94

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

✓ 21
W. H. H. Johnson
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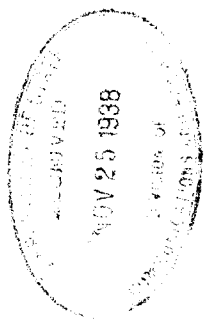
1. Herewith are Summary and Situation Map covering events in China for the period November 1-November 10.

2. The important events for this period have been:

a. Resumption of the offensive by the Japanese in the direction Hankow-Yochow and probably Changsha.

b. Initiation of mediation efforts by Great Britain.

c. Continuation of American representations to Japan and "parallel action" by Great Britain and France.



2 encls.
 ml

E. H. W. McCabe,
 Colonel, General Staff,
 Assistant Chief of Staff, G-2.

793.94/14410

FILED

NOV 26 1938

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

CONFIDENTIAL

G-2
 IJB

G-2 Digest of Information
Sino-Japanese Situation
November 4-10, 1938

1. MILITARY OPERATIONS.

a. North China Front. Japanese operations against the communist forces (Eighteenth Army Corps) in the Putaishan area of northern Shansi are reported as continuing but no definite results are now claimed by either side.

There has been considerable military activity along the Yellow River where it forms the Shansi-Honan boundary. No large scale operations have taken place here as yet. In this area the Japanese are in an excellent position to cut the Lunghai Railroad and the most satisfactory road communications between Sian and the Honan front. Pressure was exerted here during the Hankow campaign, presumably as a holding and fixing attack, but the Japanese were not able to make good a crossing.

b. Central China Front. In this theatre a strong Japanese drive has developed against Yochow and probably eventually against Changsha. Three columns are advancing on a front of about 40 miles, one amphibious column down the Yangtze, one down the Canton-Hankow Railroad and motor road and one via Tungshan. Progress has been steady, and as was to be expected, Chinese resistance has been light. The early fall of Yochow is anticipated.

To the east Japanese pressure has been renewed in the direction Kiukiang-Nanchang. Here stiffer resistance has been encountered and Japanese progress is slow.

North of the Yangtze in the Hankow area the Japanese have pushed out some 20 miles west of the Ping-Han Railway. This action would be logical as a security measure and to date there have been no movements to indicate a large scale offensive to the west.

c. South China Front. The Japanese have completed transfer of their base from Hsin Bay to Canton and have given up most of the area previously held between the East River and the sea. They have apparently assumed the defensive around Canton.

The Chinese have announced an offensive against Canton from the west and are reported to have 11 Kwangsi divisions in hand for this purpose. Color is lent to the report that the offensive has been ordered by the use on November 8 of Chinese combat aviation for the first time in this theatre since the Japanese landing. Any Chinese offensive from the west would be in the nature of a frontal attack on the Japanese outside Canton and would bring up against the formidable obstacle of the North River.

Handwritten: Max 18/1973

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

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2. MISCELLANEOUS.

a. Chiang Kai-shek is reported on good authority to have stated that he can hold the line Manchang-Changsha for two months. While Chinese resistance may be expected to harden south of Yochow, and while the terrain will be increasingly in his favor, it is believed that, if the Japanese attack in force, he will prove to have been over-optimistic.

b. Reliable reports indicate that transport of munitions into China via the still uncompleted Burma-Yunnan motor road has begun. A news item of November 9 mentioned a convoy of 380 loaded trucks being en route. In view of the long haul of over 600 miles to the theatre of operations and of over 1000 to the present fronts, it is believed that supply through this means will be definitely limited.

c. News reports have persisted to the effect that, since the fall of Hankow, additional Russian material aid has been forthcoming to the aid of China. While no reliable indications to this effect are available, such action would be understandable. It has been well established that the U.S.S.R. in the past has limited its contributions in materiel to China with a view to avoiding the appearance in conservative Chinese eyes of turning over to the communists the struggle against Japan. As China's material strength wanes, the necessity for this abstention lessens progressively.

d. In recent days indications have increased of a British disposition to mediate in the Sino-Japanese war. On November 9 in his speech from the throne to Parliament, King George VI announced the availability of the British Government for this purpose. On November 6 or 7, Sir Archibald Kerr, British Ambassador to China, obtained a personal interview with Chiang Kai-shek and is reliably reported as making known to him certain terms of peace proposed by the Japanese. Thereafter the British Ambassador went to Chungking where he is also reliably reported as sounding out peace sentiment among Chinese officialdom. Possible advantage to Great Britain can be seen if, as a result of her mediation, she could write off her losses in Central and North China, be assured of her sphere of influence in South China, perhaps obtain an additional sphere in Southwest China, and perhaps also get insured financing privileges as Japan's partner in Chinese reconstruction. But it is difficult to foresee how any of the suggested benefits could be acceptably guaranteed to her by a Japan that obviously would be flushed with victory and at the same time subject to the severest economic tension.

e. However, British policy in this direction apparently has by no means crystallized. On November 6 U. S. Ambassador Grew continued American representations at Tokyo by asserting orally to Foreign Minister Arita American rights to navigation of the Yangtze River. It is understood that the British and French Ambassadors immediately took

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

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similar action, although their protests were not couched in identical terms. Furthermore, the British Foreign Undersecretary, R. A. Butler, participating in debate on the subject before the House of Commons took advantage of the opportunity to state that the British Government adhered to the position taken by Secretary Hull in his original note of October 6 covering the maintenance of all American rights in China.

f. In Tokyo agitation has been sponsored against America for the stand taken in the assertion of our rights in China. Obvious trial balloons have been launched to test the feasibility of a complete abrogation of the Nine Power Treaty. In the last few days, however, the Japanese Government has apparently been tending toward an attitude of "letting the treaty die a natural death."

3. COMMENT.

The resumption of the offensive by the Japanese marks an apparent relinquishment of their opportunity to halt and consolidate after the capture of Hankow. A minor phase line will be reached at Yochow, but it is deemed unlikely that they will stop there, in view of the failure to reorganize strategically on a major objective, the Su-Han area. Possible future objectives are now:

- a. Occupation of the area Kiukiang-Nanchang-Changsha-Yochow-Hankow.
- b. Seizure of the Canton-Hankow Railway.
- c. The Chinese main forces, wherever found.

At this time no priority of likelihood can be assigned to the above.

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

TELEGRAM RECEIVED

EG

GRAY

Hong Kong via N. R.

1-1236

FROM

Dated November 26, 1938

Rec'd 8:25 a.m.

Secretary of State,
Washington.

89, November 26, 11 a.m.

Referring to my telegram No. 84 of November 25,
11 a.m. Increased numbers of refugees are crossing the
frontier into this colony where facilities of refugee
camps continue to be sufficient. Among the refugees
are a few dozen armed Chinese militia of which some
without uniforms. Observers on the frontier report
that they have been unable to confirm any active armed
opposition to the invaders by the Chinese. Japanese
reported in occupation of land around Mins Bay to the
high water mark. The bay itself up to high water mark
is considered British territory which apparently has
not been violated by the Japanese. Japanese planes are
showering propaganda leaflets in colors on the various
villages inviting cooperation with the Japanese. Some
of these leaflets have fallen over the frontier and
samples have been obtained for mailing to the Department.

Repeated to Peiping, Canton. By mail to Chungking.

SOUTHARD

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

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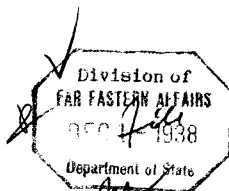
C O R R E C T E D C O P Y

GRAY

Canton via N. R.

Dated November 25, 1938

Rec'd 8:25 a. m.



Secretary of State,
Washington.

November 25, 4 p. m.

Your November 18, 4 p. m. in regard to display of
American flag on hanger at Kaoying. This Consulate General
has no information concerning the existence at Kaoying,
presumably Shiuhing, of any such American property as is
described in the telegram under reference. Hong Kong
which was asked for information has replied in a similar
sense.

Sent to Shanghai. Repeated to Chungking, Peiping.

MYERS

793.94/14412

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

TELEGRAM RECEIVED

EG

GRAY

Canton via N. R.

1-1390

FROM

Dated November 25, 1938

Rec'd 8:25 a.m.

Secretary of State,
Washington.

November 25, 4 p.m. 793.94/1437/

Your November 18, 4 p.m. in regard to display of
American Flag at Kaoying. This Consulate General has
no information concerning the existence at Kaoying,
presumably Shiuhing, of any such American property as
is described in the telegram under reference. *Hong Kong*
which was asked for information has replied in a
similar sense.

Sent to Shanghai. Repeated to Chungking, Peiping.

MYERS

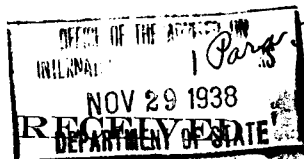
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75

TELEGRAM



PAP

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

HONG KONG Via N. R.

Dated November 25, 1938

REC'D in Division of
November 26

Secretary of State

Washington

84, November 25, 11 a.m.

(GRAY) I have been reliably informed that Japanese

743.94
mopping up
in confidence

military forces in small numbers are systematically and
successfully "mopping up" area between Hong Kong frontier
and east river with a view to putting into operation the
Kowloon-Canton Railway. Although Japanese forces are
bombarding the frontier town of Shumchun observers here
anticipate no frontier incidents because Japanese forces
are understood to be operating with circumspection to
that end. A few thousand refugees have come to the
frontier but the numbers are smaller than anticipated
which might indicate that Japanese promises to cause as
little disturbance as possible in the immediate Hinter-
land are being adhered to. Refugee problem is stated
not yet to have approached serious proportions. (END GRAY)

Persistent reports in Hong Kong of dangerous Chinese
offensive against Canton are given minor importance by
most local observers who consider reports mainly pro-
paganda inspired by Chinese Central News Agency via

Reuter's

753.94/14413

F/A

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

-2- 84, November 25, 11 a.m. from Hong Kong

Reuter's and United Press. Local British representative of the latter has very close connection with Chinese propaganda sources, including Eugene Chen clique, and is gossiped to be very much under their influence.

There continue to be rumors and some signs of special Anglo-Japanese understanding in South China affairs but I have so far been unable to obtain any evidence of sufficiently tangible character for reporting. (GRAY) Principal Hong Kong business interests continue optimistic that there will be arrived at an understanding permitting resumption of hinterland trade.

Repeated to Canton, Peiping. By mail to Chungking.

SOUTHARD

PEG:HPD

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

Confidential

P A R A P H R A S E

A telegram (No. 84) of November 25, 1938, from the American Consul General at Hong Kong, reads substantially as follows:

Rumors continue to exist of special understanding between Great Britain and Japan in south China affairs and there are some signs to this effect. However, so far the Consul General has not been able to obtain any evidence of tangible enough character to report. Principal Hong Kong business interests continue optimistic that there will be arrived at an understanding permitting resumption of hinterland trade.

Most observers in Hong Kong attach minor importance to reports which persist there of a dangerous Chinese offensive against Canton. These reports are principally propaganda inspired by the Chinese Central News Agency by way of the United Press and Reuter's in the opinion of Hong Kong observers. Gossip has it that the British representative in Hong Kong of the United Press is very much under the influence of the Eugene Chen clique and other Chinese propaganda sources with which he has very close connection.

The Consul General has been reliably informed that Japanese military forces in small numbers are systematically
and

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

CONFIDENTIAL

-2-

and successfully "mopping up" area between Hong Kong frontier and east river with a view to putting into operation the Kowloon-Canton Railway. Although Japanese forces are bombarding the frontier town of Shumchun observers here anticipate no frontier incidents because Japanese forces are understood to be operating with circumspection to that end. A few thousand refugees have come to the frontier but the numbers are smaller than anticipated which might indicate that Japanese promises to cause as little disturbance as possible in the immediate Hinterland are being adhered to. Refugee problem is stated not yet to have approached serious proportions.

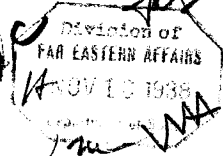
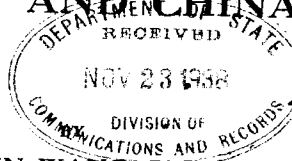
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

11 THE CONFLICT BETWEEN
JAPAN AND CHINA



CHING-CHUN WANG, Ph.D., LL.D.
(Former Director-General of the Chinese Eastern Railway)

(Reprinted from "The Asiatic Review," October, 1938)

793.94



EAST AND WEST LIMITED
3, VICTORIA STREET, LONDON, S.W.1
1938

A.R.R.

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

21 Tothill Street,
London,
S. W. 1.

With the compliments of

Dr. C. C. Wang.

... lines of communication are constantly interrupted, while their garrisons are often menaced. They have won battles but have secured little that is of decisive value.

1584
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

THE CONFLICT BETWEEN JAPAN AND CHINA

By CHING-CHUN WANG, PH.D., LL.D.

(Former Director-General of the Chinese Eastern Railway.)

CHINA'S CHANCES

To-day China is engaged in a conflict with a Power which, militarily speaking, is very much stronger than herself. Nobody who has personal knowledge of China would describe her as being warlike, or as prone to engage in military adventures. It is China's natural tendency—a tendency, in truth, which is not without its weaknesses—to compromise whenever she can. But China was compelled, by bitter experience, to realize that a point had been reached at which compromise would, in fact, have left her with few of the things for which compromise was worth making. As General Chiang Kai-shek solemnly declared last year, "We shall not relinquish peace until there is no hope for peace. We shall not talk lightly of sacrifice until we are driven to the last extremity which makes sacrifice inevitable." To-day China is fighting for her national existence and for the purpose of saving her people from Japan's pan-Asiatic schemes.

But what the anxious world wants to know is this: What are Japan's chances of success in "beating China to her knees," and what would be the consequences should Japan succeed? In order to answer these questions we must dispassionately examine the whole situation and match the factors that are against with those that are in favour of Japan's success.

First of all the Chinese, although "hopelessly inferior in equipment, are resisting the Japanese attacks with astonishing resolution and courage in the face of immense losses and the breaking of that resistance is still far distant yet." China has the man-power, and the events of the last twelve months have proved that she also has the courage and the endurance. With a moderate supply of munitions China feels confident of being equal to this task that has been forced upon her. Moreover, all information seems to indicate that either the invaders will be gradually worn down or both belligerents will become totally exhausted.

On the other hand, Japanese hopes of a quick victory were disappointed months ago. Their military plans have been much delayed. The Japanese army occupy most of the railways, but they exercise little control beyond narrow strips of territory along these railways. Their lines of communication are constantly interrupted, while their garrisons are often menaced. They have won battles but have secured little that is of decisive value.

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RUSSIA

Next to China, Russia would suffer the most should Japan succeed in breaking China's resistance. Whether as Empire or as Soviet Union, Russia has been intensely interested in the Far East ever since the days of Peter the Great. With her enormous stretches of land and sea frontier in the Far East Russia cannot divest herself of that interest. On the contrary the Soviet Government has recognized the importance of its Far Eastern possessions more than ever before, as shown by the fact that in the course of the first Five-Year Plan it sank in Eastern Siberia more industrial capital than the Tsarist Governments had done in the whole of Russian history.

Russia must seize the earliest opportunity to resist Japan's continental adventures because she knows Japan's designs on Eastern Siberia. Japan's large expeditionary force sent into Siberia in 1919, her support of Semenov in opposing the Soviet in 1920, and her prolonged occupation of Nicolaivsk during 1921-23, to mention only a few events, must have demonstrated clearly to the Russians that Japan's "lifeline" after having moved steadily onward from the Japanese channel through Korea and the Liaotung Peninsula will not voluntarily stop at the borders of Manchuria and Jehol.

The Japanese occupation of North China, which is already far advanced, will soon form a ring around Outer Mongolia and lay bare a thousand miles of Siberian frontier. By a glance at the map anyone familiar with Far Eastern affairs will be able to realize that Russian territorial possessions east of the Baikal will be at Japan's mercy the moment Japan's position in North China is consolidated.

If Russia can help China to stop Japan's invasion the risk of the concerted German-Japanese attack on herself, which is her nightmare, may be averted. Moreover, if Russia ever finds herself the object of such an attack, which has become more apparent since the German-Japanese agreement of 1936, it will be a great help to her to have the collaboration of China. The fighting during the last twelve months shows that even from a purely military point of view help given to China will bring adequate returns. On the other hand, insufficient support would enable Japan to consolidate her long-planned wedge between China and Russia and would make Chinese assistance not available when it is needed. Such a situation would enable Japan to hold Germany and Italy, with Poland and Hungary, as trump cards. Then the U.S.S.R. would find herself with a hand difficult to win.

The Soviet seems to realize fully the dangers of Japan's plan of expansion. We need only recall Stalin's words to Mr. Roy

Howard a little over a year ago when he said in unmistakable terms that a Japanese attack on Outer Mongolia would lead to a Soviet-Japanese war. There is hardly any doubt that those words still hold good. But Japan has already attacked and occupied Inner Mongolia, and nobody can tell where Inner Mongolia ends and where Outer Mongolia begins. If Russia is forced by reasons of her own or otherwise to play a waiting game and refrain from taking action, as a policy, until she is attacked she would be playing right into Japan's hands, for Japan will see to it that Russia would only be attacked when the time for attack would suit Japan best, and Russia worst. Indeed, such a waiting policy would be like in a game of bridge to tell your opponents beforehand what your trump cards are and precisely when you will play any one of them.

Should Japan succeed in breaking China's resistance, the only step that could prevent the consequent conflict between Japan and Russia would be for Russia to surrender her rights east of the Baikal, because Japan could never feel secure with the Maritime Provinces in the hands of the Russians. In fact, nothing is so disquieting to Japan as Vladivostok with its concentration of Soviet bombers, which the Japanese consider a constant danger to Japan's back door.

Even the combined Anglo-American fleet is less annoying to Japan than the Soviet Air Force in Eastern Siberia, because important areas of Japan are within easy range of Soviet bombers operating from that region. Of all the eventualities one thing is certain: as soon as Japan's position in China is consolidated she would seize the first opportunity to secure control of the Maritime Provinces so as to prevent that area from being used as air bases by Russia or any other nation.

These brief references lead to the inevitable conclusion that Russia's own interests demand that she must act. The only reason for her hesitation seems to be (1) she is much weakened by her political purges; (2) she might not be too confident of internal solidarity in case of war with Japan, and (3) she is doubtful of the ultimate attitude of Great Britain and the U.S.A. The elimination of any one of these three weak points in the scheme of the Soviet's plan would most likely see Russia taking an active part. When she does so she would also be fighting the battle of the Western democracies.

GREAT BRITAIN

Next to Russia Great Britain has the most genuine reasons to be alarmed by the Japanese invasion of China. British interest in the Far East is as vital as it is extensive. Her investments and

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shipping enterprises dominate the whole Chinese coast as well as the Yangtze Valley. Her steel, cotton and woollen goods occupy an enviable position in China's growing market; to say nothing of Hongkong, Singapore, India and her South Sea possessions. These extensive British interests in the Far East in general and those in China in particular are increasingly threatened by Japan's invasion.

It is clear that Japan is planning to take over Britain's place in the Far East, which is badly needed by Japan's rapidly expanding trade. Much headway has already been made, in spite of the widespread prejudice against things Japanese which prevails as a direct result of Japan's military activities in China. The inroad made by Japan into Britain's place in the Far East is only checked by British prestige, laboriously built up during the last hundred years, and the goodwill won by Sir Austen Chamberlain's friendly gesture in 1924, Lord Willingdon's mission to China in 1926, and Lord Lytton's far-sighted statesmanship in 1932.

Australia is becoming increasingly alarmed by Japan's expansionist activities. To alleviate Australia's fear Tokyo often has to issue official denials of any aggressive designs in Australia. In September, 1936, the Japanese Foreign Office even took the pains of establishing a South Seas Bureau for the special purpose of putting an end to the talk of Japanese territorial designs. This step, however, was followed two months later by the German-Japanese agreement, which was reported to involve the Dutch East Indies with a common frontier with Australia's New Guinea. This agreement naturally has not helped the Australians to accept Tokyo's assurances wholeheartedly.

It is now generally recognized that the failure of Great Britain and the United States to co-operate in stopping Japan's invasion of Manchuria in 1932 is largely responsible for the Abyssinian and the Spanish catastrophes, both of which immediately affect Britain's safety. Further weakening of the forces of collective security by allowing Japan "to beat China to her knees" would do incalculable damage to Britain's position East of Suez. As Lord Curzon* once said, "The fate of Great Britain will not be decided in Europe but on the Continent from which our forbears once came and to which their descendants returned as conquerors." Indeed, several English publicists observed recently,† "If Britain were to shirk all share of responsibility for the restraint of violence in such a case as China's the moral and material means

* Quoted in the *Spectator*, August 27, 1937, p. 339.

† Vide W. Arnold Forster's letter in the *Manchester Guardian*, September 30, 1937, Sir Norman Angell's article in *News Chronicle* of October 1, 1937, and Sir A. L. Rowse's letter in the *London Times* of September 3, 1937.

of protecting this sprawling Empire against violence will not be forthcoming." Therefore, quite apart from its moral aspects, Britain should and must oppose Japan's subjugation of China.

The recent establishment of a separate department in the Japanese Foreign Office to watch developments in the Dutch East Indies confirms the opinion frequently expressed in Holland that a new stage has been reached in Japan's southward policy. The possession of the large Chinese island of Hainan, about the size of Sicily, south of Canton, long coveted by Japan, forms one of the primary objectives of Japan's war on China to-day.* Once the Canton hinterland and Hainan are in Japan's hands the position of Annam and Hongkong would be untenable. Therefore, France and Holland, no less than Great Britain, are most anxious to prevent Japan's control of China.

Even Germany and Italy, members of the Axis, are by no means enthusiastic for Japan's expansion on the Continent, for no ideological sympathy with Japan could comfort either Germany or Italy for the loss of their Chinese market either through exclusion from it by Japanese competition or by the effects of Japan's armies of invasion.†

THE UNITED STATES

Last but not the least, the United States has serious reasons to be alarmed by the Japanese invasion of China. Besides the violation of the Nine-Power Treaty and the Kellogg Pact, both of which were sponsored by her statesmen, America's interest in the Pacific is substantial. Her longest sea-coast is on the Pacific. Hawaii, which is American territory, and the Philippines, which are under American protection, are on the Pacific; and these islands form the front line in the way of Japan's expansion, while Alaska is nearer to Japan than most other territorial possessions of the Western nations. Though the United States plan to withdraw from the Philippines, this withdrawal will take many years to come into effect, and before the completion of that withdrawal all manner of things may happen in that part of the world. Moreover, after having wrested these islands from Spain and ruled over them for so many years with such excellent results, can the United States permit them to slip into Japanese hands even after her withdrawal? Will not such a retreat so weaken her prestige and so enhance Japan's as to expose Hawaii and parts of South America to some untoward consequences?

* Vide *Sunday Times*, London, October 10, 1937, the *Daily Telegraph* of June 15 and July 5, 1938, and the Debate in Parliament concerning the "threat to Hainan," in the *London Times* of June 28, 1938.

† Vide report of the *Daily Telegraph's* Berlin Correspondent in the *Daily Telegraph* of January 27 and 29, 1938.

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For generations American foreign policy has been based on the Monroe Doctrine and the Open Door. Although different in name the two doctrines in spirit were originated to serve the same purpose* of affording protection to her neighbours to the south and to the west so that they may develop peacefully and serve as open markets. By its provision for China's territorial and administrative integrity, the Nine-Power Treaty has gone a long way further in bringing the Open Door policy to the level of the Monroe Doctrine.

Apart from the consideration of the trade possibilities around the Pacific which to her are of paramount importance, and her traditional desire for peace and fair play which accounts for her greatness, the United States would consider the attack on any South American nation by any Power as a threat to her own safety. In addressing the Brazilian Congress in the summer of 1937 President Roosevelt undoubtedly voiced the opinion of all good Americans when he stated in unmistakable terms that "We cannot countenance aggression from wherever it may come. . . ."

When the open door was first introduced probably the commercial and moral considerations were uppermost in the minds of its founders. The development of aviation as an instrument of war, however, has raised the safety factor of the Open Door policy to the same level as that of the Monroe Doctrine. A rational examination of the map will at once reveal that the threat to the safety of America could not come from Europe but from Asia. The Atlantic makes it quite impossible for any European nation or combination of nations to prepare sufficient naval or air forces to attempt an invasion of America. On the Pacific side, however, America is not nearly so invulnerable. The Behring Strait, which separates America's back door at Alaska from the mainland of Asia, is not much wider than the English Channel. Weather conditions in that region are known to be not unfavourable to flying during a greater part of the year. It will not require much imagination to visualize that with Eastern Siberia in the hands of a hostile militaristic nation, much annoyance if not trouble could be expected at America's back door from air forces using that region.†

The reason why the average American would almost at once take action against any invasion of Argentine or Chile but would

* See Dr. Stanley K. Hornbeck's able article in *Amerasia*, August, 1937, which contains this significant passage: "This country has but one foreign policy, a policy animated by principles which are applicable—and which it seeks to apply—in relation with all countries, everywhere."

† The map of Mr. H. Hughes' recent round-the-world flight must have made the close relationship between Alaska and Eastern Siberia more vivid than ever before.

at the same time remain complacently indifferent to aggression that threatened Eastern Siberia must be largely due to the fact that America and Asia always appear on different pages of maps. This printer's habit seems to have created the impression that the two hemispheres are on separate globes and that Cape Horn is nearer to Texas than East Cape is to Alaska.

Many important American leaders, however, have long looked at the situation differently. Among others Senator Pitman and Senator Lewis have on more than one occasion warned the American people of the dangers from the back door of Alaska. American strategists have been quietly paying increased attention to the Aleutian Islands. President Roosevelt himself seems to be specially conscious of the back-door situation, as shown by the fact that he has seized the opportunity of each one of his recent goodwill trips to Canada to discuss the United States-Alaska highway.

It is only natural for these American leaders to show equal concern regarding the back door in the north as well as the front door in the south, because it is inconceivable that the United States would only show concern about attacks of her neighbours in the western hemisphere simply because they happen to be situated on a piece of land which, ages ago, happened to be named America, but would ignore much more wanton attacks on other neighbours much nearer to her own boundaries simply because these nearer neighbours happen to be situated on another piece of land bearing a different name. When the whole situation is taken into consideration, one can perceive that President Roosevelt must have had America's back door in mind when he said at Chicago last winter:

"The peace-loving nations must make a concerted effort in opposition to those violations of treaties and those ignorings of humane instincts which are to-day creating this international anarchy and instability from which there is no escape through mere isolation or neutrality."

Apart from moral and economic considerations, America is a Pacific Power whose defences by virtue of her geographical position are closely linked with the fate of Eastern Asia. President Roosevelt's attitude as shown in his Chicago speech has done much to rally the forces of peace and of international justice to a cause which in its Far Eastern aspect is profoundly relevant to the future of the United States.

CONCLUSION

At long last the world is aroused from its dangerous complacency. People everywhere realize that it is to the interest of

the whole world—and not least of Japan—that the wasting strife should be brought to a speedy end. At Chicago President Roosevelt voiced not only the feelings of the Americans but the conviction of all right-thinking people when he urged as a matter of common sense that Japan's military adventure should be quarantined.

China is the first to suffer from this epidemic of militarist fanaticism because she happens to be the nearest neighbour of Japan. China is fighting this epidemic in the face of great odds and enormous sacrifices; but she feels confident to have the will and the courage to bring the momentous struggle to a successful end. She does not ask her friends to share the sacrifices in the loss of life and property. All she asks of the peace-loving nations is (1) to let her have a reasonable amount of arms and munitions which they can easily spare; (2) to stop buying things Japanese; and (3) to stop supplying oil to Japan. China asks for arms, because determination and sacrifice alone cannot resist for ever Japan's gigantic war machine. She asks the peace-loving nations to stop buying Japanese goods because every penny spent on Japanese goods would contribute to Japan's war chest in making the invasion more protracted. China demands the embargo on oil to Japan because it is with American, British and Dutch oil that Japan is carrying on her murderous bombings in China.

In view of the West's solemn assurances and China's heroic sacrifices should Japan succeed in breaking China's resistance (which God forbid), then the following calamitous events would take place:

The events of the last twelve months have shown clearly that China would resist to the bitter end, until the invaders are driven out; for years there would be widespread uprisings, disorder, famine, epidemic and chaos over the occupied areas, with unthinkable sufferings for millions of people and with crushing blows to the trade of all nations.

The liberal elements in Japan would be further discredited, while the position of the militarists now in control at Tokyo would be greatly strengthened. The latter would be able to carry the whole Japanese nation with them in pushing forward their long-planned expansionist schemes and could convince the Chinese people that the Christian countries only render lip service, that China has no real friend, and that it would be suicidal for China to resist Japan, who can successfully defy all the Great Powers.

By manipulating Chinese tariffs and currency and by Japanese-controlled police "advice" as to what to buy, Japan could soon drive out most of the foreign trade from China, as she has already done from Korea and Manchuria, thus turning the whole Chinese

market into another private Japanese reserve. Moreover, with the control of China's railways, telegraphs, customs and salt revenues, agricultural and mineral resources, Japan could secure the sinews of war that would be envied by the most powerful nations.

Ruthless and frequent combings of the countryside, together with the "spiritual hygiene" to be administered by the "mental police" in the cities, could go far to remove opposition, while missionaries of the Pan-Asiatic doctrine would regiment Chinese thought by exploiting China's disappointment over the West's indifference, which they could magnify into the West's betrayal. Schools, radio, films, newspapers, mysticism, Buddhism, Confucianism and even Christianity could be conscripted, as already being done in North China, to preach the gospel of "Asiaticism." To these, when intimidation and the "chain guarantee system" of holding the clans responsible for the behaviour of their individual members are added, Japan could get control of China's colossal man-power. Within a few years the nations with vital interests in the Pacific and the Far East would have to throw up their hands in despair at the "Frankenstein monster" which is today being brought into being with their own oil and trade patronage. Everything east of the Urals and the Suez would be fundamentally affected.

Should Japan succeed in breaking down China's resistance, in spite of her financial weakness today, then who could reasonably question Japan's conviction that she could do what Chengis Khan did, once she got control of China's resources and man-power, while being protected by the myriads of strategic islands in the Western Pacific? And we must not forget that many Japanese claim that Chengis Khan himself was a Japanese.

The Chinese Republic as conceived by its founder is modelled after France, Great Britain and the United States. In spite of its shortcomings, the Chinese Government has constantly aimed at building up a democracy that will take care of its own people and contribute its share to the promotion of law and order in the community of nations. Despite great difficulties, China has made remarkable progress in national unification as well as in material and spiritual progress. As is well recognized by some leading statesmen of to-day, she has already rendered much service to the cause of peace by causing "exemplary discomfiture" to aggression. With moderate help—indeed, even with the materials discarded as obsolete by the Western democracies—China will be able to bring Japan to her senses long before Japan can beat China to her knees.

The events since the invasion of Manchuria in 1931 clearly show that the outcome of this undeclared war will decide whether

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

12

The Conflict between Japan and China

China is to remain an independent nation and continue her efforts for internal progress and international co-operation, or whether China's resources and man-power should be controlled and exploited by Japan. These are the grim realities that confront the world today.

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

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

TELEGRAM RECEIVED

1-1336

FROM

EDA

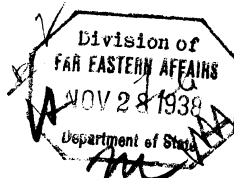
COMSOPAT

November 28, 1938

Received 4 a.m.

ACTION OPNAV

INFO RUSMOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
ALUSNA PEIPING
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
FOURTH MARINES
USS SACRAMENTO
USS MARBELHEAD
USS TULSA
USS POPE



793.94 / 14415

0027. Area between Sheklung and British leased territory being cleared of guerilla activities, column moving south on Canton Kowloon railroad and joining units moving east from Boca Tigris and Taichan Bay, refugees crossing into camps British territory, Waichow again occupied and from it a column is moving north, northern column preparing further advance, fighting between Fahsien and Pekong, air raids Tsingyun, Canton and vicinity quiet troops and supplies continue to arrive. 2325.

DDM

F/FG

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

TR

TELEGRAM RECEIVED

1-1336

FROM

EDA
This telegram was received
in Navy cipher and must be
closely paraphrased before
being communicated to anyone

MARDET TIENTSIN
November 28, 1938
Received 7:15 a.m.

TO NAVY DEPARTMENT
INFO CINCAF
FOURTH MARINES
MARDET PEIPING

793.94

0028. Nil Nip military moves related by Chinwangtao
seven days prior today. 0930.

DDM



793.94/14416

RECEIVED
DEC 1 1938

F/FG

0595

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

TELEGRAM RECEIVED

1-1286

FROM

JR

COMYANGPAT

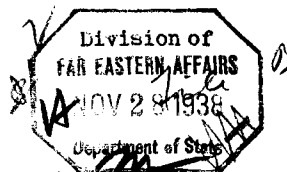
November 28, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF

INFO: YANGTZE PATROL
AMCON HANKOW

PASSED BY CINCAF TO OPNAV FOR INFO:



0528. Movements Japanese vessels week of twenty-one
twenty-seven November: destroyers five arrived Hankow from
down river, three departed down river eight remain at or
above Hankow, minelayers none arrived one departed four
remain, gunboats zero one and five torpedo boats zero zero
and four minesweepers zero zero and two auxiliaries zero
zero and two tugs thirteen ten and twenty-two tankers four
five and three supply ships thirty-two thirty-six and
sixty-seven transports thirty-three twenty-five and fifty-
three hospital ships two one and one miscellaneous small
craft six hundred seventy-four three hundred sixty-eight
and one thousand three hundred six. Total remaining at
or above Hankow one thousand four hundred seventy-seven.

1025.

DDM

793.94/14417

F/G

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

TELEGRAM RECEIVED

1-1236

FROM

EDA

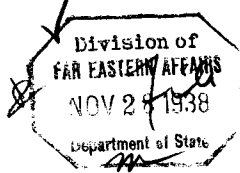
GRAY

SHANGHAI VIA N.R.

Dated November 28, 1938

Received 7:30 a.m.

Secretary of State
 Washington



793-94

November 28, 3 p.m.

Your November 25, 4 p.m., concerning American flag on
 hangar at Kaoyao.

The Japanese Consul General has been requested to
 present further information regarding the location of the
 property and to see that the Japanese armed forces do
 not interfere with the property in question while any
 possibility remains that it may be American property.

GAUSS

RR

793.94/14418

F/FG

0597

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

G-2/2657-H-439

CONFIDENTIAL

~~FE~~

DCR

November 18, 1938.

MEMORANDUM FOR MR. MORGENTHAU:

Subject: Far Eastern Situation.

Division of
 FAR EASTERN AFFAIRS
 NOV 18 1938
 Department of State

793-94

1. Herewith are Summary and Situation Map covering events in China for the period November 10-18.

2. The important events for this period have been:

a. Marked Japanese success in their advance on Yochow--Changsha.

b. Assumption of the offensive by the Chinese against the Japanese Canton expedition.

793.94/14419

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

2 Enclosures

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 E. R. W. McCabe
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F/FG/4419

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

CONFIDENTIAL

G-2
 TJB

G-2 Digest of Information
Sino-Japanese Situation
November 10-18, 1938

1. MILITARY OPERATIONS.

L. E. Schuman

*Mar 19,
 1973*

a. General. The period has been marked by Japanese aerial attacks on distant inland targets including Sian, Lanchow (Kansu), Chungking and Chengtu. The sporadic nature of these attacks indicates that they have been conducted primarily for moral effect to impress on the Chinese that all parts of their country are now within range of Japanese weapons.

b. North China Front. No unusually significant happenings have occurred on this front. Japanese military activity continues along the Yellow River in southern Shansi, but with no large-scale movements to date. The Langhai Railway is reported interdicted by Japanese artillery near Tungkwan.

Chinese reports state that guerrilla activity has increased along the Langhai Railway from Hsuehow to the sea.

In the past three weeks there has been a marked decrease in the number of Japanese wounded evacuated home through Chinwangtao, an additional indication of quietness on this front.

c. Central China Front. The Japanese drive down the Yuch-Han Railway has continued to make steady progress. Yochow was captured on November 11 and since then the Japanese have advanced steadily to the south. Chinese opposition has been remarkably weak. Apparently no serious stand will be made in front of Changsha; munitions and installations have been removed from that city and it has been practically destroyed by fire. Observers report great confusion in Changsha following the fall of Hankow and apparently considerable panic among the local high commanders. Some troops retreating through the city are known to have got out of hand, but latest reports indicate that order has been restored there. To sum up, the Japanese main effort on this front is gaining ground against ineffective resistance.

To the east, in the Nanchang--Nanning sector, the Chinese lines are holding and little progress has been made by the Japanese.

Japanese activity to the northwest of Hankow has crystallized into a drive westward along the Hankow--Ichang highway. Progress has been slow, although it cannot be determined whether this is ascribable to hard fighting by the Chinese or to limitations of force available to the Japanese. The Japanese column is now nearly in reach of the Han River crossing. It is difficult to assign a rational military motive or a clearly defined objective to this divergent expedition.

CONFIDENTIAL

d. Canton Front. The Chinese have announced the assumption of the offensive on this front, and the Japanese are admittedly on the defensive. However any movements of the lines to date can be explained in terms of covering force actions. The Japanese forces in Canton are estimated at certainly three and probably five divisions. They should be able to hold in place almost indefinitely and their only real danger would seem to lie in the possibility of Chinese reoccupation of the Pearl River delta with consequent severing of communications.

As an instance of the importance attached by the Chinese to this operation, the Chinese Ambassador to Washington stated that Chiang Kai-shek is directing the offensive in person.

2. MISCELLANEOUS.

On November 11 there was published a prohibition by France of the importation of war materials into Indo-China in transit to China. This prohibition is stated to include automobiles. It would thus appear that the French are making a sincere effort to comply with the Japanese demands that munitions traffic through Indo-China be blocked. The Chinese Government is reported as protesting the French action as in effect applying sanctions against China.

On November 14 in response to parallel protests from the United States, Great Britain and France, the Japanese Government formally refused to reopen the Yangtze River to foreign ships, alleging continued dangers to navigation and the preemption of the stream for military traffic. While admitting that some Japanese goods were moving up stream the Japanese claimed that such consignments merely filled up surplus space in military and naval vessels. A Japanese reply to the basic American note of October 6 is expected within the next few days.

According to news reports the Japanese Privy Council on November 14 took up consideration of a "cultural treaty" with Germany as a step incident to obtaining imperial approval therefor.

3. COMMENT.

All evidence at hand indicates that Chiang Kai-shek has emerged from the Canton--Kuhan crisis in firm control of the Chinese Government and with a fairly solid grip on the Chinese armies. Armed resistance to Japan definitely can be expected to continue in the proximate future.

The Japanese advance on Yochow--Changsha has hit a soft spot in the Chinese defense. It is still too early to determine whether this is purely a local reverse or a symptom of a real deterioration in the Chinese power to resist.

The Chinese offensive against Canton is not expected to result in any decisive success.

CONFIDENTIAL

7606

DECLASSIFIED: E.O. 11652, 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

AMERICAN EMBASSY

No. 1543

LONDON, November 17, 1938.

SUBJECT: British Position regarding China

RECEIVED
DEPARTMENT OF STATE

1938 NOV 26 PM 12 21

COPIES
OF
RECORDS

The Honorable

The Secretary of State,

Washington, D.C.



795.94/14420

Sir:

I have the honor to enclose extracts from Hansard of November 9, 14 and 16, 1938, embodying statements by Mr. Butler, Parliamentary Under-Secretary of State for Foreign Affairs, on the general position of the British Government in the Far East, with particular reference to its attitude toward the Washington Treaties, the Open Door, and the independence and territorial integrity of China.

Respectfully yours,

For the Ambassador:

Rudolf H. Schoenfeld
Rudolf H. Schoenfeld
First Secretary of Embassy

✓ Enclosures:

Extracts from Parliament Debates,
House of Commons,

1. November 9, col. 165,
2. November 14, "Nine-Power Treaty", Col. 478, and
3. November 16, "China and Japan", Col. 892.

RES:WMC

F/FG
14420

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. 1548 of 7 Nov. 17. 1938.
 to the Embassy at London, England.

Extract from Parliamentary Debates, House of Commons,
 November 9, 1938, Col. 165.

(Mr. Butler)

I have been asked questions, during Question Time, on the subject of our general position in the Far East. There have been pronouncements recently at Tokio regarding the formation of an economic and political bloc comprising Japan, Manchukuo and China. I should like to say that the position of Great Britain in this matter is governed by the Washington Treaties and other international agreements to which His Majesty's Government, in conjunction with a large number of other governments, are parties. We could not, therefore, consider any alterations in the position, as laid down in the Treaties, which have been brought about by unilateral action. In this matter, our stand is the same as that which has been so clearly laid down by the United States Secretary of State in his statement on 4th November, which would serve equally to define the attitude of His Majesty's Government in the matter of the Washington Treaties. The United States Government had previously protested, in their Note to Japan on 6th October, against the infringement of the policy of the Open Door in China. In that connection, I wish to say that the Government have for their part made formal protests, in the same sense as the United States Government, to the Japanese Government in recent times, and have made their position quite clear.

1602

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

Enclosure No. 2 to despatch No. 1543 of Nov 17 '38
from the Embassy at London, England.

Extract from Parliamentary Debates, House of Commons,
November 14, 1938, Cols. 478.

NINE-POWER TREATY

Mr. A. Henderson asked the Prime Minister whether His Majesty's Government are still prepared to co-operate with the United States Government in a re-affirmation of the principles of the Nine-Power Treaty; and whether His Majesty's Government will co-operate with the United States Government on the basis that the Sino-Japanese dispute is a matter of continuing concern to them as signatories of the said Treaty?

Mr. BUTLER: As regards the first part of the question, I would refer the hon. Member to my speech in the Debate on 9th November. His Majesty's Government are prepared at all times to maintain close touch with the United States Government in matters of common concern to both countries.

Mr. HENDERSON: May I ask the Minister, in view of the fact that the Japanese Government, are acting in flagrant contravention of the provisions of this Treaty, whether, after 18 months, it is not about time that something was done to bring it home to the Japanese Government that the British Government still intend to retain their preferences under this Treaty?

Mr. BUTLER: I think I made the position clear in the speech in the Debate on 9th November, if the hon. Gentleman will do me the honour to study it?

Mr. HENDERSON: Is it not the fact that the speech was dealing with the question of the open-door, and that at any rate the Nine-Power Treaty dealt not only with the open-door, but with the independence and territorial integrity of China?

Mr. BUTLER: I think that if the hon. Gentleman will refer to my speech he will find that it dealt with a much wider subject than that.

Mr. NOEL-BAKER: Will the hon. Gentleman tell us whether His Majesty's Government stand by all the principles of the Nine-Power Treaty?

Mr. BUTLER: Yes, Sir.

Mr. BENN asked the Prime Minister whether His Majesty's Government has had any communication with the Government of the United States of America on the subject of the re-assembly of the Brussels Conference on the Nine-Power Treaty?

Mr. BUTLER: No, Sir.

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

Enclosure No. 3 to despatch No. 1543 of Nov. 17 1938.
 from the Embassy at London, England.

Extract from Parliamentary Debates, House of Commons,
 November 16, 1938. Cols. 892.

CHINA AND JAPAN

Mr. Moreing asked the Prime Minister whether His Majesty's Government has notified the Government of Japan that it is in agreement with the Note addressed to that Government by the United States of America on 6th October?

Mr. BUTLER: I would refer my hon. Friend to the answer given to my hon. Friend, the Member for Kidderminster (Sir J. Wardlaw-Milne), on 10th November. I am satisfied that the Japanese Government are fully aware of the attitude of His Majesty's Government.

Mr. Moreing asked the Prime Minister whether His Majesty's Government, with reference to the American Note to Japan on 6th October, have signified to the Government of the United States of America their desire to co-operate in maintaining the policy of the open door in China?

Mr. BUTLER: His Majesty's Ambassador in Tokyo has been in constant contact with his United States colleague, and I do not think that the United States Government can be in any doubt as to the policy of His Majesty's Government in regard to the "open door."

DECLASSIFIED: E.O. 11652, 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 GRAY

Hong Kong via N. R.

Dated November 28, 1938

Rec'd 7:30 a.m.

Division of
FAR EASTERN AFFAIRS

NOV 28 1938

Department of State

Secretary of State, *DT*

Washington.

91, November 28, 9 a.m.

Continuing my telegram of November 26, 11 a.m., I have the honor to report that Japanese forces now appear to have completed their occupation of the territory adjoining the frontier of this colony. A Japanese force of about 400 blue jackets occupied the railway town of Shumchun on the frontier after a brief skirmish with about 2,000 Chinese many of whom fled into British territory and were interned. One body of about 30 Japanese crossed into British territory but immediately and without argument withdrew when British police officers explained that they had violated the frontier. This latter is still only a "frontier incident" officially confirmed although various newspapers have advertised others which are apparently without basis of fact. Some thousands more of refugees have come across the frontier (estimates of totals are still confusing) but the refugee camps are reliably reported not yet filled to capacity and further increase is thought unlikely. As a precautionary measure a few hundred

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

-2- #91, November 28, 9 a.m., from Hong Kong via N. R.

hundred British troops have relieved the Hong Kong police
as frontier guards. Repeated to Canton, Peiping, by mail
to Chungking.

SOUTHARD

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

TELEPHONE 4889

會援後日抗儔華達里千

Instruction to Trinidad

19, CHARLOTTE STREET

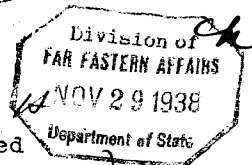
PORT OF SPAIN

TRINIDAD, B.W.I.

10th November, 1938.

December 6 1938.

Sir,



I have been instructed to forward you the enclosed copies of Resolutions adopted by citizens of Trinidad, with request that you cause same to be brought to the notice of Colonel Delano Roosevelt, President of the United States of America at your early convenience.

I have the honour to be,

Sir,

Your obedient servant,

Alfred Richards

Alfred Richards.

Mr Cordell Hull,
Secretary,
United States of America,
Washington, D.C.

793.94/14422

F/Fc
14422

RESOLUTIONS ADOPTED

—♦—♦—♦—

WIT a Mass Demonstration and Procession organized by the Chinese Community of the Island of Trinidad, in the British West Indies, **on Sunday, 9th October, 1938**, which was attended by thousands of the Island's mixed community, the following resolutions were adopted :--

"WHEREAS this gathering views with grave concern the world outlook to-day. The breakdown of the League of Nations' efforts, and the tolerant attitude of the major powers to the depredations of Political and Financial Imperialism, have led to the re-establishment of the old ethics in world affairs. The tendency to-day is towards a cynical acceptance of the right of the Powerful Nations, by mutual agreement not only to absorb the weaker ones, but even to offer them to the "Agressor," nations as ransom.

"Manchuria, Ethiopia, the Sino-Japanese War, Spain and Czechoslovakia are glaring examples of the new morality in International affairs.

"This gathering views this Development as a serious threat to the Peace of the World, to freedom, and to the orderly civilized growth of all mankind.

"With an ardent desire to contribute its bit to the ever diminishing body of true humanitarian, democratic sentiment, this gathering

RESOLVES:

1. That a comprehensive boycott of all Japanese Goods throughout the world be initiated at once; and
2. That full support be given to the Chinese Government in its fight against Japanese aggression; and
3. That full support be given to all peoples now struggling against Dictatorship and capitalistic imperialism; and
4. That it records its appreciation and support of the heroic stand of the Chinese people under the leadership of Chang-Kai-Shek in the fight for freedom."

- | | |
|--|---|
| 1. ALFRED RICHARDS, Esq., J.P.
Alderman of the City of Port-of-Spain; Hon. President-General of the Federated Workers Trade Union; Vice-President of the Chinese Commercial Association of Trinidad. | 8. TITO P. ACHONG, Esq., MD. D.T.M. B.A.,
Councillor of the City of Port-of-Spain. |
| 2. ARTHUR ANDREW CIPRIANI, Esq.,
Capt. Hon. Member of the Legislative Council of Trinidad and Tobago; President-General of the Trinidad Labour Party. | 9. JOSEPH EDWARD LAI-FOOK, Esq.,
Solicitor and Conveyancer and Councillor of the City of Port-of-Spain. |
| 3. ALBERT GOMES, Esq.,
Member of the West Indian Political Party. | 10. CHOY CHEN SOON, Esq.,
Merchant. |
| 4. THEO. JEAN, Esq.,
Executive of the Trinidad Oilfield Workers' Trade Union. | 11. WILLIAM ACHUE, Esq.,
Merchant. |
| 5. CHRISTOPHER CARRINGTON, Esq.,
Executive of the Seamen and Waterfront Workers' Union. | 12. VIVIAN HENRY, Esq.,
General Secretary, Trinidad Labour Party. |
| 6. EDWIN LEE LUM, Esq.,
Merchant and President of the Chinese Association of Trinidad. | 13. CÆSAR ASHBY, Esq.,
President Public Works Trade Union. |
| 7. MISS ELMA FRANCOIS,
Executive of the Negro Welfare Cultural | 14. GEORGE ALDRIC LEE LUM, Esq.,
Merchant. Hon. Secretary. |

1608

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

"This gathering views this Development as a serious threat to the Peace of the World, to freedom, and to the orderly civilized growth of all mankind.

"With an ardent desire to contribute its bit to the ever diminishing body of true humanitarian, democratic sentiment, this gathering

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- | | |
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General Secretary, Trinidad Labour Party.</p> <p>13. CÆSAR ASHBY, Esq.,
President Public Works Trade Union.</p> <p>14. GEORGE ALDRIC LEE LUM, Esq.,
Merchant. Hon. Secretary.</p> |
|---|---|

PORT-OF-SPAIN.
TRINIDAD, B.W.I.
OCTOBER, 9TH 1938.

0609

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

December 5 1938.

To the

American Consular Officer in charge,
Port-of-Spain, Trinidad, British West Indies.

The Acting Secretary of State encloses a copy of
a letter of November 10, 1938, received from Mr. Alfred
Richards, 19, Charlotte Street, Port-of-Spain, Trinidad,
transmitting copies of resolutions adopted October 9,
1938, by citizens of Trinidad relating for the most part
to the situation in the Far East.

The Acting Secretary of State requests that the
Consular Officer in charge, unless he perceives objection
thereto, make appropriate acknowledgment of Mr. Richards'
letter and inform him that his courtesy in sending the
copies of the resolution is appreciated.

Enclosure:

From Mr. Alfred Richards,
November 10, 1938, with
enclosure.

793.94/14422

CRV
DEC 5 1938.

FE:EGC:REK
12/3/38

FE

A true copy of
the signed original.

F/FG

0610

DECLASSIFIED: E.O. 11652, 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 890.00/121 FOR Memorandum

State Department
FROM Far Eastern Division (Jones) DATED Nov. 23, 1938.
TO NAME 1-1127

REGARDING: Sino-Japanese relations:
Developments during the past week, in regard to-.

aa

703.94/ 14423

14423 -

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

DOCUMENT FILE

NOTE

SEE 741.51/312 FOR Tel. 1994- 7pm

FROM France (Wilson) DATED Nov. 25, 1938
TO NAME 1-1127 ***

REGARDING: Relations between China and Japan. Statement of Bonnet
that the French and British had agreed to take the same po-
sition which the U. S. had adopted in relation to Japanese
declaration that a new situation had arisen in the Far East,

793.94/ 14424

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Swatow/130 FOR Despatch #24

FROM Swatow (Young) DATED Oct. 8, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning-,
for month of September, 1938.

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14425-

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

(b) Relations with Japan.

While Swatow, as well as the rest of the Consular District, remained untouched throughout the month of September by Japanese hostilities, there was apparent a feeling of growing apprehension among the Chinese authorities and business men. The air was full of unconfirmed rumors that an attempt on the part of the Japanese to capture Swatow would soon be made, but with the approach of the equinoctial period during the middle of September coupled with weather influenced by typhoons in the vicinity of Swatow, conditions along the coast of Eastern Kiangtung as well as in Swatow Harbor itself were not favorable to any landing movements and the end of the month arrived with nothing done. While accompanying Commander J. A. Stevens, U. S. N., commanding the U. S. S. TILDA, on an official call upon Major General RO T'iang, Mayor of Swatow, during the afternoon of September 26th the question of a possible attack on Swatow by the Japanese came up and the Mayor confirmed the presence of numerous rumors but discounted their probability, saying that Japanese naval transports reported departing from Shanghai had actually proceeded to Formosa for repair. He doubted any attack

on

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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

- 3 -

on South China prior to the capture of Hankow, stating it as his belief that the Japanese were sufficiently occupied on the Yangtze to preclude the possibility of sending troops to another area.

During the early morning of September 13th nine Japanese bombing planes passed over Waiow heading inland and shortly after 2 p. m. apparently the same planes returned, but it was not discovered that any bombs had been dropped during their trip.

Again on September 17th the air raid alarm siren sounded for a brief period but no planes were sighted within the city nor was there any report regarding bombs having been dropped. The remainder of the month passed without further visits from the Japanese air force.

During the month under review the practicability of maintaining Chinese forces on Hsiao Island was questioned and the decision was made that the efforts required to keep the small force supplied with arms and foodstuffs were not justified, so the order was given for the evacuation of the island by the Chinese and complete control given over to the Japanese authorities. It is reported that certain improvements such as a deep water landing jetty and a motor road along the foreshore have been made by the Japanese since their occupation, and the use of the island as a base for future military operations in South China is anticipated.

Reports continued throughout the month of Chinese fishing and cargo junks being plundered and destroyed by the Japanese naval units stationed along the coast of Eastern Kwangtung, but in spite of the recognized hazards attendant upon leaving the harbor the force of economic necessity caused quite a number to take the risk.

0615

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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/132 FOR Despatch #175

FROM Amoy (Altaffer) DATED Oct. 12, 1938
TO NAME 1-1127 ***

REGARDING:

Sino-Japanese relations: Situation in Amoy Consular
district during month of September, 1938.

22

793.94 / 14426

14426 -

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

(b) Relations with Japan.

1. Amoy quiet during September.

Except for the routine firing of a few guns on Amoy Island almost daily, the month of September was uneventful in Amoy and Kulangsu. It is estimated that about 1,500 Japanese soldiers now occupy Amoy Island and Chinese troops are said to be in considerable force along the South Fukien Coast.

2. Formosan Gangsters Active in Kulangsu.

Before the evacuation of Amoy by the Japanese, Formosans of bad character extorted a livelihood from Chinese in Kulangsu and Amoy. At that time members of this gang were repeatedly arrested by Amoy and Kulangsu police only to be freed after they were handed over to the Japanese consular police. This bad element now known in Kulangsu as the "Twenty-four Heroes" are again active in Kulangsu. They are said to extort tribute from Chinese traders on goods brought from the mainland or from Amoy to Kulangsu.

3. Japanese Naval Permits for Re-export of Foreign Merchandise from Amoy.

Early in September the Chinese Maritime Customs in Amoy informed shippers and shipping agents in Amoy that applications for export of goods from

Amoy

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

- 4 -

Amoy would not be accepted by Customs until applications had been approved and stamped by the Japanese Naval authorities in Amoy. It was later reported that the above mentioned restrictive orders had been cancelled, at least so far as they concerned foreign goods. Later, however, the matter was again brought to the attention of this Consulate by the local agent of Standard-Vacuum Oil Company, who reported that the Japanese Naval authorities in Amoy were enforcing a ruling compelling shippers of petroleum products other than kerosene to obtain their approval and stamp before clearance would be given by Customs. This company presented application papers to the local customs for a shipment of petroleum products from its installation at Tungshu on the Chinese occupied mainland in Amoy harbor to Chuanshow (泉州) and Ninghua (興化). The Customs authorities sent the papers to the Japanese Naval authorities for approval. Approval was withheld and Customs was advised that Standard-Vacuum Oil Company would have to apply through the American Consulate. The local agent for the Company personally called at Naval Headquarters and protested this action, but was informed at first that permission would not be given for this shipment, maintaining that petroleum products other than kerosene were regarded as war supplies. After some argument, however, permission was granted for this particular shipment, but no assurance was given that permission for

For future shipments of like products would be

given.

4. Japanese Naval Command Contemplated Release
of South Fuxian at Time of Army Occupation?

Report in a Shanghai Chinese language newspaper dated September 2, 1945, and given considerable credence by Chinese in May is that the Japanese Naval Command appropriated six million yen for the occupation of South Fuxian, including Army. This report states that the Army should be creating a puppet government in South Fuxian similar to that in Beijing and Nanjing. According to the plan the sum of six million yen was to be divided between the Navy and Army, and the occupation was to be undertaken by them simultaneously. According to the story, the mainland of South Fuxian was to have been captured immediately after the occupation of May, but the commander of Marines is reported to have left the Army Commander with forces in May, Chinese and Koreans, and proceeded to occupy the island. The amount allocated for the occupation of all of South Fuxian. While having allocated

5. Japanese Naval Authority's Disputed Authority
of Command General.

The Chinese are not willing to show the disregard of the Japanese Naval authorities in May for the authority of the Japanese Army General. The

- 6 -

issued by the Consul General's Office for the return of Chinese refugees and foreigners to Amoy were disregarded by Naval Guards on the Amoy side, until the Consul General called in all permits and obtained the stamp of approval of the Naval authorities. Even the Naval stamp on the Consul General's permits does not ensure that Chinese holders will be passed by Naval Guards in all cases.

6. Japanese Consul General's Banquet.

The lack of harmony between the Japanese Naval and Civil Authorities in Amoy reported above, led to reports that Mr. G. Uchida, Japanese Consul General in Amoy, was not confident of the tenure of his post here. Rumor had it that Mr. Uchida's two trips to Taiwan and Tokyo had to do with the alleged unfriendliness of the Navy in Amoy. Upon his return from the second trip he issued sixty invitations to prominent foreigners (including the Consular Body), Chinese (mostly Formosans and Chinese officials of the Peace Maintenance Committee) and Japanese. The banquet was held at the Amoy Great Hotel in Amoy City on September 17th, and was said to have been given to show foreigners material proof of the progress of the city toward prosperity since the Japanese occupation. Unusual illumination of open shops along the route between the landing place and the hotel constituted the signs of prosperity.

7. Chinese Post Office Reopened in Quemooy.

A local Japanese newspaper reported in its
issue

1621

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

- 7 -

issue of September 18th, that the Chinese Post Office in Amoy was allowed to send its agents to Quemoy Island to re-open the Post Office there on September 18th. This report came as a surprise to the public, as all access to the island was refused to all except Japanese and Formosans, and news from this place has been strictly censored.

DECLASSIFIED: E.O. 11652, 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 742.00/520 Confidential File FOR Tel. #2003, 5 pm

FROM France (Wilson) DATED Nov. 26, 1938
 TO NAME 1-1127 ...

REGARDING: Far Eastern situation. British Ambassador to Paris stated that everyone had agreed that the situation was extremely gloomy. There was agreement to seek the closest cooperation with the United States in an effort to protect rights in China.

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793.94 / 14427

Confidential File

14427

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

TELEGRAM RECEIVED

*Copy to Treasurer
as confidential
ROV*

EDA

GRAY

FROM

CANTON VIA N.R.

Dated November 28, 1938

Received 6:20 p.m.

Secretary of State

Washington

71, November 28, 7 p.m.

On November 24 and 25 most of ~~Monk~~ ^{Winghan} Road, one of Canton's most important modern business streets, was gutted by fire.

Japanese troops have recently been throwing up numerous sand bag and barbed wire barricades throughout the city, seemingly in fear of guerrilla infiltration and attacks. The barricades on Taiping Road, one of the principal thoroughfares of the city, were yesterday temporarily manned by machine gun units. The military have begun requiring special military passes in the northern suburbs.

During the last three days firing of rifles and machine guns as well as heavy explosions believed to be aerial bombing and artillery fire have intermittently been audible in Canton. Foreign observers report that the village of Shaho, about a mile from Holy Trinity College in the northern suburbs, has been leveled as a result of ~~fires~~ ^{fighting} there.

Japanese

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793.94/14428

E/FG

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WB
3/15/57

WB
3/15/57

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

EDA - 2 - #71, November 28, 7 p.m. from Canton

Japanese planes have been observed bombing a suburb near the old West Gate, and early this morning a plane, believed to be Chinese, is said to have dropped a bomb at or near the White Cloud air field. It is reported that this morning Chinese were not permitted to leave the city to visit nearby villages.

Repeated to Chungking, Peiping and Hong Kong.

MYERS

DDM:HTM

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

5297

JR

TELEGRAM RECEIVED

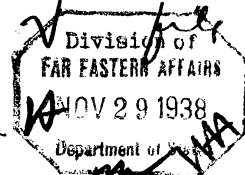
Tokyo

FROM Dated November 29, 1938

Rec'd 7:10 a.m.

Secretary of State,
Washington.

755, November 29, 5 p.m.



One. The following statement was issued last night by the Cabinet: "The Cabinet this afternoon decided on its fundamental policy for regulating Sino-Japanese relations in connection with the construction of a new order in East Asia which the Five Minister Conference has been considering."

Two. We have been unable to obtain any authoritative or otherwise reliable indication of the nature of this "fundamental policy", and as we understand that general indications of the character of this policy are to be given out in the next few days, we believe that an appraisal of various conjectures now current would not (repeat not) be helpful to the Department. We learn, however, from a reliable source that the policy is to be discussed in a conference to be held shortly in the presence of the Emperor which if true is an indication of the significance of the policy (see our 28, January 14, 5 p.m.).

Repeated to Shanghai for Chungking.

WWC:HPD

"

GREW

793.94/14429

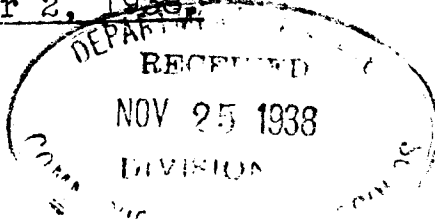
F/HG

793.94

Copy sent to Treasury as confidential

DECLASSIFIED: E.O. 11652, 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 Statement Issued by the Japanese
 Government on November 2, 1938



TEXT OF STATEMENT

The text of the statement follows:

By the august virtues of His Majesty our naval and military forces have captured Canton and the three Wuhan cities [Hankow, Wuchang and Hanyang]; all other vital areas in China have fallen into our hands.

The Kuomintang Government [China's Government] no longer exists except as a mere local regime. However, so long as it persists in its anti-Japanese, pro-Communist policy our country will not lay down its arms—never until that regime is crushed.

What Japan seeks is the establishment of a new order that will insure the permanent stability of East Asia. In this lies the ultimate purpose of our present military campaign.

This new order has for its foundation a tripartite relationship of mutual aid and coordination between Japan, Manchukuo and China in political, economic, cultural and other fields. Its object is to secure international justice, perfect a joint defense against communism, create a new culture and realize close economic cohesion throughout East Asia. This, indeed, is the way to contribute toward the stabilization of East Asia and the progress of the world.

What Japan desires of China is that that country share in the task of bringing about this new order in East Asia. She confidently expects that the people of China will fully comprehend her true intentions and that they will respond to the call of Japan for their cooperation.

Suggests Kuomintang Help

Even the participation of the Kuomintang Government would not be rejected if, repudiating the policy that has guided it in the past and remolding its personnel so as to translate its rebirth into fact, it were to come forward to join in the establishment of a new order.

Japan is confident that other powers will on their part correctly appreciate her aims and policy and will adapt their attitude to the new conditions prevailing in East Asia. For the cordiality hitherto manifested by nations which are in sympathy with us Japan wishes to express her profound gratitude.

The establishment of a new order in East Asia is in complete conformity with the very spirit in which the empire was founded; to achieve such a task is the exalted responsibility with which our present generation is entrusted. It is, therefore, imperative to carry out all necessary internal reforms with the full development of the national strength, material as well as moral, and to fulfill at all costs this duty incumbent upon our nation.

Such the government declares to be the immutable policy and the determination of Japan.

793.94/14430

F/FG -

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

*Copy sent to
 Treasury
 rec'd*

AE

REB

TELEGRAM RECEIVED

PLAIN

Chungking via N. R.

FROM

Dated November 29, 1938

Rec'd 7:49 p.m.

Secretary of State, *ST*
 Washington.

✓
 CIVIL ROOM
 EASTERN AFFAIRS
 NOV 30 1938
 Department of State
WAA

793.94

570, NOVEMBER 29, 11 a. m.

Following is Embassy translation of a leaflet reliably reported to have been dropped at Chengtu by Japanese planes during air raid early November:

"Declaration of the Imperial Japanese Government.

The Imperial Army and Navy, manifesting His Imperial Majesty's awe and dignity, have attacked and occupied Kwangtung and the three Wuhan cities to the end that the important sections of China might be pacified. The national Government has fallen and become a local regime. If that Government continues to persist in its anti-Japanese and pro-Communist policy, then the Empire must punish it through armed force, with a view to its destruction. The Empire's desire is to establish a new order with a view to the definite preservation of the perpetual tranquility of East Asia; this is also the final aim of the present expedition.

The creation of the new order, by means of mutual cooperation among Japan, Manchukuo and China, will be based

upon

793.94/14431

F/FG

162

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

REB

2-#570, From Chungking, Nov. 29, 11a.m

upon the establishment of mutually helpful and inter-related relations along political, economic and cultural lines, with a view to stabilizing international justice in East Asia and to attaining a joint defense against Communism, the building up of a new civilization and the materialization of an integrated economy. This is really an excellent policy for the stabilization of East Asia and an admirable method for the advancement of the civilization of the world.

The Empire entertains the hope that China will also share the work of establishing a new order in East Asia. It is hoped that the Chinese people will realize the true intentions of the Empire, which especially hopes that they will jointly participate in the Empire's efforts. If the National Government abandons its traditional policy, changes its personnel, reforms its character and participates in the establishment of a new order, the Imperial Government will not dare to reject it.

The Empire is confident that various world powers realize the true intentions of the Empire and that they should put into effect the most suitable policy in regard to the new conditions in East Asia. It is especially grateful

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

REB

3-#570, From Chungking, Nov. 29, 11a.m.

grateful to the allied powers for their cooperative assistance.

But the great work of establishing a new order in East Asia originates in the spirit of the Empire's development in the Far East. To accomplish this task is really the most important and glorious duty of the present day Japanese people. The Empire should decisively make domestic efforts in order to improve its national strength, overcome all difficulties and make rapid progress so that the task may be accomplished. This is the Empire's immutable policy and firm decision. This declaration is firmly made."

Repeated to Shanghai, for Tokyo by mail.

JOHNSON

NPL

FORM DS-516
5-13-47

DEPARTMENT OF STATE
CHARGE SLIP

FILE NUMBER	DESCRIPTION OF DOCUMENT	CHARGE TO-	DATE OF CHARGE	CLERK'S INITIALS
793.94/14432		P/B Kraucalis	8/1/57	Dm

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

5298

TELEGRAM RECEIVED

*Copy in paraphrase
 sent Treasury
 in strict confidence
 rec'd*

JR

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

FROM Dated November 30, 1938

Rec'd 7:05 a.m.

Secretary of State,
 Washington.

RUSH.

757, November 30, 3 p.m.

STRICTLY CONFIDENTIAL.

Our 756 / 14432 November 30, noon.

Yoshizawa, who is the informant referred to in our
 755 and 756, has just telephoned to say that a conference
 in the presence of the Emperor of five Cabinet Ministers
 and officers of Imperial Headquarters on the new Japanese
 policy did (repeat did) take place today. (The fact that
 a high official of the Foreign Office did not have direct
 prior knowledge of this important event is indicative
 of the secrecy with which the plan for the holding of
 this conference was carried). He added that a public
 announcement with regard to the new policy would be issued
 shortly.

Repeated to Shanghai for Chungking.

GREW

RR

793.94/14433

FILED

DEC 2 1938

F/FG

0631

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

Confidential

P A R A P H R A S E

A strictly confidential telegram (No. 757) of November 30, 1938, from the American Ambassador at Tokyo reads substantially as follows:

A telephone message has just been received from the Director of the American Bureau of the Foreign Office (Yoshizawa) to the effect that the conference on the new Japanese policy which was to be held on November 30 by five Cabinet Ministers and officers of the Imperial Headquarters in the presence of the Emperor took place, and that within a short time a public announcement would be made in regard to the new policy. The secrecy with which the plan to hold the conference was carried out is shown by the fact that a high official of the Foreign Office had no direct previous knowledge of this important happening.

795.94/14433.

298
FE:ECC:JPS
11-30-38

FE
new

795.94/14433

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

FE

RECEIVED
DEPARTMENT OF STATE
Greenville S. C., Nov. 7th. 1938.

note
693.001

Hon. Stanley K. Hornbeck, AM 10 57
Chief, Bureau of Far Eastern Affairs
Washington D. C.

NOV 17 1938
ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
NOV - 9 1938
DEPARTMENT OF STATE

Division of
FAR EASTERN AFFAIRS

file

Dear Mr. Hornbeck, AND RECORDS

793.94/6798
6799

I am tempted once more to impose on your courtesy with regard to the Government's treatment of the matter of Sino-Japanese relations. I have made at different times attempts to reach Mr. Hull, but probably my efforts have never come to his notice. At least no recognition of my efforts has been given.

I am much concerned as to Mr. Hull's repeated notes on the matter of "The Open Door" policy, likely to be affected by the Sino-Japanese imbroglio. In view of the practical certainty or the abrogation of this policy, which ever way the conflict terminates, it would seem desirable that the indignity of issuing entirely impotent notes, should be avoided. The extraterritorial status on which the existence of the policy depends, almost certainly will go into the discard as a result of the conflict. The important consideration therefore seems to be the attaining of a favorable position for meeting the conditions presented in the resulting readjustment.

To suppose that such a position can be attained by the continuance of at best, semi-belligerent notes to Japan hardly appears reasonable. The tacit assumption that American interests would not in the readjustment, receive adequate consideration can but be irritating to Japan, against whom so large a degree of gratuitous insults have already been perpetrated.

793.94/14434

F/HG4434

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

2

The very substantial increase in American exports to Manchukuo since the restoration of Manchukuo rule to that ancient realm under Japanese sponsorship, should offer a real basis for confidence that American interests will not suffer in whatever readjustment takes place. Such an expression of confidence would seem to be a far more favorable position to occupy than the one likely to result from irritating notes. In passing I may say that I have not seen any mention from Government sources of the fact above referred to, in spite of the very general belief in America that the opposite is true. Perhaps such notice may have escaped my attention.

In this connection it seems pertinent to call attention to the fact that none of the powers which place such emphasis on the observance of the "Nine Power Treaty", (which by the way does not guarantee anything) have not at any time felt it incumbent to suggest to China the wisdom of discontinuing the anti-Japanese boycotts, and seeking an amicable arrangements of any outstanding problems between the two countries. Is it possible that they have been influenced to such acquiescence in China's attitude by reason of the fact that such nations stood to profit by China's continued hostility? Should it not have been manifest that such continuation would inevitably lead to a renunciation of that treaty? There is large degree of probability that such a course would have resulted in avoiding the present conflict; which in turn indicates of responsibility part of the on the Western powers concerned in the treaty for whatever consequences follow.

It therefore seems eminently desirable that Mr. Hull should arrive at a different conception of the whole situation and its probable outcome.

Even if Japan were willing to hold China to subjection

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

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under the present extraterritorial status, China herself will be in position to demand its abrogation, and with that abrogation will go all such expedients as "The Open Door Policy," about which, he ^(Mr. Hull) along with his predecessors, have shown so much concern.

I cannot escape the conviction that our Government is pursuing an unwise course which can lead to no useful results, and may lead to no small embarrassment.

Please accept this as my apology for again imposing on your courtesy.

Yours respectfully,

T. J. League

From

T. J. League,
114 Buist Ave.,
Greenville S. C.

0635

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

FE/PA/H. Hamilt
S:
DCR

November 17, 1938.

Dear Mr. League:

I appreciate having the expression of your
views, conveyed in your letter of November 7.
I shall see that your letter is brought to the
attention of the Division of Far Eastern Affairs
and of the Secretary of State.

Yours sincerely,

SKH
Stanley K. Hornbeck
Adviser on Political Relations

Mr. T. J. League,
114 Buist Avenue,
Greenville, South Carolina.

793.94/14434

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FE:JCV:ZMK

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PA/H

F/FG

0637

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

DEPARTMENT OF STATE
RECEIVED
NOV 30 1938
DIVISION OF
COMMUNICATIONS AND RECORDS
Greenville

FE
Please
draft
ack.

Hon. Stanley K. Hornbeck,
Chief Division Far Eastern Affairs,
Washington D. C.

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
NOV 23 1938
DEPARTMENT OF STATE

Dear Mr. Hornbeck,

I am enclosing a copy of some comments on the Japanese reply to Mr. Hull's "Note" as to the "OPEN DOOR", which I prepared for the local "Greenville News". The comments have to do with an angle well sustained by the course of developments, clearly indicating China as the violator of the "Nine Power Treaty".

743-9
note
13.001

I take this occasion to acknowledge with thanks, your note of the 17th. Inst., just received.

Thanking you for your many courtesies,

Yours respectfully,

J. J. League

NOVEMBER 28 1938

From
T. J. League,
114 Buist Ave.,
Greenville S. C.

Ans.

Division of
FAR EASTERN AFFAIRS
NOV 25 1938
Department of State

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
NOV 26 1938
DEPARTMENT OF STATE

NOV 26 1938
RECEIVED

793.94/14435

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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

I. J. League

Japan's reply to Mr. Hull's note as to the preservation of the so-called "Open Door" in China naturally gives occasion for much comment on the part of the news-papers as to what, if anything, should be done about it. There seems to be a fairly large proportion of the commentators who agree that it is now too late - that the time to have done something was when Japan - " - set out on their program of imperial conquest," in which she is said to have violated her " - previous pledges and solemnly signed treaties;" - notably the Nine Power Treaty."

There is a different angle to the matter which the newspapers either do not see, or which they entirely ignore. The Nine Power Treaty was created by its signatories, to deal with the problems presented by the extraterritorial ^{status} of China. The nine Powers concerned, agreed in regarding China as not having attained to a sufficient degree of government stability, as also of ^{not} possessing courts of justice safely to be trusted with the interests of the citizens of those powers. Further they were agreed that China had not attained the unity and power sufficient to protect her territories. Consequently this treaty was designed to offer equal opportunity to all the signatories, and put each one under equal obligations to respect the terms of the treaty. China also signed her acceptance of the treaty which obligated her to ^{patronage} distribute her ^{if} to all equally. China also agreed to ^{not} refrain from fortifying points contiguous to international settlements, ~~set~~ apart by agreement, likewise ^{not} to assemble troops in such territory.

It seems a reasonable corollary that the signatory Powers were obligated to use their influence to facilitate observation of the provisions of the treaty, not only with regard to the concerted Powers, but also with regard to the proper observance of the

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

2

terms of the treaty on the part of China. This, obviously, has not been done. There is no record that any of the powers concerned have offered any protest against the use of the boycott against Japan, or of any of the other irregularities, such as the assembling of troops in areas which violated the agreements. On the contrary, when the operations of the boycotts became so violent as to result in public disorder, in which the lives of Japanese citizens were involved, and Japan found it advisable to use force to cope with the difficulty, not only did the Powers concerned condone the violation of the Treaty on the part of China, but tacitly abetted the Chinese, giving assistance and succor to parties of Chinese hard pressed by Japanese resistance - thus offering not only sympathy but actual assistance to the Chinese in their violation of the treaty. The probabilities are that had notes been sent to China by the Powers concerned - even by one of them - advising China of the importance of observing the terms of the treaty the unfortunate situation which has now developed, would have been avoided. Obviously the notes have been sent to the wrong party.

The Powers concerned, except Japan, have affected to regard the Japanese operations in Manchuria as a violation of the Nine Power Treaty, but the ^{Japanese} denial of this charge is so abundantly sustained ^{by} historical facts relative to Manchuria, and by the unsustained claims of the Chinese Republic, that all such charges should long since have been set aside. The failure to recognize so obvious and palpable a fact, as that the Chinese Republic never had either a legal or moral claim on Manchuria, is responsible for the present debacle. China's hostility to Japan, which has been patiently endured for a long period of years, has been fostered and abetted by the unwarranted attitude of the Powers con-

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

3

concerned, all of whom stood to profit from Chinese boycotts ^{against} Japan.

When Japan has called attention to her paramount interests in China and the contiguous territory, she has been given the "horse laugh." Just why America of all countries, should assume this attitude, beggars reasonableness. The concern evinced for the right and friendly ordering of our neighboring countries is as well known as to need no amplification. The importance of none of these, or even all together, even, approach the importance of China with its enormous population and its rich resources. Destroy or cripple the one stable and dependable State on the ^a Eastern shores of the Western Pacific and what have you!

The "Nine Power Treaty", was broken by China, and the obvious purpose of Japan to obtain the establishment of a government in China which can be depended on ^{to observe} reasonable international interests, offers no cause for apprehension on the part of the Western signatories of the "Nine Power Treaty", as to their rights in the operations of such government.

0640

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

November 28, 1938.

My dear Mr. League:

I have received your letter of November 21 with which you enclose a copy of your comments, prepared for the Greenville News, in regard to the Japanese Government's reply to this Government's note of October 6 on the subject of the "Open Door" in China.

Your courtesy in forwarding me a copy of your comments is appreciated.

Sincerely yours,

SKH

Stanley K. Hornbeck
Adviser on Political Relations

Mr. T. J. League,

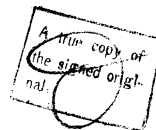
114 Buist Avenue,

CR ✓ Greenville, South Carolina.

NOV 29 1938.

FE:VCV:VCI

FE m. m. m.



793.94/14435

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00 /14281 FOR Tel #189, 3pm

FROM China (Nanking) (Smyth) DATED Nov. 29, 1938.
 TO NAME 1-1127 ***

Sino-Japanese relations.

REGARDING: Meeting of "National Peoples Party Congress"
 in Nanking, to work for establishment of
 a Central Government in China, to replace
 the Reformed Government and Provisional
 Government.

793.94 / 14436

14436

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

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JR

GRAY

Nanking via N. R.

Dated November 29, 1938

Rec'd 4:56 p.m.

note
 793.94

Secretary of State,
 Washington.

189, November 29, 3 p.m.

The opening ceremonies of the "National Peoples Party Congress" were held in Nanking yesterday, with 427 delegates present, chiefly from Kiangsu, Chekiang and Anhwei; the purpose of the Congress was stated to be to work for the establishment of a Central Government for China. Japanese Special Service Section officials were present, reportedly as "visitors".

Following the opening ceremonies Liang Hung Chih delivered a speech; after the usual denunciation of Chiang Kai Shek and Communism he stated that China must join hands with Japan so that peace might be established in Eastern Asia, and that the Yellow Race must unite to resist the aggression of the White Race. He said that there now existed a Reformed Government here and a Provisional Government in the north but that a Central Government for China should be established; he added that the Congress was meeting to exchange views and study the matter so that a Central Government might be established at an early date.

114281

The

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

-2- #189, November 29, 3 p.m., from Nanking via N. R.

The Congress is meeting again today and the final session will be held tomorrow, when a manifesto and circular telegrams will be issued.

Sent to Shanghai and Peiping.

SMYTH

RR:DDM

7644

DECLASSIFIED: E.O. 11652, 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 893.811/1055 FOR Telegram #0129-1450

FROM Navy Department (.....) DATED Nov. 30, 1938
TO NAME 1-1127 ...

REGARDING:

Sino-Japanese conflict: Yangtze River area.
Quotes memorandum dated Nov. 28 from Vice
Admiral Oikawa of the Japanese Naval forces
in China, regarding military activities
on the Yangtze River, and movements of third
power vessels.

aa

793.94 / 14437

14437-

764

DECLASSIFIED: E.O. 11652, 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 846g.00/36 FOR Tel #96, 9am

FROM Hong Kong (Southard) DATED Dec. 1, 1938
TO NAME 1-1127 ***

REGARDING: Developments and events in Hong Kong having relation to the
situation in China: summary of - for November, 1938.

wb

793.94/ 14438

14438 -

DECLASSIFIED: E.O. 11652, 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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REB

GRAY

Hong Kong via N. R.

Dated December 1, 1938

Rec'd 2:10 p. m.

Secretary of State,
 Washington.

96, December 1, 9 a. m.

The Department has instructed this office to send you monthly a brief telegraphic summary of developments and events at or near Hong Kong which have relation to China. The following is our summary for November.

note
 793.94

8468.00/36

One. Completion of sale and transfer to the British flag of three of four Chinese steamers interned at Hong Kong which were originally built by the China Merchants Steam Navigation Company with British Boxer Indemnity funds.

Two. Japanese cruiser MYOKU with Admiral in command of fifth cruiser division spent half day in Hong Kong for courtesy call on the British Admiral. This is said to be first visit of a Japanese man of war to Hong Kong for more than two years.

Three. Continued development of diversion from Hong Kong for transit via Kwongchowwan and Indo-China of war materials ordered by Chinese Government from overseas. This diversion results from severance of communication for war material

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

REB

2-#96, From Hong Kong, Dec. 1, 9a.m.

material (?) and for other trade to and from Chinese hinterland via Hong Kong.

Four. Arrival in Hong Kong on November 10 of Socony Vacuum launch COMET from Canton in command of American naval officer representing first communication of the kind since the Pearl River was closed on October 14th. Launch returned to Canton November 12th carrying Consul General Myers to his post there. Commercial shipping has not yet been permitted to resume between Hong Kong and Canton and there is much speculation but no definite indication as to when it will be permitted to resume.

Five. Speeding up of transfer to Indo-China and Kunming of various Chinese official agencies established Hong Kong since development of hostilities in China proper, and rumored recall to Chungking of many important Chinese officials who have been living in Hong Kong for the past year.

Six. Persistent rumors in Hong Kong of serious Chinese attacks converging on Canton which are considered by most observers here to be more propaganda than fact in so far as concerns developments to date.

Seven. Development of mopping up operations by small bodies of Japanese in the territory between Hong Kong

frontier

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

REB

3-#96, From Hong Kong, Dec.1,9a.m.

frontier and East River which area was passed by in main invasion from Bias Bay to Canton. It is understood that Japanese are undertaking these operations importantly to free Hong Kong-Canton Railway zone and permit resumption of use of railway for their military purposes. Japanese troops apparently operating with unusual circumspection to avoid frontier incidents with British.

Eight. Departure on November 23 from Hong Kong for first non-government steamer for Canton. This exclusively for transport of large store of relief supplies for refugees in Canton. Relief steamers not permitted to carry mails or commercial goods or passengers.

Nine. Despatch on November 26 by British gunboat MOTH of most of large quantity of mail for Canton accumulated in Hong Kong since beginning of Bias Bay invasion. Heretofore only dribblats of mail have passed between the two cities. It is anticipated that naval vessels will during the period ahead provide at least a weekly mail service between Hong Kong and Canton.

Ten. Arrival on November 28 of U.S.S. MINDANOA from Canton where the ship has been practically held up since October 14. Return to Canton planned for December 2.

Sent to Peiping.

SOUTHARD

RGC
 WWC

1649

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

793.94

DOCUMENT FILE

NOTE

SEE 893.00/14282 FOR Tel-190: 2pm

FROM China (Nanking) (Smyth) DATED Dec 1, 1938

TO NAME 1-1127 ***

REGARDING: "National Peoples Representatives Congress" closed yesterday, having passed number of resolutions and issuing a manifesto, including denunciation of Chiang Kai-shek and an expression of appreciation of Japanese assistance, and recommendation that a confederate government be organized.

FRG.

793.94/14439

14439

7651

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

REB

GRAY

Nanking via N. R.

Dated December 1, 1938

Rec'd 3:45 p. m.

NOTE
793.94

Secretary of State,
Washington.

190, December 1, 2 p. m.

My 189, November 29, 3 p. m. /14281

The "National Peoples Representatives Congress" closed yesterday. The congress passed a number of resolutions, including one recommending the constitution of a Confederate Government for China. During the "discussions" which were held in the congress, it was emphasized that a strong Central Government would not be suited to present conditions in China and that a confederate form of government, with provinces retaining a large measure of autonomy, would be preferable.

893.00/14282

The congress issued a manifesto, which included a denunciation of Chiang Kai Shek and Communism, an expression of appreciation of Japanese assistance, and a recommendation that a Confederate Government be organized.

In a press interview after the closing of the congress, Liang Hung Chih stated that it was possible that the form
of

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

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2-#190, From Nanking, Dec.1, 2p.m.

of Central Government to be established in China might be determined at the third meeting of the "Joint Commission of the Republic of China" which he said would probably be held sometime in December, but that a decision on the matter might be postponed until the fourth meeting of the joint commission.

Sent to Shanghai, Peiping.

SMYTH

CSB

165

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

DEPARTMENT OF STATE

~~RRP~~ ~~WMA~~
~~ICV~~ ~~JWB~~
DIVISION OF FAR EASTERN AFFAIRS

November 30, 1938.

Peiping Naval Attaché's Report
82 of October 8.

You may care to note the marked sections concerning effect of European crisis on Japan's policy(p.1); inactivity of China's air force resulting from Russian demands for political concessions(p.2); China's financial and military supply difficulties((2&3); Japan's tremendous expenditure to capture Hankow(3); Hoihara's activities(3); Japanese disgust with the conflict(3&4); effective sabotage by "Blue Shirts" and 8th Route Army(4).

^{Asc}
FE:Chase

165

DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. 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

81

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.

From NA/PEIPING Date Oct. 8, 1938 Serial No. 82 File No. -
(Commence new series each January first) (Select proper number from O. N. I. Index)

Source of information Various

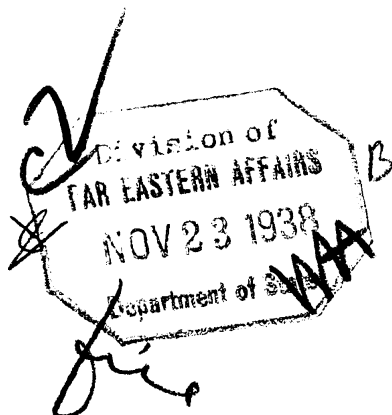
Subject FAR EAST
(Nation reported on) (Index title as per index sheet) (Subtitle)

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.)

SUMMARY OF THE GENERAL SITUATION IN THE FAR EAST.

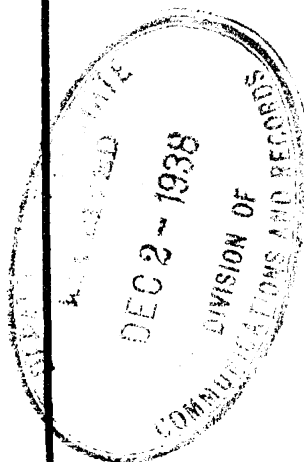
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L. H. Phelpsman

*Mar 19,
1973*

793.94/14440



DEC 5 - 1938
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H. E. OVERESCH
Commander, U.S. Navy
Naval Attache

F/FG4440

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Tech. Dev.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attache at	Operations	Cen. Div.	W. P.	Com.	Fl. Tr.	State	Com- merce	Return to Room No.			

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

Report No. 82

FAR EAST

8 October, 1938

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

OSD letter, May 3, 1962
 NARS Date Mar 19, 1973

CONFIDENTIAL

SUMMARY OF THE GENERAL SITUATION IN THE FAR EAST

1. Three more momentous weeks could scarcely have passed in the history of the world! Had fate so decided, future historians might well record the recently averted war as "The War of Destruction of Civilization." While Europe passed through the valley of the Shadows of Death, death rattles began to be heard in the Far East where Japan and China are clutched at each others throat. There are unmistakable signs of cracking on each side. Not to the victor will belong the spoils, but rather to the nation capable of the greatest suffering will come such solace as the end of a war can bring.

2. When the first of the two great crises occurred in Europe in late September, it found Japan remaining coolly aloof in defining her stand in the event of a European war. Pressed with inquiries, a Foreign Office statesman declared that the Comintern Pact did not necessarily commit Japan to enter war as an ally of Germany and Italy. The lack of other definite statements, coupled with only soothing statements of sympathy for her allies, showed plainly Japan's desire to avoid further embroilment in any other war. With her cup of woe almost running over in China, it seemed too much to deliberately invite attack by Soviet Russia.

3. The first Chamberlain-Hitler conference, accompanied by the wave of optimism that spread throughout the world over the prospects of a peaceful solution, lured Japan into a more boastful stand. Several important declarations of policy were made which would have plumped Japan into a world war if these declarations of policy were made good. Tokyo was thoroughly ill at ease and must have passed through a period of great disillusionment when the crisis of October first occurred. The very nature of these variable statements lends weight to the belief that nations were changing their minds almost over night and that regardless of what the secret provisions of the Comintern Pact are, Japan and Italy were on several occasions extremely lukewarm in their support of that famous axis.

4. The events that occurred in Tokyo after October first may well indicate that Hitler's final, smashing, success revived the fighting spirits of Japan's militarists. The resignation of General Ugaki as Foreign Minister may well have been precipitated by European events. It is probable that the military leaders found ample proof that Hitler's strong arm methods could still be used in China and that Ugaki's policy of moderate conciliation toward third Powers must go by the board. The inability of Premier Konoye to appoint a successor, points to the abruptness with which the change occurred. The newly appointed Foreign Affairs Assistants, Satoh and Arita, were also swept aside in the purge.

5. From this abrupt change may come an approach to a totalitarian state headed by Konoye since this facile statesman seems to be the only personage able to carry water, - buckets of it - on both shoulders. There is hardly any question that Konoye has committed himself with the militarists or that he is sincere in his avowed statements that Chiang Kai-shek and the Kuomintang must be annihilated.

6. Despite the cracking sounds that can be heard on both sides, the annihilation of Chiang and his party is becoming an increasingly difficult job. Since it can be accomplished only by a brilliant military victory, the chances of success are gloomy indeed. The

Report No. 82

FAR EAST

8 October, 1938

CONFIDENTIAL

SUMMARY OF THE GENERAL SITUATION IN THE FAR EAST (Cont'd)

past three weeks of bitter warfare have brought Japan only the meager success of advancing past the Chinese forts at Tienchiachen. Claims of brilliant advances with long lists of places captured make good reading, but study of the maps seldom even show the names mentioned. In this time the Japanese forces operating in the Loshan area have made but a few kilometers toward Sinyang, their objective, on the Kin-Han Railroad. South of Kiukiang their advance southward toward Tehan has been almost negligible. There has been some infiltration into the defiles of the mountains in the direction of Wuning, but so far, no important success and, surprisingly no sign of a wholesale retreat by the Chinese from their mountain positions.

7. Pressure is undoubtedly being maintained on the northern and southern fronts but it still appears that the main drive is concentrated along the Yangtze River where the Japanese are still able to concentrate heavy artillery fire from naval guns. Not that the Japanese will cease pressing toward either of their three objectives, the Canton-Hankow Railroad line in the south, the Kin-Han line in the north, and Hankow itself in the center, but it is evident that they hope their pressure north and south will so weaken the Chinese concentrations in the center that they will be able to make their major push up the Yangtze with the aid of the Japanese Navy. In view of the certainty that the Chinese have some artillery along the Yangtze and through certain admissions in the Japanese press that cameramen and reporters have lost their lives on naval vessels, there is no doubt that many Japanese ships engaged in this operation have been sunk. At the same time this loss to their Navy is likely to be inconsequential, since only small draft ships and old types of destroyers and gunboats have been employed. Surprise is sometimes expressed that the Chinese shore artillery is unable to use the normal superiority of land weapons over guns afloat, but the superiority in this case is nullified by the terrific bombardment the shore batteries receive from Japanese aviation. The latter claim to have dropped seven hundred bombs in one day on one fortified position near Tienchiachen. It is obvious that no degree of mobility could possibly make a land battery effective under such an attack.

8. The lack of activity of the Chinese air force, according to confidential reports, is due to political maneuvering. Undoubtedly the Soviets have withdrawn aviation support for a large part of the period under review which has permitted the Japanese planes to operate unrestrictedly. Chiang Kai-shek must indeed be a perplexed man with the Soviets withholding military support except in exchange for political concessions. Granting these concessions means the loss of support of certain leaders of his party. Refusal means the sacrifice of many of his troops and perhaps the collapse of resistance. In this respect the Generalissimo is as able a water carrier as Prince Konoye. The fact that he is still able to prosecute his defensive war, marshaling all the diverse elements, financial, military and political together, is one of the miracles of the age.

9. The excellent reports of Captain J.M. McLaugh, USMC., Assistant Naval Attaché, on the Central Government's financial situation and the characters involved, are timely and highly illuminating. These reports reveal the dangerous position Chiang's government is in financially. If this situation does not crack

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Mar 19
1973

SUMMARY OF THE GENERAL SITUATION IN THE FAR EAST (Cont'd)

wide open in the near future it will only be as a result of foreign aid somewhere or the conviction that as between the two nations, Japan is in a relatively worse condition. Despite the dearth of hard cash, the Central Government troops seem to have adequate supplies for prosecuting the war, admitting that they have always been short of artillery and aviation; but the lack of these is certain to prove an increasingly greater handicap.

10. As this is written there are reports that the Japanese have been able to cut the Kin-Han Railroad just south of Sinyang. If this is true, their northern objective has been attained after nearly two months effort. As was predicted sometime ago, important reinforcements have had to be sent to all fronts to prosecute the several offensives. It would not be surprising to learn later that it has required the estimated twelve divisions of reinforcements that were predicted as being necessary for the capture of Hankow. If true, it would mean that nearly a million and a half men have been sent to China. This figure alone emphasizes how badly Japan underestimated the cost of the China Incident. It should preclude any thought of Japan wishing to embark upon any Siberian venture, except defensively, in the next decade. Her best and cheapest insurance during this period would be the building of a strong Navy.

11. The most important activities in North China have centered around the efforts of General Doihara in attempting to draw big Chinese names into the Reformed and Provisional Governments. He has shuttled between Shanghai, Peiping and Tokyo so strenuously that several espionage services got hopelessly tangled in trying to keep track of him. The results of his efforts have been nil, with two outstanding failures, one a tragedy and the other a comedy. The tragedy was the death of Tang Shao-yi, a venerable Chinese of Shanghai, who was murdered apparently on the bare suspicion that he might accept a position after the fall of Hankow. Probably the known fact that his daughter made a trip to Hankow and approached certain well-known figures in the Central Government in the interests of concluding a peace, added materially to the circumstances which led to his death. Tragic though it was, his death serves notice that the same fate may meet other Chinese leaders who step forward. The comedy, if one chooses to call it that, was produced in Tokyo, according to a report reaching this office, where the Emperor, displeased with Doihara's efforts, presented the latter with a short sword (hara-kiri) in appreciation for his esteemed(?) efforts.

12. Lacking ability to form a single government for the occupied territory in China, a compromise was reached and on September 22nd an organization christened the "United Council of the Republic of China" was inaugurated. Briefly, this United Council is a mere shell into which the Nanking Reformed Government and the Peiping Provisional Government have been made to fit with the important executive positions of the anticipated Central Government still unfilled. Relatively little toward unification has been achieved, but it was up to the militarists to give some sop to Japan in preparation for the expected fall of Hankow. The fall of this city, they hope, will be productive of the type of leadership considered essential for the vacant positions. There is no question but the Japanese business men and industrialists are sick and tired of the China Incident and this office has been able to get a cross-section opinion of Japanese business men to substantiate this, but the fear

Report No. 82

FAR EAST

8 October, 1938

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SUMMARY OF THE GENERAL SITUATION IN THE FAR EAST (Cont'd)

of the militarists and the latter's strangle hold on Japan's economic life, have so far insured discreet silence. At the same time this condition is beginning to produce a violent hatred of the Chinese as being responsible for the condition Japan has gotten into. This hatred will be a valuable factor in popularizing the continuation of the China Incident to a successful conclusion.

13. The Border Demarcation Commission in Manchukuo seems to be working in complete silence. Not a single word leaks through as to what is being done. Both sides seem to be content with this silence. However, several border incidents, beginning with one on September 20th, are serving to keep this well filled pot boiling. In contrast to former clashes, nothing seems to come now of protests and after the first headlines, that particular clash is relegated to obscurity. In this connection the Secretary in Charge of the French Embassy in Peiping assured the Naval Attache that his government knew definitely that Japan was informed in no uncertain terms by Germany and Italy that they could not be counted upon for help if Japan became embroiled with Russia. This may well explain Japan's coolness later at the time of the first crisis in Europe.

14. From an investigator it is learned that the destruction of the aircraft factory in Mukden and the blowing up of a portion of the arsenal there, were due entirely to sabotage. These are only two of the many such acts which have occurred in Manchukuo recently. Confidential information was received two months ago that nearly two hundred members of the Blue Shirts' organization were on their way to North China and Manchuria. Recent fires in Tientsin and Peiping have confirmed their presence and it is to be expected that much destruction of Japanese property will follow in their wake. These men are well organized and are able to conduct their activities with reasonable secrecy. Their presence has also stimulated the efforts of the irregulars and 8th Route Army leaders so that, for the immediate future, North China and Manchuria may be badly disturbed areas. Unquestionably these disturbances seriously retard the economic development upon which Japan is depending so much and without which it will be hard to foot the staggering bill with which her people are being presented.

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

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, October 15, 1938.

CONFIDENTIAL.

The Honorable

Joseph C. Grew

American Ambassador,

Tokyo, Japan

Sir:

I have the honor to report the following recent developments in Taiwan connected with the China Incident.

1. Except for short local press announcements that "the pick of the Japanese Army" has begun operations at "a certain place in South China", the populace is kept in the dark as to happenings in that direction. Nothing is said of the number of men or ships engaged in this long contemplated drive.

2. Since the general exodus of September 4, no bombing planes have entered or left Taihoku, and of late the number of practicing fighters has diminished considerably.

3. Since October 4 there has been no private, commercial or consular communication possible from Taiwan with Amoy, either by aeroplanes, post, telegraph, or wireless. The first ship to Amoy this month is scheduled to sail today. One is officially informed upon inquiry that the sea cable line to Amoy has broken and it is not known

DEPARTMENT OF STATE
 A-M/C
 NOV 21 1938
 ASSISTANT SECRETARY
 OF STATE

Division of
 FAR EASTERN AFFAIRS
 NOV 23 1938
 Department of State

793.94/14441

F/FG

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known how long repairs will take, although the line will probably be opened again shortly now that shipping service is to be resumed. However I am reliably informed that the Government General has always been able to use the line, and should I so desire I could send a telegram to Anoy, in plain, through the good offices of the Government General. Telegraphic communication with Hongkong and Manila has remained open, but of course private and commercial messages are strictly censored before being despatched to any point outside of Taiwan.

4. All foreign homes have been kept under strict watch for at least the past two weeks. A plain clothes man swelters in the heat by the river bank watching the entrances to Jardines, Anglo-American, and Tait, while of late a soldier with fixed bayonet has been stationed at Jardines rear entrance. Copious note taking is the only visible activity engaged in by these men. The building housing the Rising Sun Petroleum Company and the Italian Consular Agency is subject to similar watch, as are the Anglo-American and Carter Macy offices nearby. The British Consulate in Tamsui has a note taker perched outside the gate, and this man varies his literary talents by rushing to a nearby police box to use the telephone. The Canadian

Presbyterian

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

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Presbyterian Mission people are also kept under watch, and occasionally receive direct inquiries as to their whereabouts between certain hours when their shadow apparently slipped up. The five women teachers recently having one of their periodical educational conferences in a mission house in Tamsui were required to report what they talked about and where they came from and went to each time they attended the meetings. Mr. Kerr, the American teacher of English in the local Japanese schools, has also been shadowed recently. This office is free from apparent watching, but the servants report that they are questioned at times concerning our whereabouts, and our guests. The Japanese interpreter and Chinese clerk of this office state that they have their movements closely followed.

5. Spy prevention league movements are increasingly active, and it is impossible to go anywhere without later finding out that one has been observed. No sooner had the British Consul, Jardine's agent and I arrived at the Tamsui Golf Club house recently than a call came to that office from police headquarters asking who was in the party. We tried to get the too serious Japanese at our end to tell them one of us was the Czechoslovakian Consul but with no success. On another occasion about three weeks ago the

British

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

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British Consul became so fed up with police questioning concerning with whom he had played golf that he had his interpreter give them the following note: "The Consul is very willing to give the police such assistance as he can in the discharge of their proper duties; but he cannot regard the reporting to them of particulars of the movements of foreigners in Tamsui as coming within the scope of his consular activities and must therefore, with regret, decline to answer enquiries of this nature. It would save him the embarrassment of having to refuse if such enquiries were no longer made of him". Since then he has not been bothered directly with questions.

In numerous other ways is life made interesting down here by the officials just to compensate for the lack of the finer things of life.

Were it only the officials the people would have cause to breathe easy, but no man can apparently trust his own brother these days. Participants in any conversation must be very careful to talk on very neutral subjects or hold their tongues or they are liable to meet the fate of others whose overheard fragmentary snatches of perhaps innocent speculation has been sufficient to land them in the police station. Rumors are current of men in high places likewise being

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

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being seized. Indeed it would seem that the urging to indulge only in pure thoughts is not meant to be taken lightly.

6. Exchange control measures have, as in Japan Proper been made more stringent here. The only slight difference is that the limit of free exchange transactions without a permit is Yen 50 here instead of Yen 100 as in Japan Proper, and this limit is only permitted for purposes other than sales, for which a permit is required for any amount.

7. The Important Industries Adjustment Commission arrived on October 11 from Japan and will shortly hold conferences to discuss Rice Control, the ten year Agricultural Adjustment Plan and other important phases of integration of Taiwan's policies with those of Japan Proper, Korea etc. They are scheduled to return to Japan on October 20.

8. The Bank of Taiwan announced that up to October 1 it had taken in Yen 20,000,000 of gold articles in its gold buying operations which were commenced on June 20, 1938.

9. Apparently no additional prominent Formosan Chinese have yet been called for duty, as reported by this office on October 3, 1938.

10. This noon, U Yin-mai (Ueki), the consular messenger reports that he left the
 consular

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

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consular premises on his bicycle to deliver an official message, and was accompanied by two friends who had been visiting him. He said that the three of them soon remarked that it looked like they were being followed by a man on bicycle who had been behind them from the time they had left the Consulate. When they had gone about a half-mile their shadower called out "oi! oi!", but Ueki said that only one of his friends, Mr. Sai, stopped, and Ueki went on about his business. Upon returning via the same route, Ueki said that Mr. Sai told him that the plain clothes shadower had turned out to be a detective, had asked him why he had gone to the Consulate (to see Ueki's pigeons), who were the other two cyclists with him (a leather dealer and a consular employee), and where was the consular employee going and what message was he carrying, to which Mr. Sai replied he did not know. I have told Ueki that he should report to me if the police stop him when he is on official business or question him about consular business, or enter the consular premises, since consular premises, archives and papers are inviolable in international law, and while I could not very well protest to the local authorities in this instance, if he himself

had

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

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had been stopped and questioned I should have done so. The matter has been taken up informally with the Department of Foreign Affairs of the Government General so that appropriate steps might be considered to nip this development in the bud.

Respectfully yours,

JK*

Gerald Warner
American Consul.

File No. 800
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

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

WTE
November 29, 1938.

Reference Taihoku's
October 13 and October 29, 1938,
to the Embassy.

These reports contain
miscellaneous comment on various
happenings, in connection with the
hostilities in China. They do not
appear to be of specific interest
any longer and need not be read.

FS
FE:Schuler:REK

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

~~CONFIDENTIAL~~

Department of State

AMERICAN CONSULATE,

Taihoku, Taiwan, Japan, October 29, 1938.

CONFIDENTIAL.

The Honorable

Joseph C. Grew, *Warner*
American Ambassador,
Tokyo, Japan.

Division of
EASTERN AFFAIRS
NOV 23 1938
Department of State

Sir:

I have the honor to report the following
recent developments connected with the China
Incident.

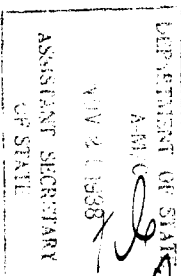
Celebration of Fall of Canton

On October 22 a large lantern parade was
held during the evening by some 20,000 partici-
pants celebrating the capture of Canton by Japanese
troops the previous day. On the 22nd official
announcement was made for the first time that
Lieutenant General Furusho, Commander-in-Chief
of the Taiwan Forces, had led the Japanese Forces
in South China. Rumors had been current for a
week prior to this official announcement that
General Furusho had left Taiwan. On October 25
all Taiwan papers carried the General's farewell
message to Taiwan, of which a translation is
enclosed. The message is remarkable mainly for
its abstract, Chinese style. It touches on a
theme usual in the urgings of public men in Taiwan
that Taiwan should be made the base for expansion
in

in confidence *DT*

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

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in the South Seas Area, and also requests efforts to make Taiwan a stronghold of defense in the southern gateway of the Japanese Empire, in preparation for difficulties to come. It is interesting that the General puts in a word for broadmindedness in this provincial outpost.

Celebration of Fall of Hankow

From the time that news came through that Hankow had finally fallen on October 27, until the victory lantern parade with some 50,000 participants was finished at 10 P.M. last evening the street to Taiwan Shrine was literally crowded with organized and independent thanksgivers. October 28th had double meaning here being Taiwan Shrine Day.

The long awaited Hankow Victory Parade of last night was as orderly as usual and contained only the formal elements of a comparative celebration in the United States.

Now that Hankow has fallen and Canton been captured the feeling here seems to be that further organized resistance by the Chinese will not be offered, although it is recognized that there is to be a long pull ahead if successful reconstruction is to be realized.

The Government General issued instructions on October 25th that on the fall of Hankow simple commemorative services should be held by all

government

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

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government offices, schools, firms, banks, factories and elsewhere to strengthen the determination to carry out emergency and long period reconstruction. Further that people should pay homage to shrines either individually or in groups to offer thanks for the efforts and appreciation of the hardships of the soldiers at the front and to swear before God a determination to prepare for long-term reconstruction work. Governor General Kobayashi delivered an address to the officials of the Government General yesterday stressing the point that determination should be renewed and a relaxation of efforts behind the gun should not be permitted even through Chiang Kai-shek's strongholds of Canton and Hankow have been taken. A translation of his address is enclosed.

Daily Army Aeroplane Service Between Taihoku and Canton

Army Headquarters have announced that very shortly the Army will start a daily air service for their own purposes only, connecting Taihoku and Canton. The plane will leave Taihoku Airport at 8:07 A.M., arrive in Canton at 11:30 A.M., and on the return trip will leave Canton at 1:00 P.M., and arrive in Taiwan at 4:30 P.M. It is presumed that this will be a peaceful continuation of service rendered in the past.

Respectfully yours,

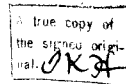
Enclosures:

Two translations
 as stated.

File No. 800

CW/tkh

Gerald Warner
 American Consul.



3 copies to Department,
 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

(Translated from the article in the Taiwan Nichi Nichi newspaper of October 25, 1938)

FAREWELL MESSAGE LIEUTENANT GENERAL FURUSHO - TAIWAN HAS ROOM FOR IMPROVEMENT AND REFORM.

Lieutenant General Furusho, Commander-in-chief of Japanese Forces in South China, sent the following farewell message on October 24th from the front to the government officials and people of Taiwan through the Taiwan Army Headquarters. He issued this message on resigning his post as Commander-in-Chief of the Taiwan Forces:

"By Imperial Command, I have now been relieved of my important post of Commander-in-Chief of the Taiwan Forces. I was appointed to my duties in Taiwan soon after the outbreak of the China Incident, and I was stationed there for over a year. With the enthusiastic support of the government and people during the emergency situation I have been enabled to discharge the heavy responsibilities of the defense of Taiwan, and I express my appreciation for the full cooperation accorded.

"It is a matter for mutual congratulation that apropos of the present incident the situation in Taiwan is gradually growing favorable through the efforts of all. However, viewed from the national standpoint of integrated power and economic development, further reform and awakening seem to me to be necessary in Taiwan in the cultivation of a broadminded spirit, fresh and enterprising vigor, enhancement of national spirit, national training, and other ideas and policies pursuant to the national policy. Especially as we are prepared for future national difficulties not less but greater than the present, your further cooperation, spiritual and material, is desired to spur the trend which is moving in a favorable direction. Your efforts are requested to make Taiwan a defense stronghold in the southern gateway of the Japanese Empire and a base for development in that area.

"Now that the war has spread to South China, the field for the realization of establishment of the peace of the Orient on the basis of the cooperation of Japan, "Manchukuo" and China has been enlarged. Of course measures and policies in this connection are up to the Central Government. However, in order to utilize your ability in enhancing national policy, prompt and careful preparation, a fair attitude, and a grasp of the future are necessary. Attending to other's business without minding own business, wasting time only in investigations, or procrastination through sticking to details should be avoided. However, hasty acts without a penetrating foresight of the general situation, resulting in

dilemma,

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dilemma, must also be avoided. Selfishness, egotism, and monopolism are not consistent with national policy.

"In conclusion I again express my thanks to the officials and people of Taiwan for their goodwill and assistance shown to me officially and unofficially during my stay in Taiwan. I wish for their greater efforts behind the gun, and their future increased prosperity."

(Translation from Taiwan Nichi Nichi Newspaper of October 29, 1938)

RENEW DETERMINATION WITHOUT LET-UP BEHIND THE GUN SAYS GOVERNOR GENERAL KABAYASHI IN HIS ADDRESS BEFORE OFFICIALS AT CEREMONY COMMEMORATING FALL OF HANKOW HELD ON OCTOBER 28 AT TAIWAN GOVERNMENT GENERAL.

A ceremony to commemorate the fall of Hankow was held on October 28 at 11:00 A.M. at the Taiwan Government General, at which the Governor General of Taiwan delivered the following address. The ceremony was attended by all officials of the Government General.

"It is a matter for congratulation that the long awaited official information concerning the fall of Hankow has been received and that we may hold this commemorative ceremony together. More than year has elapsed since the outbreak of the holy war, and Japanese land and naval forces have scored victories on land and sea, driving away Chinese forces from the major part of Chinese territory. Canton, the base of Chiang Kai-shek's administration, has been recently occupied, and the Hankow area, his last stronghold, has now also fallen into the hands of Japanese forces. This is of course due to the grace of the Imperial Throne, but credit is also due to the loyalty and valor of patriotic and self-sacrificing soldiers who have exerted their efforts, enduring and overcoming hardship beyond description. In this day of commemoration we tender our sincere respect and thanks to the spirits of soldiers killed at the front, and our sympathy is also extended to sick and wounded soldiers. The fall of the Hankow area will greatly influence the future war situation both from politically and strategically. Therefore, the fall of Hankow area should be enshrined in the everlasting memory of our nation.

However,

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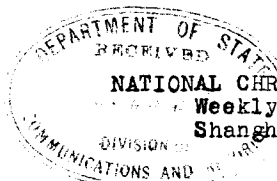
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"However, the present incident cannot be recognized as having been ended by the fall of the Hankow area. The purpose of the present holy war is to establish true and permanent peace in the Orient through the cooperation of Japan, Manchukuo and China. As a first step in a realization of this, efforts have been made to crush Chiang Kai-shek's administration and the anti-Japanese troops blocking the friendship of Japan, Manchukuo and China under the slogan of resistance to Japan and acceptance of communism. The fall of Canton and Hankow may be a great blow to them, but we cannot hastily conclude that they have surrendered. We must be prepared to meet many difficulties hereafter in order to establish peace and to achieve the purpose of the holy war. Responsibility of the nation behind the gun will grow heavier hereafter.

"It is an everlasting tradition of Japan handed down from ancient days, that our nation cooperates and unites in every national difficulty and overcomes these difficulties and develops its national prosperity. At this juncture we must strongly protect and guard this tradition of our ancestors and refrain from negligence behind the gun under the spell of victory in war. We must strengthen our indomitable spirit, and renew our determination to respond to the valuable achievements of the Imperial Forces. To this end the mental attitude of us who are in a position to guide the people is most important. Your further continued cooperation will be highly appreciated."

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NATIONAL CHRISTIAN COUNCIL OF CHINA
 Weekly Bulletin No. 17
 Shanghai, Oct. 10, 1938
 Alice Gregg

Staff. A telegram from Dr. Chester S. Miao, from Hongkong, announces that he is proceeding to Changsha.
 The Rev. Ronald D. Rees is expected in Shanghai today, after an absence of four months in Central China.
 Miss Mabel Nowlin, NCC Branch Office, Chengtu, writes of a recent experience in being invited to address the Retreat for Secretaries and Board of Directors of the YMCA in Chengtu, on Religious Education.
 "The meeting took place in the outdoor guestroom of the Wen Shu Yuan Temple, a great, vast place that reminded me of the hall of Classics in Peking".
 The letter continues with the information that she has been invited to meet with the YMCA Religious Education Committee for definite plans of how to incorporate some of the suggestions for their religious program.

A Bombing in Central China: As the line of battle moves westward, our thoughts are very much with our colleagues in the Wuhan cities and environs, and in Kiangsi, Hunan and Honan. We read in our papers of the activities of the bombing planes, and weeks later we get the reports of what those activities meant in human suffering and of what was done to stem the tide of woe. On Wednesday, Sept. 7th, Mr. Cyril Knott, London Missionary Society, made the following broadcast from Hankow:
 "We returned last night from a visit to our LMS Hospital at Tsaoshih where many of the wounded from the bombing of Kingshan are being cared for. . .

"A cholera epidemic had broken out in that neighborhood. . . out of 100 cases in the Hospital during the fortnight, more than 80 were saved. Saline injections were given to all. . . In the midst of this, the bombing took place in Kingshan, about 25 miles away. . . .

"Our Dr. Robjohns was lent a motor lorry. . . and took a party of nurses over the rough road, arriving just before dark. There was no water to be found, and no coolies to carry or help, so they stayed the night in the lorry. . . . The glow of the still burning houses reminded of the old story of the Last Days of Pompeii. Even next morning it was obvious that no real good could be done till the government authorities had organized carriers to come in from the surrounding villages to help people out from under the broken houses. In getting this work started, the Rev. Carl Liu, of the Wu-Han Refugee Committee was able to render a unique service. It just happened that he was visiting one of our Refugee Camps halfway between Tsaoshih and Kingshan, — indeed, he had had a very narrow escape from having spent the night in Kingshan itself. Leading a party of refugees from this camp, they were the first to arrive on the scene and set to work.

"Dr. Robjohns and his nurses brought six of the wounded straight to Tsaoshih, and their sufferings on that jolting lorry can well be imagined. The two days journey by river has since been found preferable. Soon every bed in the hospital was full and the local magistrate arranged for a large number of bamboo beds to be loaned the Hospital by the Tsaoshih people. These filled the Hospital Preaching Hall, as more wounded were sent in day by day by the group of Roman Catholic medicals and nurses from the Malloto Hospital who visited and worked for several days in Kingshan giving first aid.

"The two doctors from the Church General Hospital, Wuchang, (American Episcopal or ACM), now temporarily in Hankow, who joined in the work did good service. . . . Several visits have been paid by the Roman Catholic Fathers of Tsaoshih and one is working himself in our

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hospital, doing dressings. The cooperation between the Christian forces and with the Government authorities has been most cordial and valuable.

"It will be realized from what I have said that one of the saddest features of the catastrophe has been the number of people who for days and days have been pinned underneath the fallen houses unable to get free, and 'who have called, and there was none to hear'. Hundreds probably have died more of starvation and thirst than of wounds, and hundreds more have died of slight wounds that have become poisoned for lack of immediate first aid. May the thought of this fact inspire the newly-formed First Aid units in Wu-Han to new devotion. . . As far as we know, there was only one modern trained doctor in Kingshan itself; Dr. Shao, formerly in charge of the LMS Hospital in Siaokan from which he retired some time ago. He was injured very badly, losing one eye, and having an arm broken, and his son was killed.

"There seem to have been extremely few military men in the city at all. Possibly the fact that they were expected to arrive was known, and the raid for this cause was arranged. . . . Let us go forward in faith, fearing not bombs, but only that when help is asked of us we be unprepared to give it. . . . I think of a doctor who is leaving Hankow to-morrow morning to relieve a doctor at Tsaoashih. Let us pray on behalf of him and of all workers:

O Lord, we do not ask that thou wilt keep us safe, but that thou wilt keep us loyal: Who for us didst face death unafraid, and dost live and reign. Amen".

Into this dark tale of horror and suffering there is woven one bright thread: the manner in which men and women of all or no beliefs have joined hands in the relief of the suffering people of Tsaoashih. English Congregationalists, Roman Catholic priests, Chinese clergy and doctors of the Sheng Kung Hui (Bishop Roots' old diocese), Government officials, refugees, -- all joined in this work. Of them it can be said: "They did what they could". They could not save all, but they worked to the limit of their strength to save some. Only yesterday we heard of Dr. Francis Wei's retort to someone in the United States who said: "But anything we might do when devastation is on such a vast scale is only a drop in the bucket". Dr. Wei's reply was: "Ah, but if it is God's drop, it can color the bucket!"

Council on Medical Missions. From Dr. K. C. Wong we have several pages listing some 60 hospitals to whom free medical supplies have gone during the three months just past. To points as widely separated as Kweichow in Honan and Amoy in Fukien go consignments of drugs and supplies. A letter from Mr. Norman Knight of Weihwei General Hospital, Honan, just received says:

"At the time of writing I have only received the goods covered by the first invoice, but I feel quite sure that the other items will have arrived in Tientsin by this time. We fully appreciate your help at this time, especially under the difficulties which everyone has to contend with these days. Please accept our grateful thanks. With best wishes to you in your good work".

The Council on Medical Missions, which acts concurrently as the Commission on Medical Work of the NCC, has been distributing these gifts since January of this year. The supplies are donated by friends abroad, especially Overseas Chinese in America and Honolulu. During September 31 consignments have been sent to 25 different cities.

Hongkong Branch of the National Women's Relief Association. No word of the work of this Association, I believe, has appeared in this Bulletin, which, naturally, devotes its space chiefly to the work of the Christian

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groups. The printed reports from Dr. Wong of the Council on Medical Missions, however, take on more shape because of a visit one afternoon last February to an old friend of International House student days, now Dr. Irene Ho, as she was checking and listing such consignments of quinine and other supplies for the front. It was an inspiring sight to see these Hongkong women of wealthy homes doing the hard, dirty work necessary in this depot of supplies.

On August 1, 1937, the National Women's Relief Association was organized in Nanking by Madame Chiang Kai Shek and a group of leading Nanking women. One of its first activities was to appeal to the Chinese at home and Overseas to form local branch associations. In accordance with this appeal, the Hongkong Branch was organized on August 25th, with Madame Sun Fo as President, Madame T. V. Soong as Chairman, and Lady Clara Hotung as Vice-Chairman. Lady Hotung's illness and subsequent death led to her daughter Irene's responsibilities as Deputy Chairman of this energetic and devoted committee. Hundreds of thousands of dollars were passing through the hands of this Committee, and they were supporting medical units on the field, but even so they were appalled at the appeals for needs which they could not meet. Cases of quinine, for example, were only enough to supply shaking malaria patients with quinine twice a week when they needed it far more often.

Evacuating Civilians from the War Zones. From the local Sunday Night Broadcast by the Rev. E. S. Box, Hankow, we take the following:

"Today I want to tell you chiefly about the work of the National Relief Commission. This is the Government organ for the relief of refugees, and its work is under the control of the Executive Yuan, with His Excellency Dr. H. H. Kung as chairman. Its scope covers the whole of China and it seeks to save the lives of those who have fled from the war areas, take them to safe places and find work for them to do. Seven million dollars has already been granted for this work, and it is estimated that about five million people have been helped. Fifteen hundred camps for refugees have been established all over the country.

"We here in Wuhan are in the 8th section of the Commission's work, taking in the provinces of Hupeh, Kanan and Kiangsi, with Mr. K. T. Chung as commissioner. He works in close cooperation with the Protestant and Catholic Churches, the Red Swastika Society and other bodies engaged in relief work.

"The first problem is to evacuate civilians from the war zones, and to provide them with food and shelter on the road. There are now seven recognized main roads from the war area to the inland provinces. Along these there are 19 central refugee distribution stations, with 100 sub-stations. There are also temporary camps every 30-40 li (10-13 miles) along the road, where people can get food, drink and shelter. In some cases the refugees have to walk, but transport by bus, train or boat is provided if possible. I heard recently of the very efficient way the refugees were evacuated from Kuling. They walked the first part of the way down the hill, and temporary shelters were established for them every 30 li or so. From Tehan they were taken by bus part of the way to Nanchang, and sent on from there to camps in the interior. In this way a large number were taken to safety.

"Identification labels are issued to refugees, and these are now being prepared in Hankow for those from this city who wish to leave for safer parts. The Government is urging people to leave Wuhan, and with these official labels they will be eligible for free transport and care on the way, and for a place in camps up country. . . .

No one can read the above account without realizing how much China is doing to help herself. People Overseas aren't asked to undertake the

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work of providing relief. The main part of this tremendous task is accepted by the Chinese Government as its responsibility. They have been glad to use the missionaries as dispensing agents, and missionaries are proud to be so used on behalf of their beloved adopted country.

Nanchang. Mr. K. G. Bevan, China Inland Mission, reports:
 "The local authorities are doing wonderfully in respect to the refugee problem, but with 15,000 from Kuling and the thousands from Kiukiang and Singtze, they are overwhelmed and the position grows serious. Cholera, dysentery and typhoid are raging in the crowded refugee camps. . . . Malaria is very prevalent among our refugees here at the China Inland Mission, where it has been possible, dealing with smaller numbers, to pay more attention to hygiene and so avoid much sickness. . . . Quinine is very short. . . ."

Nanking. From Mrs. Edna Gish, South Gate, Nanking:
 "It is a tremendous privilege to work in Nanking these days. We are in the midst of a real revival. You could hardly imagine the crowds and the response. It is necessary to work fast right now. . . There is so much to do, and so few to do it".

Union Work in Chengtu. From a letter from Mabel Nowlin:
 "There is considerable union work going on in Szechwan, and we hope to move further along that line. The assistance given last winter by Dr. Chen and Mr. Rees was much appreciated, and their organization of three Commissions of the Szechwan Christian Council (similar to those of the NCC) has been of considerable benefit in making unrelated pieces of work tie in with the whole Christian program. More of this sort of help from those who see China as a whole is needed, and we hope that Dr. Chen or Dr. Miao can come to the February Union Conference, when the returned delegates from Madras will report, and assist in formulating plans for carrying out the Madras decisions. . . ."

Let us pray for all at work in this great land, that we may labor in love, and be severally delivered from the snares of our respective callings.

DELIVER US.

Jesus, who didst touch the leper, Deliver us from antipathies;
 Who didst dwell among the Nazarenes, Deliver us from incompatibility;
 Who didst eat with some that washed not before meat, Deliver us from fastidiousness;
 Who didst condone Samaritan inhospitality, Deliver us from affront-taking;
 Who didst provide the sacred didrachma, Deliver us from offence giving;
 Who having called didst recall St. Peter, Deliver us from soreness;
 Who didst love active Martha and contemplative Mary, Deliver us from respect of persons.
 Deliver us while it is called today, thou who givest us today and promisest us not tomorrow.

Christine Rossetti

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NATIONAL CHRISTIAN COUNCIL, HANKOW

**Broadcast Talk By Rev. E.
Ronald Pillow**

This is the eighth in a series of Sunday evening talks given by the National Christian Council of China. We are broadcasting from the studio of station XTJ in Hankow (short wave 1169 kilocycles, 25-66 metres, at 8 p.m. local time). Mr. Ronald Rees, who has been giving these talks for the past few weeks, has now left Hankow, and I have been asked to take on this job for the time being.

Our purpose in giving these talks is to give as much news as possible of what is being done in the way of Christian witness and of service for those suffering as a result of the war, in the hope that it will form a link between us all at this time when many ordinary ways of communication are rather disorganised, and perhaps will encourage some people to undertake or persevere in similar or new forms of service.

Many Forms Of Activity In Changsha

Letters have reached Hankow this week from a number of centres. First a few words about Changsha. An International Relief Committee has recently been set up there to co-ordinate the work that is being done by many different organisations, and they have some interesting activities. Refugees have been pouring into Changsha from the east in their thousands, and they are urged to pass on to the western parts of Hunan as quickly as possible, but they need some rest on the journey and many are so sick that they cannot continue their long trek immediately. The Union Christian Committee has for some months past been running a hospital of 50 beds for refugees and for air-raid victims, but this hospital was itself damaged in a recent raid and one nurse and eight patients were killed by a falling wall. Now the hospital has moved out of the city into the buildings of the Hunan Bible Institute and they hope to expand the work to 100 beds if only sufficient medical staff can be obtained. There is also a maternity hospital for refugees in the Fu Hsiang School on the American Presbyterian Mission compound and they have had an average of one delivery a day for the past month. Steps are being taken too to care for abandoned refugee babies, seven of whom have been dealt with so far. Another important job is to supplement the work of the authorities in feeding the refugees in 27 different camps, by sending out squads of helpers every day with enough bean milk for 850 children and some sick and aged folk. A big bowl of milk is given every alternate day to each child, thus supplying 1700 children three days a week with some nourishing food to supplement the meagre diet of the refugee camps, and giving

them some chance to grow and strength to withstand the hardships that must still lie ahead of them. The International Relief Committee also supplies tea and hot water for refugees who are constantly coming and going at the Changsha railway station and provides facilities for baths there and elsewhere. These last are small services, but they mean a tremendous lot to those suffering from the toils of their long pilgrimage, and they need considerable organisation and resources to maintain on a large scale. This committee is taking over responsibility for the allocation of all funds available for use in Hunan, including \$50,000 that has just been allotted by the National Relief Commission, and they are specially investigating ways of developing occupational reconstruction for refugees in western Hunan.

News From Kiangsi

Now let us go eastwards into Kiangsi, where the refugee problem is even more acute at present. There are 15,000 refugees in Nanchang and they continue to flock in from the fighting areas around Kuling and elsewhere. The government authorities have asked a committee including representatives of the Methodist Mission, the China Inland Mission, the Y.M.C.A. and the Rural Reconstruction Bureau to take over responsibility for camps accommodating 10,000 people and it is hoped that this scheme can be continued even if the authorities have later to withdraw from the city. The refugees are being passed on into southern Kiangsi as well as Hunan, and a camp of 15,000 people in one place is now fully occupied.

A Resting-Place On The Road

Let us now return to Hupeh and stop at Tayeh to visit the camp for refugees in transit that is run jointly by the Methodist and Catholic Missions. This was started two months ago; the first day that a sign was hung outside the gate twelve refugees came in who had been tramping for months from Anhwei and Kiangsu and all suffering from malaria. Nearly 600 people were received in the next six weeks; they are allowed to stay not more than three nights, getting food and shelter and an opportunity to wash their clothes, and they are given 20 cents each (and 10 cents for each child) to help them on their way when they leave. Groups of footsore, weary wanderers may be seen arriving at all hours of the day, some pushing wheelbarrows laden with their families or belongings, some carrying a few possessions, others, still more pitiful, with no luggage whatever; and every day at 6 o'clock in the morning a party is due to leave, weather permitting. Recently the refugees have been mainly from Kiukiang and places in eastern Hupeh such as Hwangmei, Kwangchi and Yanghsin, little known to the outside world before, but whose names are now, alas,

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widely known as the tide of battle rolls towards and around them.

Appalling Conditions In Honan

Now I want to pass on some information about Honan where the people have suffered so terribly from flood conditions as well as from the direct impact of war. Catholic and Protestant missionaries have recently made a careful survey of conditions in eastern Honan and their reports are really appalling to read. Three Catholic missionaries for instance, have investigated an area of eight hsien, where tens of thousands are homeless and on the very edge of starvation; many villages are still inundated up to the roofs of the houses, other villages have completely disappeared, all crops have been destroyed, autumn sowing is impossible and epidemics of both cholera and malaria are raging. It is estimated that at least a million people are utterly destitute in this area, and this number may increase very shortly to ten million. Truly an appalling situation. People on the spot are doing what they can to relieve the distress; there are still 4,000 refugees in mission compounds in Kaifeng, and the International Red Cross Committee for Central China has just sent \$15,000 for relief in this area, but all these measures are woefully inadequate to cope with the situation. But in this connection it is encouraging to hear of an enterprising scheme which is being worked out by a group of leading people in Honan, from government, business, educational and religious circles. The scheme is to transfer as many people as possible from these flood areas, where much of the land is now quite useless for cultivation, to a fresh area in the south-west of the province. The district of Tenghsien there has been denuded of much of its population in recent years through bandit and other troubles, and there is land waiting for cultivation. It is estimated that \$22 a head is required for this scheme, to provide the people with a roof over their head, with tools and with seed grain to make a start with their farming, and the final aim is to move 100,000 people, if possible, to a new home. The National Relief Commission and the Red Cross are both giving some assistance to this scheme.

The government and the National Relief Commission are also working on a big scheme for establishing light industries of various kinds in certain parts of Shensi, both to develop the possibilities and raise the standard of life of that area and to provide opportunities for some of the refugees from Honan to settle there. This enterprise will pay special attention to the formation of cooperatives of all kinds—credit, producers, consumers, and so on, and thus on a small scale point the way to a new industrial and economic system. We shall look forward to hearing more of the progress of this venture.

A Courageous Lady Missionary

But ambitious and far-reaching plans of this sort, though they are essential for positive reconstruction, cannot immediately alleviate the sufferings of many of the people who have been so utterly crushed by the terrific disasters they have met with; and so we are continually thankful for news of those Chinese and foreigners who have stood by their posts in times and places of danger so as to help those around them. The other day I read a letter which had just arrived from a lady missionary of the China Inland Mission in Shansi, who has been alone for over six months in a city occupied by the Japanese. She has not seen a single foreigner during that time and has only received an occasional letter. She had colleagues in another city only 50 li away that has never been attacked or occupied by the invaders, but her friends could not get to her, and she was unable to leave her post, with so many people dependent on her and looking to her for safety and guidance. The city was besieged and constantly shelled for six weeks, and she had as many as 500 refugees in the mission compound. Now she has been able to get away for a bit for a change and to meet her friends, and she mentions the joy of receiving two letters there, the first home mail she had had for seven months! But she adds these words: "How good it has been to be in China at this time, when we can in such a signal way serve those whom we long to serve, and I believe many people have been brought to Christ." That is the spirit of hundreds of Christian leaders and we give thanks for their example. We have just heard from Huangchuan in south-eastern Honan, which is likely to be more directly involved in the war very shortly, that the missionaries of both the Lutheran and the China Inland Missions intend to stay at their posts whatever happens, and of course missionaries and many Chinese Christians are doing the same all over the country. They need our prayers, that they may have wisdom, courage and guidance in times of crisis.

Let us now spend a few moments in quiet and pray together.

O God, who art truth, beauty and goodness, and hatest all that is evil, false and ugly, we pray for all those who have suffered loss through the impact of this war. We beseech Thee to comfort and relieve all those who are in any way afflicted or distressed, in mind, body or estate, and to strengthen and encourage those who are seeking to relieve the needs and comfort the hearts of their brethren. Give Thy grace and guidance to all, and the assurance of Thy love and abiding presence; and grant that peace may once more be established and maintained in this land and throughout the world; through Jesus Christ our Lord.

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

NATIONAL CHRISTIAN COUNCIL FOR CHINA
 Weekly Bulletin No. 16
 Shanghai, October 3, 1938
 Alice Gregg

NCC Ad Interim Committee Meeting Postponed. A telegram from Dr. W. Y. Chen, NCC Branch Office, Hankow, was received on Tuesday morning, Sept. 27, urging that the Ad Interim Committee meeting be postponed until Mr. Rees's arrival from Hankow. The explanation for the telegram was in the morning's paper, from which we learned that the train upon which Mr. Rees had left Hankow on Sept. 25 was back in Hankow, expecting to start again on the 27th. For further details, see last paragraph of this Bulletin.

Personal Notes. A letter from Dr. T. C. Chao brings the information that he is leaving Yenching on Sept. 23 for his trip to K'un Ming. His address in Hongkong will be c/o Bishop's House, and in K'un Ming, c/o Mr. Chen Meng Chia, College of Arts, National Southwestern University. Dr. Chao expects to sail from Hongkong for Madras on November 28th.

Mr. T. H. Sun, NCC Staff, writes from Hankow on Sept. 15:

"I am leaving by plane tomorrow morning for Chungking. . . I shall send in a report of what we have been trying to do in Wuhan and in Hunan since I began my work here in late July".

Nanchang. A telegram dated Sept. 29 from Nanchang reads: "Huntington Craighill Clark establishing temporary offices Nanchang". This can only mean that the whole group of the staff members of the diocese of Anking, with their families, have left Kuling for Nanchang. The food situation in Kuling was growing increasingly serious, as we knew from recent letters. The numbers in this particular camp had grown from 300 to more than 500. In ordinary times the removal of so many persons from Kuling to Nanchang would have been regarded as a feat. In these times, all ordinary routes being blocked, how the trip was accomplished, and under what dangers and difficulties, we can only imagine. Recent arrivals in Shanghai from Kuling who have made the trip through that region, just skirting the fighting zone, — have had some exciting hours, — lying in ditches, hiding in farm houses, etc. — with planes bombing and machine-gunning overhead.

Hankow. The NCC Broadcast Talks on Sunday Nights are being carried on by Dr. Chen. The Rev. Ronald Pillow is now making the English Broadcast. The Sept. 18 re-print has reached the Shanghai office, — the first since the Aug. 28th to do so — and the next three items are taken from this sheet.

Changsha. The International Relief Committee, a coordinating body, has been set up in Changsha to deal with the thousands of refugees now pouring through and moving westward into Hunan.

"They are urged to pass on as quickly as possible, but they need rest on the journey, and many are so sick that they cannot continue their long trek immediately. The Union Christian Committee has for some months past been running a hospital of 50 beds for refugees and for air raid victims, but this hospital was itself damaged in a recent air-raid and one nurse and eight patients were killed by a falling wall. Now the hospital has been moved out of the city into the buildings of the Hunan Bible Institute and they hope to expand the work to 100 beds if only sufficient medical staff can be obtained. There is also a mater-

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

nity hospital for refugees in the Fu Hsiang School (American Presbyterian Church, North) compound, and they have had an average of one delivery a day for the past month. Steps are being taken to care for abandoned refugee babies, seven of whom have been dealt with so far".

Squads are sent out to 27 temporary camps to feed beancurd milk to 850 children and sick and aged folk. On alternate days a bowl of milk is given to each child, thus "supplying 1700 children three days a week with some nourishing food to supplement the meagre diet of the refugee camps", giving them some chance to withstand the hardships of the journey yet ahead. Tea and hot water are also supplied the refugees passing through the Changsha railway station, and facilities for bathing. — "small services, but meaning much to those suffering from the toils of their long pilgrimage".

Rest House at Tayeh, Hupeh. The English Methodist and Catholic Missions in Tayeh hung up a sign in July that refugees might stop and rest in this refugee camp for three days. The first day brought in 12 weary travellers who had been walking for months through the provinces of Kiangsu and Anhui, all suffering from malaria. Nearly 600 people were received during the next six weeks. Here they may rest for three nights, receiving shelter and food, and having the opportunity to wash their clothes before starting on again.

"Groups of footsore, weary wanderers may be seen arriving at all hours of the day, some pushing wheel-barrow laden with their families or belongings, some carrying a few possessions, others, still more pitiful, with no luggage whatever; and every morning at six o'clock a party is due to leave, weather permitting". Upon leaving, each child receives 10 cents and each adult, 20, to help them on the way. They come from Kiukiang and little villages in eastern Hupeh, little known to the outside world before, but "whose names are now, alas, widely known as the tide of battle rolls towards and around them".

Appalling Conditions In Honan. Now I want to pass on some information about Honan where the people have suffered so terribly from flood conditions as well as from the direct impact of war. Catholic and Protestant missionaries have recently made a careful survey of conditions in eastern Honan and their reports are really appalling to read. Three Catholic missionaries for instance, have investigated an area of eight nsien, where tens of thousands are homeless and on the very edge of starvation; many villages are still inundated up to the roofs of the houses, other villages have completely disappeared, all crops have been destroyed, autumn sowing is impossible and epidemics of both cholera and malaria are raging. It is estimated that at least a million people are utterly destitute in this area, and this number may increase very shortly to ten million. Truly an appalling situation. People on the spot are doing what they can to relieve the distress; there are still 4,000 refugees in mission compounds in Kaifeng, and the International Red Cross Committee for Central China has just sent \$15,000 for relief in this area, but all these measures are woefully inadequate to cope with the situation. But in this connection it is encouraging to hear of an enterprising scheme which is being worked out by a group of leading people in Honan, from government, business, educational and religious circles. The scheme is to transfer as many people as possible from these flood areas, where much of the land is now quite useless for cultivation, to a fresh area in the south-west of the province. The district of Tenghsien there has been denuded of much of its population in recent years through bandit and other troubles, and there is land waiting

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for cultivation. It is estimated that \$22 a head is required for this scheme, to provide the people with a roof over their head, with tools and with seed grain to make a start with their farming, and the final aim is to move 100,000 people, if possible, to a new home. The National Relief Commission and the Red Cross are both giving some assistance to this scheme.

The government and the National Relief Commission are also working on a big scheme for establishing light industries of various kinds in certain parts of Shensi, both to develop the possibilities and raise the standard of life of that area and to provide opportunities for some of the refugees from Honan to settle there. This enterprise will pay special attention to the formation of cooperatives of all kinds—credit, producers, 'consumers', and so on, and thus on a small scale point the way to a new industrial and economic system. We shall look forward to hearing more of the progress of this venture.

Christian Medical Council for Overseas Work. On June 3, 1938, this new organization was established in New York by twelve missionary societies of North America.

The purpose of this new Council is: "to discover what, under changing conditions, should be the unique contribution of Christianity through medicine; and, as an advisory body, to aid the societies in making that contribution effective".

The Council is composed of twelve representatives, elected by the twelve societies, together with a number of coopted members representing the medical profession of North America. It will be closely articulated with the Foreign Missions Conference of North America, and at the first meeting, Dr. Edward H. Hume was elected director of the Council. Headquarters are at 156 Fifth Ave., New York City.

Dr. Hume writes that he expects to leave New York on Nov. 4th for Madras, visiting the mission hospitals on the Nile in Egypt for two weeks en route. In his own words, while feeling that his place is in the West where he can work for a more cooperative, better integrated policy among mission boards as regards medical work overseas, still "no office in the Occident can be effective unless two conditions are fulfilled: (1) that there is intimate contact with the Christian medical council, or association, in each of these overseas countries; (2) that the director make a part of his program to visit at stated intervals the various world fields of medical work".

In accordance with this policy, Dr. Hume is writing a number of his friends in China at this time, asking their opinion as to whether his work during the spring of 1939 in America will be the more effective if he spends four weeks in China following the close of the Madras Conference on December 29, studying the conditions of hospitals, dispensaries, nursing education, etc. in occupied and independent territory, or whether the immediate study shall be undertaken by the China Medical Association here, leaving Dr. Hume's visit for a later time when the issues involved shall have become clearer. In any event, Dr. Hume looks forward to meeting his China colleagues at Madras and learning from them of present conditions.

Dr. Hume's letter also mentions their wide-spread appeal for emergency war service in China and his hopes that among the candidates applying six doctors for China from the United States will be forthcoming.

Student Centers. The three million persons crowded into this little island known as the International Settlement of Shanghai show a large proportion of students. The latest reports are that there are now 25 universities. There are 5 national universities and 5 Christian universities: 1 Catholic and 4 Protestant. The rest are registered

PTO - 50-3

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

as "Private" institutions. To date, there has been no census of the students taken that we have heard of, but the 4 Protestant universities, Hangchow, Soochow, St. John's and University of Shanghai, have a total enrolment of almost 2500.

The report comes that Chengtu is now considered the largest student center in the West, with some more than 2000 students in the 7 universities there. Kunming, Kweilin, Kwaiyang and other western cities are also increasing their student population.

In the north, the Catholic University and Yenching divide the student population of Peiping. The latest reports were that Yenching had opened with a registration of 900 students.

Chengtu Rural Service Work. Miss Nowlin writes:

"The rural service work done at Wen Chiang by the students of the 5 universities that are now on Hua Ta campus seems to have been so successful that the hsien government of Wen Chiang is granting \$200 per month to have the Health Center continued under the direction and supervision of Dr. Pi. Dr. Pi will send his medical students or internes out for practice work in public health. There were 60 students in the previous group. They taught some 6000 people during the month they were at work, with an average of 1000 in attendance at mass education, clinic, etc".

Travel in War-torn China. A letter from Chengtu tells us that Dr. James Yen is establishing his office in that city, and describes the trip of his wife and children from Changsha to Chengtu. Mrs. Yen stood for three nights on a boat intended for 125, but carrying 850 passengers, because there was no room to do anything else. Those of us who have been caught in subway jams in New York City during the rush hours know what it is to endure that for an hour. Refugees in China today stand the traffic jams for 24 — 48 — even 72 hours! — on train and steamer.

Friends of Ronald Rees's read in the North China Daily News on Sept. 28 of his narrow escape on the Canton-Hankow railway on Monday, Sept. 26th. Mr. Rees left Hankow on Sunday night, Sept. 25th, on the south-bound train. Monday was a day of air-raid alarms, beginning at 8 a.m. and ending with a proper bombing at 2:30 p.m. when bombs fell on either side the track with frightful detonations. The bombing by the 5 planes finished, two of them returned later to machine-gun the train, — an after-thought, as it were. Reuter's account was taken from a British business man who was on the train. The account ended with the statement that the train, which had returned to Hankow, was departing again on Tuesday afternoon, Sept. 27, at 4 p.m. "with passengers".

St. Columba's Song of Trust, translated by Samuel J. Stone, says what we know to be in the hearts of our fellow-Christians traveling at this time.

I tread the mountain passes through the gloom
 Alone, save that thy presence can illumine,
 Sun of my soul! these rough ways of the night,
 And turn the fearsome darkness into light.

Man! If thou art not God's, e'en at his shrine,
 Or in some vale of rest, death may be thine;
 If thou art God's, thou canst not be death's prey
 E'en in the front and fury of the fray.

What is our life! It is our Father's will,
 Or brief or long, or seeming good or ill;
 Who risk may save, who guard may cast away;
 The proudest front not fate with "yea" or "nay".

O Christ, the Son, my Prophet, King divine
 Yet human, born of Mary — Master mine —
 O Father, and blest Spirit, One-in-Three,
 All that I am and have I trust to thee.

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

TELEGRAM RECEIVED

EG

FROM COMSOPAT

December 2, 1938

Rec'd :20 p.m.

73.94

ACTION: CINCAF
OPNAV
INFO: RUSNOS
COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
COMYANGPAT
AMAMBASSADOR CHINA
USS ASHEVILLE
USS SACRAMENTO
USS MARBLEHEAD
USS TULSA
USS POPE
FOURTH MARINES
ALUSNA PEIPING

0002. Canton and surrounding territory quiet,
mopping up operations between Sheklung and British
leased territory being completed, military activity
vicinity Samshui, northern column supported by planes
has forced some withdrawal Chinese line. 2350

DDM

793.94/14444

F/FG

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

TELEGRAM RECEIVED

EG

FROM GRAY

Hankow via N. R.

Dated December 2, 1938

Rec'd 11:23 p.m.

Secretary of State,
 Washington.

84, DECEMBER 2, 11 a.m.

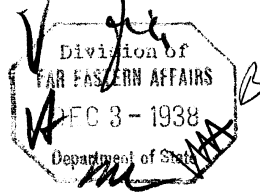
First month Japanese occupation Wuhan October 26
 through November 31.

There arrived at Wuhan 3229 Japanese vessels of
 all descriptions and departed 1738. Total arrivals of
 supply ships during this period 149 departures 78,
 transports 143 and 90, tankers 13 and 12. Average
 tonnage ships in all three categories 4000.

Repeated to Chungking, Peiping, Shanghai.

JOSSELYN

HTM:WWC



793.94/14445

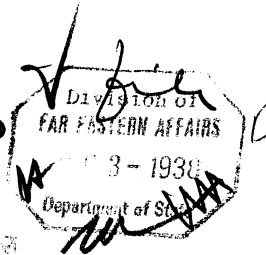
DEC 3 1938
 STENO

E.

168

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

TELEGRAM RECEIVED



FROM

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

COMSOPAT

DECEMBER 3, 1938

Rec'd 7:30 a.m.

ACTION: CINCAF

PASSED TO NAVY DEPARTMENT BY CINCAF FOR INFO

793.94

0003. Listed hereafter Japanese craft enroute
Canton sighted today below Bocca Tigris one naval
supply ship, sixteen cargo vessels, forty six
trawlers enroute Blakes Point, four seagoing fishing
boats, one minesweeper, three trawlers, eighteen
launches, one cargo vessel upway to North Point,
five sweeps, nineteen freighters of which fourteen
large anchored inside Whampo Beach within this
harbor boundaries seven medium sized freight craft
and fifty seven shallow draft boats. 0045.

DDM

793.94/14446

F/FG

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

TELEGRAM RECEIVED

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

FROM

ALUSNA PEIPING

December 3, 1938

Rec'd 7:30 a.m.

ACTION: NAVY DEPARTMENT

INFO: ASTALUSNA SHANGHAI
 CINCAF
 COMYANGPAT
 COMSOPAT
 AMAMBASSADOR CHINA
 ASTALUSNA NANKING



0002. Parting calls in Peiping now being made
 by Terauchi prior his relief by General Sugayama
 replacement former and Nita by Doihara. Setup con-
 sidered necessitated primarily due to inability armed
 forces present Provisional Government combat guerrilla
 warfare or impose political plus military control of
 occupied area. 1800.

DDM

793.94/14447

F/FG

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

*Copy sent to
 Treasury as
 confidential*

TELEGRAM RECEIVED

ML

GRAY

FROM

Tsingtao via N.R.

Dated December 1, 1938

Rec'd 11:17 p.m. 2nd

Secretary of State

Washington

27, December 1, 7 p.m.

Review for November.

COPIES SENT TO
 ONI AND MIA
 21

Division of
 FAR EASTERN AFFAIRS
 DEC 3-1938
 Department of State

793 94

One. The small number of Japanese troops in Tsingtao during the month was very noticeable. There appears to be but a handful of such soldiers in the city at present. Probably the small number which remained after the Canton campaign commenced were sent to the interior to engage in campaign against guerrillas.

Two. Proclamations in Chinese issued by Japanese Premier on November 3rd posted throughout the city. Proclamation sets forth the aim of Japanese Government "to establish a new order which will maintain peace in the Far East, a new order which comprehends a Sino-Japan Manchukuo rapprochement of a political, economic and cultural nature".

Three. The Tsingtao Peace Maintenance Commission continued efforts to achieve the establishment of a municipal government. Probably several months will elapse before such a political reform can be accomplished.

Four.

793.94/14443

F/FG

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

ML -2- Tsingtao via N.R. Dec. 1, 1938 11:17 p.m. 2nd
 #27

Four. Outstanding feature of the trade of the port was Japanese official action which prevented American Company from purchasing leaf tobacco or from shipping to Shanghai several million pounds already purchased. No improvement in regard to Japanese interference with export trade but this Consulate feels that a more satisfactory situation for Americans will prevail within three months.

Five. Japanese merchants made representations to the United States authorities in regard to deflection of trade which formerly flowed to Tsingtao but which has been deflected to Tientsin as a result of local restrictions.

Six. Period of free entry for Japanese plantings which expired on November 30 extended to the end of February next.

Seven. Licensed sales of opium in three important cities (?) Tsingtau-Tsinanfu Railway to commence December first authorized by Peiping government.

Sent to Peiping.

SOKOBIN

HTM:WVC

✓

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

*Copy sent to
Treasury as
confidential
new*

TELEGRAM RECEIVED

VM

GRAY

Hong Kong via NR
FROM Dated December 3, 1938
Rec'd 8:15 a.m., 4th.

Secretary of State
Washington.

Division of
FAR EASTERN AFFAIRS
DEC 5 - 1938
Department of State

101, December 3, 11 a.m.

In continuation of recent telegraphic reports of Japanese activities in territory adjoining Hong Kong I have the honor to report that I have been reliably informed that the Japanese by arrangement with the Chinese have withdrawn all their forces to a distance averaging fifteen miles from the frontier. Shunchun and other frontier towns previously occupied by the Japanese have now been evacuated by them and the towns have been reoccupied by unimportant number of Chinese soldiers and police who appear to be concerned only with police duties. Many refugees who came over the frontier are now returning to their homes in the hinterland. Conditions in general along the frontier appear to be much relaxed.

Repeated to Canton, Peiping. By mail to Chungking.

SOUTHARD

DDM:CSB

*Made known
orally to
Red Cross
12/6/38
new*

793.94/1449

F/FG

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

TELEGRAM RECEIVED

FROM

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

London

Dated December 3, 1938

Rec'd 11:16 a.m.

Secretary of State

Washington

1390, December 3, 3 p.m.

STRICTLY CONFIDENTIAL

792.94/14305

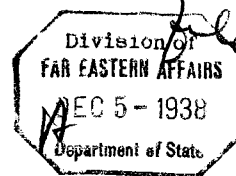
My 1290, November 6, 10 a.m.

note
7-11-94

Cadogan stated this noon that the Foreign Office hoped
soon to be able to give us something specific on the
subject of possible economic and financial counter
measures with regard to Japan.

KENNEDY

WWC:DDM



793.94/14450

FILED
DEC 3 1938

F/F 9

7691

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

TELEGRAM RECEIVED

VM

Chungking via NR

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

FROM

Dated December 4, 1938

Rec'd 7:00 a.m.

Secretary of State

Washington.

576, December 4, noon.

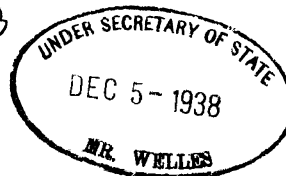
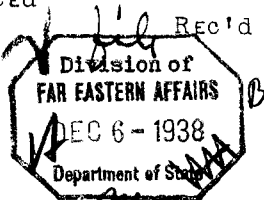
793.94/14364

My 546, November 16, 10 a.m.

STRICTLY CONFIDENTIAL FOR THE SECRETARY

During visit with the Minister for Foreign Affairs yesterday latter informed me that JAPAN CHRONICLE had published a Domei despatch reporting publication in Washington of an Associated Press despatch from Shanghai dated November 25 indicating that Associated Press correspondent at Shanghai had obtained from reliable Chinese sources in Shanghai an abbreviated but accurate report of statements made to the British Ambassador by Chiang. Minister for Foreign Affairs stated that British Ambassador had instructed his representative here to inform Chinese that he had made no (repeat no) statements regarding matter. Apparently having in mind conversation reported in my 557, November 20, 10 a.m. Minister for Foreign Affairs expressed concern as to how information might have got to press. I assured him that message was sent in such a manner that I was sure it could

not



793.94/14451

FILED

F/FG

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

35

VM 2- 576, December 4, noon from Chungking via NR

not (repeat not) have been through State Department or
Foreign Service sources.

Shanghai please repeat to Tokyo.

JOHNSON

DDM

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

RECEIVED
DEPARTMENT OF STATE
2 1939
BUREAU OF
COMMUNICATIONS AND RECORDS

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

ADVISED ON POLITICAL RELATIONS
MR. HORNBECK
MAR 10 1939
DEPARTMENT OF STATE

RECEIVED
DEPARTMENT OF STATE
1939
NOTED

December 1, 1938.

THE SITUATION IN THE FAR EAST

✓
SCR
FAR EASTERN AFFAIRS
MAR 2 - 1939
Department of State
MAA
m

793.94

The Japanese campaign against China together with the apparent Japanese object of achieving a revision of the traditional treaty relations of foreign powers with and in regard to China has caused serious dislocation of American interests in the Far East. The failure of the American Government to obtain satisfaction from the Japanese Government with regard to this situation has now brought forth in some quarters the suggestion of retaliatory action against Japan for the cancellation or violation of American treaty rights in China. It has been proposed that retaliation sufficient to effect paralysis of Japan's foreign trade and to prevent attainment of Japan's declared objectives in China should be undertaken.

Before embarking upon so drastic a policy as this it seems important to make certain that the policy is warranted and that it promises to operate in the national interest. It would be easy and probably dangerous to oversimplify the problem, to say that Japan has violated American rights and has refused to accord us the position in China to which through treaties we are entitled or accustomed. But this is not enough: We must

793.94/14451
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7/FG

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

-2-

must have the proportion which may be gained from an examination of the situation before us as well as our past relation to this situation.

Factors in the New Situation

Specific points of American dissatisfaction were set forth in the note to the Japanese Government of October 6, 1938, and it is probably correct to assume that the Japanese position is fairly indicated in this statement in their reply:

"It is the firm conviction of the Japanese Government that in the face of the new situation, fast developing in East Asia, any attempt to apply to the conditions of today and tomorrow inapplicable ideas and principles of the past neither would contribute toward the establishment of a real peace in East Asia nor solve the immediate issues.

"However, as long as these points are understood, Japan has not the slightest inclination to oppose the participation of the United States and other powers in the great work of reconstructing East Asia along all lines of industry and trade; and I believe that the new regimes now being formed in China are prepared to welcome such foreign participation."

This statement appears to mean that Japan is determined to bring to a close what may be termed the treaty era in China, more specifically the end of conditions contemplated by the Nine Power Treaty, and it suggests a reflection upon Japan's Far Eastern treaty relations with the powers in recent times. From the viewpoint of

Japan

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

-3-

Japan it can hardly be said that these relations were ever satisfactory. They reduced to writing a set of conditions which many Japanese believe have been harmful to Japanese trade and interests in China and have been a denial of other advantages which might be derived from geographical propinquity.

Specifically, there always were present two major Japanese objections to the balance of trade opportunity preserved by the Nine Power and other treaties, namely, the perpetuation of the political and economic influence of the major powers in China and in consequence the thwarting of Japanese ambitions to gain the preferred position to which they felt entitled. The reasonableness or the unreasonableness of these ambitions seems of less significance than the fact that the Japanese have shown themselves willing to run any risks necessary for their attainment. Here it should be remembered that we are dealing not only with a set of conditions but also with the likes and dislikes of a virile, patriotic, and ambitious nation.

With regard to the above points Mr. Grew has stated in a despatch that:

"Psychologically, the Japanese resent being considered on a different footing from other nations. They believe they occupy a position which entitles them to the same consideration in the Far East that the British and French claim in the

affairs

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

-4-

affairs of Europe or even the United States in the Western Hemisphere, and they intend to assert and maintain this position with all the strength at their command.

"In addition, . . . the Japanese are a revolutionary force in the Far East. They feel that the Western Powers have exploited China with little benefit to the Chinese; that there must be an end to this activity and that Japan is called to act. Besides, the Japanese believe that it will be profitable. With a larger sphere of activity Japanese industry and commerce will expand further and remove the spectre of restricted markets from their eyes. If this has to be done at others' expense it cannot be helped. There is in the Japanese attitude something of the 'manifest destiny' idea, or the point of view expressed by Kipling in his poems of the British Empire."

Mr. Grew suggested that this "expansionist urge" be examined "as the reasonable and logical operation of well nigh irrepressible forces" and cautioned against stressing the military aspects of Japanese activities without considering the "driving impulse of the whole nation".

Exactly what the new conditions in China will mean to the United States must for the present remain a matter of conjecture. Nevertheless, it has been forecast that the value of American investments in China will be impaired and that we shall lose the right to trade with the immense population of China, lose the right to engage in freely managed enterprise in China, and sacrifice the results of our cultural effort in China. It has

further

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

-5-

further been suggested that the attainment of Japan's present aims would tend to encourage that country toward further aggression in the Far East. So fundamental are some of the changes aimed at by the Japanese that it need not be denied that some of these things are likely to happen, but can we be certain enough now of conditions to come to warrant our embarking upon a program designed to prevent a change? Further, have we sufficiently considered the program with reference to (a) its probable cost and (b) conditions which may determine its success?

Admitting that the action being considered is based upon principle (as we see it) as well as practical considerations, nevertheless, the value of our stake -- cultural and economic -- in China has been cited. To deal first with the tangible, it must be admitted that a drastic program of retaliation in the interest of a two hundred million dollar investment in China would jeopardize an annual trade with Japan of approximately six hundred million dollars. Against a partial loss of our cultural interest in China -- the extent of which is yet problematical -- we stand to lose through a program of drastic retaliation a like cultural interest in Japan. If we think in terms of Japan as well as China it will

be

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

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be recalled that the past relations between Japan and the United States have been developed from definite historical ties which conceivably will retain some value when the present tension in the Far East shall have passed.

The Question of Public Support

It will be generally admitted that a program of retaliation which, on the face of it, carried the risk of war would have to have the undivided support of the American public. The possibility of obtaining this support must, in view of past attitudes of the American people, be considered questionable if not remote. Despite our traditional position in China the American public has shown a distinct aversion to involvement in the Sino-Japanese hostilities. On this point recent press comment is pertinent and revealing: With regard to our note of October 6 to Japan the Philadelphia

Inquirer stated (October 28, 1938):

"The United States government has every right to insist that Japan respect its new responsibilities regarding the safety and freedom of action of Americans having business interests in China and the protection of American property, without 'unwarranted interference' in legitimate American undertakings.

"At the same time, the Roosevelt Administration would be well-advised, in maintaining a resolute policy in China and against aggression in general, not to place this country in a position so advanced as to endanger peace."

The

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

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The Baltimore Sun stated (October 29, 1938):

"Nobody believes it likely, in the present state of affairs, that this country would alone resort to arms to reestablish the reign of law in China."

Even the sinking of the Panay did not provoke sufficient enmity toward Japan to give support to action which entailed a risk of involvement in the Sino-Japanese conflict. The New York Evening Post (December 18, 1937) admonished:

"Let us get out of China. Let us stay home and bulwark our determination to stay home by an army and a navy big enough to safeguard our isolation."

"Let us start now, before another Panay goes to the bottom. We don't want war."

American opinion is also reflected by press comment on general phases of the situation in China. The Christian Science Monitor on December 18, 1937, while stating that moral and economic pressure on Japan might be effective, admitted that

" . . . for some time to come and short of a collective boycott, moral and economic pressure will not be effective in any diplomacy which seeks to oust Japan from China. However wrong we may consider her violations of solemn treaties, and however much we may deplore her treatment of China, the Brussels conference proved that for the present there will be no vigorous collective action to stop Japan."

Unfavorable

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Unfavorable Situation for Proposed Action

We are frequently, in the case of Japan as with Germany and Italy, offered the thesis that "something must be done" before it is too late, lest further aggression be encouraged. To this it must be said that the post-war lesson in international affairs has been that strong nations do not respect or remain bound by treaties they have come to regard as inimical to a vital national interest. A further lesson is that efforts to apply sanctions have failed. The reasons need not here be analyzed but the question may well be asked whether, if a league of nations containing such great powers as Great Britain and France could not or would not effectively apply sanctions to a nearby country, there is warrant for our attempting a like procedure against Japan? Further, would it be prudent to embark upon such a program in view of present general world conditions? Great Britain is committed to a policy of appeasement and in any case cannot exert its full influence in the Far East so long as Germany and Italy harass and terrorize Europe. France is preoccupied both with internal and external affairs in Europe and with respect to the Sino-Japanese hostilities has apparently adopted the policy of conciliating the Japanese.

In

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

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In the Far East Japan has moved into closer alignment with Germany and Italy and derives moral and diplomatic support from both.

Procedure Adapted to Situation

In the circumstances set forth above, and in the abnormal war atmosphere which must be presumed to exist in Japan, it is believed that retaliatory action on our part, if taken at all, should be strictly limited to such measures as would afford the least possible opportunity for the Japanese military authorities in China to make issues of them. To do otherwise, especially to resort to action which could be characterized as economic sanctions, might make certain reprisals and incidents involving Americans and American interests in China with the Japanese military forces. The extent of the consequences of acts of reprisals or incidents is imponderable, and hence to be regarded in the nature of a serious risk of war. A better time to undertake retaliatory action in support of our economic rights in China may come later, when the Japanese shall have transferred some of their control in China to civilian interests and when the war atmosphere which envelops Japan gives way to an atmosphere of comparative reason. If it is feared that in awaiting a favorable opportunity

to

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

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to press our claims we shall be confronted by a fait accompli, it may be said that not all of the hastily devised economic schemes of the Japanese in China are likely to succeed and that support for some of the schemes which have been forced through in a war atmosphere may not receive the same support once the requirements of patriotism become less exacting.

It is also believed that any act of retaliation we may undertake should be based upon broad principles internationally recognized, and not necessarily upon the terms of special treaties or agreements which are under great strain or are, in the face of fundamental changes, impossible of application without the use of force. The thought is not that principles of vital importance in our international relations should be either sacrificed or discarded for temporary gains, but rather that our position would probably be improved by a recognition of the disappearance of certain conditions which were a prerequisite for some of the arrangements we have had in the past for the protection of our general interests in the Far East.

5.7.1
It is possible that it would be wise gradually to withdraw from currency some of the terms with which we have commonly described the condition we seek to maintain on behalf of American interests in China. To

proceed

1702

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proceed too long on the assumption that terms we have used to indicate the essence of our Far Eastern policy have an international currency value equal to that which we attach to them may easily give to our policy an inflexible character of a most harmful kind. On the other hand, our success in meeting the new situation which is developing in the Far East, especially in China, may turn upon our recognition of such realities of the situation as we find possible without impairing the traditional integrity of our general foreign policy.

The question of retaliation might also, it seems, be considered in connection with the broader political implications which are inherent in the situation now developing in China. It is believed that our moves in this situation should be made in such manner as (a) to leave the way, as well as the atmosphere, clear for the settlement of some of the questions at issue by the conference method and (b) to leave the way open for revision or adjustment of our Far Eastern policy to conditions which probably can only be correctly appraised after the Sino-Japanese hostilities may come to a definite conclusion.

1123 -
FE:Sturgeon:HES

170

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

73.94

DOCUMENT FILE

NOTE

SEE 893.51/6730 FOR Tel-760; Sym

FROM Japan (Grew) DATED Dec 1, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: recent modification in policy announced
by Japanese government.

New situation appraised by Ambassador and British colleague;
agreement reached that, if assistance is to be given Chiang
Kai-shek, there is little time to be lost.

FRG.

73.94/ 14452

14452

0704

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

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6731 FOR Tel-761; 9pm

FROM Japan (Grew) DATED Dec 1, 1938-
TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: Chinese solicitation of material assistance in the form of loans or credits.

Resolute action by Great Britain and U.S., jointly, proposed by Craigie. Ambassador Grew, not seeing eye to eye with Craigie regarding retaliatory measures, has told latter.

793.94
14453

FRG.

14453

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

793.94

DOCUMENT FILE

NOTE

SEE 893.51/6732 FOR Tel-762; 10pm

FROM Japan (Grew) DATED Dec 1, 1938.
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese conflict: Chinese solicitation of material assistance in form of loans or credits.

Resolute action by Great Britain and U.S., jointly , proposed by Craigie: Not seeing eye to eye with colleague, Mr Grew so advised him, emphasising inherent differences in respective positions of Great Britain and the U.S.

FRG.

793.94, 14454

14454-

7704

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

*Copy sent to
Treasury* *RCW*

TELEGRAM RECEIVED

FROM

HR

GRAY

Shanghai via N. R.

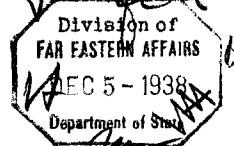
Dated December 5, 1938

Rec'd 6 a.m.

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

Secretary of State,
Washington.

1459, December 5, 11 a.m.



Japanese Embassy spokesman at Shanghai is quoted by Domei news agency as denying as "unfounded" a report attributing the Premier Konoye a statement indicating a change in the Japanese attitude towards General Chiang Kai Shek. Domei states further that this denial was made on the basis of "official information received from Tokyo".

Repeated to Chungking, Peiping, Tokyo.

GAUSS

PEG:WWC

793.94/14455

F/FG

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

TELEGRAM RECEIVED

FROM

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

Tokyo

Dated December 5, 1938

Rec'd 9 a.m.

Secretary of State,
Washington.

771, December 5, 9 p.m.

The Minister for Foreign Affairs has asked me to come
to see him on December 8 at 11 a.m. He has also asked the
British Ambassador to call on the same day. I presume
that the Minister may intend to continue his explanation
of the new trends in Japanese policy in China.

GREW

EDA:RGC



793.94/14456

F/FG

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

TELEGRAM RECEIVED

MA
This telegram must be
closely paraphrased before
being communicated to anyone.

FROM

ALSUNA PEIPING

December 3, 1938

Rec'd 6 a.m.

ACTION: NAVY DEPARTMENT

INFO: AST ALUSNA SHANGHAI
CINCAF
COMYANGPAT
COMSOPAT
AM AMBASSADOR CHINA
AST ALUSNA NANKING



793.14

0003. Cannot confirm press report that Wu Pei Fu has
accepted but considered extremely doubtful. Believe he is
still holding out for definite terms including his own
army and withdrawal Japanese troops. 1545.

793.94/14457

F/FG

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

TELEGRAM RECEIVED

FROM

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closely paraphrased be-
fore being communicated
to anyone.

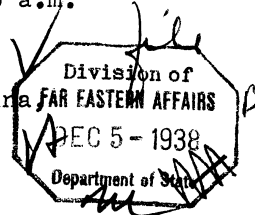
Mandat Tientsin

Rec'd December 5, 1938.

10:55 a.m.

To: Navy Department

Info: Comdr Marine Forces North China
Cincaf,
4th Marines,
Alusna Peiping



0005. 600 Jap troops, 17 supply wagons transited
Chinwangtao towards Tientsin last week, 300 disabled
shipped to hospital ships there. 0915

793.94/14458

F/FG

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

*Copy sent to
Treasury as
confidential rev* 5299 ~~file~~

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HR

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ONE AND FIELD
DT

FROM

GRAY

Canton via N. R.

Dated December 4, 1938

Rec'd 5:05 p.m.

Secretary of State,
Washington.

December 4, 5 p.m.

No decisive military operations appear to have occurred during November. Early in month heavy Japanese troop movements were made along the Canton-Samshui Railway evidently in an effort to consolidate the Japanese position around Samshui the loss of which the Chinese admitted on November 3. The Chinese quickly began building a barrier across the West River below Wuchow to protect that city against further advance.

Before the end of the month Japanese forces moving up the Canton-Hankow line were reported to have proceeded 50 miles north of Canton. Another column appeared to be attempting to move northward along the highway from Tsengshing in order to cut the Canton-Hankow line just below Yingtak, junction point of the railroad and the North River. Evidently this column met the Chinese troops alleged to be engaged in a counter offensive on Canton near

Tsungfa.

793.94/14459

F/FG

071

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

5300

HR -2- December 4, 5 p.m. from Canton via N. R.

Tsungfa. During the month the Chinese claimed to have captured and admitted losing this city several times and the month ended with Tsungfa in Japanese hands and the Chinese lines running north of that city.

On November 20 Japanese units proceeding southward along the Canton-Kowloon Railway were said to have reached Sheklung where the railway crosses the East River. By November 27 Japanese units were in possession of Shumchun the station on the Kowloon border and by the end of the month the Japanese claimed control of the entire border area and all of the railway. Main Japanese forces in this area were said to be withdrawing in the direction of Canton at the end of the month.

Minor operations against independently operating Chinese units were conducted by smaller forces along various highways and waterways. It is estimated that between 80,000 and 100,000 Japanese troops are in Kwangtung.

Late in November the Hong Kong Takungpao and Chinese news dispatches from Linhsien, Kwangtung's new capital, stated that Chiang Kai Shek was taking personal charge of military operations in Kwangtung and Kwangsi and that Pai Chung Hsi was acting as his deputy commander, in place of Yu Han-mou. Around Canton, the two chief centers of

Japanese

0712

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

5301

HR -5- DECEMBER 4, 5 p.m., from Canton via N. R.

Japanese military activity are now Whampoa and Tungshan, a suburb of Canton, foreign observers have reported a considerable body of Japanese troops in tents and buildings at Whampoa, with numbers of Japanese merchant ships unloading there. The White Cloud Airfield is understood to be accommodating between 100 and 150 Japanese planes.

Canton city is now under strict military rule with barricades on most streets. Foreigners are required to show passes, and Chinese pedestrians must submit to frequent searches. During the month Chinese, chiefly laborers and petty merchants, began returning to the city. There are approximately 1700 persons in foreign refugee camps. Rifle and machine gun fire have been heard throughout the day and heavier explosions of bombs and artillery heard intermittently. Guerrillas were understood to have been active in the outskirts of the city. Fires during the month destroyed many warehouses and many store buildings. Looting now greatly reduced due to the measures taken by Japanese military, and there have been relatively few cases of rape and violence by Japanese soldiers. On November 1 the Japanese Consulate General opened an office on Shameen. In the middle of November the Japanese began the publication at irregular intervals of a Chinese newspaper.

Following establishment of a similar organization at

Waichow

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

5302

HR -4- December 4, 5 p.m. from Canton via N.R.

Waichow on November 1 a Peace Maintenance Commission was formally inaugurated in Canton on November 27 with General Lu Chuen Yung as Chairman. General Lu is a native of Kwangsi who served under Mo Yung Hsin in 1919 and 1920 when the Kwangsi faction controlled Kwangtung.

The British gunboat CICALA on November 2 proceeded from Canton to Kongmoon despite refusal of permission by Japanese authorities. On November 7 the Japanese indicated that foreign naval vessels might navigate the Pearl River between Canton and Hang Kong as from November 10. Under this authorization other vessels have been allowed as naval auxiliaries to carry foreign passengers and relief supplies but the Pearl River remains closed to commercial traffic.

On November 1 the Japanese military seized control of the customs cruisers off Shameen. On November 9 Japanese Consular and military officers went about the Canton customhouse and informed the acting commissioner that they were taking over the Chinese Maritime Customs as from 2 p.m. that day; that the customs staff were not to perform their duties outside the customhouse without agreement with the Japanese authorities but that they might continue their duties inside the customhouse; that
the

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

5303

HR -3- December 4, 5 p.m. from Canton via N. R.

the Japanese authorities were to be given access to necessary documents when required; and that no funds were to be transferred to the Inspector General without their consent.

A number of cases of violation of American rights by Japanese soldiers (*) looted the home of an American citizen and so far no satisfactory answer has been made to this office's protests. On November 7 Japanese soldiers broke into the Wallace Harper garage and took an American owned car which has not yet been returned. On November 9 Japanese soldiers broke into and occupied the clearly marked American property of the Swedish-American Mission. In response to protests from this office they evacuated on November 4. Early in the month property of the National City Bank was similarly occupied. Despite promises to do so, the Japanese military have not yet completely evacuated the property. Protests were also made against denial of freedom of movement of American missionaries in Tungshan, against the beating of a coolie of the American owned Canton Hospital and number of other minor cases.

Canton commerce showed little evidence of recovery during the month as shops and industries remaining

closed

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

5304

HR -6- December 4, 5 p.m. from Canton via N. R.

closed and further valuable business properties were destroyed by fire. The only considerable sign of commercial activity was in the city's three loot markets, where merchandise of all kinds was being sold at bargain prices. A limited telephone service was restored and work was begun on repairing the badly damaged city power plant and water works, but according to a Japanese source, the city will be without electricity for another six weeks and without running water for three months. Only small post office on Shameen in operation. Rice commandeered by the Japanese army was being sold to the Chinese in Canton at prices estimated about 30% higher than normal. Railways were out of commission but at month's end local exporters saw hopeful signs of at least partial resumption of commercial river traffic in the near future. Use of the Japanese dollar was confined almost entirely to transactions involving Japanese, Canton and national currencies continuing in favor over (*).

Sent to Peiping.

MYERS

RR:WWC

(*) Apparent omissions.

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



DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

Division of
FAR EASTERN AFFAIRS

DEC 19 1938

Department of State

December 17, 1938.

Reference Peiping's No. 1773, November 9, 1938, "North China Economic Developments: Problem of Financing."

The despatch under reference encloses newspaper clippings containing reprints of an article entitled "Why Japan Aims to Develop Resources of North China", which was written by a Japanese, Shintaru Ryu, and originally published in Contemporary Japan. In my opinion the article should be read in its entirety.

It is surprising and refreshing to find a keen and realistic appraisal of China's resources and Japan's ability to develop them written by a Japanese and published in a Japanese magazine. The author opens by expressing orthodox views, analyzes the facts, and soft-pedals their implications in the conclusion.

Mr. Ryu is not optimistic in his estimates of China's resources and their value to Japan. He states clearly that "Primarily the economic importance of North China lies in its agricultural products; its wealth in mineral products is potential rather than actual." As regards agricultural products the greater proportion of China's production is required

for

071

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DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

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for consumption within the country. He comments upon the fact that among north China's principal imports are iron and steel, machinery, et cetera, and states that "Here we have the paradoxical fact that in North China, where minerals are said to abound, iron, steel and machinery constitute the principal items of imports at Tientsin and Tsingtao. This fact is valuable in demonstrating the actual state of industries in North China and the real significance of its natural resources."

Mr. Ryu speaks of the coal which is available even without the investment of capital, but does not mention how it is to be used and he speaks of north China's iron as "not imposing", while there is very little of north China's cotton available for export and production will have to be expanded. China's resources are, then, he concludes, of potential rather than of present value to Japan and by potential he obviously means that a long time and much money will be required.

Mr. Ryu next turns to the question as to whether or not China can help in the developments of her own resources and concludes that she cannot. There is little native capital, north China's

imports

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DIVISION OF FAR EASTERN AFFAIRS

-3-

imports are, even under normal conditions, in excess of exports, and the fact that transportation of the goods from the interior will encounter considerable difficulty for some time to come (presumably as the result of guerrilla operations), makes it doubly unlikely that north China can develop a surplus of exports. At this point the author slips in a very revealing statement: "Additionally, it will be long before the present plans for increasing productive capacity will begin to make their influence felt."

The author turns next to the plans for the utilization of Japan's capital in north China, discussing the well-known plans of the North China Development Company. Even on this score he is not optimistic: "With progress in developmental works, however, the import of capital goods will come to assume such importance that it may prove to be a drain on North China's foreign balances. In that eventuality, the situation is bound to weigh heavily upon Japan's position in international payments. Here is a serious problem bearing on the scale and rate of progress of industrial enterprises in North China. ... Japan is hard pressed to carry on a vigorous plan for the expansion of heavy industries, particularly with the five-year industrial

plan

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Department of State letter, August 10, 1972
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plan in Manchoukuo calling for an outlay of over 5,000 million yen ...". At this point the author apparently does not dare to go further and indulges in the device of "putting aside Japan's position in international payments" and states that "the situation seems not altogether reassuring."

The only factors which the author can adduce as being favorable is that the Federal Reserve Bank may come into possession of north China silver stocks valued at some 50,000,000⁰⁰⁰ yuan, that "this mysterious country of China may yet be in possession of an unknown, hoarded quantity of the white metal", and that the Federal Reserve Bank is standing on the principle of sound and stable money.

If you have time you may care to read the covering despatch but in my opinion the comments contained therein are less significant than the information contained in the article itself.

FE: *Jones*: VCI

0721

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



EMBASSY OF THE
UNITED STATES OF AMERICA

No. 1773

Peiping, November 18, 1938

Subject: North China Economic Developments:
Problem of Financing.

1938 DEC 5 PM 2 13

DIVISION OF
COMMUNICATIONS
AND RECORDS

DIVISION OF
TRADE AGREEMENTS
TA
MAR 10 1939
DEPARTMENT OF STATE

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Division of
EASTERN AFFAIRS
DEC 6 - 1938
Department of State

Assistant Secretary
MAR 13 1939
A. STATE

OFFICE OF THE ADVISER ON
INTERNATIONAL ECONOMIC AFFAIRS
JAN 24 1939
DEPARTMENT OF STATE

JAN 20 1939

ADVISER ON POLITICAL RELATIONS
MR. HORNBECK
DEC 30 1938
DEPARTMENT OF STATE

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

Sir:

I have the honor to refer to the Embassy's
despatch No. 1663 of June 17, 1938, in regard to prob-
lems connected with the financing of economic projects
in China under present conditions, and to enclose as
of possible interest to the Department an article
entitled "Why Japan Aims to Develop Resources of
North China", as re-printed from the periodical
Contemporary Japan.

ASSISTANT SECRETARY
OF STATE
JAN - 5 1939

The

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

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The basic assumption of the writer, Mr. Shintaru Ryu, is that Japan's aims in North China can now as previously be encompassed in the term "economic co-operation",* with China supplying the property (evidently including mines and other resources as well as railways and real-property such as cotton-mills) and Japan contributing the capital in the joint enterprises included in the general program for the expansion of economic activity. The temptation to Japanese capital resides in the twin circumstance, says the writer, that North China is characterized by 1) extensive potential mineral resources and 2) an abundant supply of cheap labor - this latter suggesting that development of China's resources would be followed by an increase of the purchasing power of the Chinese masses, and thus by an enlargement of the market for Japanese products.

China has for many years been looked upon generally as offering, with resources popularly considered to be almost boundless, unparalleled opportunities for industrial development and expanding markets. To date, however, foreign capital has not taken full advantage of these opportunities but Japan's war is nominally being fought in major part in order to force upon China the economic cooperation which in the past has proved to

be

*A Chinese writer puts the matter a different way by saying: "Japanese apologists may declare that their country's military campaign in China is to 'establish lasting peace in East Asia' or 'to defend civilization from Communism,' but the Chinese view is that the real motive of the sacrifice of men and money to wage the present war is to dominate the Asiatic Continent, to control China's raw materials and to monopolize the Chinese market." Y. S. Shen, Oriental Affairs, May 1938, p. 267.

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

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be such a difficult undertaking. The writer of the article under consideration points out the crux of the matter in his treatment of the question of obtaining the actual capital for implementation of Japan's enormous self-imposed undertaking: there is a lack of native capital (aggravated by the refusal of Chinese capitalists to participate in "Sino-Japanese" enterprises*); capital goods cannot at present be produced in North China itself; the North China banks do not possess foreign balances which would make possible the importation of the necessary capital goods; and foreign trade, in which the exports are primarily agricultural products, cannot be relied upon for the building up of the foreign balances necessary to make possible purchase of those foreign goods. In short, concludes the writer, "Under the present circumstances, Japanese capital remains absolutely essential to the development of North China."

The Japanese observer points out that "The birth of a yen bloc uniting Japan, Manchoukuo and North China has ... facilitated investments of capital in terms of yen in the last-named country", but he then gives recognition to the important fact that Japan, with its own commitments at home and in "Manchukuo", is not in a position to finance the purchase of large quantities of capital goods out of its own foreign balances. The article ends with the rather pious hope that the Federal Reserve Bank of China, which the writer of the article hopes will fall heir to the silver reserves held in custody by the National Government banks in North China and obtain as well working foreign-exchange balances

through

*U. S. Trade Commissioner, "Present Trends of Japanese Economic Penetration in China", June 29, 1938, pp. 23-5.

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through the expansion of export trade, will guard against the dangers of inflation which may occur in the course of the operations of the North China Development Company.

It may be repeated here that the North China Development Company, it is planned, will be capitalized at Yen 350,000,000, with authority to issue debentures to five times that amount or Yen 1,650,000,000; the Central China Rehabilitation Company would be capitalized at Yen 100,000,000, with authority to issue Yen 500,000,000 in debentures. On paper, the plans conform to the logical Japanese requirements and possess a superficial appearance of adequacy - just as the suggestion of a recent American writer* that the United States Government float a five billion (US) dollar "Chinese industrial development bond issue", for the purpose of bringing to fruition the economic potentialities of the country in its character of a free nation, conforms in general to the historical American conception of China as a democratic country destined to constitute a great market for ever-expanding American financial and commercial enterprise. There are nevertheless certain practical difficulties connected with the implementation of plans of such magnitude. For one thing, Japan is a nation at war, and the major portion of its economic energies is being directed to the end of emerging victorious from the present hostilities. The Economist of London has pointed out that the costs of the war are largely being met by outright borrowing on the part of the Japanese Government, and that the budget

estimates

*Jaffe, Philip J., "Discussion of a Plan for an American Loan to Industrialize China", Amerasia, September 1938, pp. 327-35.

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estimates indicate that Yen 9,000,000,000 will have been borrowed in the two years ending March 1939; that the outstanding total in Government bonds now about equals the annual national income; that there has been a note increase of about 25% in the year ended August 1938; and that, with Japanese wholesale prices rising by over 50% in one year relative to world wholesale prices and with the recession in world trade, Japanese foreign trade has shrunk drastically.* The summary newspaper account of the article states:

"After referring to the rapidly dwindling gold reserves, the writer concludes that it is becoming urgent for Japan to terminate the financial and economic drain of the war. But this may prove far more difficult for the Japanese Army than the capture of Shanghai, Hankow and Canton."

An official of the British Embassy recently in private conversation described Japan as being "caught in a cleft stick". That feeling seems to be reflected in Prime Minister Neville Chamberlain's speech of November 1 before the House of Commons, when Mr. Chamberlain was reported to have "twitted" Major Atlee for being too gloomy about British trade prospects in China, because Japan could not develop China without the help of the capital of third countries, "including Britain".** In short, although Mr. Shiratori, newly appointed Japanese Ambassador to Rome, might say in a recent newspaper interview at Berlin that 'The new China must become a second Manchoukuo',*** and although the emotional drive motivating the political strategists of the Japanese Army commits their sympathies to the concept of a closed

economic

* Peking & Tientsin Times, October 30, 1938.

** Peking & Tientsin Times, November 3, 1938.

*** Peking Chronicle, October 30, 1938.

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economic bloc comprising Japan, "Manchukuo" and China, nevertheless there exist certain hard economic facts which cause Japan's industrialists and financiers to wish for some foreign assistance to make their task more easy.

Japan has now obtained a grip on China's raw-material resources, and has thereby achieved the first step of the task of passing from the ranks of the "have-not" nations into the company of the "haves". The political grip is nevertheless not yet assured, for hostilities continue, and for the exploitation of those resources the paper capitalization of the subsidiary companies of the North China Development Company and the Central China Rehabilitation Company must by necessity be transformed into steel, machinery, locomotives, petroleum products, wages, et cetera. A country with an expanding economy must either develop its own resources so as to increase production of capital goods or substantially increase its imports from abroad; Japan's current production is directed primarily toward satisfaction of war demands, and the country's imports for the first nine months of 1938 dropped ¥1,084,000,000, or about one-third, as compared with the same period in 1937.* Clearly, Japan's imports have decreased not because Japan does not want American steel, petroleum products and raw cotton, but for the simple reason that Japan lacks the necessary foreign exchange. For so long as Japan is compelled to support a military campaign in China, its real wealth (despite the various accretions coming as a result of military victory) will decline at the same time that the paper values

*Japan Chronicle, October 29, 1938.

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values counted in terms of ever-mounting Government bond issues increase - with resultant pressure on the position of the Yen. In time of war, the economic pressure on a currency is inexorably in the direction of inflation, and those inflationary tendencies are already seen in Japan. All the official and unofficial statements issued thus far promise a sure maintenance of the Yen at the one shilling two pence level; nevertheless, it is apparent that Japan will have considerable difficulty in financing new commercial enterprises under present conditions, both in Japan and in "Manchukuo" and North China (for the purposes of this consideration of Japan's financial position, it should be observed, "Manchukuo" and North China must be termed substantially a part of Japan's domestic system, and according to the present Japanese plans of development those two areas demand large sums of Japanese capital for long-term investment without offering in return more than a very small amount of the foreign exchange Japan now badly needs). Mr. Hall-Patch, financial adviser to the British Embassies in China and at Tokyo, is confidentially quoted as stating during his recent visit to Peiping that Japanese finance capital is very loath indeed to invest in North China enterprises, particularly in view of the Manchurian experience with Army plans. It would appear that the reluctance might be matched by actual economic debility.

The Japanese Army in North China as in Manchuria is laying out its economic plans on the basis of the assumption that a closed economic system will give to Japan

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Japan both the usual fruits of victory and an enhanced political power which would enable the nation to continue with its program for the establishment of political hegemony over Asia. The Japanese authorities at present feel it is incumbent upon them to give recognition to the principle of the Open Door and to invite private Japanese and foreign capital to invest in enterprises to be initiated in accordance with the Japanese plans for the economic development of China, but there exists a basic contradiction of intent in the circumstance (shown by the imposition of various import and export embargoes and the application of economic and financial restrictions in North China as well as in Japan and "Manchukuo") that private capital will not be permitted freedom of action. The British seem to feel, as indicated above, that the exigencies of the situation will drive the Japanese to compromise their fundamental program and ask for foreign financial assistance in reconstructing China on a new economic base. Just as Germany restored its post-War economy by obtaining important sums of foreign capital for financial stabilization and economic construction, so too could Japan well use such like sums of money in building up an economic bloc in Japan, "Manchukuo" and China after the termination of the present hostilities. There seems to be no substantial promise in current Japanese political pronouncements, however, that the concept of the economic bloc in the event of victory would be abandoned and the old order of things be restored, with third-Power nationals enjoying in China their full privileges as laid down by treaties

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treaties now in force.

The situation will be rather different as long as hostilities continue and Japan is forced to expend its substance for purely military purposes. No definite dates can be foretold to mark the limits of resistance of the National Government or the guerrilla groups which would continue the fight after the hypothetical fall of that Government, but it is fairly certain that Japan cannot obtain substantial credits for economic purposes in China, or devote a major portion of its own energies to the task of economic reconstruction, until political stability has become a reality in Asia. As a result, Japan under present conditions may be driven: 1) to make at least temporary concessions to third-party interests in China; or, 2) driven by the economic dogmatism of the Japanese military (especially, in the event the first alternative does not seem to offer the possibility of mitigating the economic dilemma confronting the Japanese), to set up in Japan and on the continent alike a closed "totalitarian" system which, for all the difficulties involved, will be perforce self-sustaining and exclusive of third parties to the major degree possible. The social cost would be tremendous: The North China Development Company and its Central-China counterpart could proceed only slowly and painfully along, and the cost of warfare would be long reflected in low standards of living and widespread misery. It can hardly be considered probable that political stability and economic progress of the old-fashioned

sort

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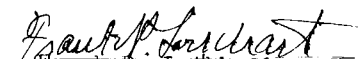
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sort will return in the near future to the Far East.

Respectfully yours,

For the Ambassador:


Frank P. Lockhart
Counselor of Embassy

Enclosure: ✓
1/ As noted.

Original and 1 copy to Department
Copy to American Embassy, Chungking
Copy to American Embassy, Tokyo
Copy to American Consulate General, Shanghai

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ENCLOSURE NO. 1
TO DESPATCH NO. 1773

THE PEKING CHRONICLE THURSDAY, OCTOBER 20, 1938

Why Japan Aims To Develop Resources Of North China

While Dependent On Raw Materials She
Seeks To Improve Conditions Generally
— China Supplies Property, Japan
The Capital

BY SHINTARU RYU

In "Contemporary Japan"

The magazine "Contemporary Japan" is a publication which has high international rating for the freedom of its speech and the instructional value of its material. Without doubt it is the leading English language periodical dealing with current opinion, and leaders of the country, together with foreign residents and observers, are contributors.

On July 7, the first anniversary of the outbreak of the China Affair, the *Tokyo Asahi* published an article by its correspondent at Peking, who wrote:

What Japan seeks in the new China (North China) is neither territory nor domination. Japan is striving for economic co-operation, purely and simply, in the development of natural resources. In this respect, the situation is quite different from that in Manchoukuo where the problem of defence is of prime importance.

This is a clear statement of the case and should be sufficient to allay misgivings harbored concerning Japan's activities in North China. Now that this country has been fighting these twelve months, sacrificing the youthful blood of no less than thirty thousand men, this claim must be said to be wholly reasonable. That Japan has no territorial ambitions in North China is supported by the appearance there of a new political system under the leadership of Mr. Wang Keh-min. That Japan genuinely seeks to better living conditions in North China is shown in its manner of procedure in the development of the Lung-yen iron mine in Chahar and the Tatung colliery in Shanxi.

At the Lung-yen mine, the miners' wages, which had averaged less than 30 sen a day heretofore, have since been raised to 45 sen, an increase of 50 per cent. Similarly in the Tatung mine, the average wage has been increased from 40 sen to 56 sen, demonstrating a sympathetic endeavor on the part of Japan to raise the standard of living of the Chinese population in the district.

The *Asahi* correspondent spoke of economic co-operation. For the sake of economic development each new company is to take the form of a partnership between the two countries. Capital is needed

gress. Today, with the establishment of the Provisional Government of the Republic of China, the Sino Japanese Economic Council has been formed, whose duty is to investigate and discuss all matters relating to the economic development of the land by peaceful means.

Primarily the economic importance of North China lies in its agricultural products; its wealth in mineral products is potential rather than actual.

In fact, the goods exported from the principal ports of Tientsin and Tsingtao at present are almost exclusively agricultural. The staple farm products of North China are millet, comprising 63 per cent. of the total Chinese supply, wheat, comprising 30 per cent. of the total crop, followed by kaoliang, maize, barley and peanuts. The greater portions of these are for immediate domestic consumption and, as in the case of wheat, are often insufficient for the requirements of the local inhabitants, necessitating further supplies from Central China. Cotton, tobacco and wool are among the important commodities finding their way into world markets; some three million piculs of cotton annually are available to the trade.

The principal exports from Tientsin in 1936 were, in order of importance:

valued at twenty-three million yuan; wool, fur, eggs and their manufactures; and pig-bristles. From Tsingtao, exports in 1935 were led by peanut oil valued at ten million yuan, followed by leaf tobacco, meat and salt. Manufactured goods were represented by cotton yarn alone, valued at two million yuan. Similarly, in the manufacturing industries cotton spinning alone achieves importance. According to the statistics for 1934, there were some 470,000 spindles owned by eighteen mills.

stitute the principal items of imports at Tientsin and Tsingtao. This fact is valuable in demonstrating the actual state of industries in North China and the real significance of its natural resources.

Nevertheless, the latent wealth in resources is reported to be abundant. One estimate places the amount of unmined coal in North China at 130,000 million tons, which is more than 50 per cent. of the total for all of China, and the amount of iron at something over 170 million tons. In the Lung-yen iron mine, now under Jap-

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Tatung mine, the average wage has been increased from 40 sen to 56 sen, demonstrating a sympathetic endeavor on the part of Japan to raise the standard of living of the Chinese population in the district.

The *Asahi* correspondent spoke of economic co-operation. For the sake of economic development each new company is to take the form of a partnership between the two countries. Capital is needed in an agricultural country like North China and her contribution must necessarily be in the form of property, while the capital required will have to be raised by Japan. In this way alone can the latent wealth of North China be made available for economic purposes.

Japan has a special reason to be eager for economic development in North China. She is dependent upon imports of raw materials for her manufacturing industries. North China can supply her economic wants: cotton for her textile industry; iron and coal for her heavy industries. Had it not been for the hopeless spread of anti-Japanese agitation in China, Japan long ago would have achieved effective co-operation in the economic development of North China, to the infinite benefit of both countries. In fact, prior to the outbreak of the present trouble, a plan to this end was well under way. Just before the hostilities, negotiations with General Sung Cheh-yuan for the purchase of the iron mine at Lung-yen, which had been remained unoperated for some twenty years, were being conducted with every prospect of successful conclusion. But warfare necessarily halts all peaceful pro-

manufactures; and pig-bristles. From Tsingtao, exports in 1935 were led by peanut oil valued at ten million yuan, followed by leaf tobacco, meat and salt. Manufactured goods were represented by cotton yarn alone, valued at two million yuan. Similarly, in the manufacturing industries cotton spinning alone achieves importance. According to the statistics for 1934, there were some 470,000 spindles owned by eighteen mills, representing one-sixth of the total number of spindles installed in all of China.

Next to the textile industry come the flour and, more recently, the match, woollen fabric, rubber and chemical industries. Their manufactured goods, however, are mainly for domestic consumption. Production of minerals, manufacture of machines and tools and electric enterprises occupy an insignificant place in the industrial activities of North China. In Tientsin, the capital employed in these heavy industries amounts to but ten per cent. of the total capital invested in this area, and the number of factory workers engaged in the same industry hardly exceeds eight per cent. of the total.

Imports at Tientsin, on the other hand, comprise iron and steel valued annually at 101 million yuan, petroleum, machines and tools, chemical products, timber, paper, dye-stuffs and paints, bicycles and parts. At Tsingtao, weaving machines and parts take the lead in imports, followed by petroleum, timber, raw cotton and cotton textiles. Here we have the paradoxical fact that in North China, where minerals are said to abound, iron, steel and machinery con-

stitute the principal items of imports at Tientsin and Tsingtao. This fact is valuable in demonstrating the actual state of industries in North China and the real significance of its natural resources.

Nevertheless, the latent wealth in resources is reported to be abundant. One estimate places the amount of unmined coal in North China at 130,000 million tons, which is more than 50 per cent. of the total for all of China, and the amount of iron at something over 170 million tons. In the Lung-yen iron mine, now under Japanese management, an estimated total tonnage of 100 million tons is said to be rather conservative. The Tatung coal fields in Shansi, extending over an area of 17 by 120 kilometres, are believed to contain over 10,000 million tons—an inexhaustible supply for all practical purposes. The main sources of coal production in North China at present are the Kailan mine in Hopei, which is being operated by British interests and produces five million tons annually, the Tsingsing mine, under joint German and Chinese capitalization, capable of producing 500,000 tons annually, the Tzuchuan colliery in Shantung, producing 540,000 tons and the Tatung colliery in Shansi producing 900,000 tons. Thus, the total available supply amounts to twelve million tons annually, which can be produced with the return of peace and order without involving any great outlay of fresh capital.

The estimated yield of iron for North China represents 46 per cent. of the total for all of China, but the actual figure is not imposing. Lead is produced in lesser amounts, while the Shantung salt amounts to 25 per cent. of China's total production. The three million piculs of raw cotton produced annually do not leave much available for exports—hence the drive to increase the production to ten million piculs. To repeat, the raw materials in North China remain as but potential value to heavy industries.

(To be Continued)

THE PEKING CHRONICLE, FRIDAY, OCTOBER 21, 1938.

Why Japan Aims To Develop Resources Of North China

*While Dependent On Raw Materials She
Seeks To Improve Conditions Generally
— China Supplies Property, Japan
The Capital*

BY SHINTARU RYU

(Concluded from Yesterday)

North China has a population nearly as large as that of Japan while its territory is twice as large and comprises a vast expanse of plains. The country is primarily agricultural; the backward state of its capitalistic development with a scanty accumulation of native capital has hindered the rise of industry. Consequently, the productive capacity is so limited that farm products are used solely for internal consumption, save for a few articles like wool, fur and pig-bristles, which are available for the export trade.

But the possibilities are there. It may be gathered from the above that the vast stretch of land which is North China has two characteristics, viz., large, potential mineral resources such as coal and iron and a large population offering cheap labor in abundance. The latter suggests a strong purchasing power once the land is fully developed. Both characteristics offer a temptation to Japanese capital—a temptation, because the other conditions in North China are not necessarily favorable to the exploitation of resources.

In the first place, the want of native capital is a great drawback. The fact that capital goods, which are indispensable for developmental work, cannot be produced in North China is another discouraging factor. Nor can the banks in North China be expected to be provided with adequate foreign balances making possible the importation of capital goods. The tyranny and extortion of war-lords from of old have rendered impossible any savings or accumulation of capital in the shape of currency. The suggestion may be made to build up holdings of foreign balances by increasing exports, but when it is recalled that the trade position of North China previous to the outbreak of the present Affair represented an excess of payments over receipts to the extent of 100 million yen, it can be seen that the export trade cannot easily be built up with the articles of export limited to farm products. This

the amount of it authorize capital. As an investment company, its aim will be to invite further investments from the public at large. Affiliated companies will be created in various branches of industry such as the iron, coal, railway, harbor improvement, communications, salt, and electric industries. These subsidiary companies will, in addition to the contributions from the parent establishment, issue their own shares and debentures and will also resort to borrowing.

The capital plan provides 447 million yen for transportation enterprises, 738 million yen for mining, 144 million yen for electricity, 36 million yen for salt and 34 million yen for communications, an aggregate amount of 1,420 million yen. The entire enterprise will be undertaken through co-operation between Japan and China, although investments by third parties will be welcomed. For the North China Development Company, the first instalment of governmental capital will be for a quarter part; of the capital to be raised through private subscription, half will be taken by the Mitsui, Mitsubishi and Sumitomo interests and by the life insurance companies.

The following table from the *Ashai* of June 29, 1938, gives the capital plan for the North China Development Company:

(In thousands of yen)					
1. Shares	1938-39	1939-40	1940-41	1941-42	1942-43
Gov't ownership	55,569	11,940	—	—	—
(In cash	24,983	11,940	—	—	—
(In property	30,586	—	—	—	—
Private ownership	43,750	43,750	—	—	—
Total	99,319	163,180	—	—	—
2. Debentures	—	116,260	181,720	198,540	120,500
3. Grand total	99,319	279,440	181,720	198,540	120,500

The seven industries mentioned above are placed under the control of the Development Company. Other industries such as cotton spinning and flour manufacturing are left to the investment of outside capital. But the control to be exercised by the Development Company is chiefly one of capital. In other words, the Company holds a monopoly of capital on which the Japanese Government guarantees a minimum dividend of six per cent. Unlike-Manchuria where industries

try. With progress in developmental works, however, the import of capital goods will come to assume such importance that it may prove to be a drain on North China's foreign balances. In that eventuality, the situation is bound to weigh heavily upon Japan's position in international payments. Here is a serious problem bearing on the scale and rate of progress of industrial enterprises in North China.

In the period prior to the outbreak of the China Affair, the foreign balances of North China were in a somewhat stronger position than those of Central China; if imports of capital goods continue on a moderate scale, nothing untoward will occur to impair her credit standing. Today, Japan is hard pressed to carry on a vigorous plan for the expansion of heavy industries, particularly with the five-year industrial plan in Manchoukuo calling for an outlay of over 5,000 million

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the shape or currency. The suggestion may be made to build up holdings of foreign balances by increasing exports, but when it is recalled that the trade position of North China previous to the outbreak of the present Affair represented an excess of payments over receipts to the extent of 100 million yen, it can be seen that the export trade cannot easily be built up with the articles of export limited to farm products. This is especially true since, for some time to come, transportation of goods from the interior will encounter considerable difficulties. Additionally, it will be long before the present plans for increasing productive capacity will begin to make their

Company. Other industries such as cotton spinning and flour manufacturing are left to the investment of outside capital. But the control to be exercised by the Development Company is chiefly one of capital. In other words, the Company holds a monopoly of capital on which the Japanese Government guarantees a minimum dividend of six per cent. Unlike Manchuria where industries are largely under State control, one sees in existence in North China a relatively pure capitalistic structure. Here, foreign capital other than Japanese will find a more ready welcome.

Dividend awards for the first five years by the North China Development Company, according to the plan of the Organization Committee, are as follows:

STATEMENT OF ACCOUNTS IN ESTIMATES
 (In thousands of yen)

	1938-39	1939-40	1940-41	1941-42	1942-43
Receipts	732	10,606	23,651	35,812	48,830
Payments	1,674	5,373	17,620	22,309	30,110
Net profit	(-) 942	5,233	6,031	13,503	18,720
Rate of Dividend					
Gov't shares	—	—	—	3.0	6.0
Private shares	—	5.5	6.0	6.0	7.2

"Receipts" include Government subsidies, and "Payments" include the same repaid.

influence felt. Under the present circumstances, Japanese capital remains absolutely essential to the development of North China.

Investments of Japanese capital in North China will be administered by the North China Development Company, which is to be established in October with a capital of 350 million yen, of which one-half is to be contributed by the Government and the remainder by private interests. The Company is authorized to issue debentures up to five times

The question may be raised as to how the creation of the Development Company will serve to hasten the economic development of North China. One must be prepared for great difficulties,

Japanese capital has been made available more easily because of the establishment of the Federated Bank of China, which has completed the linking of the currency of North China with the Japanese yen. The birth of a yen bloc uniting Japan, Manchoukuo and North China has thus facilitated investments of capital in terms of yen in the last-named coun-

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yen, and with the Central China Development Company in Shanghai (a more modest affair) demanding an outlay in currency of some 200 million yen within three years. The major portion of this currency investment will go for the importation of productive goods.

Putting aside Japan's position in international payments, the immediate problem is whether or not North China, or the Federated Bank of China, which is the same thing for our purpose, is provided with adequate capital resources in the shape of foreign exchange, gold or silver wherewith to finance the necessary imports. The situation seems not altogether re-assuring. At any rate, when the old Chinese currency tends to depreciate owing to lack of confidence in it, it devolves upon the Federated Bank of China to see that the value of the new currency is placed on a firm and stable basis and that the people are inspired with confidence and hope in their daily life. With the gradual restoration of peace and order in the land and with the expansion of the export trade, the Bank will also do well to turn its attention to the exchange business.

It is probable that at least a quarter part of the capital of the Federated Bank is held in receipts from Chinese banks—an amount of twelve million yen in silver. Besides, by March 10, 1939, when the remainder of the old national currency will be retired, the Federated Bank will come into possession of all the silver held by the Committee entrusted with the custody of the silver stock. While the amount of this silver is not known accurately, silver held in Peking and Tientsin before the outbreak of hostilities is believed to have totalled some 50 million yuan. It is probable, therefore, that the Federated Bank of China will acquire a tolerably large amount of silver. Of course the Bank will have to use the silver so acquired as reserve for its note issue, but the por-

tion in excess of the legal reserve requirements may well be employed for acquiring foreign currency and exchange. In view of the fact that, in the past, no mean portion of the excess of payments over receipts in the international account is reported to have been met by smuggled silver, this mysterious country of China may yet be in possession of an unknown hoarded quantity of the white metal. Be that as it may, the problem of building up foreign balances must, in the normal course of things, find its solution in the expansion of the export trade. The healthy development of North China can be achieved through the growth of her export trade as much as through the exploitation of natural resources for heavy industries. Positive measures, furthermore, must be applied to utilize as far as possible the capital available at home and to invite foreign investments.

In the allocation of the profits of the North China Development Company, the law creating this company provides for a governmental guarantee of a six-per-cent. dividend on the shares owned by private interests. According to the profit and loss accounts estimated by the Organization Committee, previously listed, dividends will be maintained at over six per cent., with the exception of the year 1939-40, when 5.5 per cent. will be awarded. To conservative ears, this sounds altogether too good.

The North China Development Company is said to be contemplating something like a five-year plan, with the expansion of the productive industries as the supreme object of that plan. Needless to say, due consideration should be given to the matter of elasticity in business management in order that the Company may cope efficiently with any changes in the trade outlook. The Federated Bank will do well to guard against the danger of inflationary processes that may arise in the course of the operations of the Company. It is gratifying indeed that the management of the Bank is standing pat on the principle of sound and stable money, which will enable it to steer clear of treacherous shoals.—Contemporary Japan.

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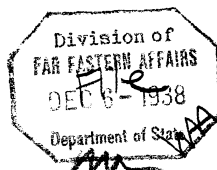
THE FOREIGN SERVICE
 OF THE
 UNITED STATES OF AMERICA

AMERICAN EMBASSY

No. 3438

Tokyo, November 16, 1938

SUBJECT: JAPANESE REQUEST FOR MOVEMENT OF FOREIGN
 VESSELS ANCHORED NEAR HANKOW.



For Distribution Check		Yes	No
Whole	Part		
in U.S.A.			

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 DEPARTMENT OF STATE
 NOV 17 1938

793.94/14461

The Honorable
 The Secretary of State
 Washington

Sir:

With reference to the Embassy's despatch no.
793.94/14378
 3382 dated November 1, 1938, concerning representa-
 tions made in connection with the Japanese request
 that vessels of third powers anchored along the
 Hankow water front should be moved, and supplementing
 the Embassy's telegram no. 731, November 15, 9 p.m.,

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F/FG/4461

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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-

I have the honor to transmit herewith a copy in
1/ translation of the letter dated November 11, 1938,
which the Vice Minister for Foreign Affairs ad-
dressed to me on this subject.

There is also enclosed a copy in translation
2/ of the letter dated November 2 which Mr. Sawada
sent to the British Ambassador in reply to his
communication relating to this subject.

Respectfully yours,



Joseph C. Grew

Enclosures:
1,2 as stated

350
ESC:mg

Copy to Ambassador Johnson
Copy to Consulate General, Shanghai

073

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

Enclosure no. 1 to despatch
no. 3438 of November 16, 1938,
from the Embassy at Tokyo.

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

Ministry of Foreign Affairs

November 11, 1938

My dear Ambassador:

I have carefully perused the contents of Your Excellency's letter, dated October 27, setting forth your views concerning the urgent request for the withdrawal of naval and other vessels of Your Excellency's country from the vicinity of Hankow at the time of the attack on and capture of that place by the Japanese armed forces. The urgent request of the Japanese authorities concerned at Shanghai to which you refer was made in an effort to do everything possible to avoid the occurrence of unforeseen damage to naval and other vessels of third countries during the attack on junks which were known definitely to the Japanese military authorities to have a large number of Chinese soldiers aboard and to be brazenly swarming in the proximity of naval and other vessels of third countries. This, just as prior announcements of the Imperial Government which have frequently been made, was an act based upon the sincere wish for the preservation of the rights and interests of third countries and should, I believe, be so understood by Your Excellency.

The Japanese Government, considering the view expressed in the last part of the Minister's official

note

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

-2-

note, no. 97, Asia I, October 14, 1938, must endorse the action of the Imperial military authorities who, with the above-mentioned intent, made that urgent request.

As Your Excellency is aware no unforeseen incidents involving vessels of Your Excellency's country occurred.

Sincerely yours,

Renzo Sawada,
Vice Minister for Foreign Affairs.

His Excellency

Joseph Clark Grew,

Ambassador Extraordinary and Plenipotentiary
of the United States of America.

(Copy to the British Ambassador, Tokyo)

7735

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

Enclosure no. 2 to despatch
no. 3438 of November 16, 1938,
from the Embassy at Tokyo.

(With the compliments of the British Embassy
to the American Ambassador, Mr. Grew, November
9, 1938).

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

COPY.

TRANSLATION.

From: Vice-Minister for
Foreign Affairs.

2nd November, 1938.

My dear Ambassador,

I have to acknowledge the receipt of Your Excellency's
letter of the 26th October in regard to the request that
British vessels should withdraw at the time of the attack
upon Hankow by the Japanese forces.

It seems that the request made by the Japanese
authorities at Shanghai, which formed the subject of Your
Excellency's letter, had its origin in the desire of the
Japanese naval authorities, who had at the time ascertained
that junks carrying a large number of Chinese troops were
swarming in the vicinity of vessels belonging to third
Powers on the banks of the river at Hankow, to do their
utmost to avoid the spread of unforeseen damage to such
vessels in attacks upon the junks; and, as has been stated
on several occasions in communications made by the Imperial
Government in the past, I think Your Excellency will realise
that it was based on a sincere desire to protect the rights

and

His Excellency
The Right Honourable
Sir Robert Craigie, K.C.M.G., C.B.,
His Majesty's Ambassador,

0 7 4

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

- 2 -

and interests of third Powers. The intention to abandon the Wuhan defence which the Chiang regime, obliged to flee from Hankow owing to the approach of the Japanese forces to the outskirts of the Wuhan cities, is said to have announced immediately prior to its flight was meaningless, and it was natural for those forces to engage in the mopping up of routed enemy troops; and the request which was at the time made by the authorities of the Japanese forces was one which the Imperial Government must support in consideration of the views set forth in the latter part of the Minister for Foreign Affairs' Note No. 158 of the 14th October of this year. Your Excellency will share my satisfaction, that, owing to the speedy and careful operations of the Japanese forces, no opportunity to infest the area was given to enemy stragglers and that fortunately no unforeseen incident occurred in connexion with British vessels.

Believe me, etc.,

(Signed) RENZO SAWADA.
Vice-Minister for Foreign Affairs.

(Seal of Gaimusho.

774

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

DEPARTMENT OF STATE
DIVISION OF FAR EASTERN AFFAIRS

December 9, 1938.

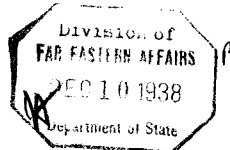
~~JWB~~
[Handwritten signature]

Tokyo's despatch 3452, Nov. 17, 38, encloses translation of an article published as an advertisement in Tokyo newspapers. The article gives instances of alleged infringement of the Nine Power Treaty by Western Powers and by China, refers to changed conditions in China today as compared with conditions when the treaty was made. It regards the U.S. as discriminatory against Japan.

The article refers to the U.S. note of October 6 where mention is made of non-discrimination in the U.S. against Japanese in the United States and then refers to immigration restrictions, tariff restrictions, non-right of Japanese in the U.S. to be naturalized.

The article is indicative of the Japanese state of mind but is not significant enough to be read.

FE:Salisbury
[Handwritten initials]



074
DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



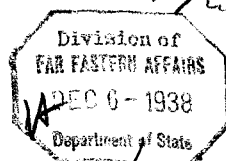
THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Tokyo, November 17, 1938.

No. 3452.

SUBJECT: ARTICLE PUBLISHED BY THE SHIUNSO:
"AMERICA AND THE NINE-POWER TREATY".



For Distribution-Check		Yes	No
Grade			
Ex			

ONL MID

RECEIVED
1938 DEC 5 PM 2 11

793.94/14462

The Honorable

The Secretary of State,
Washington.

Sir:

793.94/14344
I have the honor to refer to our telegram No. 723,
1/ November 12, 2 p.m. and to forward, as of possible interest
to the Department, the Embassy's translation of a long article
published as an advertisement in the leading newspapers in
Tokyo.

Respectfully yours,

Joseph C. Grew.

710
MWS

Enclosure:
1/ As stated.

F/F G

14462

DECLASSIFIED: E.O. 11652, 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. 3452
 dated November 17, 1938, from Embassy Tokyo.
 Translation by the Embassy at Tokyo of an article published
 as an advertisement by the SHIUNSO in the Japanese press on
 November 11 and 12, 1938.

MF:C

AMERICA AND THE NINE POWER TREATY

The memorandum which the Government of the United States presented to the Japanese Government on October 6 has become a powder-train, and we greatly regret for the sake of the United States that that country has again and again made an issue of the strict enforcement of the Nine Power Treaty.

We must confess that we now consider a discussion of the Nine Power Treaty as foolish as the pursuit of a dream of the night before after the sun has risen high in the sky. Nevertheless, as long as there is a nation which insists upon adherence to the Nine Power Treaty, we must continue to discuss and to make clear the true character of the issue.

We wish, first of all, to bring to the attention of the American people, the fact that the Japanese people have had, from the outset, very unpleasant association of ideas with regard to the Nine Power Treaty. Rather than present the reasons for this fact ourselves, it would probably be more fitting to have Sir Arthur Willett speak. Mr. Willett (?) was, up to 1935, Director of the Information Bureau of the British Foreign Office.

In a book entitled "Great Britain in the World" which was published by the Oxford University Press in 1937, Sir Arthur Willett makes the following statement with regard to the Washington Conference as well as the Nine Power Treaty:-

"There is nothing strange in the fact that Japan, like Germany and Italy, holds an unpleasant feeling toward Great Britain. The Washington Conference, under the leadership of British and American chief delegates with full and effective cooperation

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

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cooperation adjusted conditions in the Far East so as to conform to the ideals of Great Britain and the United States - a successful maneuver which is unprecedented in the history of Great Britain and the United States. The Anglo-Japanese Alliance was abrogated. Great Britain which had freed itself from the menace of the German navy has now fortunately won the favor of the United States by means of the abrogation of the Anglo-Japanese Alliance. Under the pressure cleverly brought to bear by Great Britain and the United States upon Japan, Japan abandoned its position in China. Japan was also forced to give up the special rights and interests in Shantung Province, China, which were recognized by the Peace Treaty signed in Paris. A special position in China was also denied to Japan by the signing of the Nine Power Treaty. To make the situation even worse, Japan had to accept the limitations of 5-5-3 ratio for its navy.

In the Washington Conference, the two great Powers had dealt Japan the most severe blow possible morally and materially. Nevertheless, Japan has been regarded as a model people in the world for many years following the close of the Washington Conference.

Were the American people in the same position as the Japanese people and were to read Willett's statement in the book above-mentioned, how would the Americans feel? Do the Americans still think that the unpleasant feelings entertained by the Japanese people toward the Washington Conference and toward the Nine Power Treaty which is one of the agreements concluded at the Conference are improper and unreasonable?

The

-3-

The Japanese people consider that the Nine Power Treaty has become no longer effective. Because of the fact that Japan simple-mindedly respects even those treaties which are most unfavorable for her Japan has been called by Mr. Willett (?) of England a "typically excellent people of the world", and has been given praise by Mr. Stimson America's former Secretary of State, in his book "Crisis in the Far East", stating "Thus, among those of other Powers, the Japanese Government, in fact, has had a record as an exceptionally good citizen for the last ten years". (Who knows whether such praise is an honor or a disgrace for Japan?) Do not the American people believe that, since such a treaty-abiding country as Japan, has been taking an attitude which often becomes a problem from the standpoint of the Nine Power Treaty, there must be something about the Nine Power Treaty which is out-of-date and which does not suit for actual conditions?

(1) Conditions in the world today are entirely different from those prevailing when the Nine Power Treaty was signed seventeen years ago.

Even Mr. Stimson, America's former Secretary of State, has said that if one part of the Washington Treaties be nullified all the rest will become ineffective. However, the naval treaty of the Washington treaties has already been denounced, and even the London Disarmament Treaty which was later concluded as an extension of the Washington Naval Conference has automatically become ineffective.

(2)

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

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(2) The recent situation in China - particularly the present China incident - cannot be considered separately from the invasion of Russian communism into China. However, since Russia, owing to the circumstances at the time when this treaty was signed, is not a signatory, its invasion into Outer Mongolia and its Bolshevization of China Proper have never been censured on the basis of the Nine Power Treaty and Japan alone has been the target of criticism. Can such an act, in view of the actual conditions, ever be considered fair?

(3) The fact can not be denied that the present conditions in China represent an entirely new era from that prevailing seventeen years ago. According to the news from American political circles, the United States, considering that "the new conditions in the Far East were, after all, brought about by Japan's invasion of China in violation of the Nine Power Treaty and of the anti-war pact," does not appear to be willing to recognize new conditions in China. However, in the first place, it is a grave delusion to think that the present new conditions in China were caused by deliberate intent or ambition on the part of Japan alone. Putting aside the discussion of this point for the time being, what is the significance of America's non-recognition of the new conditions which actually exist today?

For example, in spite of the fact that the sun has risen from the eastern sky, even if it is said: "No, America does not recognize the fact that the sun has risen in the eastern sky because in America it was night until a moment ago," it cannot alter the fact that the sun has risen. Even though the United States persistently maintains a feeling of

darkness,

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darkness, the daytime program will never cease its progress.

It is said that once upon a time a man dropped an article into the water from a moving boat and put a mark on the side of that boat and stubbornly insisted that he had dropped the article at that point. However, much he may insist upon the place indicated by his mark, it is of no avail since the boat was moving. It will be fortunate if America's insistence upon the Nine Power Treaty is not similar to the instance of this man and his boat.

If Japan's action violates the Nine Power Treaty, how is it intended to consider the previous violations of the Nine Power Treaty by England, America, France, China, etc. We have already dealt with these points in our statement last winter entitled "To the Nine Power Conference". However, for those countries which keep repeating the idea of respect for the Nine Power Treaty which is based upon outmoded conditions we feel it necessary to repeat the discussion of these points.

(1) When the Lincheng incident occurred in China on May 6, 1923, it was England which suddenly ignored the existence of the Nine Power Treaty concluded the year before, and which for the first time attempted to defy the treaty by proposing the international control of Chinese main railway lines. And America, France and all other treaty countries except Japan favored the proposal.

(2) On January 3, 1926, when China's anti-British feeling of the preceding year became aggravated and when finally the British concession in Hankow was occupied by the Chinese, England mobilized three divisions of land troops. Further, since January 25, 1926, England has sent land soldiers totalling about 13,000 to Shanghai, and, at the same time, ardently called upon Japan to send a joint

DECLASSIFIED: E.O. 11652, 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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expedition. This, too, is evidently a violation of the Nine Power Treaty.

(3) On March 24, 1927, British and American warships, in order to attack rioting Chinese soldiers fired on Nanking from the Yangtze River for two days. If Japan's attitude is absolutely unjust, this too is clearly a violation of the Nine Power Treaty by England and America.

(4) That Mr. Leith-Ross came to China from England in 1935 to reform the legal currency system of China and linked Chinese legal currency with British pound sterling has seriously destroyed financial equal opportunity of other Powers in China, and this too contradicts the spirit of the Nine Power Treaty.

(5) We are not necessarily against America's taking initiative and holding a conference at Brussels on November 3, 1937 to discuss the problems involved in Japan's violation of the Nine Power Treaty. However, is it not a very arrogant action that Soviet Russia was invited to the Conference without notifying a treaty country, Japan?

There are several other items which should be set forth, but can the United States be proud of questioning Japan's violations above while ignoring all instances of its own violations of the treaty or those of England, France, etc. We are sure that nowhere in the Nine-Power Treaty is it written that England and America may violate the Nine Power Treaty at any time they may so desire and that Japan alone must always abide by the Treaty.

China's violation of the Nine Power Treaty is so extensive and frequent that violation of the treaty has become the

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

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the normal state of affairs and it is difficult to find instances in which they did not violate the treaty. Properly speaking the fact that China is glad to have its sovereignty, independence, and territorial and political safety respected by the other eight countries and that China is putting up with the Nine Power Treaty which provides for extreme political meddling such as the Open Door, equal opportunity, etc., shows China's servility, and its indifference to the dignity properly belonging to an independent country.

Furthermore the fact that China dares on its own part to violate the treaty entirely and yet attempts to face Japan using this treaty as a shield, indicates the brazen audacity of that country.

(1) China once occupied by armed force the British concession in Hankow in order to destroy the influence in China of one of the treaty countries, England.

(2) China has often boycotted Japanese goods.

(3) Lives and property of foreigners have often been jeopardized as in the Lincheng and other incidents. (The Nine Power Treaty was concluded on the premise that China will not take such actions).

(4) China not only did not carry out the so-called "reduction of Chinese armed forces" of Article 9 of the Washington Treaty which is inseparably related with the Nine Power Treaty, but actually continued to increase its armed forces.

(5) China adopted a cooperative policy with Soviet Russia.

(6)

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

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(3) From the time prior to the Manchurian incident, China has been openly advocating the policy of excluding, opposing, and insulting Japan which is one of the treaty countries, and its school text-books are full of anti-Japanese articles.

(7) Despite numberless Japanese who have been attacked or slain by the Chinese, Chinese authorities have never assumed responsibility. The respect of ^{the} Nine Power Treaty is a matter which has entirely been forgotten. When will America and other treaty countries blame China for its violations of the Nine Power Treaty?

In the face of all these violations Japan has been patiently "pursuing a non-revengeful policy against continual affronts by China" as is fully recognized in the book written by Mr. Stimson, America's former Secretary of State, who was very strongly anti-Japanese. By this Japan has received from Mr. Stimson excellent praise "Japan has the record of an exceptionally good people".

In view of all these facts is the attitude of the United States in treating Japan alone as a violator of the Nine Power Treaty a just one?

Does not the United States indulge in a discriminatory treatment against the Japanese people and Japanese merchandise?

In the memorandum of the United States Government under date of October 6, 1938, there is a passage stating that the United States has not yet attempted to launch discriminatory treatment against Japanese merchandise in its own territory or in the territories of third countries. This passage gives the Japanese people a most peculiar feeling.

The

-9-

The United States still places restrictions on Japanese immigrants and in addition prohibits the Japanese from owning land in its territory. Nor does the United States grant the Japanese the right of naturalization. All this is nothing but discriminatory treatment against the Japanese people. Furthermore, the United States is for all practical purposes exercising discriminatory treatment against various products and manufactures from Japan by means of high tariff wall and by other methods. Perhaps the State Department of the United States is not aware of this fact.

Practically speaking, Great Britain has closed its doors against the entry of the Japanese people into its vast territories, nor does it permit the Japanese to develop its surplus resources, even though they offer adequate terms for this privilege. Further, Great Britain particularly imposes heavy customs duties upon Japanese goods despite the fact that Japan still continues to be an import-excess country, thereby blocking the flow of Japanese merchandise. Nor is this all, in China which is Japan's neighbor, Great Britain has hindered the peaceful development of Japan. Viewed from the fundamental principles of world peace and mutual prosperity, such an audacious action on Great Britain's part is really unpardonable. The United States, too, does not realize the resentment of the Japanese people against Great Britain and is prone to follow Britain's attitude. Nothing can be more regrettable than this.

Furthermore, at the Washington Conference and other occasions both Great Britain and the United States have brought pressure to bear upon Japan and this has encouraged China to assume an unlimitedly arrogant attitude against Japan. These facts, coupled with the machinations of Great

Britain

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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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Britain and Soviet Russia in China, have caused China to undertake all sorts of anti-Japanese movements. Japan has endured this humiliation to such an extent that even Mr. Stimson has highly admired Japan's forbearance, but Japan was finally obliged to send expeditionary forces to the Continent. This is what is now known as the Japan-China incident, in continuation of the Manchurian incident which occurred a few years ago. As a result of the Japanese resentment against humiliation caused by the Chinese and the great sacrifice of Japanese lives, there was brought about a new situation in China but the United States still fails to recognize this and questions Japan alone as to whether its action does not violate the Nine Power Treaty. Does not the United States have a guilty conscience?

Practically speaking, the Nine Power Treaty has already become ineffective on account of changed conditions. Strange to say, the United States has just brought forward the Nine Power Treaty at this moment. It is all the more strange that the United States which is particularly cautious not to become involved in the European crisis, has come forward to be plunged into the vortex of the China question. It may be that the United States has fallen a victim to machinations of either Great Britain or the Comintern of Soviet Russia and is thus trying to pull chestnuts out of the fire.

For the sake of friendship between the United States and Japan, we must warn the United States to reconsider its attitude. The New York Post, in its issue of November 7, pointed out that the Nine Power Treaty, like the League of Nations,

is

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

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is harmful and unnecessary for international politics today and that the existence of such a pact which runs counter to present-day conditions must bring about international unrest. This statement convinces us that there are well-informed parties in the United States. We fervently hope that should the United States realize the new situation in East Asia and approach Japan with a proposal to cooperate with our country, then Japan, in utter contrast to the selfish principles of Great Britain, will prove that it is always ready to proceed along the lines of mutual existence and mutual prosperity of all races on the basis of three principles, namely (1) not to be narrow-minded under any circumstances, (2) not to be audacious and unjust by any means, and (3) not to be selfish toward friendly nations at all times.

The SHIUNSO
(Purple Clouds Mansion)
No. 22, Nichome,
Uchisaiwai-cho,
Kojimachi-ku,
Tokyo.

7754

DECLASSIFIED: E.O. 11652, 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 sent
to Treasury
new*

TELEGRAM RECEIVED

JR

PLAIN

FROM Hankow via N. R.

Dated December 6, 1938

Rec'd 8:42 a.m.

Secretary of State,
Washington.

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

91, December 6, 1 p.m.

793.94

Today's issue of WUHAN PAO, a vernacular newspaper published by Japanese contains translation of communique stated to have been issued yesterday by Japanese military Intelligence Section at Hankow. Communique states that since fall of Wuhan and Canton, Japanese army and navy airplane units have continued pursuit Kuomintang armies in cooperation with Japanese land forces. Airplane units have bombed Chinese military works, also communication bases and air bases behind Chinese lines. Bombing raids have been carried out over ten provinces in western China as follows: Tungsheng in Huiyuang Province; Fushih, Tungkwan, Sifan, Hanchung, and Yulin in Shensi Province; Ninghsia in Ninghsia Province; Lanchow in Kansu Province; Sianglang, Kingmen, Wingchow, Ichang in Hupeh Province; Chungking, Liangshan, Chengtu, in Zechuen Province; Pingkiang, Changsha, Hentying, Siangtan, Chuchow, Hengshan, Changteh, Yiyang, Ningsiang, Chihkung in Hunan Province; Kweiyang in Kweichow Province; Wuchow, Kweilin, Liuchow in Kwangsi Province,

and

793.94/14463

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- #91, December 6, 1 p.m., from Hankow via N. R.

and Kunming in Yunnan Province.

Since the capture of Wuhan 104 Chinese planes have been destroyed chiefly at Sian, Lanchow, Liangshan, Chungking, Chengtu, Hengyang and Chihdiang. Repeated to Chungking, Peiping.

JOSSELYN

DDM

1754

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

TELEGRAM RECEIVED

ML

This message must be closely
paraphrased before being
communicated to anyone. (br)

Hankow via N.R.

Dated December 5, 1938

FROM

Rec'd 6 a.m. 6th

Secretary of State

Washington

87, December 5, noon.

793.94

A well informed Chinese source states that the Japanese in the Wuhan area have assumed a defensive position. South of the Yangtze he doubts whether they will attempt to advance beyond Changsha, and in the area north of the Yangtze, beyond the Han River and that Japanese defense works are being constructed along the latter. He states that the main Japanese offensive efforts are now in Kwangtung, Kwangsi and in the northwest respectively.

He declares that in the opinion of Chinese strategists the Japanese committed a tactical error in attempting to drive from the north on Changsha before having taken Nanchang. In the Wuchang-Changsha sector he asserted there are now two Japanese divisions and one independent brigade.

The Chinese are not expected to launch a major counter offensive in Central China this winter.

Repeated to Chungking, Peiping.

RR:CSB

JOSSELYN

793.94/14464

F/FG

0757

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

Confidential

CONFIDENTIAL

P A R A P H R A S E

A telegram (No. 87) of December 5, 1938, from the American Consul General at Hankow reads substantially as follows:

It is not anticipated that the Chinese will start a counter offensive on a major scale this winter in central China.

At the present time there are two Japanese divisions and one independent brigade in the Wuchang-Changsha sector, according to information received by the Consul General from a well-informed Chinese. This informant states also that at the present time the principle Japanese offensive efforts are in Kwangtung, Kwangsi and in the northwest respectively, and that Chinese strategists are of the opinion that the Japanese made a tactical blunder in trying to advance on Changsha from the north before they had taken Nanchang. He states that in the Hankow-Hanyang-Wuchang district the Japanese have assumed a defensive position and he is doubtful whether they will try to advance ^{beyond} Changsha in the area south of the Yangtze and in the area north of the Yangtze/^{beyond} the Han River, along which Japanese defense works are being constructed.

793.94/14464

egc.
FE:EGC:JPS
12-7-38

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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. Hunsicker NARS, Date 12-18-75

NO.

1790

AMERICAN CONSULATE GENERAL,

Shanghai, China,
November 2, 1938.

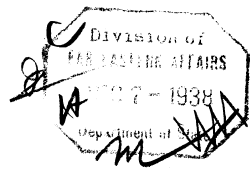
793.94

SUBJECT: Intelligence Summaries for the
Month of October 1938.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.



RECEIVED STATE
NOV 11 1938
DEPT OF STATE
ASSISTANT SECRETARY
OF STATE
DEC 14 1938

SIR:

I have the honor to refer to my despatch no.

1/ 1727 of October 3, 1938, and to enclose, as of
possible interest to the Department, copies of
intelligence summaries for the month of October
1938, prepared by the Intelligence Officer of
the United States Fourth Marines.

Respectfully yours,

C. E. Gauss,
American Consul General.

Enclosure:

1/ - Intelligence summaries
for October 1938.

800
JHP:fc

In Single Copy.
Copy to Embassy, Peiping.
Copy to Embassy, Chungking.

793.94/14465

F/FG4465

0759

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

4 October, 1938

RESTRICTED

E-2 REPORT, PERIOD 0800 1 OCTOBER, TO 0800 4 OCTOBER 1938

1. Operations

Renewing their drive along the north bank of the Yangtze from Tienchiachen, following several days of consolidation and reorganization, Japanese troops have begun pushing northwestward toward Kichun against strong Chinese resistance. They are said to have reached the vicinity of Lianglu. Japanese naval vessels are engaged in mine sweeping in the vicinity of Tienchiachen. They have not pierced the Tienchiachen boom.

South of the Yangtze the westward advance of the Japanese has been halted on the east bank of the Fu River; a small stream running from southwest to northeast into the Yangtze. Paishih, about 18 miles southwest of Yanghsin on the east bank of this stream, was captured on the 2nd of October. West of the river the Chinese are said to have a strong and intricate system of defenses. On the 3rd Japanese and Chinese artillery units were engaged in a duel on the south bank of the Yangtze between Chinese batteries at Panpishin and Japanese batteries in position near Fuchikou opposite Tienchiachen.

Farther to the south fighting is said to be in progress in the vicinity of Wuning. On the Tehan-Singtze front, south of Kiukiang, Japanese units on the third reported the capture of Chinese positions at Sungkiawan north of Aikow as well as other positions south of the Singtze-Tehan highway.

Japanese forces advancing on Sinyang captured Hwaitien on the 1st of October, while their vanguards reached Wulitien in their westward march.

In southern Shansi Japanese forces reoccupied Yuanku for the third time on September 30th. In spite of the campaign conducted in this sector large numbers of Chinese remnants are still reported in the hills northwest of the city. Japanese detachments continue mopping up operations in northern Honan in the vicinity of the Taokowchen-Chenghachen railroad. In northern Shansi a Japanese detachment claimed the capture of Wutaihsien, headquarters of the 8th Route Army in this area, on the 1st of October.

Chinese claim that Hsuanchen southeast of Wuhu was captured on the 29th, while farther east guerillas appeared at Liyang west of Taihu Lake. Japanese units conducted mopping up operations along the banks of the Yangtze above Wuhu in the vicinity of Tungliutow between the 28th and 30th of September.

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

Guerillas are again active in east Hopei. They attacked the Peiping-Mukden railroad near Tangshan and Erchuang on the 1st of October. The Mukden train was delayed. Mobile units have also appeared near Chinghai on the Tsinpu south of Tientsin and in Suiyuan in the vicinity of Kweihua.

Japanese planes attacked Sinyang on the 30th, Kunghsien and Chungchow, on the Lunghai railroad in Honan on the 1st of October, while on the 2nd the Canton-Kowloon railroad near Lilong station, the Canton-Hankow railroad at Yinchanyao and Hwanyan in northern Hupeh suffered from aerial attacks. Chinese planes were reported active west of Fuchikou on the 3rd.

2. Local

About 20 transports with Japanese troops aboard left Tsingtao recently while in Shanghai about 30 more have been loaded with troops in the past few days. The destination of the forces is not known at present. They may be destined for the long awaited south China campaign, but it seems more probable that they are reinforcements for the Yangtze front.

The First Battalion of the Seaforth Highlanders, which left Shanghai on short notice on the 26th of September, have been reported ordered back to Shanghai via the British Military Transport Lancashire.

17. A. Boone
 R. A. BOONE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

DECLASSIFIED
By William A. Smith and John D. Smith
Date Mar 19, 1973

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA.

6 October, 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 4 OCTOBER, TO 0800 6 OCTOBER 1938

1. Operations

South of the Yangtze, opposite Tienchiachen, Japanese Naval troops landed on the banks of the river and captured the Panpehshan forts on the morning of the 4th. Several hours later army forces which had crossed the Fu river and advanced along the river bank, entered the same forts. In this same vicinity Maanshan Forts west of Panpehshan were reported captured in a communique of the 5th. The troops in this area are now said to be moving southward toward Yanghsin.

Other columns are said to have almost encircled Yanghsin which is momentarily expected to fall. Farther south rapid progress is claimed of a column driving along the south bank of the Fu river toward Tungshan which is only 25 miles from the Canton-Hankow railroad. An unconfirmed report states that this column, comprising the 27th Japanese division, has reached the outskirts of Tungshan. Loki, a strategically located town about 33 miles south of Juichang and about twenty-six miles west of Tehan, fell before the Japanese advance in the early morning of the 5th. This town commands the land and water communications between Nanchang, Kiangsi and the Wuhan cities.

South of Kiukiang Japanese troops are reported to be about two kilometers from Aikow.

On the north bank of the Yangtze in the Kwangtsi-Tienchiachen sector the situation remains unchanged.

In southeastern Honan the main body of the Japanese forces which are driving on Sinyang was about five miles west of Loshan, on the 4th. A detachment from this force captured Shwangtien approximately five miles south of Loshan on the same day. A Chinese military communique claims that Kwangshan, approximately half way between Loshan and Shangchen and about 10 miles southwest of Kwangchow, was reoccupied on the 2nd.

In the Shangcheng area on the northern slopes of the Tapien mountains the situation in the southward advance from Shawo and Sintien remains unchanged, the Japanese troops being stopped just north of the Hupeh-Honan border. In the Shawo sector Paitsioyuan was reported captured on the 4th by a Japanese detachment which pushed about nine miles further west on the 5th.

Tungshanchen in southeastern Shansi was occupied by Japanese troops on the 2nd.

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

Miscellaneous

Chungking, Szechuen was attacked on the 4th by Japanese bombers for the first time since the beginning of the hostilities. The planes concentrated their attention on the aerodrome but caused little damage. Chinese planes bombed Japanese concentrations and artillery positions on the east bank of the Fu river on the 3rd. In south China Shaokwan aerodrome and railway station and the vicinity of Yinchanyao were attacked the 3rd by Japanese planes while on the 4th Loyang in northern Honan, Liangshan in Eastern Szechwan, Suikokan north of Hankow, and Siangyang and Lachokow in northern Hupeh, suffered from the attacks of Japanese planes.

Approximately 16,000 Japanese troops arrived in Shanghai from Japan during the morning and afternoon of the 1st of October. It is thought that they were immediately loaded aboard river transports and sent up the Yangtze.

A report from Tsingtao states that infantry, cavalry and artillery troops are arriving in that city from the Hsuechow area. After reconditioning they are loaded aboard transports going south, their destination said to be Formosa. At time of writing there is a sizeable concentration of transports loaded with troops between Woosung and Point Island in the Shanghai area.

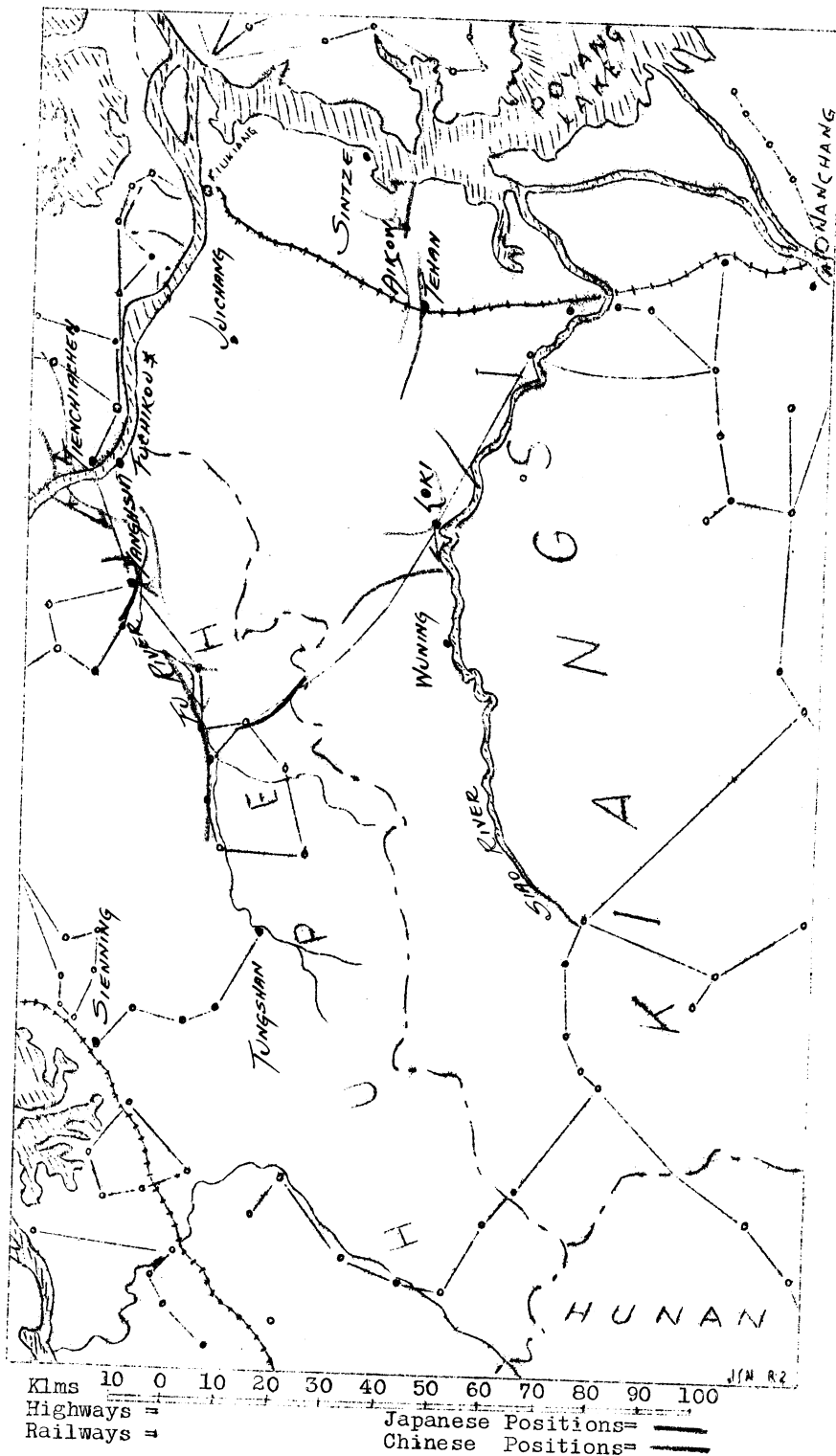
Guerilla skirmishes continue in southern Hopei near Taming and Hantan also near Tsinan, Shantung and Tsangchow, Hopei on the Tsingpu railroad. The Japanese troops taking part in the anti-guerilla campaign are not the publicized reinforcements that arrived in Tangku sometime ago for a possible guerilla repression campaign, but they are the veteran troops from the north China fronts.

A delayed report states that a train carrying members of the Reformed Government of Nanking was attacked by guerillas who derailed the train near Wusih on the 30th. The Chinese were driven off when Japanese reinforcements arrived.

R. A. Boone

R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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



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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

8 October, 1938

RESTRICTED

P. 2 REPORT, PERIOD 0800 6 OCTOBER, TO 0800 8 OCTOBER, 1938

1. Operations

In southeastern Honan Japanese troops, outflanking the Chinese forces concentrated east of Sinyang, skirted the Chinese right flank and cut the Pinghan railway at Liulingchen, about 12 miles south of Sinyang, on the evening of the 6th. The main body of the Chinese in this sector is now in the predicament of having the Japanese between them and Hankow. The Japanese are reported to be consolidating and concentrating their troops for the drive south along the railroad to Hankow, while the Chinese are said to be sending reinforcements from Hankow to this area. The first objective of the Japanese southward drive will be Wusheng Pass, about 15 miles south of Liulingchen, on the Honan-Hupei border, through which the Pinghan railway passes into Hupei province. The Nipponese forces driving south from Shangcheng are making very slow progress.

On the banks of the Yangtze, Japanese units continue to move up river while naval ships are sweeping the river of mines. Kichun has been occupied while the forces on the south bank have reached a line connecting Yukiawan and Makiawan on the south and north banks respectively, up river from Kichun. South of the Yangtze in the Yanghsin sector Japanese troops captured Hwalungshan while another column claimed the capture of Sungchwang about 2 miles south of Hwalungshan. A detachment of Japanese troops is said to have crossed the Fu River at Hwatang near Paishihcheng, which is about 18 miles southwest of Yanghsin. Yanghsin is still in Chinese hands.

Another boom has been constructed across the Yangtze near Huangshihkang about 68 miles below Hankow.

On the west bank of Lake Poyang the Japanese succeeded in occupying Aikow on the 6th. It is claimed that a column driving south from Juichang has cut the Kiukiang-Nanchang railway at Yungshui, 16 miles south of Tehan. This report however is not yet confirmed.

In northeastern Shansi extensive operations are being directed against the Chinese 8th Route Army concentrated in the Wutaishan Mountains. Columns are advancing on these mountains from the north, northeast, southeast and south. These columns have reached the vicinity of Yinghsien to the north, between Fowping and Laiyuan on the Shansi border to the northeast, Wutai to the southeast and are driving north from Sinhsien to the south. Tayingchen to the northwest of the mountains is reported captured. The Chinese state that 8th Route Army troops attacked the Japanese at Yenching in southern Chahar near the Pingsui railroad. After attacking they are said to have retreated toward southern Jehol.

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

On the 5th of October Japanese planes bombed the southern section of the Pinghan railroad at Sinyang, Yencheng, Hwayuan and near Kioshan, also Chinese defenses near Tungshan in south-eastern Hupeh. On the same day the Japanese state that they shot down 2 out of 6 Chinese planes patrolling near Hankow and that also destroyed 2 out of 8 Chinese planes operating in the Sinyang sector. The south China Province of Kwangtung suffered the most extensive bombing raid since the beginning of hostilities on the 6th. About ninety planes, believed to be based at Sancho Island, bombed Canton and points along the Canton-Hankow and Canton-Kowloon railroads, as well as other scattered points.

2. Miscellaneous

Japanese Army staff officers estimate that, after the fall of Nanchang and Hankow the Japanese front line, stretching from Hangchow Bay to Paotow in Suiyuan, will measure 2,344 miles in length. The occupied territory will consist of 542,000 square miles and contains a population of 270,000,000 people. It includes about 4,200 miles of railroad which will have to be guarded in order to keep open lines of communication to the front. The same applies to thousands of miles of highway.

However, responsible Japanese officials state that not only will Japan hold this vast area, but will further push down the Hankow-Canton railway at least as far as Hengyang, Hunan and will also launch an attack upon Canton from points on the Kwangtung coast.

About ten guerillas were said to have entered Nantao on the 5th, escaping with 12 rifles and 2 howitzers which had been concealed there. On the same day guerillas attacked two trucks driven by two foreigners on the highway near Wusih. One of the foreigners was killed and the trucks were destroyed.

R. A. Bocne

R. A. BOCNE,
 Captain, U.S. Marine Corps,
 Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
 SHANGHAI, CHINA

11 October 1938

RESTRICTED

R - 2 REPORT, PERIOD 0800 8 OCTOBER, TO 0800 11 OCTOBER, 1938

1. Operations

South of Kiukiang Japanese units advancing toward Nanchang met with successes between the 7th and 9th. Tehan, midway between Kiukiang fell on the 9th. Preceding the fall of Tehan the Japanese claimed the capture of Yungsiu approximately 15 miles south of Tehan and the fall of Huangtangku about seven miles east of it on the 7th and the capture of Aikow on the 9th. The Chinese authorities however deny that Yungsiu has been captured by the Japanese. Northwest of Tehan the Chinese report a victory over a Japanese column which advanced southwest from Johsi on the Juichang-Wuning highway. The battle is said to have lasted from the 7th to the 9th.

South of the Yangtze in the Yanghsin sector heavy fighting took place in the vicinity of Paishih, 18 miles southwest of Yanghsin, on the 8th and 7th. The Japanese claim that after crossing the Fu River on the 7th a Japanese detachment succeeded in cutting the Yanghsin-Tungshan highway on the 8th. The Japanese continue pressing on the Chinese at Yanghsin from the vicinity of Paishih to the southwest and from the east, while the left flank of the Chinese is being attacked from the vicinity of Hwangchinshan to the north.

The Japanese announced the occupation of Kichun on the 8th, though the Chinese in a communique of the 10th denied the complete capture of the city. In addition Japanese naval surface craft advanced up river to within 85 nautical miles of Hankow sweeping the river to a point opposite WeiYuankou a distance of ten miles above Kichun. By the 10th the Japanese naval units were claimed to be within sight of Shihweiyao and Hwangshihkang Ports, about 78 miles from the Wuhan cities.

In the Sinyang sector the Japanese hold two stations south of Sinyang on the Pinghan railroad line. East of Sinyang the Japanese troops driving on the city from the east occupied Wulitien on the 9th. On the following day it is reported that they reached the east wall of Sinyang and that fighting took place in the city late in the day.

The troops driving south from Shancheng continue to battle the Chinese in the mountains southeast of Sintien on the Hupoh border, where the Chinese are fighting desperately to stem the drive on Macheng.

The campaign against the 8th Route forces in the Wutai Mountains of northeastern Shansi continues. A delayed report states that the Japanese advancing toward the Wutai Mountains from the east occupied Fowping, about 75 miles west of Paoting on the 5th. In southern Shansi the Japanese report they have crossed the Yellow River and cut the Lunghai railroad at an unannounced point.

The 8th featured bombing attacks in south China and central China. Hanyang, Hunan was raided four times, the Canton-Hankow railroad bridges at Yinchanyao and Sunkai were bombed, Pinglo on the Kwei River in Kwangsi and Kweiling in northeastern Kwangsi were raided, while in central China Chinese troop concentrations and positions were bombed. Canton, the Canton-Hankow railroad and the Tienho Aerodrome in south China as well as central China points suffered from air attacks on the 9th. Canton was also reported raided again on the 10th.

Guerilla units were active on the 10th along the Tsinpu railroad south of Tientsin. They cut the Peiping-Tientsin railway, and delayed traffic for several hours. Skirmishing occurred in the Lanfang-Lofa area midway between Peiping and Tientsin. A report from Peiping claims the guerillas are becoming better organized in Hopei and that more Chinese are joining the guerillas due to the fact that the Japanese are destroying many villages in their anti-guerilla campaign. Japanese reports indicate considerable bandit activity in southern Jehol.

2. Miscellaneous

A careful analysis of all available information indicates that the numbers operating on the various fronts, and the casualties to date, are approximately as follows:

Japanese

In Hankow drive ----- 350,000
In remainder of China ----- 300,000 to 350,000

Chinese

Defending Hankow or in Reserve for this purpose --- 700,000
Remnants, Reds, Guerillas, etc. ----- 500,000

Military and Naval Casualties

Includes dead, and all men who due to illness or wounds are permanently unable to return to the front:

Chinese ----- 1,150,000
Japanese ----- 340,000

H. S. Walcott, 1st. Lieut.

for
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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13 October 1938

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1. Operations

Japanese naval vessels continue their operations of sweeping the Yangtze River above Kichun, while Japanese land forces press up both banks of the river. According to a Japanese report naval troops were landed on the south bank of the Yangtze opposite Kichun on the 12th to attack the Chinese positions at Hsiashichaishan.

South of Shangcheng on the Honan-Hupeh border, the situation remains unchanged.

In northeastern Shansi, according to Japanese communiques, the forces engaged in operations against the 8th Route Army in the Wutaishan Mountains have succeeded in capturing the towns of Laiyung, Fowning, Linkiu, Wutai, and Fansze, encircling the mountainous regions.

A doubtful Chinese report states that Taian and Yenchow, Tsingpu railway towns in western Shantung, south of Tsinan were occupied by Chinese troops on the morning of the 10th. They also state that Tungchen in Anhwei between Hefei and Anking was captured.

On the 10th both Chinese and Japanese planes made night attacks; the Chinese bombing the Japanese warships in the Yangtze, while the Japanese bombed Hengyang in southern Hunan. In addition, during the 10th, Penchun station and the bridge at Tangtowsiahhui about 30 miles north of Kowloon on the Canton-Kowloon railroad; also the bridges at Yinchanyao, Yuantan and Yingtak on the Canton-Hankow railroad were bombed. On the 11th naval aircraft assisted land forces in central China while in south China military establishments and the bridge near Yingtak on the Canton-Hankow railway were bombed. The following day an air armada of approximately 125 planes bombed Swatow, Waichow, the Canton-Hankow, Canton-Kowloon and the Canton-Samshui railways in Kwangtung Province.

2. Miscellaneous

A reliable foreigner who observed three Chinese air attacks on Japanese vessels at Kiukiang states that in no case did the bombs land within 2,000 yards of any ship.

A guerilla suppression drive was reported launched early in the morning of the 12th in Pootung at the village of Pohtsai. The village was burned and many of its inhabitants were claimed killed.

An independent observer flying over Bias Bay in a chartered plane reported he had seen about 120 Japanese vessels gathered in the bay, engaged in disembarking troops and supplies, standing guard or patrolling.

A Chinese communique, which is taken with reserve, reports the sinking of a Japanese transport near Tatung on the Yangtze River.

R. A. Boone
R. A. BOONE,
Captain, U.S. Marine Corps,
Regimental Intelligence Officer.

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

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OSD letter, May 3, 1972
NARS Date Mar 19 1973

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA
15 October 1938

RESTRICTED

REPORT, PERIOD 0800 13 OCTOBER, TO 0800 15 OCTOBER, 1938

1. Operations

South China

Since the Japanese first landed on Bias Bay they have continued putting more troops ashore and consolidating their positions on the bay. Meanwhile they are driving along the Swatow-Canton Highway from the vicinity of Namshan toward Waichow.

Other forces which landed at Hachung advanced about seven miles inland and captured Tamshui, about 23 miles from the Canton-Kowloon highway, on the 14th. On the same day they began crossing Taikong River. The troops capturing Tamshui are reported to have divided, detachments moving northward toward Waichow and westward toward the Canton-Kowloon railroad at Tangtowsiahui. In addition to the landings at Hachung and Namshan another has been reported in the western portion of Bias Bay at an inlet called Aling Bay. Paiyashan forts overlooking this bay are reported to have fallen. A landing is also believed to be imminent on the east shore of the Pearl river near Namtow.

All communications with Canton are now severed. A boom blocks the Pearl River and the Canton-Kowloon railway has been broken by repeated bombings.

Central China

In the Yanghsin sector the Japanese forces are closing in on Sintanpu situated on the north bank of the Fu River about 21 miles southwest of Yanghsin and located at the intersection of the Tayeh-Loki and the Tungshan-Yanghsin highways. A Japanese column is attacking this city from the south bank of the Fu River, another from the north while a third is attacking from the eastward.

Northwest of Yanghsin on the south bank of the Yangtze other Japanese units on the 12th succeeded in making a landing and occupying Chinese positions, where Lake Weiyuan empties into the Yangtze. Following the occupation of these positions Japanese bluejackets are reported to have blown up a boom blocking the entrance to Weiyuan lake from the Yangtze. In the same vicinity another landing party reached a point near Sichaishan forts. Still other Japanese units continue to advance southward toward Yanghsin from the vicinity of Hwoshan, opposite Kichun, in spite of Chinese counter-attacks from the Yanghsin vicinity. Japanese warships have taken up positions about 2 miles below Shihhweiyao.

On the north bank of the Yangtze Japanese units landed at Kuochochow, above Kichun, dislodged Chinese defenders and drove them inland toward Lake Llang on the 12th.

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

The drive against Tehan continues. In this sector the Japanese claim that the Chinese troops, due to their precarious position, began evacuating the city, on the 12th, for positions farther south. The Japanese report they have smashed through Chinese defences guarding Tehan at Toling to the north in the Kiukiang-Nanchang railway sector and at Kanmukwan in the Siu River sector. In support of the Japanese troops driving on Tehan another detachment of troops which turned eastward from Leki is said to be making gains along the Siu River on its advance toward Tehan.

Sinyang was completely occupied on the 12th. After a brief period of consolidating their positions Japanese flying columns pursued the withdrawing Chinese to the west and northwest. A communique states that the Chinese in this sector are falling back toward Tungpeh, a Honan-Hupeh border town. Japanese columns, according to a Chinese communique, are pushing into western Honan from Liuling, south of Sinyang, and from Shihpalimiao to the northwest.

The situation south of Shangcheng where the Japanese are driving toward Macheng seems to have changed very little. Fighting is still progressing in the vicinity of Sintien at Chiangchunchai, a mountain stronghold which the Japanese claim they have occupied.

A Japanese communique states that Chinese troops located west of Chengchow are withdrawing westward along the Lunghai railroad toward Sian due to the pressure of the Japanese forces in southern Shansi and due to the fact that the Japanese have severed the Pinghan railroad between Chengchow and Hankow.


The greatest aerial activity of the present moment is in South China where Japanese air squadrons, on the 13th and 14th, heavily bombed the railroads, highways, towns, and troop concentrations in the immediate vicinity of Canton and Bias Bay in an effort to prepare the way for the advance of land troops. In Central China Japanese air units continue to harass Chinese troops in the Sinyang sector.

Miscellaneous.

General Pai Chung-hsi, Kwangsi military leader, is reported to be enroute to South China to take over defence operations in Canton.

Troop movements from North China continue with 6 Japanese transports fully loaded with troops, landing boats, and field equipment, reported as having left Chingwangtao on the 13th.

Japanese pamphlets, demanding that Canton surrender in 24 hours or be unmercifully bombed, were dropped in Canton from Japanese airplanes on the 14th.


J. S. MONAHAN
Major, U.S. Marine Corps
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA
18 October 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 15 OCTOBER, TO 0800 18 OCTOBER, 1938

South China Operations

1. Canton

Japanese troops advancing northward from Bias Bay captured Waichow on the 15th. Following its capture a detachment turned westward toward Cheungmuktao. The remainder of their troops, according to the Japanese, crossed the East River at Waichow, advanced along the highway and captured Poklo, about sixty-one miles directly east of Canton on the 17th. Later in the day the Chinese forces were reported to have halted the Japanese westward advance about 18 miles southeast of Tsangshing which is a few miles west of Poklo.

Another detachment of Japanese marched southwest from Tamshui toward the Canton-Kowloon railroad. On the 16th it was reported held up at Lungkong, about ten miles west of the line. The following day this column was said to have reached the railroad in the vicinity of Pingwu, about 15 miles north of Hongkong.

Additional Japanese forces were reported to have landed on the 16th at Nantau, on the Pearl River Delta near the British leased area. They pushed inland toward the Kowloon Railroad.

The landing of troops, artillery and supplies continues on the shores of Bias Bay.

Air squadrons have bombed unceasingly all towns, Chinese positions and troop concentrations ahead of the Japanese advance.

2. Miscellaneous

General Chang Fa-kwei was reported enroute to Canton from the north on the 16th.

Li Chi-sen has been appointed Commander-in-Chief of the Chinese forces in Kwangtung.

An unconfirmed report of the 16th states that the Kwangsi military leader, General Pai Chung-hsi, has arrived in Canton to organize the defence of the City.

Central China Operations

The Chinese were reported driven from the vicinity of Kanmukwan (southwest of Tehan) toward Yungsiu on the 15th. The summit of Toling Hill, overlooking the approach to Tehan, was also captured.

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

Yanghsin has not been captured as yet although Japanese forces are closing in on the town from Sintanpu to the southwest, from the east and from the north. A Japanese spokesman declared on the 17th that the Chinese are concentrating their best troops in the sector of south-eastern Hupeh in an effort to halt the Japanese westward advance.

Japanese Naval Landing Party troops on the 15th captured Sichaishan. They followed this up by capturing Shihweiyao on the 16th., completing the occupation on the 17th. Shihweiyao is on the south bank of the Yangtze, at the terminus of a short railroad leading to the town of Tayeh, and is about 52 miles southwest of Hankow by air.

Above Kichun on the north bank of the Yangtze fighting was in progress at Naoshanpu on the 15th.

On the Hunan-Hubei border, south of Shangcheng, the Japanese claim they captured Titeushan mountain commanding the Shangcheng-Macheng highway on the 15th.

In the vicinity of Sinyang, Changtaikwan, about 15 miles north of Sinyang, was reported occupied by Japanese troops from the latter city on the 15th. To the south of Sinyang the Chinese and Japanese artillery batteries are said to be exchanging fire across the Sze Tse Ho (Lion River).

Japanese army aircraft bombed Chinese troop trains on the Pinghan railway at Kwangshui and Chinese troops south of Loshan at Suanhwaiten on the 15th. A naval plane was shot down by Chinese antiaircraft fire at Yochow between Hankow and Changsha on the 16th. On the same day the Japanese planes bombed the Canton-Hankow railroad and aided land forces in the Yangtze sector.

1 Local

Yu Ta-hsiung, counsellor to the Ministry of Industry of the Japanese "Reformed Government" was killed on the 17th by political assassins at his room in the New Asia Hotel. Assassins also attempted to kill Zau Sheh-kiung, another member of the "reformed Government" on the same day on Nanking road near Honan road.

R. A. PERRY
R. A. PERRY
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

20 October 1938

RESTRICTED

R-2 REPORT, PERIOD 0800 18 OCTOBER, TO 0800 20 OCTOBER, 1938

Central China

1. Operations

Yanghsin sector (south of the Yangtze): The Japanese captured Yanghsin on the 18th and advanced west to Sankikow which they also captured. The following day they drove further westward and claimed the capture of Yangchiashan. Yanghsin was a pivotal point in the Chinese defenses south of the Yangtze. To the southwest of Yanghsin the Japanese driving on Tungshan are reported in the vicinity of Yanghsinshih.

Tehan: This city, south of Kiukiang, was reported captured on the 18th. Chinese military headquarters deny the fall of Tehan.

Shihweiyao: Fighting is reported continuing in the vicinity of this city located on the south bank of the Yangtze. On the 19th Hwangshihkang forts, about 3 miles above Shihweiyao, fell as a result of a landing made by troops of the Japanese Naval Landing Party up river from the forts. They were supported by naval gun fire.

Kwangtsi (north of the Yangtze): The Japanese succeeded in taking mountain heights north of here on the 17th. Driving after the retreating Chinese they pushed their lines to Sinpuchih. In this sector Japanese infantry units report the capture of three small towns, (Wuwangchai, Litienpu, Yuchiawan).

Huangmei: A town, east of Kwangtsi, was reported evacuated by the Japanese on the 17th.

North of Hankow fighting is reported north of Wushengkwan station, which is south of Sinyang. Chinese troops are reported to have taken up positions in the hills west of Sinyang where Japanese troops are said to be engaging them.

2. Aviation

Japanese naval air squadrons on the 18th bombed Hwangshihkang and Wuwangmiao south of the Yangtze, Kwangshui, Sanchiatien and Yangchiachai on the southern section of the Pinghan railroad. They also attacked the Canton-Hankow railroad at Shinning, Yoyang, Chunchopu, Kweiyi, Tungcheng and Tsuchow. Army planes bombed Chuchow, Hunan. Naval planes also attacked Chinese troops in the Tehan area.

Chinese troop concentrations approximately 28 miles southwest of Kwangchow in southeastern Honan were bombed on the 19th.

South China

1. Canton Operations

Japanese troops are engaged with Chinese forces in the vicinity of Tsangching, west of Waichow and about 45 miles east of Canton. The Japanese claim that Tsangching was captured on the 19th. This is denied by the Chinese. Japanese detachments are reported to be driving north from Waichow towards Lungmoon, about 45 miles away. The latter town is on the highway leading to Pakonghow, located on the Canton-Hankow railroad about 40 miles north of Canton.

Sheklung: Cheungmuktao, on the Canton-Kowloon railroad southeast of Sheklung, was captured on the 16th. The Japanese turned north from here and drove along the railroad. They captured Sheklung on the 19th. This town is about 38 miles east of Canton on the banks of the East River. The Japanese now control the Kowloon railroad from Sheklung to Cheungmuktao. Detachments of Japanese are reported driving west of this stretch of railroad toward the Bocca Tigris forts.

2. Miscellaneous

Chinese troops are reported pouring out of Canton toward the fronts. The gates of Shameen (the International Settlement) were closed to the entry of cargo, but not to civilians, on the 17th. On the same day a detachment of British Blue-jackets landed at Shameen. The Chinese military authorities in the city requisitioned all of the hire cars for military use on the 19th.

Swatow: The Chinese garrison has been reinforced by Fukien troops and local militia.

3. Aviation

Japanese planes bombed Sheklung; the Canton-Hankow, and the Canton-Kowloon railroads; Wangsha station of Canton, and the Tienho airdrome on the 18th. Japanese planes have dropped pamphlets on Canton advising the surrender of the city unless the Chinese wish it destroyed. The pamphlets also stated that the Wuhan cities have been taken.

Guerilla Operations

The Shanghai-Nanhui railway operating in Pootung, according to a Chinese report, is out of operation due to the fact that the Japanese garrison along the road is not sufficiently large enough to protect it.

Skirmishes were reported in east Hopei near Paoti on the 16th, south of Nankou Pass which is to the north of Peiping on the 17th, and also west of Chochow on the railroad south of Peiping.

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

Skirmishes were also reported to have occurred in western Shantung along the Tsinpu railroad on the 16th, 17th, and 18th, and on the Pingsui railroad in northern Shansi near Tatung, on the 14th.

J. S. Monahan
J. S. MONAHAN
Major, U.S. Marine Corps
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

22 October, 1938

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W. L. G. Gustafson *Mar 19*
1973

RESTRICTED

R-2 REPORT, PERIOD 0800 20 OCTOBER, TO 0800 22 OCTOBER, 1938

CENTRAL CHINA

1. OPERATIONS

Japanese forces are rapidly advancing on Hankow along the south bank of the Yangtze and along the highway to Hankow on the north bank of the river, indicating that the Chinese resistance in Central China is crumbling.

OCHENG: Moving up the Yangtze Japanese land and naval forces are nearing this city which is about 33 miles east of Hankow. Land forces are driving along the river bank from the vicinity of Hwangshihkang. Naval vessels were reported opposite the city on the afternoon of the 21st.

KISHUI: Army troops in a renewed drive along the Hankow-Kwangtsi highway captured Kishui about sixty miles east of Hankow on the 21st. They have continued their advance.

TAYEH: Japanese troops advancing from the east and southwest reached this city on the 20th. The column from the southwest skirted the city, captured the iron mines in this vicinity, and then is reported to have advanced approximately ten miles northwest of Tayeh. The troops from the east occupied the city on the 21st. Tayeh is about 51 miles southeast of the Wuhan cities.

YANGHSINSHIH: According to Chinese despatches Japanese columns captured this town 25 miles southwest of Yanghsin on the 18th. These troops are driving toward the Canton-Hankow railroad at Sianning. They are now reported to be approximately 25 miles east of Tungshan, the latter town being on the highway to Sianning.

PINGTSINGKWAN: Japanese communiques claim that troops in this sector, about 18 miles northwest of Sinyang, have mopped up Chinese remnants and have advanced to the banks of the Chai River 4 miles further northwest.

SHAWO: Heavy fighting was renewed on the 19th near this city in the Tapien mountains south of Shengcheng in southeastern Honan. Doubtful Chinese despatches claim the capture of the town by Chinese. Sintien 12 miles southeast is also reported to be the center of heavy fighting:

TEHAN: The Chinese still deny that the city is in Japanese hands. Fighting continues in this area.

2. AVIATION

Changsha, on the Canton-Hankow railroad, about 200 miles south of Hankow, was bombed three times on the 19th. On the same day Pingkiang about thirty one miles to the east of the

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

railroad was raided as well as Loyang, Honan. Chengshan air-drome, about 80 miles northwest of Hankow, was attacked on the 20th. Naval aircraft continue to aid land forces advancing toward Hankow.

1. MISCELLANEOUS

General and Madame Chiang Kai-shek are reported to have left Hankow, the General going to Changsha while the Madame is said to have gone to Chungking.

Japanese reconnaissance planes report that Chinese troops are falling back toward Hankow from Macheng, Sungfow and Hokowchen.

Mobile units of the 8th routh Army are reported to have attacked Tehchow in northwestern Shantung on the Tsingpu railroad on the 17th. On the same day another unit of the 8th Route Army is also reported to have attacked Lingchiu in the northeast corner of Shansi.

SOUTH CHINA

1. OPERATIONS


Japanese troops completed the last stage of their virtually unopposed and extremely rapid advance on Canton on the 21st. Their mechanized units entered the city at 2:30 p.m. By 4:40 p.m. other troops had arrived and occupied the eastern section. Proceeding the entrance of Canton, Tsangshing was captured by Japanese troops on the 19th. Continuing the advance they pushed on until they arrived at a point about 20 miles east of Canton on the 20th. The next day this column continued its advance into Canton.

2. MISCELLANEOUS

Guerilla units are said to be in the process of organization in the area northwest and southwest of Tamshui.

The Pearl River bridge in Canton was blown up by the Chinese during the morning of the 21st. In addition they blew up the electric plant and the cement plant.

Japanese planes were used to drop supplies to the troops advancing on Canton. The soldiers advanced so rapidly that the supply trains were not able to keep up with them.


J. S. MONAHAN
Major, U.S. Marine Corps
Regimental Intelligence Officer

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

25 October 1938

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R-2 REPORT, PERIOD 0800 22 OCTOBER, TO 0800 25 OCTOBER, 1938

CENTRAL CHINA

1. OPERATIONS

Japanese reconnaissance planes report that the Chinese are retreating on all fronts and from the city of Hankow.

*RECEIVED
12-18-75
M. D. Gustafson
Mar 18, 1973*

OCHENG: Was occupied by naval and Army troops on the 22nd. Japanese naval vessels continued up-river after passing the boom between Ocheng and Huangfeng. By the 23rd these vessels were reported to have passed Twanfeng and to have reached a point on the Yangtze about 40 nautical miles from Hankow. On the 24th they reached Kokiatsien, about 20 miles from Hankow. At Kokiatsien the river is said to be heavily mined.

SINCHOW: About 28 miles northeast of Hankow, was occupied, according to a Japanese report, on the afternoon of the 23rd. The forces taking this city advanced northward from Kishui. On the 22nd they crossed the Pa river and struck westward to attack Linshanho and then Sinchow. Driving on westward the Japanese occupied Likatsi about 20 miles east of Huangpei on the 24th. On the same day, advancing west, an armored car detachment, according to Japanese communiques, occupied Huangpei on the highway 20 miles north of Hankow. On this front the Japanese advanced about 70 miles between the 21st and 24th.

SOUTH OF THE YANGTZE: Japanese forces advancing on the Canton-Hankow railroad, in the vicinity of Sienning, were near Tsukoushih on the north bank of the Fu river about thirty miles east of the railroad on the 22nd. Other columns are advancing west of Yanghsin.

NORTH OF HANKOW: Japanese troops driving south westerly from the Sinyang sector occupied Lungtungchen, about 19 miles west of the Pinghan railway station of Kwangshushih, approximately 76 miles northwest of Hankow.

MACHENG SECTOR: The Japanese were said to have crossed the watershed of the Tapien mountains, to the north of Macheng, on the 22nd. The advance continues toward Macheng.

AVIATION

Hankow experienced air-raids on the 22nd and 23rd. Naval bombers operating in central China bombed Tungshan, Macheng, Yuanmong, Sanhokow, Chiliang and Chunkwan. Liangshan, Szechuen was raided by Japanese planes on the 23rd. They were reported engaged by Chinese planes. In the engagement two to four Chinese planes were reported shot down while a number of them were destroyed on the ground by bombing.

The British gunboat "Sandpiper" was bombed at Changsha by six Japanese heavy bombers on the 24th. There were no casualties.

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


SOUTH CHINA

CANTON: The city was completely occupied on the 22nd. Immediate steps were taken to halt the spread of the fires started by the Chinese. Fires were still raging on the 24th though they were said to be diminishing. Wongsha and the river land area have practically been destroyed.

BOCCA TIGRIS FORTS: These forts were heavily shelled and bombed on the 22nd and 23rd. On the latter date Japanese Army and Navy forces landed near the forts and after stiff resistance occupied them. Naval vessels began sweeping the Pearl River, for mines.

LUNGMOON: Japanese forces advancing northward from the vicinity of Poklo are reported to have occupied Lungmoon about 80 miles northeast of Canton on the 21st.

AVIATION: Naval aircraft have bombed military establishments at Fengyuancheng approximately thirty seven miles north-east of Yingtak. They also attacked Tsungfa, Fokang and the West River area near Samshui and Koyiu, west of Canton.


J. S. MONAHAN
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA *Edithman*

27 October, 1938 *Mar 19 1973*

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R-2 REPORT, PERIOD 0800 25 OCTOBER, TO 0800 27 OCTOBER, 1938

CENTRAL CHINA

HANKOW: Japanese troops entered the city from the north-east late in the afternoon of the 25th. The Chinese troops had withdrawn toward the west, southwest and northwest after destroying bridges and buildings. No defense of the city was made. It is reported that the Chinese are now taking up positions southwest of Hankow. A large number of Japanese naval vessels reached Hankow on the 25th, anchoring off the city.

WUCHANG: This city was occupied by forces which had advanced along the south bank of the Yangtze. These troops entered through the Paoyang gate, about 0500 on the 26th, completing the occupation by noon.

WACHENG: Was captured on the 25th by Japanese detachments.

SOUTH OF THE YANGTZE: Japanese troops driving west from Tayeh took Kinuiiu, 15 miles east of the Canton-Hankow railroad, during the morning of the 26th.

TEHAN: The offensive in this sector was renewed on the 24th. On the 26th the northeastern section of the town was occupied. Heavy fighting continues.

KWANGTUNG PROVINCE

The main part of the Japanese army is reported pushing northward, its headquarters being located at Tsonghsing. They occupied Tsungfa, 32 miles north of Canton, on the 23rd. Another army unit advanced through the Pearl River delta and landed near Namhoi, ten miles southwest of Canton, on the 24th. Detachments of this force are moving westward. Japanese minesweepers have advanced about 10 miles upriver from the Bocca Tigris forts, according to a Japanese communique of the 26th.

There will be no map with this report.

J. S. Monahan
J. S. MONAHAN
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

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29 October, 1938

0 29 OCTOBER 1958

1973

The Japanese completed the occupation of the Wuhan cities of Hankow, Hanyang and Wuchang on the 27th.

TEHAN: Was completely occupied by the Japanese on the 28th according to a Japanese communique.

IN KWANGTUNG: The Japanese continue minesweeping activities on the Pearl River. They announce the capture of Samshui, the western terminus of the Canton-Samshui railroad 25 miles from Canton, and the occupation of the fortified area of Paiyunshan about 4 miles northeast of Canton. Japanese army field headquarters have been moved north from Tsangching to Sungfa. Chinese troops are reported concentrated near Yingtak.

The "Reformed Government" inaugurated the reorganized Anhwei Provincial Government with Mr. Nyi Tao-liang as governor and concurrently director of Civil Affairs Commissioner on the 28th. Pengpu on the Tientsin-Pukow railroad is the seat of the new government.

J. S. Notarian
J. S. NOTARIAN

J. S. MOHAWAN
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

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

HEADQUARTERS, FOURTH MARINES
SHANGHAI, CHINA

1 November, 1938

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OSD letter, May 3, 1977

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NARS Doc *1973*

RESTRICTED

R-2 REPORT, PERIOD 0800 29 OCTOBER, TO 0800 1 NOVEMBER, 1938

OPERATIONS

IN KWANGTUNG it is reported that the Chinese forces which retreated from Canton are preparing positions at Shinhing west of Samshui on the West River. Concentrations of Chinese troops have been reported south of Yingtak on the Canton-Hankow railroad. The provincial government of Kwangtung has been established in northern Kwangtung west of the Canton-Hankow railroad at Linhsien. Japanese naval vessels cleared a channel up the Pearl River to Canton arriving there on the morning of the 29th. Naval troops are engaged in mopping up Chinese remnants in the Pearl River delta.

HANKOW: Japanese naval vessels have pushed up the river past Hankow pursuing the retreating Chinese; meanwhile other vessels have been assigned the task of completing the work of sweeping the Yangtze River of mines below Hankow. The highway from Hankow to Shasi is reported to have been systematically destroyed by Chinese troops withdrawing west from Hankow. Hanchuan, about 25 miles west of Hankow on the Han River, has been completely occupied by the Japanese.

NORTH OF HANKOW the Japanese lines are reported to extend from Yingcheng (about 51 miles northwest of Hankow) northward to Anlu, Japing, Yingshan and Wushing Pass on the Hapeh-Honan border and southeastward to Hokowchen, Kwangan and Macheng on the southern slope of the Tapien mountain range. These lines are claimed to be in control of all important highways and junctions. The Japanese, by this move, are attempting to encircle a force of approximately 300,000 Chinese withdrawing to the west.

In the MACHENG SECTOR Japanese detachments are engaged in clearing up the area to the south and southwest of the city.

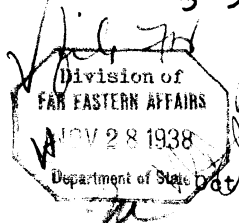
SOUTH OF HANKOW the Japanese continue their pursuit of the Chinese retreating from Hankow through the area bounded on one side by the Yangtze and on the other by the Canton-Hankow railroad. The Kinkowchen forts, about 16 miles southwest of Wuchang, were taken on the 29th.

On the 28th Japanese forces occupied Yihfengshan positions west of Tehan.

J. S. Monahan
J. S. MONAHAN
Major, U.S. Marine Corps,
Regimental Intelligence Officer.

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

CONFIDENTIAL



NOV 28 1938
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No. 9605.

SUBJECT: Situation Resulting from Fall of Hankow and Canton.

TO: The A. C. of S. 9-2.

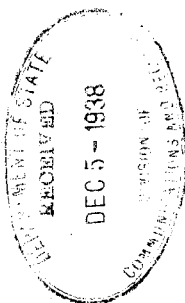
Philip H. ...
By *Meel 19*
1973

1. It is the opinion of this office that the recent landing by Japanese troops at Bias Bay and the subsequent rapid capture of Canton and Hankow are events of such importance as to deserve examination in the light of their relation to the war in general. While it is recognized that the following analysis of the situation involves factors connected with Japan about which nothing can be said with entire certainty, and estimates regarding elements of the Chinese situation which this office cannot evaluate on the basis of first hand acquaintance, it is felt that events which have taken place shed sufficient light on such questions to make possible at least a relative evaluation of such disputed factors.

2. Military.

a. Although there have occurred setbacks such as Taierchwang, and breaks in the dykes of the Yellow River, and other local incidents in various sectors, which have, at times, caused a certain dislocation to Japanese plans, there has been nothing to disturb the general sweep of their military operations. The better training of the Japanese troops of all branches, to say nothing of their superiority in the way of equipment, when opposed to an enemy of no great military capacity, and committed to a defensive form of thought and action, has brought about a condition which is simply another proof of the axiom that the continued following of the tactical coupled with the strategic defense can only result in disaster.

b. This office has long since reached the conclusion that no military effort of a positive character can



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

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be expected from Chinese troops, and that whatever local successes there may have been in the past or which may come to pass in the future, have been and will be the result of local Japanese weakness or having taken liberties which place them in a dangerous position, rather than of any aggressiveness or tactical aptitude on the part of their opponents. This conclusion is based on the fact that time after time Chinese forces in strong positions have been turned out of them by numerically inferior Japanese organizations, and that accounts of actions by Japanese officers indicate that they freely take chances in the face of their present enemies which they cognize as being virtually suicidal under other circumstances.

c. It is felt furthermore, that the whole history of the campaign indicates that the Chinese soldier as an individual, as well as units of the Chinese army, are capable of passive defense only, and cannot push a coordinated offensive to a logical conclusion. The government also shares this quality. At the start of the present war, the reasons given for retirements were that the masses of the forces had not as yet been brought up. A little later the explanation ran to the effect that the Japanese were being drawn out to the end of long supply lines to a point at which they could no longer maintain their forces. After the fall of Nanking, it was guerrilla warfare which was to accomplish the downfall of the Japanese. The following strategy became one of so exhausting the Japanese economically that their military operations would break down, and in the press of recent date, the reason given for the failure to oppose the landing at Bias Bay and permitting the capture of so vital a point as Canton within a period of ten days, is that it is not desired to fight on ground of Japanese choosing. Meanwhile, virtually the entire eastern portion of the country has been lost.

d. The operation following the landing at Bias Bay is the most serious individual threat of the entire war in that it has removed from Chinese control the last access by rail to the sea, and together with the fall of Hankow, constitutes the conquest of the last bit of railway net in Chinese hands. The effect of the loss of this form of communication cannot but be far reaching, as, with the Japanese in possession of Hankow in the north and the southern end of the Canton-Hankow railway in the south, the Chinese forces must withdraw into the interior and depend for supply on routes from Russia to the northwest and through Indo-China to the south, which, while it is not impossible that they

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

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may be expanded, are now considered in the light of all available evidence as rather tenuous sources of supply on any considerable scale.

e. In the light of past experience, however, unless the danger of the situation inspires a more effective resistance and effective sources of supply be opened, it is difficult to foresee any ultimate result other than the final pushing of the Chinese armies into the back country and a consequent gradual diminishing of what coordinated effectiveness they now possess. The logical sequel of such a situation appears one in which there will ensue a period of sporadic and more or less unrelated military activity carried on by smaller units in such parts of the country as they can maintain themselves.

3. Economic.

a. This office ventures on this ground in the realization of the fact that it is at once one of the major elements of the present struggle as well as that about which the greatest speculation exists. It is a subject which is a large study in itself and one whose ramifications lead quickly into all of the many details of national economy, an adding up of which can show almost anything the compiler chooses to show, what with the many known factors known to exist. In the final analysis, however, it will depend largely upon the many imponderables which find their roots in the makeup of the peoples involved, and which, though not lending themselves to precise calculation and entry into a debit or credit column, are items to be reckoned with none the less.

b. Without minimizing the importance to any national economy of such factors as maintenance of exchange, raw materials, credits, gold reserves, etc., etc., but in order to look at a few of the highlights of the subject, it can be said that in Japan at the present time, there are none of the usual outward manifestations of an economic breakdown. That the economic condition is serious is a generally recognized fact, and that the seriousness is of proportions which cannot be minimized, is evident. It is a condition which is giving the Japanese much food for thought and one toward the improvement of which no effort is being spared.

c. A point to be remembered, however, is that

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the military initiative rests largely with the Japanese, the Chinese forces being constantly on the defensive, with the result that they are able largely to cut their cloth according to their needs in the way of military operations. True, the scope of operations in a territorial sense is largely dictated by Chinese activities in a variety of areas which keep many Japanese troops occupied, but such activities are not a determining factor in the prosecution of the war nor do they constitute a form of military activity of a compelling nature which can force large and expensive reactions on the part of the Japanese. The fact that the scope of guerrilla activities is occupying many Japanese troops should not be taken to mean that such operations are proportionately costly.

This digression is inserted simply as an indication that the only manner in which Chinese military activity is imposing itself on the Japanese, in such a way as to bear any semblance of initiative, is very likely, not as expensive as it is popularly supposed.

d. While it is not desired to give, even remotely, the impression that there is no hardship, or that many classes of the population are not seriously touched by present conditions, it is thought that the absence of the usual manifestations of a desperate condition is worthy of note. All theatres are running; bars are full and subject only to unusual closing hour control; while there are several gasoline restrictions, there are still many taxis; prices have risen, but not abnormally, though close supervision may well have had a hand in that fact; there are no beggars; official and semi-official organized charities are adequate to the loads imposed upon them; and the national credit is still good. The above list of normal conditions could be continued indefinitely.

On the other hand, an equally long list of restrictions could be compiled, but the point to be made is that the restrictions which have thus far gone into effect have neither been so sweeping nor so numerous as to greatly effect those items listed above which are usually among the first to be touched by the stress of trying economic conditions.

e. That the foregoing remarks will be far from satisfactory to the mathematically inclined economist is recognized. They are presented, however, merely as indications that, in the sphere of individual effort at least,

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the Japanese people are capable of still further adjustments to meet the present situation, and that the saving thus made may well be translated into materiel, credits and other tangible items connected with national economy.

f. The details of economic conditions in China are not familiar to this office, but it is difficult to imagine a condition anything but weaker than that of Japan. It is a country which is less highly organized industrially and economically, and the results of having had less access to foreign markets than has Japan in the matter of imports as well as exports, of having foreign finance become wary in view of continued military defeat, and of the lesser financial resources within the country and abroad, must have produced an economic condition which can be conservatively estimated as unsatisfactory. To say that one belligerent is weaker than the other is, of course, a specious argument in support of the contention that the other is not on the verge of collapse, but in long drawn out operations, relative strength will ultimately play its part.

4. Political and Morale.

a. The Japanese are solidly behind the government and the armed forces in the present undertaking, and reports picturing dissatisfaction or disaffection seriously misrepresent the feelings of the people. The Japanese have been disappointed it is true. The great bulk of the people firmly believed that when the present war started it would be over within a few months. They were likewise bitterly disappointed when the fall of Nanking did not bring about any very tangible results, and thereafter, believing the teachings and propaganda of their leaders, settled down for the long haul. True, there are elements in the country who question the wisdom of present activities, and who wonder whether the road they are following is leading them, but such sentiments must not be considered as evidences of disaffection or defeatism. The great masses of Japanese have settled down with determination to the prosecution of what they have been told will be a long war, and are completely imbued with the feeling that they are fighting the fight against communism and for the salvation of Japan. It is needless to go into the well known qualities of the people from a spiritual standpoint other than to remark that the above beliefs will be the force which will produce the best efforts of which they are capable, and that a halt will be made only under compulsion.

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b. Politically the government is in complete accord, and a smooth-running team has been achieved. The charge that it is dominated by the armed forces is often and truly made, but this office can see no disadvantage in that condition if it produces unity, and the direction of the entire energy of the nation toward the desired end.

c. This office is likewise unfamiliar with the details of Chinese politics but there is ample evidence to indicate that there are large areas of that country whose local governments have at least been open to the charge of acting primarily in self-interest, with the result that the whole has never been looked upon as a closely knit entity.

d. There is no doubt but that the evidences of Chinese morale and of the development of feelings of nationality have been the outstanding surprise to all observers of the present struggle, and it is felt that these sentiments are going a long way toward holding that government together. How long this cementing force may continue to be effective is difficult to estimate, but in this connection, history is full of instances which indicate that morale has limits under the impact of such forces as continued military defeat and its consequences in the form of hunger and political and civil disorganization. This does not mean that Chinese morale is felt to be completely undermined, but simply that it is subject to great strain and that in that stress lie the seeds of disruption.

5. Summary.

a. An adding up of all the foregoing considerations indicates a situation roughly as follows: On one hand the Japanese - militarily successful and with every prospect of continuing so, barring the entrance of other powers into the struggle; strained economically but able to make further efforts for an undetermined period; united internally, and outwardly faced by nations who show no great inclination to intervene in the only way which would have any effect. Opposed are the Chinese - militarily inept; economically dependent upon other nations whose aid is of a practical nature and which will be extended only so long as the risk appears a good one, or that benefits may be expected therefrom politically united in those portions of the country remaining under their own control; spiritually united everywhere; the best portions of the country and all

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its communications in the hands of the enemy; and in the future denied access to the sea and dependent upon what are regarded as undependable lines and sources of supply.

b. Under such conditions, it is the opinion of this office that the day of the end of military effectiveness on the part of the Chinese is at hand. By 'military effectiveness' is meant coordinated operations directed and controlled by a central government as contrasted to a guerrilla form of warfare.

c. It is felt that it is not likely that such a disruption of the Chinese armies will necessarily imply a quick transition to peace conditions, but that on the other hand, it will be followed by a breaking up of the larger forces as they now exist and a carrying on of hostilities on a more diffused scale, thus rendering their ultimate subjugation and the return to a peace status a question of time.

d. It is felt that such a military breakdown may well be accompanied by corresponding political changes in which, through the inability of their own government to aid them, the people of the occupied areas may turn to new political institutions which perforce will be suitable to the Japanese, with the result that, while bitter hostility to the Japanese will be a heritage of all Chinese, there will be a gradual return to peace conditions and an acceptance of the fact of Japanese victory.

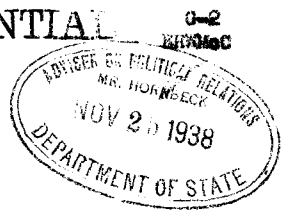
e. The time within which the foregoing results of present conditions may manifest themselves is difficult to determine, but it is not thought impossible that they may well come to pass before the end of the approaching winter.

Harry I. T. Creswell,
 Lieut. Colonel, Acting General Staff,
 Military Attache.

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3-2/2657-5-139

November 25, 1938.

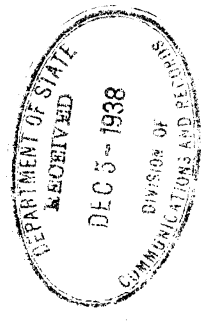
793.94

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Far Eastern Situation.

1. Herewith are Summary and Situation Map covering the period November 18-25.
2. The important events for this period have been:
 - a. Halt in the Japanese offensive operations diverging from Hankow.
 - b. Japanese reply on November 18 to the American note of protest of October 6, 1938.

793.94/14467



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

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G-2 Digest of Information
Sino-Japanese Situation
November 19-25, 1938.

W. H. [unclear] Mar 18, 1973

1. MILITARY OPERATIONS.

a. North China. No important developments have occurred in this region. Approximately 300 Japanese wounded were evacuated out of China Proper through Chinwangtao in the period November 13-20. The Chinese guerrilla effort in southern Hopeh province is reported as slackening in much the same manner as has already been noticed in Shantung.

b. Central China. On the Hankow front Japanese pressure became apparent over the week-end in yet a third direction, to the west and northwest of Yingshan. However, by the 23d this effort had lost its momentum without making material progress. The drive west along the Hankow-Ichang highway has stopped short of the Han River crossing at Anlu and the movement down the Canton-Hankow railway has made no progress in the past week.

The Chinese apparently are now offering effective resistance to each of these movements. It is clear that the uneasiness bordering on panic around Changsha has been cleared up.

Chinese guerrilla activities are being intensified in the Hanking-Shanghai-Hangchow triangle, where arms and leaders can be supplied readily from the Chinese-controlled hinterland. In explaining why restrictions on foreign enterprise in this area could not be lifted, the Japanese stated parenthetically that there were 200,000 guerrillas in this region.

c. South China. The Chinese offensive against Canton has made no material progress. On November 24th the Japanese initiated offensive operations south from Sheklung and by landings on the east bank of the Pearl River estuary, apparently with a view to clearing out Chinese forces from the strip of land between the Canton-Kowloon railway and the Pearl River. From this it is concluded:

(1) That sufficient Chinese pressure has developed to make the Japanese sensitive about their communications down the Pearl River.

(2) Japanese forces on the spot are adequate to hold Canton under existing conditions.

2. MISCELLANEOUS.

a. On November 18th the Japanese Government replied to the United States note of protest against infringement of American rights in China which was delivered on October 6th. In substance the Japanese note said that the infringements had resulted from war

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conditions and did not represent wilful discrimination. The note did not advert to the Nine Power Treaty or to the "Open Door Policy," but did refer to changing conditions in Eastern Asia with the implication that American policies toward that continent should be open to revision. Official and semi-official Japanese comment bearing on the note indicates the evolution of a somewhat modified official attitude toward American enterprise in China. Japan may be said to be willing to agree, if not to "equality of opportunity," at least to opportunity for American business in China; at the same time the Nine Power Treaty and the "Open Door Policy" are to be dismissed from consideration as moribund.

On November 22d Secretary Hull characterized the Japanese reply as "unsatisfactory."

b. On November 22d the Japanese press reported the impending rejection of proposals said to have been made on November 1st by Sir Robert Craigie, British Ambassador to Japan, for the restoration of peace in China. The proposals are said to have included as a basis for peace the cessation of Chinese armed and economic resistance and the maintenance of third power rights in China. While there is no guarantee that the terms proposed were as stated, this report coupled with Sir Archibald Kerr's concurrent dealings with Chiang Kai-shek are taken to indicate that an abortive British attempt at mediation in the Sino-Japanese struggle actually has taken place.

3. COMMENT.

The most interesting military event of the week has been the halt in the three Japanese divergent advances from the Hankow region. While on their face these operations bear the mark of being undertaken under the conception of being a pursuit of a beaten and disorganized enemy, the fact that they were all direct-pressure operations without reasonable hope of large scale tactical results tends to encourage the belief that once again the Japanese have allowed execution to precede decision. If such is the case it would be natural to expect a regrouping of the Japanese forces in this area followed by the resumption of the offensive with a more coherent objective. However, there is another possibility, namely that in their four months' drive up the Yangtze coupled with other operations over the breadth of China, Japanese munitions expenditures have outstripped production and that serious inroads have been made on war reserves with consequent necessity for halting until new stocks are built up. It is not believed that any collapse of Japan's industrial effort is indicated, but it may well be that her military effort in the period July-November represents a peak which cannot be maintained. Furthermore, it is entirely possible that her halt in Central China may be ascribable to either or both of the situations described above.

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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Tientsin/126 FOR Dematch #677

FROM Tientsin (Caldwell) DATED Nov. 3, 1938
TO NAME 1-1127 ...

REGARDING: Sino-Japanese relations: Report concerning-,
for month of October, 1938.

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793.94 / 14468

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B. Relations with Other Countries.

1. Japan.

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2-5
a. Shansi. Reports received from Americans and other foreigners resident and travelling in Shansi indicated that the Japanese influence was confined to some of the larger cities and principal routes of communication where they were continuously harassed by Chinese guerrillas. The Japanese controlled press of Tientsin and Peiping reported Japanese successes in their operations against the Chinese irregulars in Shansi, giving particular prominence to the alleged occupation of Wu T'ai Shan, one of the Chinese holy mountains and Buddhist sanctuaries which has been controlled by the 8th Route Army for some time. The Japanese military were reported to have taken certain foreign newspaper correspondents of Peiping on an airplane trip to inspect this area but the reports of these correspondents are not available.

b. Inner Mongolia. A delegation, headed by Prince Teh, of more than twenty leading members of the "Autonomous Governments" of Chahar, North Shansi and Suiyuan left for Japan about the middle of the month, stopping at Peiping and Hsin-king en route to call on Japanese officials. In a news item reprinted from the JAPAN ADVERTISER, it was stated that while in Japan the delegation would negotiate regarding barter trade with the Japanese.

c.

-3-

c. Hopei. No marked changes were noted in the situation in Hopei Province during the month. The Japanese remained in military control of Tientsin, Peiping and the railways while the Chinese controlled the interior. The Japanese reported progress in the expulsion of Chinese "bandits" from East Hopei, boasting that they had driven the "bandits" out of nearly all of the districts of East Hopei, a not-so-remarkable feat since the Japanese have been in practically complete control of East Hopei for the past five years.

Chinese bandits were very active in the Tientsin area, making several kidnapping and robbing raids in the suburbs of Tientsin. An attack was made on the home of a Belgian just outside the British concession area, apparently for the purpose of kidnapping the occupants, but the outlaws fled when an alarm was given.⁽¹⁾ On another occasion an attack was made on the Russian proprietor of a dairy, also just outside the British concession area, when the Russian proprietor was shot and killed. Numerous fires occurred in Japanese owned premises in the suburbs of Tientsin, principally cotton storage yards. On one occasion a fire of considerable proportions broke out in a Japanese military supply depot in the Third Special Area destroying considerable quantities of uniforms and other military equipment.

On the night of October 28th Chinese partisans,
or

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or bandits, raided a police station in the First Special Area where about forty policemen were quartered, ousted the police and took most of their uniforms. Three of the police were reported to have been wounded by pistol shots. Small arms fire can be frequently heard from the foreign concession areas in Tientsin. With the exception of a small special group, the Japanese are apparently afraid to arm the Chinese police who are therefore powerless to resist these armed marauders while the Japanese soldiers seem to be ineffective in suppressing them. Indications are that the marauders are Chinese bandits although some of their activities indicate that they may be directed by the 8th Route Army or some other organized group of Chinese partisans. Except for the occasional burning of Japanese property, the activities of these marauders seem, however, to be more directly harmful to Chinese than to the Japanese and have no important effect from the military point of view.

Attacks by Chinese partisans on the railways in Hopei continued with a number of trains wrecked and numerous delays in train schedules.

d. Japanese Resident in North China.

Statistics published in the local press give the number of Japanese subjects residing in the Tientsin consular district as nearly 60,000, of whom about 30,000 are in Tientsin and about 20,000 in Peiping.

e.

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e. Removal of Japanese from French and British Concessions. The removal of Japanese residents and firms from the British and French concessions, first reported to have been ordered at the end of August to take place prior to the middle of September had not been carried out at the end of the period under review, although certain Japanese had moved out of these concessions, among them being the Japanese Consul General, who moved from the British concession to the Japanese concession on October 8.(2)

f. Celebration of Occupation of Hankow. The Japanese in Tientsin celebrated the fall of Hankow on October 29th and 30th, while the Chinese celebrated this event under Japanese direction on October 31. For the Chinese celebrations the Japanese forced the attendance of students and officials and a few Chinese civilians on whom pressure could be brought to bear, but there was no evidence of any enthusiasm on the part of the general populace.

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DOCUMENT FILE

NOTE

SEE 500.A. 4d/328 FOR MEMO

FROM State Dept. FE (Vincent) DATED Nov. 5, 1938
TO NAME 1-1127 ***

REGARDING:

Significant instances of recognition by the League of Nations
of the Nine Power Treaty in its relation to Japanese Action and Activities in
China in Violation of that Treaty.

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793.94/14469

14469 -

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Department of State letter, August 10, 1972
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DOCUMENT FILE

NOTE

SEE 893.6583/38 Confidential File FOR Memo
FROM State Department (FE) (Hamilton) DATED Nov. 13, 1938
TO NAME 1-1127 ***

REGARDING: Proposed tung oil project: comments on probable effect
of - on Sino-Japanese conflict.

wb

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DOCUMENT FILE

NOTE

SEE 893.6583/39 Confidential file FOR Memo

FROM State Department (PA/H) (Hornbeck) DATED Nov. 14, 1938
 TO NAME 1-1127 ...

REGARDING: Proposed tung oil project: comments on probable effect
 of the - on the Sino-Japanese conflict.

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14471

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

DOCUMENT FILE

NOTE

SEE 894.00 P.R./131 FOR Despatch #3424

FROM Japan (Grew) DATED Nov. 16, 1938.
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning-,
 for month of October, 1938.

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Department of State letter, August 10, 1972
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(c) China.

1. Military Operations.*

793:94
The month of October witnessed the climax which has been built up by the Japanese press and by official Government statements: the fall of Hankow. However, before considering the campaign which brought to a successful conclusion the drive which began last June, it is important to note what is described as one of the most brilliant and successful military operations in modern history. On October 12 the Japanese forces landed at Bias Bay and evidently completely surprised the Chinese forces for there was little or no resistance to the landing operation.

The

* Prepared with the cooperation of the Military Attaché's Office.

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The Japanese immediately began to advance inland in three general directions. The right flank landed at Siayunghui, moved north and then west along the route Pinghsan-Wanglik-Lungmoon-Tsungfa. The central group of forces followed the route Waichow-Tsengcheng and then divided, one group going to Canton and the other advancing to Tsungfa. The left flank advanced to the Canton-Kowloon railway and followed that route to the vicinity of Canton. On October 20 a flying column of tanks and cavalry from Tsengcheng reached the outskirts of Canton. The strategic value of the campaign against Canton has long been apparent, but there were probably no observers who predicted the ease with which the Japanese would effect the cutting of the last important line of supplies to the resisting Chinese forces.

As has been outlined in previous reports, the campaign against Hankow consisted in the main of three lines of advance. Last June it was apparent that the Japanese intended to drive through Honan to Pinghan railway, south of the Yellow River, and then turn southward and advance along that line to Hankow effecting at the same time a secondary advance up the Yangtze River. The Chinese strategy of cutting the dikes of the Yellow River and inundating the surrounding regions effectively stopped the northern advance. The Japanese reply to this maneuver was to begin another advance from the north based on Luchow following the narrow strip of passable terrain between the Tapieh Mountains and the inundated areas to the north. At the same time the advance up the Yangtze Valley was pushed forward. It was not apparent which point would be the main objective of the final attack until that attack began on October 17. In the meantime the Japanese forces in southern Shansi made repeated threats of crossing the Yellow River and the campaign towards Tehan was vigorously prosecuted. This led to a shifting of Chinese reserves which facilitated the final Japanese

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Japanese thrust by a mechanized force along the north bank of the Yangtze into Hankow. Chinese morale had, of course, been weakened by the news of the Japanese successes in the Canton region. The Japanese forces have shown no indication of relinquishing their campaign in China and unless there is a decided change in the situation, it is safe to predict the advance up the Yangtze will continue at least as far as Ichang and that the military forces around Hankow and those around Canton will continue with their campaign until they meet along the Canton-Hankow Railway.

Military operations continued to dominate Sino-Japanese relations. Relations in general with China as recognized by other Powers continued to be practically non-existent. However, cooperative meetings between the régimes at Nanking and Peiping indicated that Japan was continuing its efforts to establish and consolidate new political organs in China. At the same time there were indications of Japan's slow but determined development of economic control in China. These measures are noted in brief in another section of this report.

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NOTE

SEE 820.00/122 FOR Memorandum

State Department
Far Eastern Division

FROM (Jones) DATED Dec. 1, 1938.

TO NAME 1-1127 ***

REGARDING: The situation in the Far East: Sino-Japanese conflict.

Developments of the past week.

FRG.

793.94/ 14473

14473 -

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

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DOCUMENT FILE

NOTE

SEE 893.00/14283 FOR Tel-; Noon

FROM Hankow (Josselyn) DATED Dec 2, 1938.
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese situation; Hankow area.
 November summary-

793.94 / 14474

FRG.

14474-

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FE

ML

GRAY

Hankow via N.R.

Dated December 2, 1938

Rec'd 7 a.m. 3rd

Note
793.94

Secretary of State

Washington

December 2, noon.

November political summary..

The Japanese authorities (?) a series of petty restrictions on the movements of Americans which were not of themselves serious but were symptomatic of the Japanese policy of obstruction of other foreign activities. Preliminary negotiations were conducted for enforcing some of the drastic measures on Kuling. There were a number of illegal Japanese entries of American properties and an incident involving an American citizen (my 65, November 5, 4 p.m., 70, November 17, 8 p.m., 77, November 23, noon).

893.00/14283

The main Japanese forces continued their (*) after the retreating Chinese until the third week in November when the Japanese advance practically ceased. Their furthest progress south of the Yangtze was some 20 kilometres south of Yochow and north of the River to a line something more than a hundred kilometres west of and parallel to the Peiping-Hankow Railway. The reasons for the slackening of the Japanese advance are believed to be (1) shortage of troops.

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ML -2- Hankow via N.R. Dec.2,1938 7 a.m. 3rd

troops, and as related thereto (2) commissioning of large bodies of troops to mopping up campaigns behind the lines.

Japanese anti-aircraft fire at Hankow on November 11 and 28 suggested that Chinese aircraft visited this center. No conclusive evidence of their presence was obtained by third power observer Ryder.

Trustworthy information from the countryside around Wuhan and from certain rural areas to the west indicates that the Japanese there behaved savagely towards the people and that together with Chinese bandits they have rendered a large proportion of the population destitute. As in Wuhan, they have robbed Chinese of even small change. A Wuhan American physician reports Chinese females raped by Japanese range in age from 11 to 65.

The Japanese inaugurated a provisional Chinese Government here November 25, my telegram No. 79, November 25, 5 p.m.

Chinese here created disorders. Large sections of the city at the confluence of the Yangtze and Han Rivers burned systematically during the second week of November. Circumstances suggest that the fires were set by the Japanese. Japanese authorities partially repaired Wuhan water works but have done virtually nothing to return other utilities to normal operation nor to alleviate fuel shortage. Same situation

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ML -3- Hankow via N.R. Dec. 2, 1938 7 a.m. 3rd

situation reported to exist in Kiukiang after four months Japanese occupation. Regular mail and telegraph service finally instituted. Representatives of principal Japanese firms arrived but no general business yet known to have been resumed by them. Japanese shipping statistics subject of my December 2, 11 a.m.

Sent to Peiping.

JOSSELYN

WMC

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

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NOTE

SEE 123 J. 634/510 FOR Tel. #515 10am

FROM China (Chungking) (Johnson) DATED Dec. 4, 1938
TO XXX NAME 1-1127 ...

REGARDING: Japan's policy in Asia and significance of recently established Japanese Hsinya yuan or new Asia yuan for dealing with treaty, military and political questions toward Asia; Ambassador Johnson has been requested to explain same to Department by Minister for Foreign Affairs.

Moe

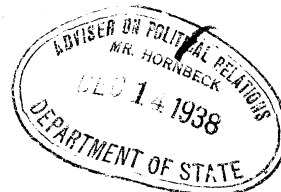
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75



TELEGRAM RECEIVED

JR

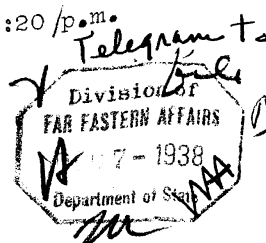
This telegram must be _____ Alusna Peiping
closely paraphrased be-
fore being communicated to anyone.

FROM DECEMBER 7, 1938

Rec'd 1:20 p.m.

ACTION: NAVY DEPT

INFO: ASST ALUSNA SHANGHAI
CINCAF
COMYANGPAT
COMSOPAT
AMERICAN AMBASSADOR TO CHINA
ASST ALUSNA NANKING



793.94

0007. No specific orders issued but open secret
evacuation Japanese residents from Tientsin concessions
almost ninety per cent completed only two important
firms remaining Yokohama Specie Bank and CSK new
circumventing highway plus increasing physical trade
restrictions with foreign companies predicted as
preliminary steps to completely isolate areas in near
future, widening of daily exchange fluctuations
indicates successful throttling effects various money
regulations possibility outside banks modifying refusal
accept FRB notes to finance imports. 1815.

HPD

793.94/14476

F/FG

0813

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

**AMERICAN CONSULATE GENERAL
TIENTSIN, CHINA**

GENERAL INFORMATION ON THE TIENTSIN CONSULAR DISTRICT.

The Tientsin Consular District, covering approximately 1,575,000 square miles (slightly more than one-half the area of the United States) includes the Provinces of Hopei (formerly known as Chihli), Shansi, Jehol, Chahar, Ninghsia and Suiyuan, that portion of Honan Province north of the Yellow River, and all of Mongolia. Tientsin is the principal commercial port of the district and of North China.

TOPOGRAPHY. The eastern portion of the district, in Hopei Province, is an alluvial plain. The central and western portions include terrain varying from fertile valleys and plateaus to barren mountains and desert. The altitude ranges from sea level in the east to 9,200 feet in the mountainous sections.

CLIMATE. The climate of the eastern portion of the district is characterized by high relative humidity during the hot months and excessive dryness at other times. Low annual rainfall is characteristic of the western and west-central portions of the district. July and August are the rainy months. The temperature ranges from -16° F. to 105° F. The annual rainfall varies from 8 inches in the western portion of the district to 10-15 inches in the central portion, and 20 inches in the eastern portion.

POPULATION. The population of the district is estimated at from 60,000,000 to 65,000,000. Approximately 80 per cent of the population is rural. The principal cities are Tientsin, the commercial port, and Peiping (Peking) formerly the national capital, each having a population of approximately 1,500,000; Taiyuanfu, the capital of Shansi Province; and Kalgan, the gateway to Mongolia.

STANDARD OF LIVING AND PURCHASING POWER. The standard of living of the masses is very low; in normal years the poorer classes are able to obtain little more than a bare existence. Periods of prolonged drought result in famine. Floods at times create widespread disaster. Only a small percentage of the population can be considered as potential purchasers of foreign goods other than bare necessities.

INDUSTRIES. Outside of Mongolia, which is a pastoral region raising cattle, sheep and horses, the principal industry of the district is agriculture. A number of household industries exist. Coal mining, cement manufacturing, and cotton and woolen textile manufacturing are the principal modern industries of the district.

DIRECT FOREIGN TRADE. The value of Tientsin's direct foreign trade (i.e., not including indirect foreign trade in coastwise shipments) in recent years is shown below:

Calendar Year.	Imports.	Exports.	Total
1929	U.S.\$73,614,000	U.S.\$52,532,000	U.S.\$126,146,000
1930	48,706,000	36,596,000	85,302,000
1931	38,678,000	31,091,000	69,769,000
1932	36,582,000	21,399,000	56,981,000
1933	31,769,000	23,282,000	55,051,000
1934	32,985,000	27,633,000	60,618,000
1935	31,270,000	32,607,000	63,877,000
1936	21,751,000	35,054,000	56,805,000

The principal foreign imports are cotton pice goods, sugar, petroleum products, wheat flour, rice, cotton yarn, semi-manufactured iron and steel, raw cotton, and cigarettes. The principal exports are raw cotton, furs and fur skins, woollen rugs, eggs and egg products, sheepwool, bristles, seeds, straw-braid, walnuts, camelhair, and sausage casings.

Declared exports to the United States were: in 1929, U.S. \$40,208,000; in 1930, U.S.\$23,322,000; in 1931, U.S.\$14,957,000; in 1932, U.S.\$7,872,200; in 1933, U.S.\$12,498,000; in 1934, U.S. \$14,942,000, in 1935 U.S.\$18,787,000; and in 1936, U.S.\$24,244,996.

TRANSPORTATION. Tientsin is located on the Hai Ho (river), 47 miles from the sea. Coasting steamers of 13-14 feet draft are usually able to proceed up-river directly to Tientsin. Deep draft vessels transship cargo with the aid of lighters outside of Taku Bar, at the mouth of the Hai Ho. Ice breakers keep the port open in winter. Direct freight service is maintained by American and other steamship lines between Taku Bar and American ports, and coasting and Japan lines offer transshipment service at Shanghai, China, and Kobe, Japan. In comparison with other sections of the country, the district is well provided with rail communication, all lines being part of the Chinese Government Railways. Camel caravans are the principal means of freight transport in Mongolia. Motor transport is possible between Kalgan and Uрга, capital of Mongolia. Motor omnibus lines operate throughout the eastern portion of the district, but service is irregular during the rainy months. Transportation in the interior of Hopei and Shansi is largely by carts or pack animals. In the territory south and west of Tientsin, the Grand Canal and other inland waterways afford transportation facilities by light draft junks during certain seasons.

BANKS. Banking facilities are adequate. The National City Bank of New York and The American Express Company, Incorporated, maintain branches at Tientsin and Peiping. The Chase Bank has a branch at Tientsin. There are also Chinese, British, French, Japanese, and other banks, with branches or connections in the United States, prepared to finance American trade.

CREDIT TERMS. Shipments from the United States are usually made under bills of exchange with documents attached, delivery against payment, or against acceptance with credit terms of from one to four months. Export shipments are usually made under confirmed letters of credit. Credit should not be extended nor advance payments made to individuals or firms whose credit status has not been favorably reported.

FOREIGN EXCHANGE. The Chinese unit of currency is the Yuan Dollar, and foreign exchange has remained relatively stable at approximately Yuan \$1 equals U.S. \$0.30, since the nationalization of silver on November 3, 1935.

CUSTOMS POLICY. Import duties on foreign imports are established at from 5 to 80 per cent. Export duties range from 5 to 7½ per cent. River and bridge dues at rates approximating 7 per mille ad valorem and wharfage dues at the rate of 1 per mille ad valorem are levied on imports and exports. Surtaxes in the amount of 10 per cent of the duty are levied on imports and exports. For customs purposes, shippers are urged to mark and invoice goods in conformity with the metric system.

CHINESE CONSULAR INVOICES. All merchandise shipped to China from abroad, other than that which is duty-free or shipped by parcel post, if the value of the shipment amounts to Yuan \$200 or more, must be accompanied by a Chinese consular invoice. These invoices must be certified by the Chinese consular office at or nearest to the port of shipment.

PACKING AND MARKING. Stout and careful packing is important on shipments to Tientsin, to resist rough handling on frequent transshipment. Cases should be braced and strapped. Protection against theft and pilferage by patent seals is desirable. Marks and numbers are required on all packages of cargo entering China from abroad in cases or bags, or wrapped in matting. Case marking should be in characters at least 2½ inches high on the top, one side and one end of each case or bale.

All foreign goods imported into China, as well as their containers and packing, must be marked in a conspicuous place with the name of the country of origin (i.e., the country of original manufacture) in English, French, or Chinese. Such marks must be of a durable nature. The Chinese characters for "Made in the United States of America" are 美國製.

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

POSTAGE. International postal rates apply to all mail matter from the United States to places in the Tientsin district. Letter postage from the United States is 5 cents for the first ounce and 3 cents for each additional ounce or fraction thereof. Care should be taken to prepay the full amount of postage due in order to avoid collection of penalty postage from the addressee.

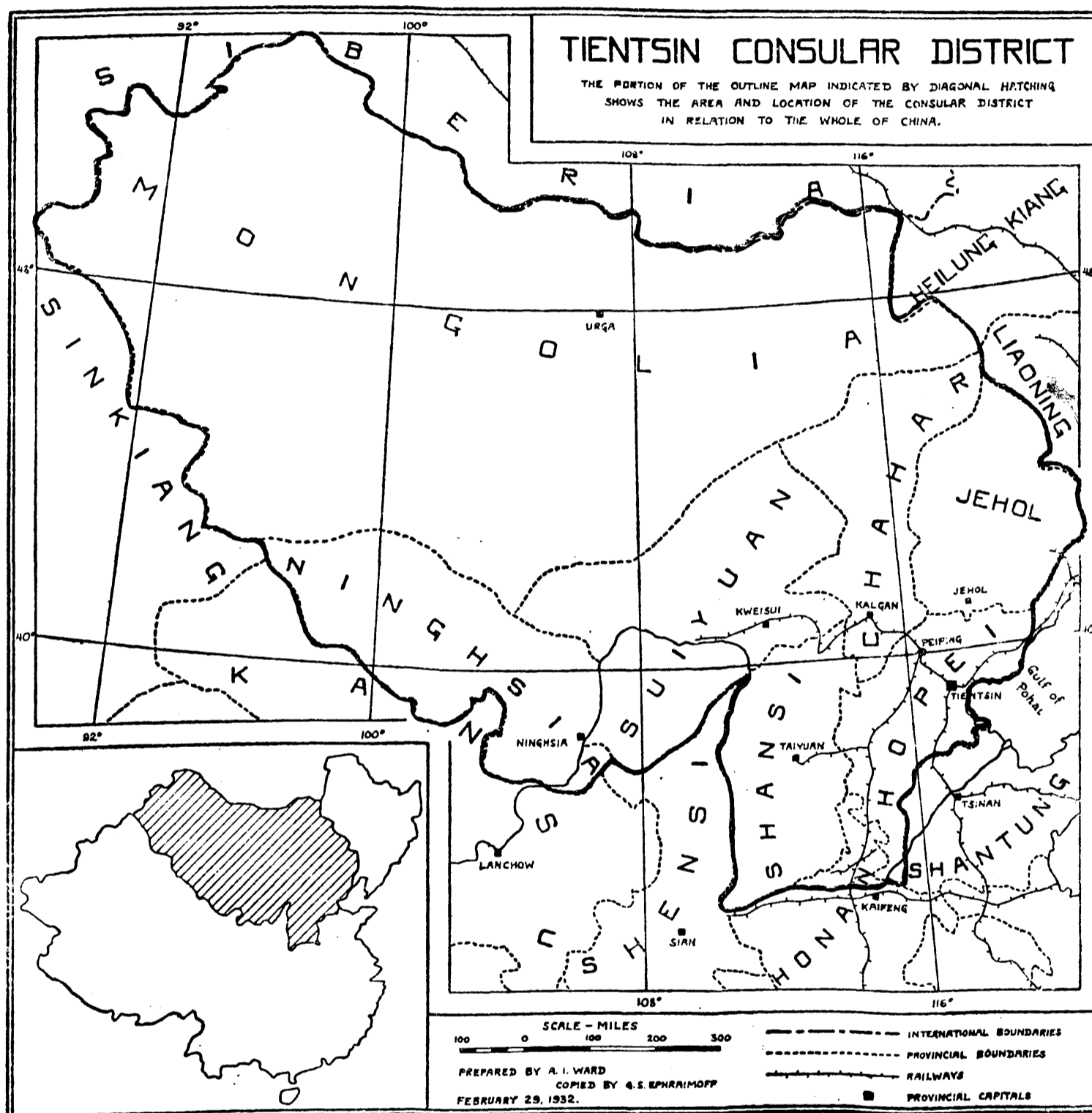
LANGUAGE. The principal commercial language of the foreign trade in China is English.

MISCELLANEOUS. There are only a few Chinese firms equipped for direct foreign trade. Most of the foreign trade is carried on through American, European and Japanese import and export houses. A number of such houses have branches or connections in the United States. In establishing China agencies it is preferable that American agencies be placed with American firms when possible.

Correspondence for this office should be addressed to the

Revised February 27, 1937, (34M.)

AMERICAN CONSUL GENERAL,
 Tientsin, China.



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

DOCUMENT FILE

NOTE

SEE 893.00 P.R. Shanghai/121 FOR Despatch #1812

FROM Shanghai (Gauss) DATED Nov. 7, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations: Report concerning-,
for month of October, 1938.

aa

793.94 / 14477

14477

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

Sino-Japanese Relations.

Military Operations. No major military operations occurred in this consular district during October.

Guerrilla Activities. Reports of activities of Chinese irregular forces in this area have decreased notably, even in the pro-Chinese vernacular press. Some advance publicity was given to rumored plans that the irregulars would make a major effort in Footung on the occasion of the anniversary of the Chinese Republic (October 10), but no serious engagement is reported to have occurred on that date. However, the Japanese seem to have suffered a few casualties and, in retaliation, the village of Pohtsai, in the southern Footung district,

about three miles from the Whangpoo River, which was believed by the Japanese to have been used as a base for the guerrilla attack, was completely razed by Japanese troops, a considerable number of Chinese being killed. This drastic action is similar to that reported from time to time from other parts of the Shanghai consular district in connection with the activities of guerrilla bands.

Reliable observers agree that the Japanese have been able to maintain their main lines of communication unbroken though the casualties resulting from guerrilla activities have been numerous.*

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

DOCUMENT FILE

NOTE

SEE 893.51 Salt funds/216 FOR Despatch #1810

FROM Shanghai (Gauss) DATED Nov. 10, 1938.
TO NAME 1-1127 ***

REGARDING: Sino-Japanese hostilities and the Chinese Government
Salt Administration: Transmits copies of certain
documents relative to-, furnished by Dr. O. C. Lockhart.
aa

793.94/14478

14478

0818

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

DCR

DEPARTMENT OF STATE

DIVISION OF FAR EASTERN AFFAIRS

November 30, 1938.

~~FKP~~

~~JCV~~

~~WLA~~

~~JWB~~

~~GAM~~ (as indicated)

~~JMJ~~ (as indicated)

The following items in the Shanghai Naval
Attaché's Reports Nos. 44 and 45 may be of in-
terest to you:

(Report No.44)

The second, unsuccessful, Chinese attempt
to raid Formosa (p.2);

Guerrilla activities in Sinyang and Shan-
tung areas (p.4);

~~GAM~~ Opium in Chefoo (p.4);

(Report No.45)

Completion of railway to Kwangsi (p.2);

Japanese deals with bandits (p.2);

Russia's development of the Sinkiang route
to China (p.3) (Of special interest);

~~FE~~ China's Law for Industrial Mobilization (p.4).

~~FE~~
FE:Chase

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

N. N. I. 96

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ATTACHE'S REPORT

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From ANA SHANGHAI Date Oct. 7, 1938 Serial No. 44 File No. -
(Commence new series each January first) (Select proper number from O. N. I. Index)
Source of information Various
Subject CHINA
(Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

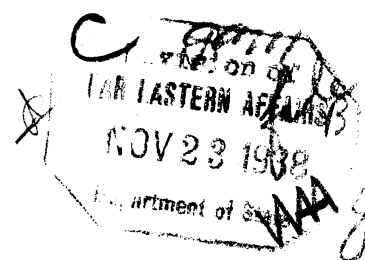
BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

THE RESUME OF THE POLITICAL-MILITARY SITUATION
SHANGHAI-HANKOW-HANGCHOW AREA - 21-30 SEPTEMBER, 1938

POLITICAL:

Tang Shao-yi
Reporters
Reformed Government moves
Foochow.

CONFIDENTIAL



MILITARY:

The situation in the Shanghai-Hankow-Hangchow area
Chefoo.

793.94/14479

CONFIDENTIAL

E. G. Hagen

Mar 19, 1973

793.94

E. G. HAGEN,
Major, U.S. Marine Corps
Assistant Naval Attache

CONFIDENTIAL

F-14479

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Tech. Dev.	C. in C. U. S.	Com. Bat. For.	Com. Seco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attaché at		Operations Com. Div. W. P. Com. FL Tr.				State	Com- merce	Return to Room No.						

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U. S. GOVERNMENT PRINTING OFFICE 4-5292

POLITICAL RESUME

21-30 SEPTEMBER, 1938

CONFIDENTIAL

POLITICAL:

TANG SHAO-YI:

On the morning of September 30th, several men entered the home of Tang Shao-yi as friends who had come to congratulate him on the wedding of his daughter. There were no servants or relatives present in the guest room where the attempted assassination took place. Tang was struck with a hatchet which was still in his head when servants found him a half hour later. He was taken to the St. Marie's Hospital where he died at 4:30 p.m. The killers escaped in the car they had arrived in. The car was picked up several blocks from the scene of the deed.

Until such time as one of the men involved in the killing is apprehended, this office believes that it will be impossible to find out which side - Chinese or Japanese - was responsible. Undoubtedly the killing was due to politics. It may have been some misguided Chinese enthusiasts but the whole affair was too well planned to have been a "spontaneous" act. While there have been several arrests, no light has been thrown on the case.

COMMENT: The killing of Tang was a senseless piece of work no matter who was responsible. The death of this man who has maintained that he would not work for the Japanese can in no way affect the final outcome of the present Sino-Japanese conflict, as he was in no way connected with it except through the efforts of the Japanese to have him serve them. He had often refused that invitation. Whether he was killed by Japanese hirelings for revenge or by some misguided patriots who read and believed the Chinese newspapers will not be known for some time.

REPORTERS:

In order to be sure to have the news reported from the correct angle, the Publicity Bureau of the Reformed Government has given an intensive course in newspaper reporting to some sixty young men. After two months of this work they will be put out to some paper for a month and then will be given a job.

COMMENT: Leave it to the Japanese and their newly formed government to find all the short-cuts to efficient work.

REFORMED GOVERNMENT MOVES:

The Reformed Government has moved from the New Asia Hotel, Shanghai, (Hongkew) to Nanking. The move was made on the night of the 29th. A belated report states that the train on which these gentlemen were proceeding to

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

Nanking was attacked by guerrillas in the vicinity of Shih-tangwan, beyond Wusih. The train was derailed and the guerrillas opened up on it with machine guns about noon on the 30th. Whether any of the government officials were injured is not known but the arrival of Japanese troops from Shih-tangwan probably did much to save the passengers.

Reports received here indicate that not all points have been solved in the consolidation of the Provincial and Reformed Governments. Just what these points are this office has not been able to find out, but it is known that the Japanese are not very well satisfied with conditions of the governments as it was announced. There is even some talk that the Japanese may decide to have a Chinese state built somewhat upon the order of the United States with a very loose form of government holding the provinces together: - i.e. so that China would never again be so near to complete political and financial unity as under Chiang Kai-shek - that unity was too near fulfillment to suit the Japanese military.

FOOCHOW:

Letters from Foochow indicate that the city itself has been left completely alone by the Japanese. While there have been occasional air-raid warnings, and planes have flown overhead only propaganda pamphlets have been dropped. On one flight the Japanese had seventeen planes and dropped bulletins stating that the flight was being made to impress the people that the announcement of the Central Government to the effect that Japanese had suffered severe air casualties were not correct, hence the force on that date.

Trade in the city is absolutely dead - the tea market has been killed by provincial and governmental interference. That is Foochow's business except for lacquer ware.

Occasionally, Japanese destroyers or transports come in and take a few shots at the forts (which are still undamaged) and then depart.

On August 13th, there was evidently an attempt on the part of the Chinese to raid Formosa again. The writer reports that two Chinese planes had to make a forced landing a short distance from Foochow, up the Yuanfoo River. Two Russians and one Chinese were seriously injured and were brought into Foochow where one of the Russians died. Their landings in the paddy fields were not very successful.

Chuanchow, in the Amoy district, has been made an open port and the Customs are raising the status of their station there to take charge of increased imports (if there are any).

About August 1st, in the coastal inner passage to Hingwha a passenger launch was met by a Japanese destroyer which removed all passengers from the launch, soaked the ship with kerosene and set fire to it. None of the passengers have been heard of. The report comes from the Catholic Mission near Foochow and their information is usually quite correct.

Taxes of all kinds have been increased, additional taxes have been put on meats and vegetables until the civilians simply had a "non-buy" strike whereupon the Government came to and removed some of the "nuisance" taxes. These affected chiefly foodstuffs but the citizens won.

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

MILITARY RESUME

21-30 SEPTEMBER, 1938

CONFIDENTIAL

MILITARY SITUATION:

The Japanese column skirting the Tapien Shan, with the town of Sinyang as its objective, captured Loshan on the 21st. On the same day the town of Sih sien, north and west of Kwangchow was taken, while the town of Sintien was reported in Japanese hands at the same time. This last move is the severest threat to the Chinese lines but up to the 30th, the Japanese had not been able to make any headway below Sintien or Shawo, west of Sintien. The Chinese report that they drove the Nipponese out of the area back to Shangcheng on a three day counter-attack which was reported on the 29th. Whether this is true is difficult to state but the Japanese have not been making headway in this area.

The Chinese have been concentrating many troops in this area, the weather has also been very bad. Between the two, it seems that the Japanese drive on the Ping-Han line has been almost stopped. In their counter-attack on the Shawo-Sintien sector the Chinese report that they inflicted severe losses on the Japanese 13th Division.

On the north bank of the Yangtze the Nipponese forced the Chinese troops to evacuate the important town and fort of Tienchiachen on the 28th. The Japanese up to the 30th were pursuing the Chinese troops toward Kichun.

On the south bank of the Yangtze River the Japanese have been trying to get to Wuning from Juicheng. Whether they are simply trying to hold these areas against Chinese attacks while their troops move on west up the river or toward the Yueh-Han Railway is a possibility. The Japanese are chiefly interested in the fall of Hankow believing (maybe correctly) that Chinese resistance will not be as great after the capture of the town.

On the 24th the Nipponese captured Fuchikou, just opposite Tienchia-chen. From that day to the end of the month there seemed to be no Japanese progress worthy of note. This may be due to give time to bring up men and supplies and also rest those troops that were doing the fighting.

COMMENT: The Japanese advance along the north bank of the river seems to be steadily pushing along. Wherever the Japanese have been able to get their naval guns into action the Chinese seem to have given way. If the advance continues it will shortly force the Chinese to retire from the area around Kwangtsi where the Japanese have been unable (or do not wish) to make an advance.

On the 28th, Yunnanfu was bombed by nine Japanese twin engined bombers. Sixty bombs were dropped on the air field four Dewoitine planes were damaged. Some bombs were also dropped in the arsenal area which caused thirty Chinese casualties. The interesting point is to know from where these bombers came. While the Japanese had used Waichao Island (northwest of Hainan) for an air base for a time, it is known that they had evacuated that place before the Yunnanfu raid,

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possibly on account of the European situation during the last part of September. The French and British Air Attaches believe that the planes may have come from one of the larger islands southwest of the Pearl River delta. It is known that the planes which were stationed formerly in Taiwan have been removed and it is believed that they have been brought to the southwest China coast but not to Waichao. If they had made a landing field for twin engine bombers it is believed that they would not have given it up so readily.

One Japanese bomber came down in flames about fifty miles from Yunnanfu. The Chinese reported a total of three but there has been no proof except for the one.

The raid was probably meant as a warning to the people of Yunnanfu to show them that they were well within reach of the Japanese air arm.

During the entire period the Japanese air force was busy bombing towns held by Chinese and the various lines of communication.

The Chinese air force was reported in action around the Sinyang area about the 26th. What damage was done to Japanese is not known but between thirty and forty planes took part in the action.

Guerrillas are still active in this area but have accomplished little. It is frequently getting quite difficult to state that one group is guerrillas and another bandits.

Approximately one hundred guerrillas or bandits demanded max. \$100,000 from the Standard Vacuum Installation at Yangtzepoo on the evening of the 29th. A destroyer was sent down the following morning and everything has been quiet since then.

CHEFOO:

24 September, 1938

Last few days have seen great activity against guerrillas who hold all north-east Shantung except Wei-Hai-Wei and Chefoo. First there were expeditions to Poshan, 7 miles west of Chefoo where the guerrillas pulled down parts of the city wall in order to prevent the Japanese from basing there. The city was bombed from the air but had been abandoned by practically all the inhabitants. This week the walled city of Muping 10 miles east was bombed and burned. Severe fighting resulted with heavy casualties on both sides. The Japanese also lost six trucks during the fighting which were trapped in pits dug under the road. As there are many thousands of guerrillas in Northeast Shantung the Japanese dare not spend one night away from Chefoo. They destroyed all the villages on the road to Muping. The ancient city of Tengchowfu has been bombed and bombarded by warships recently to destroy the fort built on North Hill by the guerrillas. No foreign property was damaged. Many villages in the district have been bombed almost daily.

A new edict limits newly opened opium dens in Chefoo to 50. License good for one month \$50 with \$200 special tax and \$2 tax on each set of pipes and lamps. Also 5% tax on all feasts. GAN

The Japanese are trying to get control of all the lighter business but British firms still stand out.

0824

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

N. N. I. 93

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From ANA SHANGHAI Date Oct. 12, 1938 Serial No. 45 File No. -
 Source of information various (Commence new series each January first) (Select proper number from O. N. I. Index)

Subject CHINA
 (Nation reported on) (Index title as per index sheet) (Subtitle)

Reference

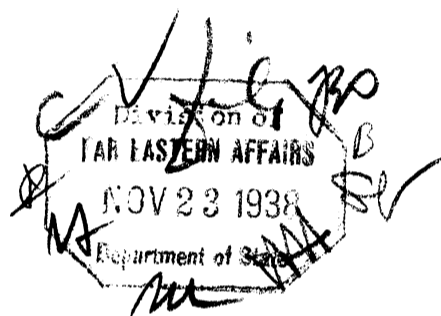
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THE RESUME OF THE POLITICAL-MILITARY SITUATION

SHANGHAI-HANKOW-HANGCHOW AREA - 1-10 OCTOBER, 1938

POLITICAL:

Protest to the French
 Default on amortization of certain loans
 Inheritance taxes
 New bus line
 New rail line to Kwangsi
 Nantung area
 Sinkiang Province
 Bomb
 Law for industrial mobilization.



MILITARY:

The situation around the Shanghai-Hankow-Hangchow area.

793.94/14480

CONFIDENTIAL

793.94

E. G. Hagen Mar 17, 1973

E. G. HAGEN,
 Major, U.S. Marine Corps
 Assistant Naval Attache

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Tech. Dev.	C. in C. U. S.	Com. Bat. For.	Com. Sco. For.	C. in C. Asia	Com. S. S. S.	Com. Air	Attaché at			Operations Com. Div. W. P. Com. FL Tr.			State	Com- merce	Return to Room No.							

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

POLITICAL RESUME

1-10 OCTOBER, 1938

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POLITICAL:

PROTEST TO THE FRENCH:

One of the rare bits of humor that this "incident" caused happened when the Japanese-inspired Chinese regime protested to the French against the French infringement of Chinese sovereignty by constructing certain trenches and barbed-wire entanglements outside of the French Settlement area. What the French have done is to connect up with the English line where Hungjao Road crosses the Hungchow-Shanghai Railway line. At this corner there are now British, French and Japanese sentries. The French also renewed certain sand-bag machine gun emplacements with portable concrete block pill boxes, the blocks fitting into each other to make quite a strong emplacement. This was being done around the 29th of September while the European situation was somewhat tense.

Japanese papers in Shanghai at once took offense against the French actions quoting "high personages" who stated that "the French authorities will have to hold themselves responsible" for any consequences arising from their alleged failure to grasp the present situation here. There has recently been quite a lot of animosity on the part of the Japanese toward the French.

The French have paid no attention to the protest. But that the Japanese should object to what the French have done is exceedingly funny - it is evident that the Japanese wish no one or no nation to do what they have been doing to China. The Japanese may infringe Chinese territorial rights with impunity but that some one else should do so places that party at once outside the pale.

COMMENT: The French have only done what the Japanese have been doing for years in China. That is what probably hurt the Japanese feelings.

DEFAULT ON AMORTIZATION OF CERTAIN LOANS:

It has been reported that the Central Government Ministry of Finance has decided to default on the amortization of the Crisp and Anglo-French Loans of 1912 and 1908 respectively. These two loans are secured on Salt revenue. Due to the fact that many of the salt producing centers are now in Japanese hands and the Central Government is no longer in a position to collect said salt revenue it was found necessary to default. Interest, it is understood, will be paid as usual.

COMMENT: Undoubtedly there will be additional loans that will be defaulted in the future. China has done fairly well to date in keeping up on the interest and principal. This is the first but, unfortunately not the last.

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

INHERITANCE TAXES:

CONFIDENTIAL

In its efforts to get money, the Central Government has decided to establish an inheritance tax, graded through various amounts received. It runs to 1% for amount over mex \$5,000 to 50% for any amount over \$10,000,000 mex. These rates are provisional and may be changed later.

COMMENT: China, like other governments, must look around to find what can bear a tax which will produce some income for her rapidly depleting coffers. The amount to be received will probably be much less than expected.

NEW BUS LINE:

A new bus line is to be started shortly by the Ministry of Communications. The route will be between Hankow and Canton. Fifty new Dodge buses have been purchased to put the line in operation.

NEW RAIL LINE TO KWANGSI:

The new railway from Hengyang, Hunan Province, has been completed to Kweilin, Kwangsi. The last two bridges are expected to be completed by October 10th. This line, if it lasts, will assist greatly in getting Kwangsi troops and supplies to sections of China where they may be needed. It also marks the first railway to enter the borders of Kwangsi Province. This rail line is to pass through Nanning and thus to the city of Lungchow on the Kwangsi-Indo-China border.

COMMENT: Any railway these days is of assistance to China in her present fight with Japan. It is too bad that the nation had to wait until it was at war to get a real start on many of these new lines.

NANTUNG AREA:

A source that has frequently given correct information, though somewhat exaggerated at times, has given the following:

Along the north shore of the Yangtze River, north of Tsung Ming Island, is an area of several thousand square miles which is actually a no-man's land. It includes the towns of Chitung, Haimen and Nantungchow with hundreds of smaller villages. There are no guerrillas in this area but there are plenty of armed men who occasionally send their emissaries to Shanghai to purchase pistols and ammunition. The Japanese know that these people are here but make no effort to arrest them. One of the Chinese finally stated the reason - they have to pay fees to the Japanese from each town and village. Haimen pays mex \$50,000 to one Japanese colonel alone, and for this they are left entirely alone on the condition that there will be no guerrilla activities in the "neutral" zone. If there are, it ruins the bandits business of levying "taxes" for protection. The emissaries state that this money does not go into the Japanese War Funds but rather into the pockets of the individuals.

SINKIANG PROVINCE:

The following information comes from British sources

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for by the Shanghai hospitals.

The bombing occurred in Japanese occupied territory - no Shanghai Municipal police investigation but left it to the Japanese gendarmerie.

COMMENT: The incident is not important - only shows that the Japanese do not wish the Shanghai Municipal police to control places, but to have available for Japanese use the various ambulance and fire service of the Settlement, which can be of great use to them - the Shanghai Municipal Council thereby having to pay for the services rendered to the Japanese. An excellent way of eating one's cake and having it too.

Aside from the foregoing, the Settlement was fairly quiet.

LAW FOR INDUSTRIAL MOBILIZATION:

The Central Government has promulgated a new law for industrial mobilization. Briefly the law gives the government authority for the following:

To control the production, trade and consumption of all the more important raw materials, half-manufactured and finished goods including imports and exports; to control and direct the activities of all important industries, to limit or prohibit the production of certain unnecessary goods, to encourage the production of other items, to order factories to change from one product to another or to remove from territory threatened by the enemy to another area. It may also fix the hours of labor for all factories, adjust wages and prohibit strikes. It can control prices, fixing a minimum and a maximum and create or forbid monopolies.

COMMENT: While on the surface this law appears very drastic and almost as complete a control as the Japanese mobilization law, this office believes that it has been brought on entirely by the war, which had already caused exchange control and control of export prices and a certain amount of governmental direction of commerce. The Chinese have taken six months longer, roughly, than the Japanese to see that such a war law was needed. And if China is to keep on fighting in the present "incident" the better her control over her necessary industries the better she may be able to fight and last. This office does not believe that it was a law forced through by Chinese Communists but a law that was found necessary by supply and demand during war time.

MILITARY RESUME

1-10 OCTOBER, 1938

MILITARY SITUATION:

The attacks in the direction of Sinyang, on the Ping Han Line, seemingly stalled for several days and then resumed. A group from Loshan captured Shwangtien, south of Loshan on the 4th, on the 6th Japanese cavalry claimed to have cut theeking-Hankow line at Liulingshen, about 12 miles south of Sinyang. On the 10th the Japanese claim they entered the city of Sinyang and were fighting there. The

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Chinese deny these reports adding that the railway line south of Sinyang was entirely clear of Japanese. Whether this is correct will have to await future developments. One should keep in mind the fact that the Japanese frequently announce the fall of towns several days before their actual occupation.

CONFIDENTIAL

Just north of the river, the Japanese moved on Kichun which they announced as taken on the 8th although Chinese stated on the 10th that the Nipponese had not completely occupied the place at that time. Flood waters with attendant supply difficulties is given as the reason for the Chinese withdrawal from Kichun. The Japanese added on the 10th that their naval forces were within sight of Kwangshihkang and Shihweiyao about 78 miles below Hankow. If this is true the Japanese navy spent very little time in getting through the boom at Tienchiachen.

South of the Yangtze the Japanese continued their advance along the south shore. The first obstacle was the Chinese positions at Tienpishan which fell on the 4th, other Chinese forts west of this fell on the 5th. These troops evidently then moved south on Yangsin.

South of this group were others moving on the general area of Yangsin. It was first necessary to cross the Fu River. The town of Faishih, about 20 miles, south west of Yangsin was taken on the 2nd and this column then moved on toward Lungshan, 28 miles from the Canton-Hankow railway. Other towns in the Yangsin area, but east of the Fu River, were captured but this should have presented no great problem as the Chinese had evacuated many and fallen back to the west of the Fu River. As the period ended the Chinese troops at Yangsin were being attacked from the north, east and south. Heavy fighting had occurred in many regions/

South of Kiukiang, the Japanese finally took Aikow on the 9th (they had announced its capture shortly after the landing at Singtze on Poyang Lake early in September). The column which moved southeast from Juichang moved for Wuning. The Chinese reports state that they permitted the Japanese to move to the east and struck them on the 8th and 9th practically annihilating them. The Japanese were stated the 101st and 106th divisions. (The 106 division has not the best of reputations for fighting) Whether this defeat of the Japanese is true is not as yet known. The Japanese have not denied it as yet but they probably will very shortly.

This places doubt on their reported capture of Tahan on the 9th.

COMMENT: There does seem to be a stiffening of Chinese resistance in many places. This may be due to the composing of differences between Chiang Kai-shek and the Chinese Communists. It may be due also to other matters - relief of troops, use of Central Government troops, etc. There may be some effect on these operations when the Canton expedition gets underway - the Japanese probably hope to have some troops withdrawn from the Chinese forces defending Hankow.

The Japanese bombers which arrived at Yunnanfu carried 50 pound bombs. It is thought that they came from Sancho Island, southwest of Macao. The airfield can now take care of sixty planes in permanent hangars. There were runways being built. About 1000 men are stationed at the field including 250-300 naval landing force troops, i.e. it

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is a navy job.

CONFIDENTIAL

Guerrillas have been active in this area but
 as usual have not accomplished anything worthy of note.

The Japanese news agency "Domei" has stated
 that their forces will enter Hankow on November 3rd, the
 birthday of the former Emperor Meiji. This office be-
 lieves that Domei is somewhat optimistic.

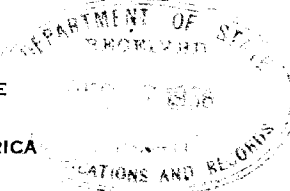
CONFIDENTIAL

1831

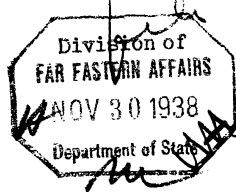
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Department of State letter, August 10, 1972
By Milton O. Gustafson NARS, Date 12-18-75



THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA



PAV
FE
OCR



AMERICAN EMBASSY

1, Grosvenor Square,
London, W. 1.
November 16, 1938.

793.94
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793.94

Dear Max:

I do not think this memo is worthy of
sending in under a covering despatch. It
may, however, have a grain or two of useful
information in it.

Cordially yours,

Reas. 2. Schooner

793.94/14481

Maxwell M. Hamilton, Esq.,
Chief, Far Eastern Division,
Department of State,
Washington, D.C.

Enclosure:

As stated.

F/FG481

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

Conversation between

Mr. Nigel Bruce Ronald, Assistant Chief of the
 Far Eastern Department
 of the Foreign Office and
 Mr. Schoenfeld,

in regard to the Far East.

I called on Mr. Ronald this afternoon principally to make his acquaintance, which had hitherto been restricted to a telephone conversation.

Mr. Ronald received me cordially and suggested that it was rather a good deal for me to be thrust into things here on such short notice. It was at least fortunate, he said that we Americans and British could think out loud with one another.

Our interests in the Orient, he continued, were similar even though they might not be identical and might differ in detail. He felt that it was in the interest of the United States and Great Britain, perhaps more than anyone else, not to have the Japanese collapse but to see that they played the game according to the rules. He had always said to his Japanese colleagues that Great Britain did not wish to see Japan collapse. 25% of Japanese exports went to the British Empire and an equal percentage of Japanese imports came from the British Empire. I agreed that countries that were too aggressive or prostrate were scarcely likely to be an asset to the world.

I mentioned that I had been particularly interested

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interested in the reference to the Far East in the King's Speech from the Throne on November 8, suggesting that the British Government was prepared at any time, if the participants desired, to aid in reaching a settlement in the Orient. I wondered whether in view of the recent fall of Canton and Hankow the reference had any special significance at this time. Mr. Ronald said that it did not. The Japanese understood the value of reiteration. The British Government, therefore, thought it wise to reiterate its position in this matter.

Mr. Ronald went on to say that the Japanese answer to the recent British note regarding the freedom of ~~the~~ navigation of the Yangtze had been received. He handed me a copy of Craigie's telegram quoting the Japanese reply, stating that only ships for military purposes were being used by the Japanese on the Yangtze and that it was not possible at this time to re-open the River to general navigation and that they were not "deliberately discriminating." I referred to the latter phrase and asked whether the Japanese had a sense of humor. He suggested that their sense of humor extended only to the type of thing that was mortifying and indicated that

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that by postponing action they were meanwhile consolidating their control of shipping on the Yangtze. He did not think we should "get any change" out of them.

He asked me whether we had any information as to what Washington had in mind in the way of possible future measures. I told him that I did not know.

He then asked whether we had a commercial treaty with Japan and, if so, whether twelve months' notice was necessary to abrogate it. I told him that I understood that we had a commercial treaty with Japan but I was not clear as to the notice necessary for abrogation.* He went on to say that in any case our treaty was probably not as strict as theirs, which was a very old fashioned treaty, but that the Legal Department believed it had discovered a way to get around it. He speculated on the possibility of withholding purchases

* I subsequently checked on this and ascertained that the commercial treaty of 1911 could be abrogated with six months' notice, and so informed Mr. Ronald.

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purchases from Japan. This, he thought, might have a considerable effect in view of Japan's need for foreign exchange. It was "a sort of life line." He made it clear that these were merely speculations, not conclusions.

He mentioned that Sir Ronald Lindsay had recently indicated that we had also approached the French as to eventual counter-measures. I said that I was uninformed as to this. He added that Monsieur Corbin had also confirmed it.

R.E.S.

November 15, 1938.

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

November 29, 1938.

Dear Rudy:

I acknowledge with thanks the receipt of your letter of November 16 enclosing a memorandum of your conversation with Mr. Ronald of the Foreign Office in regard to the Far East. The memorandum contains a number of items of information which are very interesting to us, and I am glad that you brought the memorandum to our attention.

With all good wishes, I am,

Yours sincerely,

R. M. H.

Rudolf E. Schoenfeld, Esquire,

First Secretary, American Embassy,

London, England.

MMH:EJL

793.94/14481

F/FG

083F

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

79394

DOCUMENT FILE

NOTE

SEE 751.62/514 Confidential File FOR tel #2076

FROM France (Wilson) DATED Dec. 8, 1938
TO _____ NAME _____ 1-1127 ***

REGARDING: Relations between China and Japan

Far Eastern situation was not touched upon
during the French-German conversations.

dg

793.94 / 14482

14482

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

EARNLEY COTTAGE
 R. D. 4, WEST CHESTER
 PENNSYLVANIA

December 7, 1938

The Hon. Cordell Hull,
 Secretary of State,
 Washington, D.C.;

Attention of Mr. Joseph W. Ballantine,
 Division of Far Eastern Affairs,

Dear Mr. Ballantine,-

Besides acknowledging the courtesy and care of your letter of August 8th, responding to my earlier one of July 18th, ^{7:15 PM} may I take this opportunity to add my urgency to the increasing volume of letters and telegrams that must be reaching your Department and the President at this time regarding our American complicity in the aggression of Japan upon unoffending China?

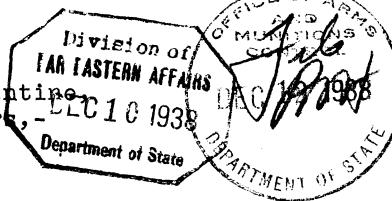
I send it in practically the same form as suggested by the American Committee for Non-Participation in Japanese Aggression.

BECAUSE I believe that the people of the United States desire to maintain the integrity of international law and the sanctity of international treaties, and

BECAUSE the Japanese invasion of China, fomented by the military party of Japan, has led the United States of America and many other nations to indict Japan as a violator of the Nine-Power Treaty and the Kellogg Pact, and to protest repeatedly against the merciless bombing of undefended Chinese cities, the unnecessary slaughter of civilians, and the destruction and imperilment of schools, churches, hospitals, and business enterprises in which their nationals were engaged, and

BECAUSE I feel put to shame that American raw materials are being used to manufacture weapons of war in Japan, that American planes are being used to carry bombs from America for the destruction of Chinese civilian populations, that shells from America are loading Japanese guns, and that America is supplying huge quantities of scrap iron, oil, trucks, and other materials used in the furtherance of war, over and above the amount of our normal trade in recent years, and

BECAUSE I sympathize with the Chinese people in their desire to build up an independent, democratic state, and end gravely threatened by the present aggression of Japan, and deplore the traffic which makes it possible for certain American interests to profit from the wan-



793.94/14483

793.94/14483

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

EARNLEY COTTAGE
 R. D. 4, WEST CHESTER
 PENNSYLVANIA

ton destruction of innocent victims of Japanese aggression,

THEREFORE I would respectfully petition the President of the United States and Congress, in accordance with the principle of Good Neighbor, and in the interests of the people of the United States, China, and Japan, to take every practicable means, direct or indirect, to bring to an end a traffic from our country which is compelling us to be a partner in the destruction of the Chinese people.

I also desire to go on record as expressing my moral support for labor, financial, industrial, commercial, and other groups which refuse to participate in the sale or shipment of war supplies to Japan.

Very loyally,

Charles L. Storrs

(Rev. Charles L. Storrs)

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

YOU can answer this *Chinese Mother's Questions*



YOU can feed her child and herself until she has found a new way of supporting them.

YOU can help to substitute a sanitary refugee camp for her burned or deserted home until she can start again.

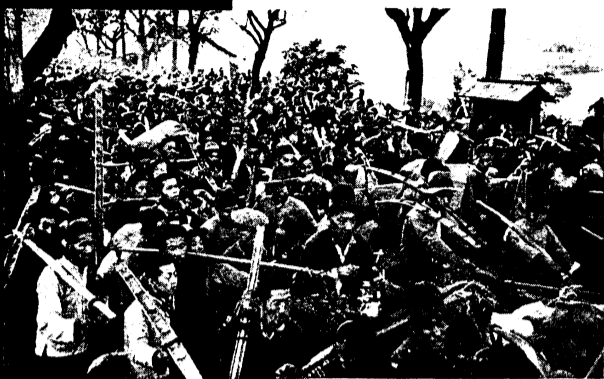
YOU can help her to get clothing and bedding to protect that precious life through the coming winter.

YOU can help the mission doctors and the sanitary squad to protect him against exposure and disease.

Do ***YOU*** realize that \$1.00 a month for each of them, given to the Church Committee for China Relief, will be enough to assure these things?

Be One of a Million Who Care!

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



PICTURE TO YOURSELF what it must be like to be a part of a crowd like this and struggle onward before the pressure of war.

Behind you, the smoke of burning homes urges you on. Before you, there is at best the faint hope of finding a way to make a living—with all the land already occupied, and all jobs filled.

All too quickly, your scanty store of cash is exhausted. Work there is none. Your choice lies between begging, banditry and death—UNLESS the hand of Christian America reaches out to help you and your family until you can support them again.

"Inasmuch as ye have done it unto one of the least of these"

GIFTS FROM CHRISTIANS provided *this* meal.

Who will see that he gets the next—and the next—and the next?



THE CHURCH COMMITTEE FOR CHINA RELIEF, 105 East 22nd Street, New York, N. Y., exists to make these facts known among the churches of America and to help YOU to respond to the impulses of your generous heart.

The envelope pictured below is available on application for those who want its help in saving money to save lives. Money can be sent direct to the Committee if there is not yet an authorized collector in your church.

SAVE A MILLION LIVES A MONTH!

"Thou Shalt Love Thy Neighbor as Thyself"



Millions of war and flood victims in China are gradually starving from lack of food which can be provided for not more than three pennies apiece per day. Think what your sacrifice can do to help them.

- 1 ice cream cone @ 5c = 2 days of life.
- 1 chocolate bar @ 10c = 4 days of life.
- 1 package of cigarettes @ 15c = 6 days of life.
- 1 movie ticket @ 35c = 14 days of life.
- 1 restaurant dinner @ \$1.00 = 40 days of life.
- 1 new hat @ \$5.00 = 5 lives for 40 days.

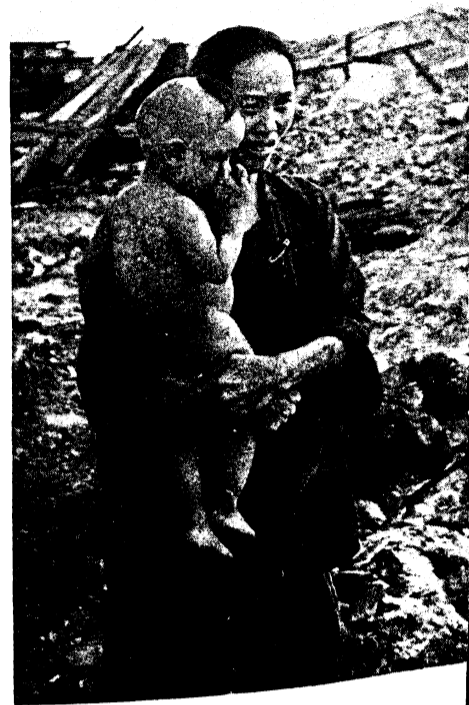
SAVE YOUR MONEY TO SAVE LIVES!

Give money monthly to authorized collector or send direct to

CHURCH COMMITTEE FOR CHINA RELIEF
 105 East 22nd Street, New York, N. Y.

The character in the circle (pronounced ren) is the Chinese word for goodwill. Confucius once explained it by the "Chinese Golden Rule": "What you don't want, don't do to others."

THIS WOMAN is standing in all that is left of her home. She is "the unknown mother" who represents millions like herself. The inferno of war has swept across their villages and cities. Even though by a miracle their lives have been spared, all that they have left to return to is homes destroyed, shops wrecked, crops ruined. The mission compounds and other refugee centers are the only answers for countless mothers and children like these. They can carry on at all only as the people of Christian countries come to their aid.



FOR HUNDREDS OF THOUSANDS of people, the place that makes the difference between life and death is the mission compound like this where the grain YOU buy is doled out in the smallest quantities that will sustain life.



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

RESPONDING to this need and recognizing the confusion arising from separate appeals to the same constituency in the churches, the **CHURCH COMMITTEE FOR CHINA RELIEF** has been constituted to continue unitedly the appeals for funds for relief heretofore made separately by the foreign mission boards, the Federal Council of Churches and China Famine Relief U. S. A. Inc. It consists of members officially appointed by these groups.

The Church Committee for China Relief receives funds for *relief alone*. Gifts for the *emergency administrative expenses* of missions and colleges in China should be sent to your mission board or to the Associated Boards for Christian Colleges in China, 150 Fifth Avenue, New York, N. Y.

The Church Committee forwards funds to the American Advisory Committee in Shanghai (formed in 1928 by China Famine Relief U. S. A. Inc.), composed of American missionaries and business people. They allocate the available funds to relief organizations in all parts of China, occupied and free, upon the basis of relative need and the possibility of dependable administration. Most of these relief organizations are conducted by missionaries, Protestant or Catholic, cooperating in a common program. Relief is given the most needy regardless of religious affiliation.

Gifts and inquiries how best to help in local organizations and activities should be sent to

CHURCH COMMITTEE FOR CHINA RELIEF
 constituted by

The Federal Council of the Churches of Christ in America
 The Foreign Missions Conference of North America
 China Famine Relief U. S. A. Inc.
 105 East 22d Street New York, N. Y.

OFFICERS

HARPER SIBLEY, Chairman JOHN R. MOTT, Vice-Chairman
 JAMES M. SPEERS, Treasurer

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

TELEGRAM RECEIVED

EG

COMSOPAT

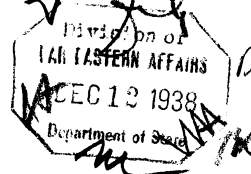
FROM

December 10, 1938

Rec'd 8 a.m.

ACTION: CINCAF
OPNAV

793.94
INFO: COMSUBRON FIVE
ASTALUSNA SHANGHAI
COMDESRON FIVE
AMAMBASSADOR CHINA
USS ASHEVILLE
USS TULSA
USS MARBLEHEAD
USS POPE
FOURTH MARINES
ALUSNA PEIPING



793.94/14434

0009, Canton and vicinity quiet, troops and supplies continue arrive control delta extended with occupation Kongmoon and adjacent territory, some units Samshui line relieved by troops from Canton strength concentrations northern column indications forces being withdrawn from Waichow and area east and south that point. 2315

RR

F/A

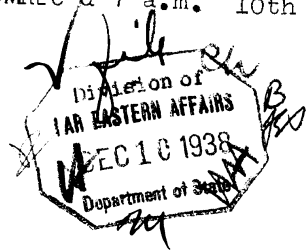
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Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

*Copy sent to
Treasury*

ML
TELEGRAM RECEIVED
This message must be Canton via W.R.
closely paraphrased
before being communicated Dated December 9, 1938
to anyone. (br)

FROM Rec'd 7 a.m. 10th

Secretary of State
Washington



74, December 9, 6 p. m.

793.94

It has been learned from a reliable source that yesterday Japanese troops evacuated Waichow about one hundred miles east of Canton, withdrawing westward toward Canton, and that they destroyed the concrete bridge connecting the two sections of Waichow and burned the temporary bridge over the East River north of the city. According to information from Chinese sources there were Chinese forces, irregulars and possibly others, within about twenty miles of Waichow and they were expected to occupy that city today.

According to my informant there were indications that the Japanese were withdrawing as far as Tsengshing about forty miles east of Canton. The reason for the evacuation of Waichow is not known. It is possible that this move is preparatory to a Japanese drive up the West River as Kongmoon was recently reported occupied. In this connection it may be mentioned that the Japanese troops evacuated from Waichow are concentrating in the vicinity of Canton.

793.94/14485

F/A

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

ML -2- Canton via N.R. Dec. 9, 1938 7 a.m. 10th #74

Canton. It is not believed that evacuation was induced
 by any menace from the Chinese troops in that area.

Repeated to Chungking, Peiping and Hong Kong.

MYERS

GW:CSB

0845

DECLASSIFIED: E.O. 11652, 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. 74) of December 9, 1938, from the American Consul General at Canton reads substantially as follows:

On December 8, according to information received from a reliable source, Waichow (about 100 miles east of Canton) was evacuated by Japanese troops who burned the temporary bridge over the East River north of Waichow, destroyed the concrete bridge connecting the two sections of the city, and withdrew westward in the direction of Canton. Reports from Chinese sources are to the effect that Chinese ^{ir}/_{regulars} and possibly other Chinese forces were about twenty miles from Waichow and it was expected that they would occupy Waichow on December 9. It is not known why the Japanese evacuated Waichow. As Kongmoon was reported recently occupied possibly this move is preparatory to a Japanese drive up the West River. It may be remarked in this connection that the Japanese soldiers evacuated from Waichow are concentrating near Canton. It is not thought that the Japanese evacuation was due to any menace from Chinese forces in the Waichow area. There were indications, according to the Consul General's informant, that the Japanese were withdrawing as far as Tsengshing which is about forty miles to the east of Canton.

84.
FE:ESC:JPS

FE

793.94/14485

12-13-38

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 in paraphrase
 sent to Treasury
 as confidential*

REB

TELEGRAM RECEIVED

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

TIENTSIN VIA N.R.

FROM

Dated December 10, 1938

Rec'd 2:25 p. m.

Secretary of State,
 Washington.

227, December 10, 11 a. m.

Unconfirmed reports from well informed sources state
 that large number of Japanese troops are being moved from
 North China to Manchukuo. Repeated to Peiping and
 Chungking.

CALDWELL

CSB

*Paraphrase
 in confidence*

File
 Division of
 EASTERN AFFAIRS
 DEC 12 1938
 Department of State
MC

793.94

793.94/14436

F/HG

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

CONFIDENTIAL

ConfidentialP A R A P H R A S E

A telegram (No. 227) of December 10, 1938, from the
General
American Consul/at Tientsin reads substantially as follows:

Japanese soldiers in large numbers are being moved
to "Manchukuo" from north China according to reports re-
ceived from well-informed sources but not confirmed.

793.94/14486

29.C.
FE:EC:JPS
12-12-38

142.
FE
Kou

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

*Copy sent to
 Treasury as
 Confidential
 RCW*

TELEGRAM RECEIVED

FS

FROM

GRAY

Peiping via N.R.

Dated December 11, 1938

Rec'd 8 a.m.

Secretary of State,
 Washington.

December 11, 11 a.m.

FOLLOWING FROM TSINANFU.

"December 10, 5 p.m. Rumored here Kaifeng, Honan recaptured by Chinese and reliably reported fighting taking place at Tsaohsien, Shantung.

Railway traffic between Tsinanfu and Tsingtao disrupted due, it is said, to fighting at Lungshan, 22 miles east of Tsinanfu."

Repeated to Chungking. By mail to Tokyo.

EMB:ROW

LOCKHART

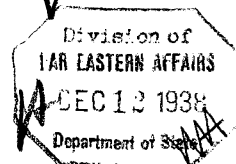
733.94/14487

F/FG

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

*Copy sent to
 Treasury*

TELEGRAM RECEIVED



fs

FROM

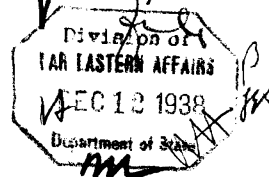
PLAIN

Chungking via N.R.

Dated December 10, 1938

Rec'd 8 a.m. 11th

Secretary of State,
 Washington.



591, December 10, 11 p.m.

Recent discussions regarding Far Eastern policy held in the House of Lords and Commons in London are the subject of extensive comment in the local press.

THE CENTRAL DAILY NEWS says: "The British Government's appreciation of the present situation has shown a certain amount of progress---but Chinese impressions will be determined by the future actions of the British Government." This journal adds that China requires not merely sympathy and vocal support but concrete material assistance; not merely maintenance of theoretical principles but carrying out of original principles; not merely "consideration" of assistance but information as to the kind, quantity and time of such help. This paper concluded that Britain must recognize that principle of balance of power must be maintained in Far East as in Europe in order to secure her rights and interests and that Britain can best preserve balance of power in Far East by supporting the National Government which has created the basis of a unified China.

The

793.94/14488

L/EG

793.94
 741.93
 693.001

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

FS 2-No. 591, December 10, 11 p.m. from Chungking

The TA KUNG PAO (which commenced publication at Chungking on December 1) under the caption "It is Time" states that the Tokyo statement of November 3 is a direct pronouncement of Japanese "decision to reduce China and also to eradicate the influence of the powers in the Far East". This journal comments that recent Japanese pronouncement as well as recent Japanese press utterances possess a deeper significance than the Amai statement of 1934 and professes to be astonished at alleged American and British passiveness in the face of obvious Japanese ambitions. TA KUNG PAO points out that Britain was instrumental in Japanese rise to power, that Japan has now turned upon her benefactor and that further assistance by British to Japan in development of China will ultimately endanger British interests east of Suez. If United States and Great Britain can take identic or parallel action to apply economic sanctions to Japan this paper believed situation in Far East will undergo immediate change. TA KUNG PAO concludes with statement: "That present is truly Great Britain's last opportunity to decide upon its Far Eastern policy".

Repeated to Peiping. Peiping mail Tokyo.

EMB

JOHNSON

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

TELEGRAM RECEIVED

EDA

USS MONOCACY

FROM

December 11, 1938

Received 1 a.m. 12th

ACTION COMYANGPAT

PASSED BY CINCAF TO OPNAV FOR INFORMATION

Division of
 EASTERN AFFAIRS

DEC 12 1938

Department of State

1011. Japanese ships movement during week arrived from
 downriver thirty four cargo type, two minesweepers, one
 subchaser, one torpedo boat, many small craft departed down-
 river seventy one cargo type, two gunboats, four minesweep-
 ers, one subchaser, three torpedo boats, two minesweepers,
 one destroyer second class. 1356.

DDM

793.94

793.94/14439

F/FG

085

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

TELEGRAM RECEIVED

EDA
This telegram was received
in Navy code and must ~~be~~ FROM
closely paraphrased before
being communicated to anyone

MARDET TIENTSIN

December 12, 1938

Received 6 a.m.

ACTION NAVY DEPARTMENT

INFO COMMANDER MARINE FORCES NORTH CHINA
CINCAF
FOURTH MARINES
ALUSNA PEIPING



793.94

0012. Japanese transport activities Chinwangtao last
week absent. 0915.

DDM

793.94/14490

F/FG

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

793.94/14491

Cancelled on Passport Book

7854

DECLASSIFIED: E.O. 11652, 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 in
 strict confidence
 to Major Butts
 of M.I.D.*

5305

TELEGRAM RECEIVED

EDA

This telegram must be
 closely paraphrased
 before being communi-
 cated to anyone (A)

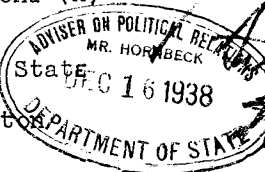
CHUNGKING VIA N.R.

FROM

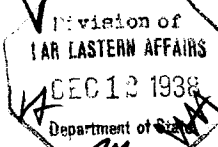
Dated December 12, 1938

Received 6 a.m.

Secretary of State



Washington



595, December 12, noon.

Embassy's 557, November 20, 10 a.m., and previous on
 Chiang-Clark-Kerr conversations at Changsha.

793 94

A reliable Chinese official told a member of the Embassy
 staff on December 11 that the British Government has now
 replied to the Chinese Government. He stated that the British
 note is couched in non-committal terms and cannot for this
 reason be considered as satisfactory. He added however
 that the tenor of the note is not (repeat not) categorically
 negative and that it "leaves the way open" for further
 consideration.

Repeated to Shanghai and Peiping. Shanghai repeat to
 Tokyo.

HECK

RR:CSB

F/HG

793.94/14492

185

DECLASSIFIED: E.O. 11652, 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. 46

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.

From NA/Tokyo Date Oct 6, 1938 Serial No. 343 File No. 343
 (Commit new series each January first) (Select proper number from O. N. I. Index)

Source of information _____

Subject _____
 (Nation reported on) (Index title as per index sheet) (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.)

CONFIDENTIAL

Development of Economic works Stressed to win over the Chinese.
 by Dr. M. Kimura, Director of the Tokyo Chamber of Commerce and Industry.

DECLASSIFIED

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

OSD letter, May 19, 1973

By Man NARS Date May 19, 1973



793.94/14493

Distribution:

ONI (7)
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DEC 12 1938

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F/FG

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

Report to: SAC.
 Japan.
 October 1, 1936.

Development of economic work stressed to win over the Chinese.

The following article in the September 28th issue of "Contemporary Problems" is quoted as an indication that the financiers and industrialists in Japan are fully aware of the stupendous job ahead of them in consolidating economically their military gains in China:

For the reason that the Chinese are a nation of strong and persistent character and that though anti-Japanese sentiment has been inculcated upon their mind by the Chiang Kai-shek Government too strongly to be wiped out easily, it is quite unlikely that the current Sino-Japanese hostilities will be brought to an end in the near future. Generally speaking, it is next to impossible for Japan to vanquish at one stroke of quick and annihilating warfare a vast and less advanced country like China. If we resort to military operations alone, it would a long period of years and cost us a large amount of sacrifices to crush completely the resistance of such a country. Hence comes the urgent need of strengthening, besides our military operations, our activities in other fields such as politics, economics, ideology, diplomacy and culture.

The eventual fall of Hankow will in all likelihood be followed by a protracted warfare. And the Chiang regime will undoubtedly bolster its guerrilla tactics by all means, for there will be no other effective means of resistance to Japan, because of decrease of its specie holdings abroad which is the only source for importing munitions and the heavy loss of its troops. In such a case, it would be unwise for Japan to pursue the fleeing enemy far into the interior of the Continent. Instead, she must take every possible means in other fields for coping with the situation, however long the hostilities may be protracted.

The question naturally suggesting itself is: what measures, then, should be taken outside the scope of military affairs. In this respect, not a few proposals can be made, but these schemes if carried out separately without any coordination will never attain their objective. For instance, economic work, unless conducted simultaneously with diplomatic and political activities, are destined to fail in many cases. As concerning the new currency problem in the Shanghai area, it is hardly possible for us to replace the old currency with a new one without the collaboration of the Chinese and foreign interests, which in turn can be secured only by our vigorous efforts in politics and diplomacy.

Of course, it is most urgent to strengthen our activities in the field of economics when to the Chinese masses, the most burning question at all times is how to make a living, which means that to offer them economic interests would be the easiest way to win them over to our side.

There is in the world no country where so many thought trends have flowed and ebbd in the past as in China. And every thought advanced abroad has been introduced to China. It is the irony of fate, however, that no thought has ever succeeded in winning completely the hearts of the Chinese people. Even Confucianism has failed to permeate all walks of life, to say nothing of other ideologies recently imported from the West such as Socialism and Communism. The three people's principle advanced by the late Dr. Sun Yat-sen is now the idol of the Chinese. Yet it is open to doubt whether this thought is actually successful in commanding the minds of the people.

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

While other powers were usually engaged some 30 years ago in leasing parts of Chinese territory and acquiring various rights and interests all over China, the United States declared: "We have neither territorial designs on China nor any intention to lay out railways there. What we want to win is the hearts of the 400,000,000 people". And she invested a huge amount of money in cultural enterprises there. Indeed, that country is second to none in cultural activity in China. Notwithstanding this, her vigorous efforts in this field cannot be said to have borne fruits to a degree considered satisfactory.

Thus, it can be seen that it is well-nigh impossible to win the minds of the Chinese by ideological and cultural enterprises. The reason for this fact is twofold. First, since the Chinese have built up their own culture and have maintained it through the vicissitudes of 4000 years, there is a character so strong and self-centered as a nation that no alien thought can hardly appeal to them. Second, due to successive maladministration by warlords and other sorts of rulers, no peaceful life has been guaranteed to the nation, and so much so that the Chinese, having no confidence in politics, have come to make a living on their own account without any government protection. Thus, they have been too engrossed in eking out a living to pay due attention to cultural and ideological problems. Herein lies the chief cause for their utilitarian trait, that is love for money.

When I made an inspection trip of North China some months ago, I was greatly surprised at the brisk movement of farm products. Although peace and order had not yet been restored perfectly and traffic was still in disorder, Chinese farmers were transporting actively their products to Hientsin from all directions. If only a fair margin of profit is offered, there is nothing to stop them. More than 1,500,000 piculs of raw cotton were reportedly landed on the Hientsin market up to June this year. The chief factor for such brisk business is, I believe, the profit making disposition of the Chinese.

To repeat, foremost importance must be attached to our economic works in China for winning the public mind there and alienating it from the Chiang government. Unless the hearts of the people are won over to our side by means of economic and other works, it would be impossible for us to crush the resistance of Chiang and thus to attain our objective, far Eastern peace. It is chiefly because Chiang commands the public sentiment that he can still put up stiff resistance to Japan. Alienation of the people's mind from him would mean his complete collapse.

What Japan must do in this connection is to help the new regimes in China win the hearts of the Chinese masses. But the fact is that neither the Provisional Government at Peking nor the Renovation Government at Nanking has taken proper steps towards this direction, and the Chinese masses have not yet submitted to their authority. Although the Federal Reserve Bank has been set up in North China, the circulation of its notes is rather limited. I, for one, hope that the new regimes will direct more vigorous efforts towards promotion of their economic works.

As one of the most effective economic policies, I propose drastic increase of salt production. My reason for this proposal is not far to seek. Major salt producing centers such as Changlu, Tsingtao and Muschow have already been occupied by the Japanese troops and are now under the jurisdiction of the new regimes. Further, the promotion of the salt industry, requiring no large amount of funds nor previous development of traffic facilities, is far easier than the projected exploitation of coal and iron deposits. If the salt output is thus boosted markedly and cheap salt supplied sufficiently to the general public, this would contribute much towards winning the hearts of the people to the side of the new administrations.

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

- 3 -
 CONFIDENTIAL

It must be recalled in this connection that the salt quotations are running considerably higher in China than in any other country because of the heavy gabelle and the profiteering of traders. To cite an instance, whereas the production cost of salt in the Changlu fields is estimated at from \$1.15 to \$1.1 per 100 lbs, the retail prices of salt in Tientsin on the same basis are anything between \$3. and \$7. Under the circumstances, it is clear that in case the new regime supply cheap salt sufficiently, the whole nation would surely sever its allegiance to the Chiang Government and submit to the new government. On the other hand, the supply and demand position of salt under the fleeing regime would be aggravated to serious proportions.

My proposal is merely one instance of effective economic works, and there are many others which must be carried out in some way or other. Unless these economic measures, besides our military operations, are put into practice successfully, we would not be able to solve the present incident once for all. Among these economic works the most important and difficult is replacement of the old currency by a new one.

The legal currency in circulation is estimated at 1,800,000,000 yuan as against the 70,000,000 yuan of Federal Reserve Bank notes. Such is the financial tie that combines the Chinese people tightly to the Chiang regime. Its dissolution and the Chiang Government would willy-nilly come to complete collapse. But it is something easy to speak of but difficult to accomplish. I have three proposals on this issue but now is not the time to publish the details.

DECLASSIFIED: E.O. 11652, 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 President
 Mr. F. D. Roosevelt
 Washington, D. C.

P.O. Box 262, Ingle
 Santa Cruz, CA
 California
 3125 October 1938
 Division of Eastern Affairs
 AND MUNITIONS CONTROL
 NOV 15 1938
 NOV 23 1938
 Department of State
 OFFICE OF THE SECRETARY OF STATE
 DEPARTMENT OF STATE

Dear Mr. Roosevelt

no one should bother me like yourself who
 has so much on his shoulders, but this refers my Japan.
 I think it is very vital to the future of the United States.
 Japan, ^{the} Japanese hate the white race & would be
 glad to destroy them & take possession. They may
 pretend friendship but it is false. If they succeed in
 mastering the continent of China, they will make 300
 million slaves out of them, as they have done in Korea,
 Formosa, & then own labor, & peasants. With these
 they could build a navy 5 times as large as ours at
 1/5 the cost, as they could pay slave wages.
 With such a huge navy they could, & would dominate
 the whole Pacific Ocean area. They would take
 Philippines, & might engineer from Tokyo an
 uprising of their fellow Orientals in the Hawaiian
 Islands, ^{rid of the white} take possession, & after that more to
 follow. The time to stop them is now, with
 a complete embargo of oil, gasoline, & war
 materials, & a cessation of Trade Relations. At
 present they could not attack this country or
 the Hawaiian Islands. The French, & British must
 together defend Hong Kong & Singapore. If you
 read "Letters from Peking" in last issue of Readers
 Digest you will see the primordial barbarisms they
 are capable of to a fallen enemy. Murder, rape, torture
 & burning & their soldiers are full of venereal
 diseases. Nothing in history is worse. We are helping
 them with our supplies, bombing planes etc etc.
 I trust you will do what you can. Yours sincerely
 Arthur Shannon

I would recommend you to read article in "The Nation" weekly, 9/9
 in last issue of the Nation weekly.

793.94/14494

F/E/G

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

Washington

Merry-Go-Round

Vigilant Eye Kept on Arm Shipments Abroad

By DREW PEARSON and ROBT. S. ALLEN

WASHINGTON, Oct. 30—In the early summer, when the President saw how things were beginning to shape up in Czechoslovakia, and that Hitler and Mussolini were determined to dominate Europe, he decided that any material advantage which U. S. manufacturers could give to the democratic nations was all to the good.

Accordingly both France and Britain placed important orders in the United States for military planes.

Roosevelt was also interested in Spain, where the veneer covering the activities of Hitler and Mussolini had worn thin.

Last April, when certain Senators proposed lifting the Spanish embargo, the State Department career boys reported to Roosevelt that the Spanish war would be over in three weeks. Even before Roosevelt left on his Pacific cruise, however, it became apparent that Franco was being kept in operation only by Adolf and Benito.

Fascist Sympathy?

Before Roosevelt left for the Pacific, therefore, certain high-placed advisers asked him what policy the State Department should follow regarding the sale of airplanes to France, Canada, Russia, etc., even though the Fascists claimed that these planes might later find their way into Spain.

As a result of these conversations, it was made clear that the United States could not police the borders of France or Canada to account for the future destination of the planes. Nor could it challenge the word of a sovereign nation regarding them. In other words, if France or Canada, or any other sovereign nation chose to buy American airplanes, the United States could not set up a spy system to see whether those planes were used only within the country of purchase.

After this policy had been established, the President left for the West Coast. While he was gone, the Greek government purchased 27 planes from the Bellanca company. But when an export license was requested of the State Department, Joe Green, head of the State Department Munitions Control Board, turned it down.

In effect he said the Greek government was not ordering the planes for itself but for Spanish Loyalists, refused to issue a license. The planes, until recently, were still undelivered at the Bellanca plant in Newcastle, Del.

Canadian Planes

Shortly after this, the Turkish government ordered 42 Grummond pursuit planes from the Canadian Car and Foundry Company in Canada. The Canadian government approved the purchase, and 36 of the planes were delivered to Turkey.

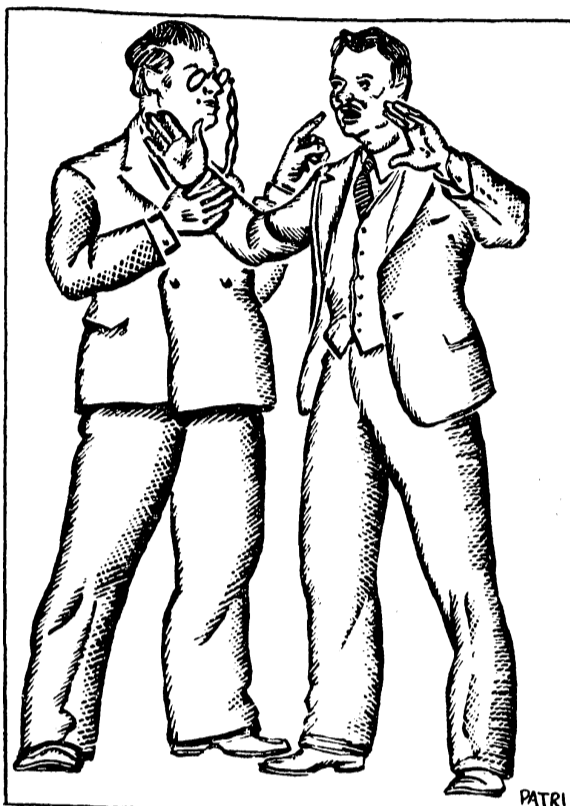
Then suddenly Mr. Joseph Green of the State Department again stuck out his hand. He decided that these planes might be going to the Spanish Loyalists.

So he reached out and prevented the shipment of American airplane engines to Canada for use in the Canadian planes.

Meanwhile, Mr. Green continues to O. K. arms shipments to Germany, despite the opinion by various new deal legalists that such shipments are contrary to the neutrality act and the 1921 treaty of Berlin.

Hoover Teaches Dewey

Robert Hoover was present at recent campaign broadcast by Tom Dewey, candidate of New York.



Dewey Studies Oratory

own oratory never got him past first base, listened intently. After it was over, he shook Dewey's hand. "Pardon me for being so blunt," said Hoover, "but I want to tell you something. You have all it takes to become the next President of the United States. But you simply must do something to improve your public speaking."

NOTE—Dewey himself was not pleased with his performance, and after playing back a recording of the speech, he sought out his friend, Lowell Thomas. The radio commentator referred him to Richard C. Borden, head of the public speaking department at New York University.

Since then Dewey and Borden have been playing over and discussing phonograph records of the candidate's speeches, and Dewey has been making an earnest effort to put the professor's technical tips into practice.

Merry-Go-Round

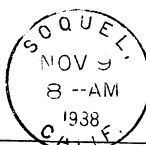
The Government will broaden its case against "monopolistic medicine" by asking indictments of Morris Fishbein, editor of the Journal of the American Medical Association, and Olin West, AMA general manager . . . Secretary Morgenthau drives in a private car to a private entrance of the Treasury Department and goes up in a private elevator . . . Charles Edison does not live on his salary of \$10,000 a year as Assistant Secretary of the Navy. He continues to draw salary as president of Thomas A. Edison Industries . . . Although Cordell Hull has been advocating Pan-American unity ever since 1933, he will oppose a Pan-American League of Nations when the plan is submitted at the Lima conference in December . . . The Navy Department has two headaches these days: Danger of another Panay incident in China, and danger in distributing tickets for the Army-Navy football game . . . Least publicized member of the Little Cabinet is the Assistant Secretary of Agriculture, Harry Brown . . . When Washington named its streets, nobody objected to living on H or I or K streets, but they did object to living on J street, so J street was omitted . . . President Cardenas of Mexico is sore at the U. S. oil companies for a lot of reasons, but especially because they hired professional publicists to put out propaganda for them and against Mexico.

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

After 5 days, return to
Arthur Chapman, P.O. Box 100
 SOQUEL, Santa Cruz Co., CALIF.



The President
Mr. F. D. Roosevelt
Washington
D.C.



THE SIDE OF CARD IS FOR ADDRESS

The President
Mr. F. D. Roosevelt
Washington
D.C.

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

After 5 days, return to
Arthur Shorman, P.O. Box 282
SOQUEL, Santa Cruz Co., CALIF.



The President
Mr. F. D. Roosevelt
Washington
D.C.

P.O. Box 282, Soquel.
Santa Cruz Co., California
Dear Mr. Roosevelt
I expect that you
are informed that the
Japanese passenger ships
are coming to San Francisco
loaded with Xmas toys
and load up with
lead to return with to
Japan to use in murdering
Chinese women & children
& we also supply the oil for
their planes & planes also
the slaughter & beyond
human immigration come
than George Kahio & we
are helping the Japanese
George Kahio. Can't we
at least stop that evil
trade. Best wishes
Sincerely
P.S. Arthur Shorman
If they would march in
plunder to a crime that
the fate of energy on our hands.

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

December 1 1938.

In reply refer to
CA 894.24 ~~XXXXXXXXXX~~

My dear Mr. Sharman:

By reference from the White House I acknowledge the receipt of your letter of October 31, 1938, with enclosure, and your post card of November 8, 1938, in regard to the situation now obtaining in the Far East.

There is transmitted herewith a copy of the Joint Resolution of Congress approved May 1, 1937, commonly referred to as the Neutrality Act. It will be observed that Section 1 (a) of this Joint Resolution provides that, whenever the President shall find that there exists a state of war between or among two or more foreign states, he shall proclaim such fact. Should the President issue a proclamation finding that a state of war exists between China and Japan, the export from this country of arms, ammunition, and implements of war to both China and Japan would be immediately prohibited. In the absence of such

Mr. Arthur Sharman,

Post Office Box 262,

Soquel, Santa Cruz Co, California.

795.94/14494

F/FG

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

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a proclamation, there is no statutory authority for preventing such exports.

In determining not to issue a proclamation, the President has exercised the discretion vested in him by the statute. He could not fail to recognize that the primary purpose of this statute is to keep this country out of war, and he, of course, felt obliged to take into account all the pertinent conditions and circumstances. Incidentally, I may stress the fact, in view of what is above stated, that a proclamation would have placed an embargo on the shipment of the material mentioned not only to Japan but to China.

The Neutrality Act, moreover, does not authorize the President or the Secretary of State under any circumstances to prohibit the export of commodities other than arms, ammunition, and implements of war. The articles and materials which are considered to be arms, ammunition, and implements of war are enumerated in the President's Proclamation of May 1, 1937, which is set forth under Part II of the enclosed copy of the pamphlet International Traffic in Arms.

You may be interested to know that since July 1, 1937, the Department of State has issued licenses for

the

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

-3-

the export of arms, ammunition, and implements of war to China in the value of \$14,283,862.21 and to Japan in the value of \$10,793,865.38.

With regard to the newspaper clipping enclosed in your letter, there is transmitted herewith a copy of the Department's press release No. 524 of October 28, 1938.

With reference to the bombing of civilian populations and the probable danger to Americans and American interests abroad, the Secretary of State has stated publicly on repeated occasions that this Government condemns the bombing of civilian populations or its material encouragement. The Government's condemnation of this practice has been expressed directly to all manufacturers and exporters in this country of airplanes and aeronautical equipment.

Sincerely yours,

Charles W. Yost, Assistant Chief
 Office of Arms and Munitions Control

DEC 1 1938.

Enclosures:

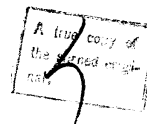
Joint Resolution.
 Pamphlet.
 Press release No. 524.

GAJSL:BM/u

11-26

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

DOCUMENT FILE

NOTE

SEE 893.041/166 FOR Tel #588, noon.

FROM China (Chungking) (Johnson) DATED Dec. 9, 1938.
 TO NAME 1-1127 ***

REGARDING: Sino-Japanese relations.

forcible attempts of Japan to seize various Chinese courts in the concession areas at Shanghai: Quotes translation of third person note received from Chinese Ministry of Foreign Affairs dated Nov. 29, regarding-, requesting that American Embassy reject Japan's illegal interference in order to uphold international agreements.

795.94/ 14495

14495

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

Saigon le 10 Décembre 1938.

Monsieur l'Ambassadeur.

Apprenant par la Radio que votre Gouvernement vous rappelait pour le mettre au courant de ce qui se passe en Extrême-Orient, permettez à un ancien Cochinchinois de vous mettre au courant des visio nipponnes sur cette région. Je suis né le 27 septembre 1895 comme un soldat d'infanterie de marine et ayant continué ma carrière militaire puis comme fonctionnaire civil vivant avec une femme mariée dont est issue de nombreux enfants métis. Je puis vous fournir des renseignements précis.

Dès mon début de ma carrière militaire à Mouang Khoua extrême de la frontière du Laos, j'étais dans une maison de tolérance japonaise et dont le patron n'était autre qu'un croute car il avait questionné les militaires qui allaient passer quelques jours dans ce temple avec une nourrice et dans tous les centres militaires de la région.

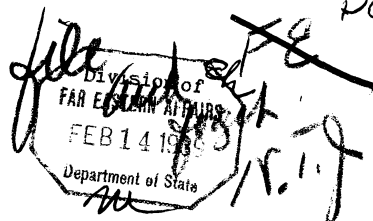
En Cochinchine, Saigon et Cholon possédait de nombreuses maisons de tolérance et lorsque les soldats arrivaient pas, l'empresment (messieurs les patrons), approchant les femmes indigènes du pays pour leur donner leur plaisir en ce sens. A quoi les femmes donnaient leur corps des plaisirs avec ces messieurs les soldats. Je ne sais pas que les chiens se fient pas mal de voir. Je vois

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

"Tu vois moi j'ai la peau jaune et toi aussi, nous sommes frères,
 fréquente pas ces gens là car plus tard, tu verras comment ces chiens
 seront chassés de ce pays par nous. nous mettrons du temps, mais nous y
 arriverons et nous aurons leur commerce et c'est nous qui gouverneront ici."
 M. le Ministre l'ambassadeur, ne soyez pas étonnés en lisant de vous voir la
 porte fermée à tout commerce européen. De plus, dans l'avenir, si la France,
 l'Amérique et la Hollande n'intervient pas le plus vite possible au
 profit de la Chine, toutes les races blanches seront exclues du Pacifique
 Sud. maintenant la pratique démocratique en cette région, il faudrait y imposer
 un régime de régence qui aurait comme Président le généralissimo Chiang
 Kai-shek. La Chine serait administrée en districts démocratiques internationaux
 et de ce fait, la Chine conserverait son intégralité territoriale et sa cohésion politique
 et est donc de pas mal de Cambodgiens chassés qui vont s'installer à Saïgon.
 Une entente ratifiée par les démocraties intéressées, le régime de la porte ouverte reprendra
 son plein droit et les portes seront toutes ouvertes.
 M. le Ministre l'ambassadeur, j'ai en ce petit document avec je a mille fois
 remis votre Gouvernement les intérêts des japonais en Extrême-Orient.
 M. le Ministre l'ambassadeur, mes salutations très sincères et à un heureux voyage
 en France.
 M. le Ministre l'ambassadeur, 141 Rue Marchais à Saïgon Cochinchine

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

DRAFT TRANSLATION



Saigon, December 10, 1938.

Mr. Ambassador:

Having learned by the radio that your Government has recalled you to inform it in regard to current events in the Far East, permit an old resident of Cochinchina to put you au courant with Japanese plans in this region.

I can furnish you with very precise information since I arrived here on September 27, 1895 as a soldier. After my military career I continued as a civil official, living with an Annamite woman to whom have been born a considerable number of children of mixed blood.

When I started my military career at Moncay, a post on the frontier of Tonkin, there was a Japanese brothel, the manager of which was not at all stupid, for he knew how to question the soldiers who came to pass some time in his house and this situation existed at all the other military posts.

Here

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

-2-

Here in Cochinchina, at Saigon and Cholon, there are many houses of similar nature and when there are not many clients the managers approach native women and harangue them on the following lines. Why do you Annamite women give yourselves to these white men? These dogs don't bother themselves about you. You see I have yellow skin and you also. We are brothers. Don't have anything to do with these people because later you will see how these white dogs will be driven from this country by us. We will take our time but we will succeed you will see, and we will have their commerce and it will be we who will govern here.

So, Mr. Ambassador, do not be astonished one day to see the door closed on all European commerce. Also, in the future if France, England, America and the Netherlands do not come to the assistance of China as quickly as possible all the white races will be shut out of the Pacific.

To maintain the democratic prestige in this region it is necessary to set up a regency, the president of which will be Generalissimo Chiang Kai-shek and by which China will be administered in international democratic districts

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

-3-

districts, and in this way China will conserve her territorial integrity and her political doctrine. Such is the opinion of many Cantonese who have fled to Saigon.

A speedy entente of the interested democracies will cause the régime of the open door to take on new life. Otherwise it will be closed to us all.

So, Mr. Ambassador, I hope that this little document will be useful to you in informing your Government in regard to the true aims of the Japanese in the Far East.

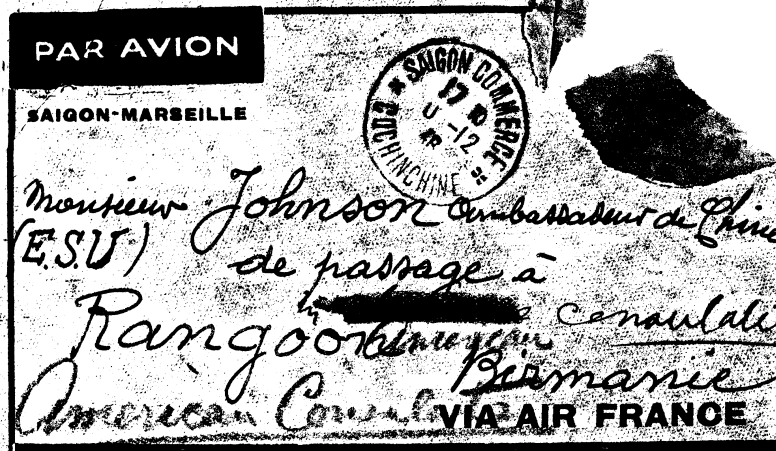
With best wishes for a happy trip in the United States,

E. BOUQUET

M. Emil Bouquet, 141 Rue Marchaise, Saigon, Cochinchina.

0872

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



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

DOCUMENT FILE

NOTE

SEE 890.00/123 FOR Memorandum

State Department
FROM Far Eastern Division (Jones) DATED Dec. 8, 1938.
TO NAME 1-1127 ***

REGARDING: Situation in the Far East:
Report concerning-, developments
during the past week.

795.94/ 14496

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

*Copy sent to
Treasury*

TELEGRAM RECEIVED

JR

1-1286

FROM

GRAY

Hankow via N. R.

Dated December 13, 1938

Rec'd 1:15 p.m.

Secretary of State,
Washington.

103, December 13, 4 p.m.

The determination of Japan to establish a "new order"

in the Far East based on cooperation between Japan and
China Manchukuo has been stressed during the past few
days in the Hankow-Japanese controlled vernacular paper
and in leaflets distributed by planes and trucks.
Repeated to Chungking.

JOSSELYN

VWC:HTM

753.94/14497

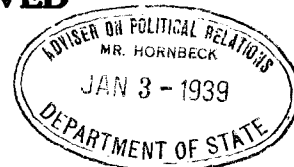
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 Department of State letter, August 10, 1972
 By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED

REB

FROM



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

CHUNGKING VIA N.R.

Dated December 14, 1938

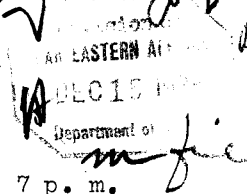
Rec'd 1:55 p. m.

Secretary of State,
 Washington.

*Trans. to R. C. Reynolds
 for Mrs. Peck 14
 to Chungking
 do. 12/16/38*

602, December 14, 1 p. m.

Department's 307, December 13, 7 p. m.



I have learned of no (repeat no) reason for altering the opinion expressed by the Ambassador in his 560, November 21, noon, that there will be a long deadlock in the military situation. The general opinion here both official and private seems to be that the Japanese will not attempt to send troops to Szechwan and that military measures will be limited to occasional bombing of military objectives which at least in Chungking is not likely to result in serious danger to civilians.

PECK

HTM
 CSB

FILED
 JAN 6 1939

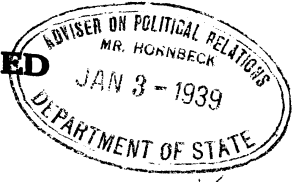
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DECLASSIFIED: E.O. 11652, Sec. 3(E) and 5(D) or (E)
Department of State letter, August 10, 1972
By Milton D. Gustafson NARS, Date 12-18-75

TELEGRAM RECEIVED



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REB DIVISION OF FOREIGN SERVICE ADMINISTRATION FROM



DEC 19 1938 DEPARTMENT OF STATE

GRAY
Chungking via N. R.
Dated December 14, 1938
Rec'd 1:55 p. m.

seen
1/6
B

Secretary of State,
Washington.

*Trans. to L. C. Reynolds
and to Chungking drafted*

DEC 17 1938 *dis 16/38*
L. C.

*10/26/38
#442
act. E-70602*

603, December 14, 1 p. m. (SECTION TWO)

793.94/14498

Local opinion regarding the comparative safety of residence in Szechuan is further indicated by the presence in Chungking of the wives of a number of British, French and Russian officials and of numerous American and British women here and elsewhere in the province. So far as can be observed there are no signs of local disorders and supplies are now coming in more easily by truck from Yunnanfu.

If the Department concludes that no strong reasons exist to prevent Mrs. Peck's joining me I respectfully request that the Department inform L. C. Reynolds, 3541 Southwest 1st Avenue, Miami by telegraph for the information of Mrs. Peck who may at present be traveling from California to Florida.

(END OF MESSAGE)

PECK

*note
123 P 33*

RGC
EDA

FILED

0877

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

DOCUMENT FILE

NOTE

SEE 500-A 4d/329 FOR Tel 597

FROM China (Peck) DATED Dec. 12, 1938.
TO NAME 1-1127 ***

REGARDING:

Japanese intention of asking for a revision of the principle of equality of opportunity or the open door in China, as formally embodied in the Nine Power Treaty. Quotes statement made to the press by Dr. Wang Chung Hui, Minister for Foreign Affairs, regarding -, according to release Dec. 11, published by the Semi-official Central News.

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793.94 / 14499

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

DOCUMENT FILE

NOTE

SEE 893.102 Tientsin/204 FOR Telegram #228, 8 p.m.

FROM Tientsin (Caldwell) DATED Dec. 13, 1938.
TO NAME 1-1127 ***

REGARDING:

Japanese military authorities to investigate
Chinese, passing through the barriers placed
on certain roads; foreigners passing these places
advised to carry passports. This information
received from Japanese Consulate General,
requesting that colleagues be notified of same.

28

793.94/14500

14500 -

0879

DECLASSIFIED: E.O. 11652, 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

REB

PLAIN & GRAY

Tientsin via N. R.

Dated December 13, 1938

Rec'd 3 p. m.

Note
793.94

Secretary of State,
Washington.

228, December 13, 8 p. m.

Late this evening I received communication from Japanese Consulate General requesting me as senior consul to inform colleagues that "in view of the increasing activities of the anti-Japanese and Communistic elements in and around Tientsin, the Japanese military authorities have decided to commence as from the fourteenth December the investigation of Chinese who may pass through the barriers placed on Yamaguchi Road, Asahi Road, Fuyo Road, and the north side of the international bridge. Foreigners who wish to pass these barriers are advised to be in possession of passports in order to avoid unnecessary trouble."

(GRAY) In view of short notice it has been impossible to consult all my colleagues but I have discussed matter with my French and British colleagues and we do not propose to advise our nationals in the sense requested pending negotiations.

CALDWELL

WWC
RGC

MICROCOPY

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ROLL

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END

